<table>
<thead>
<tr>
<th>Sections</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
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<td>3</td>
</tr>
<tr>
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<td>6</td>
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<tr>
<td>3 QUALITY OF UNDERWRITING</td>
<td>23</td>
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<td>30</td>
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<td>6 TALENT MANAGEMENT</td>
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<td>55</td>
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KEY HIGHLIGHTS

- Limited automation and incipient use of AI/ML, NLP, and RPA on core and non-core activities
- Up to 40% of time spent on non-core and administrative activities
- Working with ageing systems and inefficient processes
- The introduction of new technology has not helped to decrease workload
- Talent management identified as key issue (talent gap, recruiting, training, skills development, knowledge transfer, retention)
KEY HIGHLIGHTS
PERSONAL LINES

Underwriting Efficiency
~45% of personal lines underwriters time is spent on tasks that are not core to the underwriter’s role. The top three reasons for this are redundant inputs/manual processes (70%); outdated/inflexible systems (50%); and insufficient training and time for talent development (43%).

Underwriting Quality
Only 40% of personal underwriters believe their underwriting processes and tools are superior. In particular, only 42% consider their pricing strategy superior compared to 51% of commercial lines underwriters, but 41% mentioned their tools and systems are superior vs 32% of commercial lines peers.

Underwriting Investments
The top 2 factors driving investments in underwriting were in improving underwriting quality (risk/pricing outcomes) and the ease of doing business for customers/producers signaling a renewed focus on profitability and growth.

Underwriting Technology
While underwriters believe technology changes have improved underwriting performance, ~55% of personal lines underwriters say that their workload has increased or has had no change with technology investments, driven by inefficient systems and the lack of data integration.

Underwriting Talent
~25% of personal lines underwriters view their company’s talent management programs as deficient, with deficient rates going up to 41% in talent retention, 37% in succession planning, 33% in training, and 30% in recruiting.
KEY HIGHLIGHTS
COMMERCIAL LINES

Underwriting Efficiency
~40% of commercial lines underwriters time is spent on tasks that are not core to the underwriter's role. The top three reasons for this are redundant inputs/manual processes (71%); outdated/inflexible systems (40%); and a lack of information/analytics at the point of need (36%).

Underwriting Quality
Overall, underwriting quality processes and tools are at their lowest point since we first did this survey in 2008. Only 46% of commercial lines underwriters believe their frontline underwriting practices are superior, which is down 17% from 2013.

Underwriting Investments
The top 2 factors driving investments in underwriting were in improving underwriting quality (risk/pricing outcomes) and the ease of doing business for customers/producers signaling a renewed focus on profitability and growth.

Underwriting Technology
While underwriters believe technology changes have improved underwriting performance, ~65% of commercial lines underwriters say that their workload has increased or has had no change with technology investments, driven by inefficient systems and the lack of data integration.

Underwriting Talent
The number of underwriting organizations that were viewed as having superior talent management capabilities for underwriting has dropped 50% since 2013 across almost every measure of performance aspects we evaluated. Training, recruiting, and retention planning had some of the biggest drops.
1. METHODOLOGY AND SAMPLE
Respondents’ Profile

### Job Title
- Underwriter: 24%
- Senior Underwriter: 28%
- Product Manager: 13%
- Other Executive: 12%
- Other role: 9%

### Primary Area of Focus
- Commercial lines: 68%
- Personal lines: 18%
- Specialty: 12%
- Reinsurance: 3%

### Respondents’ Age
- 18-30: 11%
- 31-40: 31%
- 41-50: 25%
- 51-60: 25%
- >60: 8%

### Years Worked in the Insurance Industry
- 0-4: 7%
- 5-10: 22%
- 11-15: 17%
- 16-20: 16%
- >20: 38%

### Average Account Premium (USD)
- <$10K: 26%
- 10-49K: 24%
- 50-250K: 29%
- >250K: 21%

### Company’s Net Premiums Written (USD)
- <$100M: 21%
- 100-499M: 25%
- 500-999M: 15%
- 1-4.9B: 21%
- >5B: 18%

*Source: 2021 P&C Underwriting Survey*

**Methodology**
- Computer Assisted Web Interviewing (CAWI)
- Field completed between August 9-30th
- Sampling frame = list of US-based underwriters from entry level to executive/senior management members of The Institutes, supplemented with sample list from Risk & Insurance Group
- Responses = 434 out of 12,741 e-mails sent (3.4% response rate)
**Remarks**

1. A somewhat more aged workforce in specialty lines
2. The industry tenure in specialty lines is greater than in consumer and commercial lines

Source: 2021 P&C Underwriting Survey
### Remarks

1. Close to 70% of personal lines underwriters interviewed are focused on account <$10K in premiums
2. Reinsurance underwriters interviewed work at large companies and focused generally on large accounts

Source: 2021 P&C Underwriting Survey
76
Personal lines-focused underwriters interviewed

**Source:** 2021 P&C Underwriting Survey
 RESPONDENTS’ PROFILE
COMMERCIAL LINES

295
Commercial lines-focused underwriters interviewed

AVERAGE ACCOUNT PREMIUM (USD)

<table>
<thead>
<tr>
<th>Premium Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$10K</td>
<td>17%</td>
</tr>
<tr>
<td>10-49K</td>
<td>28%</td>
</tr>
<tr>
<td>50-250K</td>
<td>33%</td>
</tr>
<tr>
<td>&gt;250K</td>
<td>22%</td>
</tr>
</tbody>
</table>

COMPANY’S NET PREMIUMS WRITTEN (USD)

<table>
<thead>
<tr>
<th>Premium Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$100M</td>
<td>22%</td>
</tr>
<tr>
<td>100-499M</td>
<td>25%</td>
</tr>
<tr>
<td>500-999M</td>
<td>15%</td>
</tr>
<tr>
<td>1-4.9B</td>
<td>22%</td>
</tr>
<tr>
<td>&gt;5B</td>
<td>16%</td>
</tr>
</tbody>
</table>

YEARS WORKED IN THE INSURANCE INDUSTRY

<table>
<thead>
<tr>
<th>Years Worked</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
<td>7%</td>
</tr>
<tr>
<td>5-10</td>
<td>21%</td>
</tr>
<tr>
<td>11-15</td>
<td>17%</td>
</tr>
<tr>
<td>16-20</td>
<td>17%</td>
</tr>
<tr>
<td>&gt;20</td>
<td>39%</td>
</tr>
</tbody>
</table>

RESPONDENTS’ AGE

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-30</td>
<td>12%</td>
</tr>
<tr>
<td>31-40</td>
<td>31%</td>
</tr>
<tr>
<td>41-50</td>
<td>23%</td>
</tr>
<tr>
<td>51-60</td>
<td>24%</td>
</tr>
<tr>
<td>&gt;60</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: 2021 P&C Underwriting Survey
2. ROLE OF THE UNDERWRITER
ROLE OF THE UNDERWRITER

SUMMARY

- Underwriters spend a large share of their time on non-core activities
  - P&C underwriters spend on average ~40% of their time on non-core and administrative tasks, while risk analysis/pricing, and negotiation and sales support take ~30% each

- Inefficient processes (71% of resp.) and outdated systems (43% of resp.) are the top 2 challenges faced by P&C underwriters
  - Other top 5 challenges are: lack of information/analytics at the point of need (39%); poor access or organization of underwriting information (32%); insufficient focus on training/talent development (30%)

- There is a renewed focus on improving underwriting quality
  - The top 2 factors driving investments in underwriting are “improving underwriting quality (risk/pricing outcomes)” and “the ease of doing business for customers/producers”

- Factors expected to have an increased impact on the underwriting function over the next 3 years
  1. Demand for new services, speed and better customer experiences
  2. New technologies
  3. Retaining and developing talent
  4. Pressure for growth
  5. New products and distribution channels
Q1: How much time do you spend each month on the following activities?

