

National Interstate Insurance Transforms Commercial Policy Underwriting Process and Drives Greater Profitability



"Informatica helps us make better underwriting decisions to protect our profit margins while providing sustainable coverage for customers. We also can quote more competitive rates and win more business because we truly understand the risk."

- Scott Noerr, Vice President and Chief Information Officer of National Interstate

It's a challenging time for commercial auto insurers, as they balance underwriting and pricing complexity alongside a steady increase in the number and severity of claims. National Interstate Insurance Company ("National Interstate"), however, has followed a different, data-driven road to profitability.

Offering customized insurance options for passenger, truck and specialty transportation companies, as well as moving and storage operations, National Interstate makes its products available through independent agents and brokers who have a choice in the carriers they recommend to customers. To make it easier and more compelling for these distribution channels to submit applications for coverage and book more business, National Interstate automated and modernized its data management and exchange processes. It also wanted to enhance its already strong underwriting capabilities with better data.

Becoming a data-driven business

Commercial auto insurance underwriting is much more complex than personal lines of insurance. Instead of insuring one or two cars per policy, National Interstate routinely handles large policies with hundreds or even thousands of vehicles in an insured's fleet. The burden of providing information about these vehicles falls to independent agents, and the devil is in the details—the more data National Interstate can gather about the vehicles that comprise the fleets it insures, the better underwriting decisions it can make.

In the past, gathering this information was a lengthy process that involved faxes, emails, and a significant amount of back-and-forth between the agents and National Interstate. Agents submitted ACORD forms—documents that follow insurance-specific data standards—from which



Business Needs:

- Collect critical data about insureds from independent agents and brokers, with minimal human intervention
- Improve customer service and profitability by making fast, intelligent underwriting decisions
- Turn data into actionable insights to improve process efficiency

Data Challenges:

- Extract and utilize data from ACORD insurance application forms
- Gain more control over how data moves from source systems into data warehouse
- Establish a foundation for Master Data Management and Data Quality initiatives

Solution:

- Become a more data-driven organization by deploying Informatica PowerCenter Advanced Data Transformation and Informatica B2B Data Exchange to extract and share timely and accurate information.

Results:

- Reduced total underwriting processing time 20% to 30%
- Maintaining profitability in a challenging industry with greater insight into risk
- Potential to save thousands of hours a year by reducing manual processes
- Accelerated load times for years of historical data from seven days to ten hours
- Able to continually improve enterprise data management by adding new capabilities

employees manually entered data into National Interstate's underwriting systems. The company wanted to standardize, automate, and aggregate the receipt of ACORD and other data to make this process more efficient and less error-prone.

"Our goal is to provide the best possible experience for our customers, agents and brokers," says Tony Macko, Director, Business Intelligence of National Interstate. "Anything we can do to take friction and complexity out of the application and underwriting process makes us more likely to win business."

In addition to a faster, smoother underwriting process, National Interstate wanted to make the process more intelligent. Armed with trustworthy insights, the company could better address risk in its pricing and quote rates customized to each customer's unique risk profile.

"To win in the commercial auto insurance market, we strive to understand every nuance of a customer's operations and every risk possibility—large or small—to make the best possible underwriting decisions," continues Macko. "To get to that level, we needed to become a more data-driven company."

A strong data management foundation

By turning data into insights, National Interstate saw the opportunity to accomplish its business goals while dramatically improving process efficiency with automation. To create and sustain a data-driven culture, the company sought an enterprise data

integration and management platform that could expand and scale well into the future.

After evaluating various solutions, National Interstate chose Informatica PowerCenter Advanced Data Transformation, which includes Informatica B2B Data Transformation. The company also deployed Informatica B2B Data Exchange to define reusable data integration processes and transformations.

"We chose Informatica because of the breadth and depth of its capabilities," says Macko. "As our data management needs grow, we don't have to reinvent the wheel. We can add Master Data Management when we're ready and still have one connected enterprise solution. It's also very important to us to attract the best people to our team to help us get the most from our data. From what we've seen, the best talent out there wants to work with Informatica solutions."

The Informatica platform automates the extraction of data from any file type, providing a set of prebuilt transformations to support ACORD forms. Business users can configure processes for each agent and source, making sure that only valid, trusted data enters or leaves the organization.

"With Informatica, we can be much more efficient in how we bring data into the organization from our agents and brokers," says Macko. "It's also much easier to manage our business intelligence workflows and incrementally populate our data warehouse. When we load historical data, our load times are much faster. We can load 17 years of data into Informatica in 10 hours. This would have taken 7 days with our previous solution."

Saving thousands of hours a year

With automated ACORD submissions, National Interstate will save valuable time for its employees and business partners. "With Informatica, we have reduced our total underwriting processing time an average of 20% to 30% —and we're talking about massive policies with very complex submissions," says Scott Noerr, Vice President and Chief Information Officer of National Interstate. "We'll be saving thousands of hours a year."

Freed from laborious, error-prone manual coding, National Interstate's employees can focus on developing new business intelligence workflows and identify opportunities for reusing processes to further improve efficiency. For independent agents and brokers, a faster, easier submission process makes working with National Interstate a better business partner experience.

More intelligent underwriting

National Interstate also captures better data, which it can use to make better decisions. For example, instead of relying on generic base-model values for a 10-passenger van, it can consider data on specific vehicles in the fleet and adjust its rates accordingly.

"Informatica helps us make better underwriting decisions to protect our profit margins while providing sustainable coverage for our customers," explains Noerr. "We also can quote more competitive rates and win more business because we truly understand the risk."

Going beyond data integration

National Interstate plans to scale its data management strategy by adding Informatica Address Verification, Data Quality, and Master Data Management solutions. With a single, trusted data warehouse, the company will be able to offer more automation and further reduce duplicate work and manual effort in collecting and sharing information. The result will be a more efficient and competitive business with improved communications and compliance.

"A lot of our competitors have been running at a loss, and thankfully we're not in that boat," says Noerr. "Now that we're moving toward true enterprise data governance with Informatica, we'll be miles ahead."

About National Interstate

National Interstate Insurance Company offers insurance products and services, including alternative risk transfer

programs, focused on the transportation industry. It provides insurance solutions that address the unique needs of its customers, which include passenger, moving and storage, and truck transportation companies. National Interstate and its insurance subsidiaries, Vanliner Insurance Company and Triumphe Casualty Company, are rated "A" (Excellent) by A.M. Best Company. Founded in 1989, it is headquartered in Richfield, Ohio with operations in Kapolei, Hawaii and Fenton, Missouri.

National Interstate is a member of Great American Insurance Group. The members of Great American Insurance Group are subsidiaries of American Financial Group, Inc. (AFG). AFG's common stock is listed and traded on the New York Stock Exchange under the symbol AFG.

Inside the Solution:

- Informatica PowerCenter Advanced Data Transformation
- Informatica B2B Data Exchange



Digital transformation is changing our world. As the leader in enterprise cloud data management, we're prepared to help you intelligently lead the way. To provide you with the foresight to become more agile, realize new growth opportunities or even invent new things. We invite you to explore all that Informatica has to offer—and unleash the power of data to drive your next intelligent disruption. Not just once, but again and again.

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