

IFG Companies Successfully Implements the Underwriting Mode in Touchstone

To expand its business with a new commercial property line, IFG Companies (IFG) chose Touchstone as the foundation for its commercial underwriting workflow. With a comprehensive analytics solution provided by both AIR and Verisk, IFG now has the capabilities needed to execute its strategic growth plans.

THE CHALLENGE

IFG is one of the largest privately held insurance groups in the United States. Founded in 1985, the organization has primarily served the casualty insurance market, with a small amount of supporting commercial property business. In 2013, IFG generated USD 227 million in surplus lines direct written premiums.

Beginning in 2014, IFG undertook a number of strategic initiatives to revitalize and expand its capabilities in the excess and surplus lines market, including launching several new businesses to complement its large casualty portfolio. One such new undertaking was a layered and shared commercial property business line.

IFG realized it needed a suite of analytics and modeling capabilities that would support an efficient and streamlined commercial property underwriting workflow.

The company also wanted to consolidate its efforts into one risk management platform that could serve as the foundation for all of its catastrophe analytics needs.

THE SOLUTION

With the need to enhance its commercial underwriting workflow, IFG chose AIR Worldwide® and its sister companies within Verisk Analytics® to deliver a comprehensive solution centered on AIR's Touchstone® platform. Touchstone was already used for portfolio modeling at IFG, and Touchstone's Underwriting Mode offered the analytics and workflow sought by IFG to support its future growth. Underwriting tools from Verisk were also implemented in a robust workflow that begins with scrubbing an individual account's schedule of values (SOV) and ends with updating the master portfolio with the bound policy.

HIGHLIGHTS OF THE END-TO-END SOLUTION INCLUDE:

- The ability to import individual account information, including SOV and policy terms, to enable data capture and analytics needed for effective underwriting.
- **POWERFUL MAPPING TOOLS** to deliver immediate visualization of the account's geographic distribution of exposure on a variety of basemap views (street, topographic, and satellite), and hazard layer overlays (earthquake faults, flood zones, and coastline) to help IFG underwriters better understand an exposure's proximity to hazards.
- **DATA QUALITY SCORING** to allow IFG to assess the quality of the exposure data under consideration and lower the uncertainty associated with loss results.
- **INTEGRATION OF VERISK'S 360VALUE® AND PROMETRIX®** products to check (and augment as necessary) replacement values and building characteristics against a database of more than 3 million site-verified properties.
- **THE IMPLEMENTATION OF IFG'S COMPREHENSIVE SET** of underwriting and risk management rules in the Hazard Analytics Module in Touchstone, based on customizable hazard data guidelines such as soil type, storm surge or landslide potential, flood zone, and distance from coast or fault line, to flag violations for further review.
- **CLASH ANALYTICS** to avoid geographic overexposure by determining if any of the locations in the account being considered are in the same location, or close to other locations, currently underwritten.
- **LOSS ANALYTICS** to conduct detailed loss analysis of the account under consideration using any AIR model and assess the impact of underwriting the account on the overall portfolio.
- **INCORPORATION OF VERISK DATA AND PRODUCTS**, such as ISO® loss costs and PSOLD™, to perform catastrophe and non-catastrophe analyses simultaneously.
- **THE CAPABILITY TO MODEL ANY POLICY**, including ones with complex commercial financial terms such as shared and excess layers, in Touchstone's powerful financial module.
- **FLEXIBLE REPORTING TOOLS** to summarize underwriting analysis results in an easily shareable PDF format.
- The ability to seamlessly add accepted policies to IFG's master portfolio.

“Touchstone, together with the integration of other Verisk products, provided IFG Companies with a robust platform for underwriting and pricing complex property risks while maintaining the underwriting and risk management controls required in today’s markets.”

—Christopher Lewis
IFG Executive Vice President and Chief Risk Officer

THE IMPLEMENTATION

Implementing the Underwriting Mode in Touchstone at IFG was an effort that went beyond a traditional systems installation project. AIR developers and consultants worked closely with IFG to help establish a new underwriting workflow that integrates powerful solutions from AIR and Verisk with IFG’s policy management tools.

In addition to technical support, AIR delivered hands-on training to IFG’s underwriting team prior to launch, minimizing downtime and enabling IFG underwriters to hit the ground running once Touchstone was installed.

REFERENCES

If you are interested in hearing more from IFG Companies about its experience with Touchstone’s Underwriting Mode, your AIR account manager will be happy to put you in touch with IFG Executive Vice President and Chief Risk Officer Christopher Lewis.

THE PAYOFF

In early 2015, IFG Companies completed its implementation of Touchstone’s Underwriting Mode and began using the platform to underwrite and price commercial property catastrophe policies. By integrating Touchstone with other Verisk products, IFG was able to centralize production of all critical underwriting and pricing information into one comprehensive platform while maintaining robust underwriting and risk management controls.

As AIR continues on its technology roadmap for Touchstone, IFG will benefit from new analytics that will improve workflows and provide opportunities to organically grow its business and expand into new markets.

SUMMARY

The Underwriting Mode in Touchstone has become the key component of IFG’s commercial property underwriting process. With a modern and comprehensive analytics platform that helps identify the most profitable risks, the company is well on its way toward achieving its goals. Because of Touchstone’s clear and intuitive design, everyone at IFG—from underwriters to executives—can use its tools to make intelligent, data-driven decisions. AIR has invested heavily in creating products to support insurers looking to be agile and progressive. Having implemented Touchstone’s Underwriting Mode, IFG has positioned itself as a market leader and is successfully executing its vision to effectively underwrite commercial properties with both today’s and tomorrow’s needs in mind.



ABOUT AIR WORLDWIDE AIR Worldwide (AIR) is the scientific leader and most respected provider of risk modeling software and consulting services. AIR founded the catastrophe modeling industry in 1987 and today models the risk from natural catastrophes and terrorism in more than 90 countries. More than 400 insurance, reinsurance, financial, corporate, and government clients rely on AIR software and services for catastrophe risk management, insurance-linked securities, detailed site-specific wind and seismic engineering analyses, and agricultural risk management. AIR, a Verisk Analytics (Nasdaq:VRSK) business, is headquartered in Boston with additional offices in North America, Europe, and Asia. For more information visit www.air-worldwide.com

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