**Averages**

- Risk Analysis/Pricing: 39%
- Negotiation and sales: 31%
- Non-core and administration: 30%

**Detailed Breakdown**

- Performing a risk analysis of the account: 19%
- Data entry/data gathering to prepare submissions or renewals (Includes…): 13%
- Meeting or talking with agents/brokers to develop sales: 13%
- Administrative activities: 11%
- Rating/pricing an account: 11%
- Servicing accounts including inquiries, endorsements, etc.: 11%
- Other: 10%
- Negotiating and requoting: 8%
- Issuing policies: 5%

Source: 2021 P&C Underwriting Survey
Q1: What percentage of your time do you spend each month on the following activities?

**Remarks**

1. Personal lines underwriters spend less time on core activities than commercial lines underwriters.
2. Driven by the incidence of personal lines, underwriters working on smaller accounts spend less time on core activities than commercial lines underwriters.

**Averages**

**LINE OF BUSINESS**

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Risk Analysis/Pricing</th>
<th>Negotiation and Sales</th>
<th>Non-core and Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Lines</td>
<td>23%</td>
<td>31%</td>
<td>46%</td>
</tr>
<tr>
<td>Commercial Lines</td>
<td>31%</td>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td>Specialty</td>
<td>30%</td>
<td>32%</td>
<td>38%</td>
</tr>
<tr>
<td>Reinsurance</td>
<td>35%</td>
<td>33%</td>
<td>33%</td>
</tr>
</tbody>
</table>

**AVERAGE ACCOUNT PREMIUM (USD)**

<table>
<thead>
<tr>
<th>Account Premium</th>
<th>Risk Analysis/Pricing</th>
<th>Negotiation and Sales</th>
<th>Non-core and Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$10K</td>
<td>22%</td>
<td>30%</td>
<td>47%</td>
</tr>
<tr>
<td>10-49K</td>
<td>31%</td>
<td>31%</td>
<td>38%</td>
</tr>
<tr>
<td>50-250K</td>
<td>32%</td>
<td>31%</td>
<td>37%</td>
</tr>
<tr>
<td>&gt;$250K</td>
<td>33%</td>
<td>32%</td>
<td>35%</td>
</tr>
</tbody>
</table>

**Source:** 2021 Life Underwriting Survey

**Total responses = 434**
- Personal lines = 76
- Commercial lines = 295
- Specialty = 50
- Reinsurance = 13
- <$10K = 111
- $10-49K = 104
- $50-249K = 128
- >$250K = 91
Q2: What are the main challenges within your underwriting function that impact your ability to achieve your business objectives? Please select top 3

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ineffective systems or redundant inputs and manual processes</td>
<td>71%</td>
</tr>
<tr>
<td>Outdated/inflexible systems</td>
<td>43%</td>
</tr>
<tr>
<td>Lack of information/analytics at the point of need</td>
<td>39%</td>
</tr>
<tr>
<td>Poor access or organization of underwriting information</td>
<td>32%</td>
</tr>
<tr>
<td>Insufficient focus on training/talent development</td>
<td>30%</td>
</tr>
<tr>
<td>Lack of product options to meet client needs</td>
<td>24%</td>
</tr>
<tr>
<td>Decreased underwriting authority at the point of sale</td>
<td>22%</td>
</tr>
<tr>
<td>Inefficient referral processes</td>
<td>21%</td>
</tr>
<tr>
<td>Other</td>
<td>12%</td>
</tr>
<tr>
<td>Access to capital</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: 2021 P&C Underwriting Survey
Q2: What are the main challenges within your underwriting function that impact your ability to achieve your business objectives? Please select top 3

### TOP 5 CHALLENGES

**By line of business**

1. **Ineffective systems or redundant inputs and manual processes**
   - Overall: 71%
   - Personal lines: 70%
   - Commercial lines: 71%
   - Specialty: 69%
   - Reinsurance: 69%

2. **Outdated/inflexible systems**
   - Overall: 43%
   - Personal lines: 50%
   - Commercial lines: 40%
   - Specialty: 50%
   - Reinsurance: 46%

3. **Lack of information/analytics at the point of need**
   - Overall: 39%
   - Personal lines: 42%
   - Commercial lines: 36%
   - Specialty: 46%
   - Reinsurance: 69%

4. **Poor access or organization of underwriting information**
   - Overall: 32%
   - Personal lines: 30%
   - Commercial lines: 32%
   - Specialty: 30%
   - Reinsurance: 31%

5. **Insufficient focus on training/talent development**
   - Overall: 30%
   - Personal lines: 29%
   - Commercial lines: 22%
   - Specialty: 43%
   - Reinsurance: 15%

**Remarks**

1. Specialty underwriters are facing systems inefficiencies and manual processes to a larger extent than their personal and commercial lines peers.
2. Personal lines underwriters mention insufficient training as a particular challenge within their organizations.

Source: 2021 P&C Underwriting Survey
Q2: What are the main challenges within your underwriting function that impact your ability to achieve your business objectives? Please select top 3

Top 5

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Overall</th>
<th>&lt;$10K</th>
<th>$10-49K</th>
<th>$50-249K</th>
<th>+$250K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ineffective systems or redundant inputs and manual processes</td>
<td>71%</td>
<td>69%</td>
<td>70%</td>
<td>69%</td>
<td>78%</td>
</tr>
<tr>
<td>Outdated/inflexible systems</td>
<td>43%</td>
<td>47%</td>
<td>45%</td>
<td>45%</td>
<td>35%</td>
</tr>
<tr>
<td>Lack of information/analytics at the point of need</td>
<td>39%</td>
<td>36%</td>
<td>37%</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Poor access or organization of underwriting information</td>
<td>32%</td>
<td>28%</td>
<td>28%</td>
<td>31%</td>
<td>41%</td>
</tr>
<tr>
<td>Insufficient focus on training/talent development</td>
<td>30%</td>
<td>36%</td>
<td>28%</td>
<td>27%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Remarks

1. Underwriters focused on smaller accounts highlight the lack of data analytics at the point of need and insufficient training as particularly challenging to a greater extent than underwriters of accounts >$10K

Source: 2021 P&C Underwriting Survey
Q3: How important are the following factors in driving your company’s investment in underwriting capabilities?

- **Improving underwriting quality (risk/pricing outcomes)**: 50% Very important, 46% Important, 3% Not very important, 3% Not important at all
- **Ease of doing business for customers/producers**: 58% Very important, 35% Important, 6% Not very important, 2% Not important at all
- **Reducing underwriting expense**: 36% Very important, 49% Important, 13% Not very important, 2% Not important at all
- **Investing in underwriting talent development**: 33% Very important, 45% Important, 18% Not very important, 2% Not important at all
- **Rolling out new products/services**: 20% Very important, 56% Important, 22% Not very important, 2% Not important at all
- **Launching and supporting new distribution channels, products, or geographies**: 27% Very important, 49% Important, 20% Not very important, 4% Not important at all

Source: 2021 P&C Underwriting Survey

Number of responses = 434
Q3: How important are the following factors in driving your company’s investment in underwriting capabilities?

Factors with largest differences among lines of business

Remarks
1. Ease-of-doing business for customers and reducing expenses is a more common factor among personal lines
2. Launching new products and supporting new channels/products/geographies are highlighted by more specialty underwriters

Total responses = 434
- Personal lines = 76
- Commercial lines = 295
- Specialty = 50
- Reinsurance = 13
TOP FACTORS THAT WILL INCREASE THEIR IMPACT:

1. Demand for new services, speed and better customer experiences
2. New technologies
3. Retaining and developing talent
4. Pressure for growth
5. New products and distribution channels

Customer/producer demands for more services, speed, and improved customer experiences
Introduction of new technologies including digital/social/AI-enabled/robotics/etc.
Ability to attract, retain, and develop quality underwriting talent
Pressure for growth
Emergence of new distribution channels/insurance products (variable, continuous, etc.)
Increased competition from both existing carriers and new entrants
Pressure to reduce time to quote
Pressure to reduce expenses
Demand for new types of products
Changes in regulation

Q4: How will the following factors impact insurance underwriting over the next 3 years?

