DROP THE FACADE - LET'S REPLACE AGEING TECH INFRASTRUCTURE ONCE AND FOR ALL

For some time, London Market insurers have focused on how to improve their 'pre-bind' capabilities and the underwriter experience. Commonly, the label that has been used for these projects is underwriter 'Workbench'. There is a rich array of software tools available, from established software providers to newer insurtechs, that offer time-saving solutions for use cases like address resolution, data augmentation, data extraction, submission triage, and

workflow orchestration. The intent was to consolidate these into one application to rule them all.

The market consensus has been that these solutions could be packaged together in an underwriter workbench that promised a seamless experience based on well-integrated processes and workflows. This vision naturally became popular and some pre-built options were made available, as well as the ability to self-build using low code tools and platforms.

However, now that several London Market firms are well advanced with the development and roll-out of their workbenches, we are

JAMIE MCDONNELL
LONDON MARKET LEAD AT GUIDEWIRE

Jamie began his career as an insurance practitioner, spending 10 years working across both Underwriting and Broking, culminating with a 6-year tenure at Marsh serving FTSE 250 Oil & Gas companies. His work at the Chartered Insurance Institute, and various roles at Marsh cemented a strong affection for the London Market and its complex trading practices. In 2017, Jamie crossed over into the technology side of the industry and has since worked in sales roles for vendors serving Insureds, Insurers and most recently Brokers & MGAs. He has a deep understanding of industry processes and the pain points felt by industry participants.

At Guidewire, Jamie leads our engagement with the London Market, coordinating our response to interest from prospective customers and industry trading bodies such as Lloyd's of London. Jamie works closely with our solution partners to help shape solutions for our customers, but also scouts potential technology partners who could compliment the Guidewire proposition and unlock further value for our users. Outside of work, Jamie is a proud father of two girls aged 7 & 3 and is a keen golfer.

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seeing these projects unlock just a fraction of their perceived benefits and the scope of their targeted goals being reduced. Unforeseen challenges related to the consistency of data across platforms as well as connectivity with legacy core solutions are hampering efforts to truly consolidate underwriter experience to a "single pane of glass".

The focus on delivering a versatile underwriter workbench sidesteps the fundamental steps that need to be taken towards effective digital transformation in the London Market.

The elephant in the room is that firms will need to address the fact that their policy administration system (PAS) is a dead weight when it comes to fulfilling expected benefits in operational efficiency and growth.

The difficulty with attempting to unleash the workbench capability of these solutions into a legacy PAS is that firms are masking the real impediment, and almost certainly creating technical debt to be dealt with in the future. A great analogy is that it is like waiting at a lift door in a shiny new office, to find that when the lift door opens, it leads to a set of old rickety stairs. The fundamental service is still dependent on an inflexible, time-limited solution which, while proven and working today, will require on-going maintenance and will prevent new ways of working.

There is a natural hesitation to replace legacy systems, but London Market firms need to grasp the nettle. Organisations cannot rely on successfully redeveloping front-end software without also transforming those core systems. The Future at Lloyd's initiative aims to digitise the London Market, making it faster, better, and cheaper to trade in.

However, there are some in the market misinterpreting what this initiative and Blueprint Two are seeking to achieve. This is causing some to see it as a barrier to overcome, or even a threat, rather than an opportunity to differentiate one's offering on coverage, service, and pricing. The standards and new ways of working promoted under the Blueprint Two banner are table stakes to trade in this marketplace, but not tools to enable firms to truly thrive.

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So, what is the direction that firms should take?

Messaging around Blueprint Two promotes the way in which the London Market can benefit from a healthy, diverse ecosystem of readily available digital solutions. The key success factor is how these and future digital capabilities are maximised when they are integrated into modern core cloud technology. This kind of core technology becomes so much more than a system of record and can enable a firm to pick and choose from microservice providers serving the London Market, as well.

Taking a modern core cloud direction for digital transformation of the London Market removes the need for the middleware of today's underwriter workbenches. Instead, there is an end-to-end underwriting platform located in the cloud. Such a platform might have built in end-to-end capabilities, but more critically there are open APIs allowing insurers to truly choose best in breed solutions as the components of their underwriting process and integrate them at the point of need.

Migrating to a true SaaS end-to-end platform may seem daunting, but once there, a firm can benefit from frequent updates, shifting much of the responsibility to innovate and stay current to market trends, from themselves to a proven supplier.

Integrated onto a single, agile platform, the applications provided to underwriters can deliver much greater underwriting precision with data and insights infused into the natural underwriting process, as well offering the end user experience promised by the workbench concept.

The London Market has had many groundhog days relating to digital transformation. As the current changes unfold over the coming years, it is important that firms do not adopt a technology fix that appears flexible now, but creates layer upon layer of technical debt the more they change. Change is the new normal. A digital strategy based on a clean break from ageing infrastructure and shiny front-end fixes, to embracing an end-to-end platform model for exploiting digital ecosystems, will make London Market firms much more resilient and agile for the future.

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