



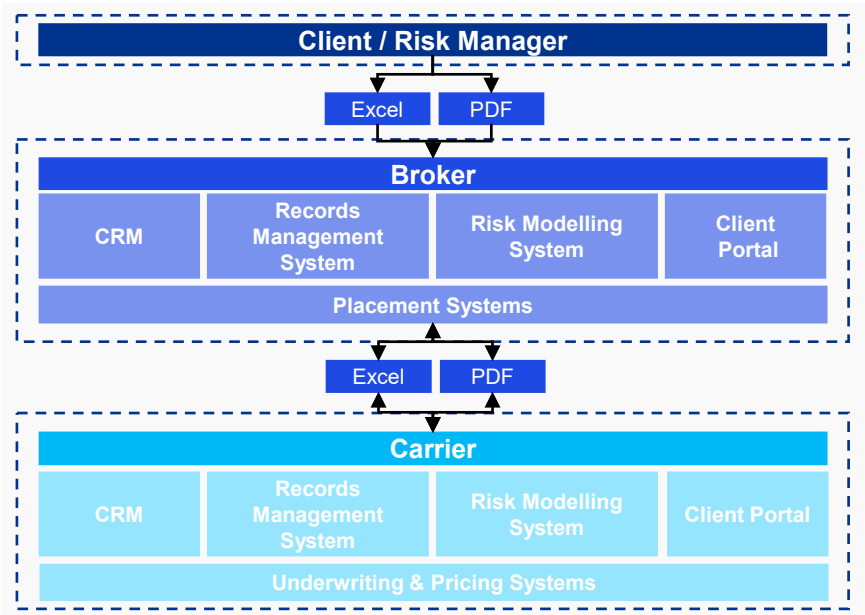
Transforming the Purchase of Commercial Insurance

The role of industry level infrastructure



Manual processing of exposure data across the value chain creates inefficiency and inaccuracy for brokers and carriers, impacting client service

Illustrative exposure data flow during risk coverage purchase

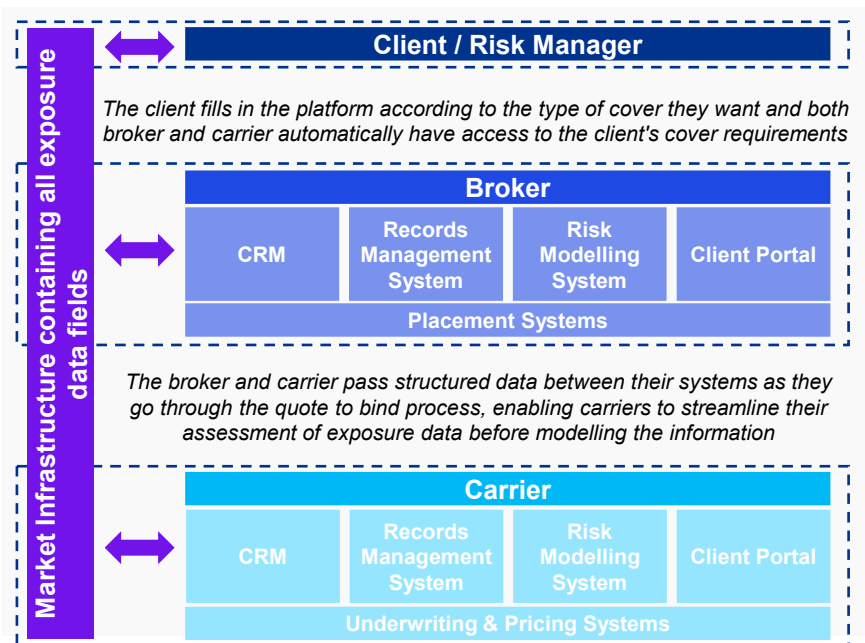


Key pain points

- No best practice view of what information is needed
- Unstructured and inconsistent data transfer
- Brokers and carriers manually transfer data, leading to potential data risks
- Process requires multiple touchpoints between the client, broker and carrier
- Risk of coverage errors due to inaccurate or missing information