Source: 2021 P&C Underwriting Survey
FACTORS IMPACTING UNDERWRITING OVER NEXT 3 YEARS

Q4: How will the following factors impact insurance underwriting over the next 3 years?

Top 5 factors with increased impact

<table>
<thead>
<tr>
<th>Factors</th>
<th>Overall</th>
<th>Consumer lines</th>
<th>Commercial lines</th>
<th>Specialty</th>
<th>Reinsurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer/producer demands for more services, speed, and improved customer experiences</td>
<td>85%</td>
<td>86%</td>
<td>85%</td>
<td>82%</td>
<td>77%</td>
</tr>
<tr>
<td>Introduction of new technologies including digital/social/AI-enabled/robotics/etc.</td>
<td>79%</td>
<td>72%</td>
<td>80%</td>
<td>80%</td>
<td>77%</td>
</tr>
<tr>
<td>Ability to attract, retain, and develop quality underwriting talent</td>
<td>74%</td>
<td>71%</td>
<td>76%</td>
<td>64%</td>
<td>92%</td>
</tr>
<tr>
<td>Pressure for growth</td>
<td>69%</td>
<td>75%</td>
<td>70%</td>
<td>60%</td>
<td>38%</td>
</tr>
<tr>
<td>Emergence of new distribution channels/insurance products (variable, continuous, etc.)</td>
<td>67%</td>
<td>74%</td>
<td>66%</td>
<td>64%</td>
<td>77%</td>
</tr>
</tbody>
</table>

Remarks
1. Pressure for growth is mentioned by a significantly larger % of personal lines underwriters
2. The introduction of new technologies is mentioned particularly by commercial lines underwriters

Source: 2021 P&C Underwriting Survey

Total responses = 434
- Personal lines = 76
- Commercial lines = 295
- Specialty = 50
- Reinsurance = 13
3. QUALITY OF UNDERWRITING
QUALITY OF UNDERWRITING

SUMMARY

• The percentage of underwriters rating the quality of their underwriting processes and tools ‘superior’ has decreased considerably compared to the 2013 survey.
  - ~60% of underwriters consider today that there are improvements to make around the quality of their organizations’ processes and tools

• Top 3 areas with ‘superior’ (4-5) quality
  o Underwriting strategy (62%)
  o Pricing strategy (50%)
  o Frontline underwriting practices (46%)

• Priority areas/dimensions for improving the quality of underwriting
  o Better data and analytics
  o Improving training and skills development
  o Better tools for rating and pricing
  o Elimination of non-core tasks
QUALITY OF THE UNDERWRITING PROCESS

Q5: How would you rate the current quality of the underwriting processes and tools within your underwriting division?

~60% of underwriters consider there are improvements to make around the quality of processes and tools.

Top 3 with superior quality (+40% Superior 4-5)
1. Underwriting strategy
2. Pricing strategy
3. Frontline underwriting practices

Source: 2021 P&C Underwriting Survey

Number of responses = 434
QUALITY OF THE UNDERWRITING PROCESS

Q5: How would you rate the **current quality of the underwriting processes and tools** within your underwriting division?

\[
\text{% of superior rating (4-5)}
\]

<table>
<thead>
<tr>
<th>Category</th>
<th>Overall</th>
<th>Personal lines</th>
<th>Commercial lines</th>
<th>Specialty</th>
<th>Reinsurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriting strategy</td>
<td>62%</td>
<td>61%</td>
<td>62%</td>
<td>70%</td>
<td>62%</td>
</tr>
<tr>
<td>Pricing strategy</td>
<td>50%</td>
<td>42%</td>
<td>51%</td>
<td>58%</td>
<td>54%</td>
</tr>
<tr>
<td>Frontline underwriting practices (field underwriting/non-management)</td>
<td>46%</td>
<td>43%</td>
<td>46%</td>
<td>38%</td>
<td>34%</td>
</tr>
<tr>
<td>Technical training programs (underwriting, product, systems)</td>
<td>34%</td>
<td>33%</td>
<td>33%</td>
<td>42%</td>
<td>33%</td>
</tr>
<tr>
<td>Accessible &amp; intuitive tools &amp; systems to support underwriting</td>
<td>33%</td>
<td>41%</td>
<td>32%</td>
<td>26%</td>
<td>32%</td>
</tr>
<tr>
<td>Referral process</td>
<td>38%</td>
<td>38%</td>
<td>40%</td>
<td>38%</td>
<td>38%</td>
</tr>
<tr>
<td>Non-technical training programs (sales, communications, leadership, management)</td>
<td>31%</td>
<td>32%</td>
<td>30%</td>
<td>38%</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Remarks**
- 51% of commercial lines underwriters consider their pricing strategy superior compared with only 42% of personal lines underwriters.
- On the contrary, a higher percentage of personal lines underwriters (41%) consider their tools and systems superior.

Source: 2021 P&C Underwriting Survey

Total responses = 434
- Personal lines = 76
- Commercial lines = 295
- Specialty = 50
- Reinsurance = 13
QUALITY OF THE UNDERWRITING PROCESS

Q5: How would you rate the current quality of the underwriting processes and tools within your underwriting division?

% of superior rating (4-5)

- Underwriting strategy: 67% (2013), 62% (2021) vs 70% (2008)
- Pricing strategy: 52% (2013), 61% (2021) vs 61% (2008)
- Frontline underwriting practices: 46% (2013), 63% (2021) vs 68% (2008)
- Technical training programs: 37% (2013), 52% (2021) vs 50% (2008)
- Accessible and intuitive tools and systems to support underwriting: 34% (2013), 55% (2021) vs 33% (2008)
- Referral process: 32% (2013), 34% (2021) vs 31% (2008)
- Non-technical training programs: 34% (2013), 49% (2021) vs 31% (2008)

Remarks
- The percentage of underwriters rating the quality of their underwriting processes and tools as superior has decreased considerably compared to the 2013 survey

Source: 2021 P&C Underwriting Survey

Number of responses
- 2008 = 115
- 2013 = 559
- 2021 = 434
Q6: When considering how to **improve the quality of your organization's underwriting**, how would you rate the importance of each of the following areas?

<table>
<thead>
<tr>
<th>Priority areas</th>
<th>Very important</th>
<th>Important</th>
<th>Not very important</th>
<th>Not important at all</th>
<th>Important + Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving the quality and accuracy of data around submissions</td>
<td>46%</td>
<td>48%</td>
<td>5%</td>
<td>11%</td>
<td>95%</td>
</tr>
<tr>
<td>Improved underwriter training and development</td>
<td>43%</td>
<td>49%</td>
<td>8%</td>
<td>11%</td>
<td>91%</td>
</tr>
<tr>
<td>Improved tools for rating and pricing risks</td>
<td>41%</td>
<td>49%</td>
<td>9%</td>
<td>11%</td>
<td>90%</td>
</tr>
<tr>
<td>Elimination of data entry and administrative tasks to provide more time for risk analysis</td>
<td>46%</td>
<td>42%</td>
<td>12%</td>
<td>11%</td>
<td>88%</td>
</tr>
<tr>
<td>Use of analytic models or scores to aid underwriting</td>
<td>30%</td>
<td>57%</td>
<td>11%</td>
<td>11%</td>
<td>87%</td>
</tr>
<tr>
<td>Being able to provide views of risks like this one when evaluating a risk</td>
<td>23%</td>
<td>63%</td>
<td>13%</td>
<td>11%</td>
<td>86%</td>
</tr>
<tr>
<td>Better defining the risk appetite in what my carrier will write</td>
<td>29%</td>
<td>56%</td>
<td>13%</td>
<td>11%</td>
<td>85%</td>
</tr>
<tr>
<td>Improved underwriting audit/reviews that are focused on underwriting analysis not documentation</td>
<td>31%</td>
<td>50%</td>
<td>17%</td>
<td>11%</td>
<td>81%</td>
</tr>
<tr>
<td>Faster and more efficient referral processes</td>
<td>33%</td>
<td>47%</td>
<td>19%</td>
<td>11%</td>
<td>80%</td>
</tr>
<tr>
<td>Availability and preparation of more third party data around a submission</td>
<td>22%</td>
<td>52%</td>
<td>23%</td>
<td>11%</td>
<td>74%</td>
</tr>
</tbody>
</table>

Source: 2021 P&C Underwriting Survey

Number of responses = 434
**Q6**: When considering how to **improve the quality of your organization’s underwriting**, how would you rate the importance of each of the following areas?

