

CUSTOMER SUCCESS

# case study



## Chubb Specialty Insurance Leverages Duck Creek Platform to Capture Data in Order to Rate Policies on an Exposure Basis

### THE BUSINESS CHALLENGE

In today's world, where snap decisions are a necessity at times, insurers face a difficult choice: Make a fast decision even if it's based on incomplete information, or find a way to get all the data needed to make an informed decision quickly. For Chubb Specialty Insurance (CSI), a division of the Chubb Group of Insurance Companies, the answer was to get its hands on all the data needed to rate policies on an exposure basis.



“The company did not have a good process in place to improve the rating process. It was all spreadsheets. The original plans called for us to build our own rating engine, but we decided we should at least look in the marketplace,” said **Mark Berthiaume**, Senior Vice President of IT, Chubb Specialty Group.

### THE SOLUTION

The insurer turned to technology consultant Accenture to conduct an industry scan. “We went through the process, and Duck Creek Technology came out as the only vendor we wanted to evaluate further,” said Berthiaume.

Chubb was clear in their direction. Berthiaume added, “We knew the way we wanted to improve our practices was to implement a system that enforced the discipline of rating on an exposure level.” We wanted a solution that would meet Chubb's requirements for standard technology compliance. We also wanted a Web-enabled system to extend this into the future and to integrate with our existing systems.”

The Duck Creek engine was tailored specifically around those requirements. The engine doesn't have its own database, and it doesn't persist to a database. It calculates a rate based on something given to it and then gives an answer back. “We like that because we had a whole suite of systems we wanted to wrap around the engine,” added Berthiaume.

The Chubb actuarial department drove the project on the business side with IT handling the technology issues and Chubb's vendor management organization negotiating the contract. The rating engine from Duck Creek was just one piece of the puzzle. The insurer designed their own GUIs for capturing data. Exposure information was easily entered

## SOLUTION CONTINUED

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into the system so it could be rated, and other information could be captured from a management reporting standpoint.



“We separated the Duck Creek component from what we wrapped around it,” said Berthiaume. “The GUI has been very popular. It performs well, it looks good, and the features are good,” said **Mark Berthiaume**.



“One technology problem encountered by Chubb involved large manuscripts that were running slower on the new system. Duck Creek took care of that by upgrading its rating engine. Other issues involved integrating the rating data model with Chubb's corporate data model. They were challenges that were from a business or workflow standpoint that we had to address,” said **Mark Berthiaume**.

“Chubb operates on a WebSphere server,” said Berthiaume. “The company had to upgrade to Windows 2000 because the rating system wouldn't run within an NT environment, which was the previous environment used by the insurer.” Chubb used MQ Server to integrate the ratings engine with other parts of the system. A thin-client Java WebSphere application was integrated within the specialty systems using XML and MQ. The company opted for a Web-based system even though it didn't need one immediately. From a performance standpoint, thin client helped Chubb on their own network. It also will make it more open if they were to offer this to parties outside of Chubb. There are no plans for that right now, but Chubb wanted to have that feature available.

## THE RESULTS

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The specialty insurance line currently has 75 percent of its policies rated through the new system. Chubb is now capturing all the data on every exposure and insuring more efficiently. That information was not easily available in the past. It was in spreadsheets and was not effectively structured. Chubb now has structured data sitting on their database that they can go back and look at to see how that piece of business was priced.

Berthiaume felt it was difficult to define an ROI on such a project, but management was sold on the fact this was an important strategic step. The system was put in place to monitor Chubb's exposure-based rating information and make intelligent pricing and product decisions.

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**Article:** More Data, Please: A specialty insurer needed more data to rate policies on an exposure basis. - *Robert Regis Hyle*