A solution that simplifies the movement of exposure data could reduce operating costs across the market whilst improving the client experience

Illustrative exposure data flow during risk coverage purchase using an industry neutral platform



A market infrastructure solution would create benefits across the value chain

- Standardised view of what information is needed –
- Client, broker and carrier access the same information in a consistent way
- Single point of contact between client, broker and carrier
- More efficient process
- Brokers and carriers can focus on advice and coverage rather than administration

The benefits of developing and adopting market infrastructure to support transfer of exposure data could be transformative for the industry

Improving access to and the quality of exposure data across the value chain could add value and grow the entire insurance market for all players

Increase confidence in data accuracy for risk modelling, pricing and reserving

The streamlined process reduces manual work, and improves data security

Will enable a reduction in the cost of insurance which could result in an increase of the pool of clients buying insurance

Reinsurers will have access to more accurate data, enhancing their capacity to evaluate new portfolios

High-quality and precise data will lead to better pricing and reserving strategies and improved product designs

Operational risk could reduce if insurers have more confidence in data and perceive a reduction in the risk of data inaccuracies

Opportunity to create more complex insurance products, which could boost the capital provision in classes of insurance

Case Study: Big Ticket is an example of a market infrastructure platform linking exposure data between client, broker and carrier

What is Big Ticket?

Big Ticket is an industry neutral platform enabling clients, brokers and carriers to securely manage and digitally share structured property exposure values in a centralized location

The platform's features includes:

-  **Structured data**
-  **Centralized repository**
-  **Enhanced Security**
-  **Digital Governance**

How does it work?

Once data has been ingested into Big Ticket, the platform serves as a repository for the property exposure data, and provides the infrastructure for the data to be moved between client, broker and carrier without manual data entry

There are three key steps in the process:

1

Data Uploading

- The initial bulk data upload will be done by the carrier and validated by the broker. The client will be able to upload new data

2

Data Validation & Updating

- SOV can be assessed by the broker and clients can edit their data in the platform, and respond to any broker requests

3

Submission & Proposal

- The SOV is sent to carrier in Big Ticket
- An underwriter exports SOVs into their systems and quote is then provided to broker

How is it used today?

Big Ticket is currently being piloted by global firms to manage client Statement of Values (SOV)

Through the pilots, Big Ticket has found the following benefits:

-  **Process improvements**
-  **Enhanced Data Quality**
-  **Better Data Availability**
-  **Improved Audit Trail**

To take full advantage of new exposure data infrastructure, risk managers, brokers, and carriers will need to adapt their operating models



Risk Managers

Risk managers will need to **clearly communicate the benefits** of any new coverage platform, and **provide training to colleagues** on how to use the system, and meet the data requirements

Key questions for risk managers and risk management associations to consider:

How do we lead on developing digital governance and set standards for exposure data?

What changes to our current information gathering process do we need to make to make best use of the new infrastructure?



Brokers

To use new exposure data infrastructure effectively, **brokers will need to integrate the platform into their wider technology architecture**, and trust the data as the 'golden source' across their businesses

Key questions for brokers to consider:

What is the best way to manage and track the data in the platform to support risk managers?

What changes need to be made to our business architecture (process, technology, roles) to take advantage of systems?



Carriers

Insurers will need to **build the connectivity to receive the exposure data** and to **use this information to power their risk modelling**, which could necessitate process and wider operating model changes

Key questions for carriers to consider:

Who will upload the data initially into the new system, and how will this process be managed?

Will we need to adjust our risk models, and what opportunities does structured data give us to improve our decision making?

Transformation never stops. Neither do we.

At KPMG we believe that business transformation is too good an opportunity to miss. Combining the right tech and the best processes with people whose insight is as broad as it is deep, are essential ingredients to successfully transform. KPMG has worked at the heart of global businesses for many decades, helping our clients realize the full potential of their people and technology and working together to achieve real-world outcomes. Because when people and technology are in harmony great things happen.

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