<table>
<thead>
<tr>
<th>AREA</th>
<th>Overall</th>
<th>&lt;$10K</th>
<th>$10-49K</th>
<th>$50-249K</th>
<th>+$250K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being able to provide views of risks like this one when evaluating a risk</td>
<td>86%</td>
<td>78%</td>
<td>88%</td>
<td>88%</td>
<td>90%</td>
</tr>
<tr>
<td>Availability and preparation of more third party data around a submission</td>
<td>74%</td>
<td>82%</td>
<td>68%</td>
<td>70%</td>
<td>76%</td>
</tr>
</tbody>
</table>

- **Showing areas with greatest differences among account sizes**
- **No significant differences identified by line of business**

**Remarks**

1. A lower percentage of small accounts underwriters consider risks comparison analytics as important or very important, but a higher percentage see the availability of third-party data as important or very important.

**Source:** 2021 P&C Underwriting Survey

**Total responses** = 434
- >$10K = 111
- $10-49K = 104
- $50-249K = 128
- +$250K = 91
4. EFFICIENCY OF UNDERWRITING
EFFICIENCY OF UNDERWRITING

SUMMARY

• Big gap in the use of the technology for improving the efficiency of underwriting
  - Only ~25% of P&C underwriters see their organizations ‘superior’ when it comes to the use of tools and technologies for making the underwriting work more efficient, while the remainder see them as either ‘average’ or ‘deficient’

• Little or limited automation
  - Only ~25% of P&C underwriters mentioned that at least 50% of the underwriting process is automated.
  - The implementation of RPA and NLP are seen as particularly deficient.
  - Automation is lower in larger accounts and in specialty lines and reinsurance.
  - A higher percentage of personal lines underwriters (32%) consider their organizations’ use of AI, robotics and NLP to be superior when compared to commercial lines (16%) and specialty underwriters (10%)

• Top priority investments over the next three years
  o Predictive analytics (71%)
  o New underwriting platforms (67%)
  o Business intelligence and reporting tools (67%)
  o Use of customer/broker portals (66%) and self-service solutions (63%)
**USE OF SOLUTIONS TODAY**

Q7: How would you rate your *organization's use of these solutions today* to improve the efficiency of the underwriting process?

<table>
<thead>
<tr>
<th>Area</th>
<th>Rating 1</th>
<th>Rating 2</th>
<th>Rating 3</th>
<th>Rating 4</th>
<th>Rating 5</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modern and efficient systems to support underwriting work</td>
<td>13%</td>
<td>29%</td>
<td>31%</td>
<td>16%</td>
<td>11%</td>
<td>1%</td>
</tr>
<tr>
<td>Early detection and elimination of non-desirable submissions</td>
<td>11%</td>
<td>25%</td>
<td>36%</td>
<td>18%</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>Good solutions to gather, cleanse, and provide quality data views to underwriters</td>
<td>9%</td>
<td>26%</td>
<td>41%</td>
<td>17%</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>Good process design to ensure the right amount of effort for the risk complexity</td>
<td>8%</td>
<td>21%</td>
<td>40%</td>
<td>23%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Use of automation solutions to automate some areas of underwriting</td>
<td>7%</td>
<td>20%</td>
<td>35%</td>
<td>22%</td>
<td>13%</td>
<td>3%</td>
</tr>
<tr>
<td>Self-service solutions to customers and brokers to reduce servicing activities</td>
<td>7%</td>
<td>18%</td>
<td>35%</td>
<td>24%</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>Integrated solutions to prevent redundant data entry</td>
<td>7%</td>
<td>17%</td>
<td>38%</td>
<td>24%</td>
<td>12%</td>
<td>1%</td>
</tr>
<tr>
<td>Effective use of offshoring or other resources to make best use of underwriter time</td>
<td>6%</td>
<td>12%</td>
<td>30%</td>
<td>21%</td>
<td>18%</td>
<td>12%</td>
</tr>
<tr>
<td>Use of automation/robotics to handle simple tasks such as data entry</td>
<td>5%</td>
<td>13%</td>
<td>29%</td>
<td>26%</td>
<td>25%</td>
<td>2%</td>
</tr>
<tr>
<td>Use of AI or natural language processing to extract information from customer/producer documents</td>
<td>4%</td>
<td>12%</td>
<td>28%</td>
<td>24%</td>
<td>26%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: 2021 P&C Underwriting Survey
Q7: How would you rate your organization’s use of automation/robotics for simple tasks today to improve the efficiency of the underwriting process?

**By line of business**

- Overall: 25% 16% 26% 28% 0%
- Personal Lines: 26% 24% 27% 28% 15%
- Commercial Lines: 29% 28% 32% 15% 38%
- Specialty: 13% 24% 11% 8% 8%
- Reinsurance: 25% 16% 28% 23% 15%

**By size of account**

- Overall: 2% 1% 26% 5% 8%
- <$10K: 1% 3% 5% 8% 2%
- $10-49K: 1% 3% 5% 8% 2%
- $50-249K: 2% 1% 5% 8% 2%
- $250K+: 2% 1% 9% 5% 8%

**Remarks**

1. A higher percentage of personal lines underwriters consider the use of automation and robotics for simple tasks to be superior, than underwriters focused on commercial lines.
2. Underwriters focused on mid-size to large accounts ($10-250K) consider their organizations’ use of automation and robotics for simple tasks is deficient to a greater extent than underwriters of other account sizes.

Source: 2021 P&C Underwriting Survey
Q7: How would you rate your organization’s use of AI or NLP to extract information from documents today to improve the efficiency of the underwriting process?

<table>
<thead>
<tr>
<th>By line of business</th>
<th>By size of account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>Overall</td>
</tr>
<tr>
<td>Personal Lines</td>
<td>&lt;$10K</td>
</tr>
<tr>
<td>Commercial Lines</td>
<td>$10-49K</td>
</tr>
<tr>
<td>Specialty</td>
<td>$50-249K</td>
</tr>
<tr>
<td>Reinsurance</td>
<td>+$250K</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Don’t know</th>
<th>1 - Deficient</th>
<th>2</th>
<th>3 - Average</th>
<th>4</th>
<th>5 - Superior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal</td>
<td>6%</td>
<td>12%</td>
<td>22%</td>
<td>5%</td>
<td>14%</td>
</tr>
<tr>
<td>Lines</td>
<td>26%</td>
<td>18%</td>
<td>31%</td>
<td>10%</td>
<td>23%</td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lines</td>
<td>24%</td>
<td>28%</td>
<td>20%</td>
<td>6%</td>
<td>23%</td>
</tr>
<tr>
<td>Specialty</td>
<td>28%</td>
<td>14%</td>
<td>38%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Reinsurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>23%</td>
<td>31%</td>
<td>8%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Remarks:
1. A higher percentage of personal lines underwriters consider the use of AI and NLP to be superior, than underwriters focused on commercial lines.
2. Underwriters focused on mid-size to large accounts ($10-250K) consider their organizations’ use of AI and NLP is deficient to a greater extent than underwriters of other account sizes.

