

## A Radical New Vision for Driving Profitable Growth in the P&C Industry

### A New Vision

Declining rates, rising costs and lackluster investment returns are all significant factors that have impacted the Property and Casualty (P&C) insurance industry. Even with signs of emerging economic recovery, there is little expectation that the growth and profits reaped in earlier times will return – at least not by doing business as usual. The pressure on senior executives to produce growth and profitability is enormous. Everyone in the industry understands this situation – and we have a new vision about what’s possible.

In short, we believe program business—when enabled with disruptive technology like cloud services—offers an unprecedented opportunity to drive profitable growth at a rate of speed that was previously unthinkable. A powerful combination of business strategy and technical innovation, like that which is now possible, can transform a P&C provider into an aggressive competitor reaping higher levels of profitability. A top speed critical path to new revenue resulting in sustained profitable growth is a new reality. We see a clear vision for moving from business as usual to acting on this new vision and we’re sharing it and encouraging conversation about it.

What led to our vision? A combination of insight and innovation. As a company, we like to solve complex insurance problems. For more than 30 years we’ve delivered Lifecycle Policy Management services and technology to the P&C market. Every day we work with clients to streamline hundreds of commercial and specialty lines of business. Along the way, we’ve developed a significant body of knowledge (data and methods) - and a capacity for innovation that enriches our client relationships and drives our industry leadership at time when a new vision is essential.

### Influential Viewpoints

What has influenced our vision? We’re sharing three distinct research commentaries. We find them compelling because they pose important “state of the business” problems and opportunities in a concise way. These commentaries resonate with our perspectives and offer glimpses into what needs to change.

### Thought Leadership Overview

- Profitable growth obstacles and new opportunities
- A new vision— based on 30 years of experience
- Research commentaries on the “state of the industry”
- Sign & Bind: A high velocity service to drive profitable growth

The first commentary caught our attention because it captures an enormous issue for senior executives – one that is notably unprecedented.

*A recent IBM survey of more than 1,500 CEOs worldwide revealed a troubling gap: Close to 80% of them believed their environment would grow much more complex in the coming years, but fewer than half thought their companies were well equipped to deal with this shift. The survey team called it “the largest leadership challenge identified in eight years of research.”*

*Unfortunately, the information technology infrastructure at many large companies only makes this challenge more difficult. Their technology environments actually impede their ability to sense change and respond quickly. While there is no simple fix for this problem, help is at hand in the form of cloud computing, a new suite of digital tools and approaches.*

*Harvard Business Review  
What Every CEO Needs to Know About the Cloud  
By Andrew McAfee*

The second commentary aligns with our experience and insight about the impact of successful program business and its role in the future of the P&C industry.

*“The State of Program Business 2011” presents a snapshot of the program business.... The most important finding of this survey is that the industry seems to be growing despite falling rate levels as a greater number of program administrators saw premiums rise in the past year. With program administrators seeing increasing value in placing specialized risks, survey respondents see a bright future ahead for the industry.*

*The Target Markets Program Administrators Association*

The third commentary points out operational obstacles that must be addressed to achieve profitable growth. We believe this point is tightly aligned with achieving success with new lines of program business using cloud services.

*“While most insurers report that profitable growth is a priority objective, many find it a formidable challenge to make it happen. It is time the industry finds a new way of managing rates and rules – one that aligns to the flexibility, scalability, and responsiveness of a contemporary insurance company. ”*

*SMA Strategy Meets Action*

### **The Path from Vision to Results:**

Sign & Bind, a High Velocity Service to Drive Profitable Growth

We agree with the problems and opportunities; we see them every day. So, we developed a solution that brings our vision to life.

***Our vision is to bring up a new line of program business - from first quote to last endorsement – in 30 -45 days and for approximately 1/10 the cost of the typical investment. To make it a reality, we will provide on-demand access to our powerful policy administration system cloud service (QS Cloud) that delivers best practices for Policy Lifecycle Management. Finally, we will do business together as partners, ensuring the lowest Total Cost of Ownership for producing and servicing new program business.***

Take note: our solution is not for everyone. It is specifically designed for the shrewd executive team deeply committed to increasing levels of competitive prowess and attracted to options that create first mover advantage. It is built for leadership teams with clear, well articulated business strategies, nimble cultures and an appetite for dominance in their target markets.

### **Sign & Bind Solution Highlights**

The solution is remarkably cost effective as well as fast and convenient to implement. We have used the best characteristics of “turn-key” services (*ready on day one*) and “tailored” services (*template resources*) to create a pay-as-you-go service that dramatically speeds time to market and controls costs. It is a highly collaborative approach to design and deliver a system for full policy lifecycle management focused on new program business. It has two major components:

- 1) QS Cloud: an industry first, that delivers our flagship technology, Quicksolver, as a cloud service. When the Quicksolver Policy Administration System is provided as a cloud service, significant benefits include:
  - Unprecedented speed to market which is essential for capturing new business
  - Low cost operations resulting from highly attractive economies of scale
  - Scalable performance, using on-demand resources only as required, and unencumbered by traditional IT constraints
  
- 2) The Instec Team: a seasoned group of professionals poised to provide expert guidance and rapidly implement:
  - A fast development process that is driven by business (not IT) requirements
  - High performance teamwork based on a shared knowledge of the P&C business—and a tight focus on booking revenue for the program
  - A powerful system designed for new lines of program business
  - A complete policy administration solution usable by employees, agents and partners without exposing internal IT infrastructure to potential security breaches

### **Join the Conversation**

We continue our commitment to be a powerful partner in P&C Program Business. We have a clear vision for moving our commitment into action by creating a critical path to new revenue. We have charted a course to bring rapid and effective business growth, ROI and profitability to P&C clients. We welcome conversation with others who are intrigued by our vision – and want to take action.

### **Questions and Feedback**

If we have raised questions and encouraged ideas, please contact us.

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