Source: 2021 P&C Underwriting Survey

Total responses = 434
- Personal lines = 76
- Commercial lines = 295
- Specialty = 50
- Reinsurance = 13
- <$10K = 111
- $10-49K = 104
- $50-249K = 128
- +$250K = 91
Q8: Where is your company currently investing or planning to invest over the next 3 years, to improve the efficiency of its underwriting organization?

**Top 5 priority investments**
- **Currently investing or planned in the next 3 years**
  1. Use of predictive analytics
  2. Investment in new UW platforms
  3. Business intelligence and reporting
  4. Use of customer/broker portals
  5. Use of customer/brokers self-service solutions

**Comments**
- High levels of “don’t knows” (+25%)
- Use or increased use of offshoring for underwriting support: 30% not a priority

Source: 2021 P&C Underwriting Survey

Number of responses = 434
Q9: For the following premium (USD) segments, **what percentage of the underwriting process is automated?**

<table>
<thead>
<tr>
<th>Category</th>
<th>90% or more</th>
<th>At least 70%</th>
<th>At least 50%</th>
<th>Below 50%</th>
<th>No automation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>6%</td>
<td>6%</td>
<td>10%</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>Under $10K premium</td>
<td>16%</td>
<td>16%</td>
<td>19%</td>
<td>30%</td>
<td>18%</td>
</tr>
<tr>
<td>$10-50K premium</td>
<td>5%</td>
<td>9%</td>
<td>15%</td>
<td>42%</td>
<td>30%</td>
</tr>
<tr>
<td>Over $50K premium</td>
<td>2%</td>
<td>6%</td>
<td>46%</td>
<td>43%</td>
<td>53%</td>
</tr>
<tr>
<td>Specialty</td>
<td>3%</td>
<td>2%</td>
<td>6%</td>
<td>39%</td>
<td>50%</td>
</tr>
<tr>
<td>Reinsurance</td>
<td>3%</td>
<td>2%</td>
<td>6%</td>
<td>36%</td>
<td>53%</td>
</tr>
</tbody>
</table>

**Remarks**
- Partial to low levels of automation
- Automation is lower the larger the account, and is lower in specialty lines and reinsurance

Source: 2021 P&C Underwriting Survey
Q9: For the following premium (USD) segments, what percentage of the underwriting process is automated?

<table>
<thead>
<tr>
<th>Segment</th>
<th>2013</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$10K</td>
<td>21%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>19%</td>
<td>39%</td>
</tr>
<tr>
<td>&lt;$10-49K</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>38%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>23%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>17%</td>
<td>30%</td>
</tr>
<tr>
<td>+$50K</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>31%</td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>17%</td>
<td>21%</td>
</tr>
<tr>
<td>Specialty</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td></td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>Reinsurance</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>39%</td>
<td>27%</td>
</tr>
<tr>
<td></td>
<td>20%</td>
<td>53%</td>
</tr>
</tbody>
</table>

Source: 2021 P&C Underwriting Survey
5. USE OF TECHNOLOGY
USE OF TECHNOLOGY

SUMMARY

• Overall positive impact of technology
  - The use of technology is seen as having had a positive impact on quoting and selling, evaluating risk and pricing, and servicing accounts.
  - But has had reduced impact on the automation/elimination of non-core and administration tasks.

• Technology still considered ineffective in reducing underwriters’ workload
  - 64% say their workload has increased (26%) or had no change (38%).
  - Inefficient systems and the lack of integration of data and with other systems requiring manual work are seen top reasons for this.
  - However, the percentage of underwriters who express that technology has increased their workload is at a historical minimum compared to previous surveys, down 28 percentage points vs. the 2013 survey, to 26%

• Technology maturity
  - Most matured tech is seen around agent portals and tools
  - Technology for data and analytics (except geo-coding) is seen as less matured
  - Collaboration and systems/workflow tools have mixed maturity levels
  - Incipient use of AI/ML across, especially for cross-sell, NLP, and data cleansing. Some uses for enablement of underwriters’ core functions
# EFFECT OF TECHNOLOGY ON UNDERWRITING PERFORMANCE

Q10: How have technology changes in your organization affected your underwriting performance?

<table>
<thead>
<tr>
<th>Feature</th>
<th>5 - Positive</th>
<th>4</th>
<th>3 - No Change</th>
<th>2</th>
<th>1 - Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed to quote</td>
<td>25%</td>
<td>35%</td>
<td>33%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Ability to handle a larger amount of business</td>
<td>23%</td>
<td>36%</td>
<td>34%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Ability to access knowledge (underwriting guidelines, tools, etc.)</td>
<td>19%</td>
<td>39%</td>
<td>35%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Ease of doing work</td>
<td>17%</td>
<td>41%</td>
<td>31%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Ability to rate/pricing a risk</td>
<td>18%</td>
<td>38%</td>
<td>39%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Ability to evaluate the risk of an account</td>
<td>16%</td>
<td>40%</td>
<td>40%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Ability to service accounts</td>
<td>17%</td>
<td>38%</td>
<td>37%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Ability to work with agents/customers</td>
<td>18%</td>
<td>36%</td>
<td>41%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Ability to work with others in your company</td>
<td>18%</td>
<td>34%</td>
<td>42%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Quality and completeness of the data to evaluate an account</td>
<td>15%</td>
<td>35%</td>
<td>43%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Automated/eliminated non-core tasks</td>
<td>17%</td>
<td>28%</td>
<td>44%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Ability to cross-sell accounts</td>
<td>12%</td>
<td>23%</td>
<td>60%</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>

Source: 2021 P&C Underwriting Survey

Number of responses = 434
EFFECT OF TECHNOLOGY ON UNDERWRITERS’ WORKLOAD

Q11: Overall, technology has:

- 35% Decreased workload
- 26% No change
- 38% Increased workload

Number of responses = 434

• The use of technology in underwriting has been ineffective in reducing underwriters’ workload
• 64% say workload increased or had no change

Q12: Please rank from 1 – 5 the reasons why technology has impacted your workload

1. Insufficient training
   - 17% 4% 8% 15% 57%
2. System is not intuitive, not easy to use
   - 23% 16% 18% 33% 10%
3. System performance issues (e.g. slow, shuts down, locks up)
   - 18% 23% 22% 20% 17%
4. Lack of process integration (e.g. requiring workarounds/handoffs)
   - 17% 30% 32% 15% 6%
5. Lack of data integration (e.g. dual entry in multiple systems/need to compare data from multiple sources)
   - 24% 28% 20% 17% 10%

Number of responses = 115

Top reasons

- Inefficient systems
- Lack of integration of data and with other systems, requiring manual work

Source: 2021 P&C Underwriting Survey
Q11: Overall, **technology has**:

**By line of business**

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Increased workload</th>
<th>No change</th>
<th>Decreased workload</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>26%</td>
<td>35%</td>
<td>38%</td>
</tr>
<tr>
<td>Personal Lines</td>
<td>20%</td>
<td>34%</td>
<td>46%</td>
</tr>
<tr>
<td>Commercial Lines</td>
<td>28%</td>
<td>38%</td>
<td>34%</td>
</tr>
<tr>
<td>Specialty</td>
<td>28%</td>
<td>44%</td>
<td>38%</td>
</tr>
<tr>
<td>Reinsurance</td>
<td>15%</td>
<td>38%</td>
<td>46%</td>
</tr>
</tbody>
</table>

**By size of account**

<table>
<thead>
<tr>
<th>Size of Account</th>
<th>Increased workload</th>
<th>No change</th>
<th>Decreased workload</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>26%</td>
<td>38%</td>
<td>34%</td>
</tr>
<tr>
<td>&lt;$10K</td>
<td>22%</td>
<td>35%</td>
<td>44%</td>
</tr>
<tr>
<td>$10-49K</td>
<td>32%</td>
<td>32%</td>
<td>37%</td>
</tr>
<tr>
<td>$50-249K</td>
<td>27%</td>
<td>45%</td>
<td>29%</td>
</tr>
<tr>
<td>+$250K</td>
<td>26%</td>
<td>35%</td>
<td>38%</td>
</tr>
</tbody>
</table>

**Remarks**

1. A higher percentage of personal lines underwriters considers that the use of technology has helped in reducing their workload compared to commercial and specialty lines underwriters.

Source: 2021 P&C Underwriting Survey
Q11: Overall, technology has:

- Increased workload: 34% in 2008, 54% in 2013, 26% in 2021
- No change: 30% in 2008, 16% in 2013, 38% in 2021
- Decreased workload: 36% in 2008, 30% in 2013, 35% in 2021

Remarks:
- The percentage of underwriters who express that technology has increased their workload is at a historical minimum compared to previous surveys.
- However, the effectiveness of technology on workload remains low at 35%, up 5 percentage points from the 2013 survey.

Source: 2013/21 P&C Underwriting Survey

Number of responses:
- 2008 = 115
- 2013 = 559
- 2021 = 434
**EFFECT OF TECHNOLOGY ON UNDERWRITERS’ WORKLOAD**

Q12: Please rank from 1 – 5 the reasons why technology has impacted your workload:

**Top 3 reasons (1 = biggest impact)**

<table>
<thead>
<tr>
<th>Reason</th>
<th>2008</th>
<th>2013</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of process integration (e.g. requiring work-arounds/handoffs)</td>
<td>67%</td>
<td>81%</td>
<td>79%</td>
</tr>
<tr>
<td>Lack of data integration (e.g. dual entry in multiple systems/need to compare data from multiple sources)</td>
<td>72%</td>
<td>81%</td>
<td>81%</td>
</tr>
<tr>
<td>System performance issues (e.g. slow, shuts down, locks up)</td>
<td>48%</td>
<td>53%</td>
<td>63%</td>
</tr>
<tr>
<td>System is not intuitive, not easy to use</td>
<td>48%</td>
<td>55%</td>
<td>57%</td>
</tr>
<tr>
<td>Insufficient training</td>
<td>38%</td>
<td>56%</td>
<td>56%</td>
</tr>
</tbody>
</table>

**Remarks**
- Lack of process integration is still identified as the top reason for technology increasing workload
- Data integration has decreased 9 percentage points since 2013 but remains as the top 2 reason
- Systems performance issues has increased 10 percentage points, while systems’ lack of intuition has continued rising
- Training on the use of technology by underwriters has improved considerably

**Number of responses**
- 2008 = 47
- 2013 = 305
- 2021 = 115
**Q13: Within your underwriting division, what is the status of the following technologies?**

<table>
<thead>
<tr>
<th>Technology</th>
<th>Already implemented</th>
<th>Being implemented or planned in the next 3 years</th>
<th>Planned in next 3 years</th>
<th>No activity</th>
<th>Not Applicable/Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent/broker download (quotes, polices)</td>
<td>56%</td>
<td>8%</td>
<td>9%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>Web inquiry for agents/brokers (claims, billing, policy)</td>
<td>53%</td>
<td>7%</td>
<td>9%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Customer/broker portal for new business or renewals</td>
<td>51%</td>
<td>8%</td>
<td>9%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Web quoting facility for agents/brokers</td>
<td>47%</td>
<td>7%</td>
<td>9%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Agent/broker upload</td>
<td>45%</td>
<td>8%</td>
<td>11%</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>Self-service portals/apps for customers/producers</td>
<td>45%</td>
<td>10%</td>
<td>13%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Geo-coding or mapping tools to manage exposures (e.g. understanding risk concentration or exposure in single...)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modern rating/pricing solution</td>
<td>37%</td>
<td>19%</td>
<td>12%</td>
<td>11%</td>
<td>28%</td>
</tr>
<tr>
<td>Underwriting workstation to manage underwriting workflow</td>
<td>36%</td>
<td>10%</td>
<td>12%</td>
<td>16%</td>
<td>26%</td>
</tr>
<tr>
<td>Modern policy administration system</td>
<td>33%</td>
<td>19%</td>
<td>13%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Automated underwriting decisions (no-touch underwriting)</td>
<td>33%</td>
<td>8%</td>
<td>13%</td>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td>Collaboration tools beyond phone and email to work with customers/producers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underwriting analytic dashboards to provide comparative and other analytic views of the submission</td>
<td>31%</td>
<td>6%</td>
<td>8%</td>
<td>21%</td>
<td>34%</td>
</tr>
<tr>
<td>Use of analytics for underwriting processing decisions - (win probability, negotiation, etc.)</td>
<td>26%</td>
<td>11%</td>
<td>15%</td>
<td>20%</td>
<td>28%</td>
</tr>
<tr>
<td>Knowledge management solutions</td>
<td>26%</td>
<td>9%</td>
<td>12%</td>
<td>21%</td>
<td>31%</td>
</tr>
<tr>
<td>Data ingestion/data cleansing solutions to ingest 3rd-party and other data</td>
<td>26%</td>
<td>7%</td>
<td>10%</td>
<td>16%</td>
<td>41%</td>
</tr>
<tr>
<td>Use of social networking or crowd sourcing for risk information</td>
<td>21%</td>
<td>9%</td>
<td>16%</td>
<td>17%</td>
<td>37%</td>
</tr>
<tr>
<td>Use of chatbots for customers/producer inquiries</td>
<td>21%</td>
<td>6%</td>
<td>9%</td>
<td>26%</td>
<td>39%</td>
</tr>
<tr>
<td>Use of IoT devices or solutions</td>
<td>14%</td>
<td>8%</td>
<td>10%</td>
<td>23%</td>
<td>46%</td>
</tr>
</tbody>
</table>

**Remarks**
- Large levels of “don’t knows”: +25%
- Most matured: agent portals and tools
- Less maturity in: data and analytics (except geo-coding)
- Mixed: collaboration tools and systems/workflow tools

Source: 2021 P&C Underwriting Survey

Number of responses = 434
**USE OF ARTIFICIAL INTELLIGENCE**

Q14: Within your underwriting division, what is the *use of artificial intelligence in underwriting*?

<table>
<thead>
<tr>
<th>Use</th>
<th>Already implemented</th>
<th>Being implemented</th>
<th>Planned in the next 3 years</th>
<th>No activity</th>
<th>Not Applicable/Do not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing analysis/insights on book management and profitability</td>
<td>27%</td>
<td>9%</td>
<td>8%</td>
<td>25%</td>
<td>32%</td>
</tr>
<tr>
<td>Making the underwriting decision (straight-through processing)</td>
<td>26%</td>
<td>10%</td>
<td>9%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Supporting self-service from customer/broker</td>
<td>25%</td>
<td>12%</td>
<td>9%</td>
<td>25%</td>
<td>29%</td>
</tr>
<tr>
<td>Identifying exposure areas for underwriter attention</td>
<td>24%</td>
<td>11%</td>
<td>8%</td>
<td>27%</td>
<td>29%</td>
</tr>
<tr>
<td>Providing comparative analytics of the existing submission to peers</td>
<td>16%</td>
<td>8%</td>
<td>7%</td>
<td>33%</td>
<td>35%</td>
</tr>
<tr>
<td>Used to identify cross-sell or marketing opportunities</td>
<td>15%</td>
<td>7%</td>
<td>7%</td>
<td>38%</td>
<td>33%</td>
</tr>
<tr>
<td>Ingesting and cleansing key data elements from customer/3rd-party sources</td>
<td>14%</td>
<td>8%</td>
<td>9%</td>
<td>33%</td>
<td>35%</td>
</tr>
<tr>
<td>Use of natural language processing to extract and prepare submission information from documents</td>
<td>12%</td>
<td>6%</td>
<td>9%</td>
<td>38%</td>
<td>35%</td>
</tr>
</tbody>
</table>

**Remarks**
- Large levels of “don’t knows”: +25%
- Incipient use of AI/ML across, specially for cross-sell, NLP, and data cleansing
- Some uses for enablement of underwriters’ core functions

Source: 2021 P&C Underwriting Survey

Number of responses = 434
6. TALENT MANAGEMENT
TALENT AND TALENT MANAGEMENT

SUMMARY

• P&C underwriters feel underwriting has overall improved over the last 5-10 years, but there are still gaps
  - New platforms, automation tools, and predictive models have had the most positive impact.

• Offshoring has had a negative impact
  - The use of offshoring is identified as something that has had somewhat of a negative impact with 25% of P&C underwriters considering that the use of offshoring for underwriting operations has impacted them negatively

• Talent management is seen as deficient
  - All the aspects related to talent management have worsened compared to the 2013 survey in terms of the percentage of underwriters that rate their organizations’ talent management performance as ‘superior’
  - Training, recruiting and retention planning had some of the biggest drops. While performance improvements have occurred via technology adoption, it does appear to come at the expense of training and retaining underwriting talent.
Q15: How do you feel the following elements have impacted underwriters over the past 5-10 years?

- **New rating/policy/underwriting platforms**: 25% Positive, 48% No change, 22% Negative, 4% Neutral
- **Automation and efficiency tools**: 23% Positive, 47% No change, 25% Negative, 4% Neutral
- **Predictive models/analytic tools**: 25% Positive, 44% No change, 23% Negative, 6% Neutral
- **New process/organization models to increase underwriter productivity**: 26% Positive, 41% No change, 22% Negative, 8% Neutral
- **Knowledge management tools**: 21% Positive, 42% No change, 33% Negative, 3% Neutral
- **Collaboration tools**: 20% Positive, 40% No change, 35% Negative, 4% Neutral
- **Agent/broker relationships**: 20% Positive, 36% No change, 36% Negative, 6% Neutral
- **Pricing authority in distribution/marketing**: 17% Positive, 35% No change, 38% Negative, 6% Neutral
- **Referral processes**: 15% Positive, 29% No change, 46% Negative, 7% Neutral
- **Use of offshoring for underwriting operations**: 10% Positive, 18% No change, 47% Negative, 12% Neutral

**Remarks**
- Most areas have had a positive impact on the underwriter compared to 5-10 years ago, but there are still gaps as suggested by previous questions.
- New platforms, automation tools, and predictive models have seen the most positive impact.
- Use of offshoring is identified as something that has had somewhat of a negative impact.

Source: 2021 P&C Underwriting Survey

Number of responses = 434
**ELEMENTS IMPACTING UNDERWRITERS**

Q15: How do you feel the following elements have impacted underwriters over the past 5-10 years?

### New process/organization models to increase underwriter capacity

- **Overall**
  - 1 - Negative: 8%
  - 2 - No change: 22%
  - 3 - Positive: 32%
  - 4 - Positive: 41%
  - 5 - Positive: 26%

- **Personal Lines**
  - 1 - Negative: 3%
  - 2 - No change: 18%
  - 3 - Positive: 41%
  - 4 - Positive: 46%
  - 5 - Positive: 22%

- **Commercial Lines**
  - 1 - Negative: 4%
  - 2 - No change: 9%
  - 3 - Positive: 44%
  - 4 - Positive: 36%
  - 5 - Positive: 24%

- **Specialty**
  - 1 - Negative: 2%
  - 2 - No change: 12%
  - 3 - Positive: 42%
  - 4 - Positive: 36%
  - 5 - Positive: 15%

- **Reinsurance**
  - 1 - Negative: 0%
  - 2 - No change: 8%
  - 3 - Positive: 54%
  - 4 - Positive: 23%
  - 5 - Positive: 8%

### New rating/policy/underwriting platforms

- **Overall**
  - 1 - Negative: 4%
  - 2 - No change: 1%
  - 3 - Positive: 48%
  - 4 - Positive: 43%
  - 5 - Positive: 25%

- **<$10K**
  - 1 - Negative: 3%
  - 2 - No change: 22%
  - 3 - Positive: 43%
  - 4 - Positive: 43%
  - 5 - Positive: 24%

- **$10-49K**
  - 1 - Negative: 4%
  - 2 - No change: 4%
  - 3 - Positive: 55%
  - 4 - Positive: 43%
  - 5 - Positive: 23%

- **$50-249K**
  - 1 - Negative: 21%
  - 2 - No change: 23%
  - 3 - Positive: 18%
  - 4 - Positive: 22%
  - 5 - Positive: 9%

- **+$250K**
  - 1 - Negative: 2%
  - 2 - No change: 2%
  - 3 - Positive: 49%
  - 4 - Positive: 49%
  - 5 - Positive: 22%

**Total responses = 434**

- Personal lines = 76
- Commercial lines = 295
- Specialty = 50
- Reinsurance = 13
- <$10K = 111
- $10-49K = 104
- $50-249K = 128
- +$250K = 91

**Remarks**

1. Personal lines underwriters mention “new processes impacting positively their capacity to execute their job” to a greater extent than commercial lines underwriters.
2. $10-50K accounts underwriters consider “new rating platforms” to have had a more negative impact than on other account sizes.

Source: 2021 P&C Underwriting Survey
ELEMENTS IMPACTING UNDERWRITERS

Q15: How do you feel the following elements have impacted underwriters over the past 5-10 years?

<table>
<thead>
<tr>
<th>Element</th>
<th>Overall</th>
<th>Personal Lines</th>
<th>Commercial Lines</th>
<th>Specialty</th>
<th>Reinsurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of offshoring</td>
<td>13%</td>
<td>4%</td>
<td>15%</td>
<td>16%</td>
<td>0%</td>
</tr>
<tr>
<td>Pricing authority in distribution/marketing</td>
<td>6%</td>
<td>38%</td>
<td>45%</td>
<td>45%</td>
<td>46%</td>
</tr>
</tbody>
</table>

1. The use of offshoring is mentioned by commercial lines underwriters as having had a more negative impact than on personal lines underwriters.
2. Pricing authority is mentioned as having had a greater negative impact on $10-50K accounts than on the rest.

Source: 2021 P&C Underwriting Survey

Remarks

- Personal lines = 76
- Commercial lines = 295
- Specialty = 50
- Reinsurance = 13
- <$10K = 111
- $10-49K = 104
- $50-249K = 128
- +$250K = 91

Total responses = 434
TALENT MANAGEMENT

Q16: How would you rate the performance of your organization in terms of managing underwriting talent?

Remarks
• Succession planning, retention, training, recruiting, and career path are most problematic

Source: 2021 P&C Underwriting Survey

Number of responses = 434
TALENT MANAGEMENT

Q16: How would you rate the **performance** of your organization in terms of **managing underwriting talent**?

% of deficient rating (1-2)

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Responses</th>
<th>Personal Lines</th>
<th>Commercial Lines</th>
<th>Specialty</th>
<th>Reinsurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruiting</td>
<td>28%</td>
<td>32%</td>
<td>33%</td>
<td>36%</td>
<td>12%</td>
</tr>
<tr>
<td>Training</td>
<td>23%</td>
<td>30%</td>
<td>27%</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>Performance support/management</td>
<td>20%</td>
<td>22%</td>
<td>23%</td>
<td>20%</td>
<td>31%</td>
</tr>
<tr>
<td>Performance management</td>
<td>28%</td>
<td>25%</td>
<td>21%</td>
<td>36%</td>
<td>32%</td>
</tr>
<tr>
<td>Succession planning</td>
<td>38%</td>
<td>37%</td>
<td>34%</td>
<td>41%</td>
<td>38%</td>
</tr>
<tr>
<td>Talent retention</td>
<td>38%</td>
<td>36%</td>
<td>32%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>Knowledge sharing</td>
<td>12%</td>
<td>15%</td>
<td>13%</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>Collaboration</td>
<td>15%</td>
<td>15%</td>
<td>12%</td>
<td>11%</td>
<td>16%</td>
</tr>
<tr>
<td>Career path</td>
<td>26%</td>
<td>29%</td>
<td>24%</td>
<td>38%</td>
<td>34%</td>
</tr>
</tbody>
</table>

**Remarks**

1. Talent retention is mentioned by personal lines underwriters as deficient to a greater extent than their commercial lines peers.
2. Succession planning, knowledge sharing, and career path are mentioned as deficient by a greater proportion of specialty lines underwriters.

**Source:** 2021 P&C Underwriting Survey

**Total responses = 434**
- Personal lines = 76
- Commercial lines = 295
- Specialty = 50
- Reinsurance = 13
TALENT MANAGEMENT

Q16: How would you rate the **performance** of your organization in terms of **managing underwriting talent**?

### % of superior rating (4-5)

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaboration between underwriters</td>
<td>66%</td>
<td>56%</td>
</tr>
<tr>
<td>Knowledge sharing among underwriters</td>
<td>65%</td>
<td>46%</td>
</tr>
<tr>
<td>Performance support/knowledge management</td>
<td>62%</td>
<td>36%</td>
</tr>
<tr>
<td>Performance management</td>
<td>60%</td>
<td>33%</td>
</tr>
<tr>
<td>Career path</td>
<td>56%</td>
<td>30%</td>
</tr>
<tr>
<td>Recruiting</td>
<td>59%</td>
<td>29%</td>
</tr>
<tr>
<td>Training</td>
<td>61%</td>
<td>29%</td>
</tr>
<tr>
<td>Talent retention</td>
<td>56%</td>
<td>26%</td>
</tr>
<tr>
<td>Succession planning</td>
<td>53%</td>
<td>21%</td>
</tr>
</tbody>
</table>

### Remarks
- All the aspects related to talent management have worsened compared to the 2013 survey in terms of the percentage of underwriters that rate their organizations’ talent management performance as superior.

Source: 2013/21 P&C Underwriting Survey

Number of responses:
- 2013 = 559
- 2021 = 434
7. OPEN-END QUESTIONS
KEY TOPICS RAISED IN OPEN-ENDED QUESTIONS

Q: As an underwriter, what are you **most excited** about regarding your role, company or the industry in the upcoming 3-5 years?

- New products and services
- Automation and the use of AI for improving underwriting performance
- New data sources
- ESG consideration
- Retirement

Q: Conversely, what are you **most concerned** about?

- Impact of technology/AI on jobs
- Inefficient systems and workload
- Talent gap and training
- Role of the underwriter
- Climate change
- Regulation
WHAT ARE UNDERWRITERS MOST ENTHUSIASTIC ABOUT?

QUOTES

New products and services

An ever-changing industry and the ability to create new products and services

“Working in a niche market, the changes happening in the 'real world' will generate the need for constantly changing products, coverage solutions, and underwriting strategies.”

“The insurance industry is ever-changing. My excitement stems from these changes as my day-to-day, although ultimately the same, will never become mastered. My learning curve has exponential room for growth, always.”

“Changing paradigms for risk financing such as parametric insurance. Game changers that can be matched with traditional insurance.”

Automation and the use of AI

Work automation and the use of technology and AI to improve underwriting and make it more efficient

“Using technology to make us more efficient and to rate risks better”

“I am hoping that technology has the ability to decrease the amount of input required from a submission allowing us to focus more clearly on the risk analysis portion of the role.”

“Risk analysis done by AI will help underwriters a lot and will change the industry”

“The use of AI and other technologies to examine risks more thoroughly.”

ESG considerations

The opportunity for the insurance industry to advocate a socially responsible agenda

“I also look forward to a more progressive insurance industry that embraces its role as a facilitator of economic risk taking that supports creative destruction that is necessary for a healthy and vibrant economy. This would also require the insurance industry to abandon its occasional support for zombie companies. The insurance industry should lean into its historical role as a both a first line and back stop for a political economy that is equitable, ethical, and mobile. The industry should lead on issues like climate change and common sense gun policy where our ethical and financial values are in perfect alignment.”

New data sources

The use of new data and data sources enabling to improve underwriting accuracy

“The increased use of multiple data collection points to create a more complete view of potential risks.”

“Further data integration freeing up capacity to better select and analyze quality risks. On the company level, we have many untapped markets that create a tremendous growth upside.”
WHAT ARE UNDERWRITERS MOST CONCERNED ABOUT?

QUOTES

Impact of technology/AI on jobs

Automation and the obsolescence of the underwriter
“Somewhat concerned that automation will replace underwriters, or at least reduce opportunities for people with our skill set.”

Missing human touch
“Our company does not use predictive modeling or automated submission review tools as we feel this is too black and white. We prefer our method as there are a lot of variables to consider in trucking insurance.”

“Inefficiency of the underwriting systems and workload

Insufficient/lack of technology investments
“I’m most concerned about the general lack of interest companies have about improving their systems. To them, it is much easier and less expensive to maintain the old systems instead of making the needed investment in a newer system. I feel that this approach will not be sustainable and companies will just end up paying more later on when they have to replace the systems.”

Technology increasing workload
“Adding new systems which require too much data to be entered by staff and correcting data for the system has pages of how to do it. Entering a new business file can take up to 30 minutes to be ready for company download.”

“I am most concerned that the technology will not be all-encompassing and will require further documentation to adjust for any gaps that the technology did not account for.”

“I think one thing that was missed is the misconception that technology has made it easier for more workloads. It helps with better decision making, but it adds time for each submission to open and use all the new tools.”

Role of the underwriter

Role of the underwriter
“The lack of underwriter knowledge of technical aspects of rating and exposure analysis has reached critical levels. Underwriting risks is a process of matching the premium to the exposure, not an insurance marketing exercise that matches competing quotes regardless of the premium deficiency. Underwriters have been turned into marketing executives instead of underwriting executives.”

“Industry-wide emphasis on making a sale at the expense of underwriting evaluation.”

“I’m concerned with the role of the Underwriter. In many companies, I believe the Underwriter is also seen as the Marketing person and therefore, has to be concerned with how much they write and retain. This focus on the numbers seems to take precedence over actually underwriting the risk.”

Offshoring
“I am very concerned with insurance companies’ increasing reliance on using off shore personnel to handle tasks that are considered basic or “data entry”. I see companies using this group for more than just the basic tasks and most often, this group is not trained appropriately to handle even some of the basic tasks. It’s a shame that insurance companies utilize off shore personnel just to save on expenses. I only hope that the role of Underwriter doesn’t become a “basic” position and also gets shipped to offshore!”

Talent gap and training

Talent gap, recruiting, knowledge transfer, and retention
“The lack of knowledge transfer from older to younger underwriters, particularly about coverage.”

“The severe knowledge drain that is going to hit the industry. Many are nearing retirement age and it is difficult to get high-quality replacements that want to stay in the industry.”

“Talent gap, recruiting, knowledge transfer, and retention

Little training
“There is very little underwriting training n the past ten years. Companies have focused on AI and analytics, and have not invested in human growth or the development of underwriting talent.”

Climate change and regulation

Climate change
“Climate change will continue pushing more drastic natural disasters, which will lead to tighter reinsurance markets and less competition. While this is a natural part of the UW cycle, I’m concerned about the sustainability of the insurance market when climate conditions don’t show signs of alleviation.”

Regulation
“Concerned with potential for larger federal government regulatory oversight, which will lead to significant increase in cost of compliance (with new regulations), and significant slow-down of product innovation.”

Offshoring
“I am very concerned with insurance companies’ increasing reliance on using off shore personnel to handle tasks that are considered basic or “data entry”. I see companies using this group for more than just the basic tasks and most often, this group is not trained appropriately to handle even some of the basic tasks. It’s a shame that insurance companies utilize off shore personnel just to save on expenses. I only hope that the role of Underwriter doesn’t become a “basic” position and also gets shipped to offshore!”