Executive Summary

Florida Farm Bureau Insurance Company (FFB) wanted to increase profitability by improving its underwriting practices and ensuring that the rating information on its policyholders was correct. Inaccuracies in information from agents, changes made by regulatory agencies, redistricting of fire stations' response areas, and annexation of areas into municipalities could result in the wrong premium being charged to customers, which hurts profitability and could result in fines by state regulators.

FFB used MapInfo Professional®, StreetPro® and MapMarker® USA to develop a more accurate and efficient underwriting system, manage rating territories, and speed claims service. MapXtreme® software was also used to help develop a custom Web-based policy quote service for agents.

Business Challenge

FFB needed to improve its underwriting practices and ensure the accuracy of its rating information on policy holders. Because the basis of many policy coding rules is geography, with much of the catastrophic risk associated with specific geographical areas, FFB recognized that location intelligence technology—looking at information on a map rather than a spreadsheet—could be used to integrate policy and regulation changes with its customer and applicant database records.

Maintaining sound rates and accuracy in their databases meant finding a way to keep up with these changes, while demanding as little time and effort of its agents as possible. FFB needed to find a flexible, cost-effective technology platform to help improve its daily underwriting, actuarial, claims and marketing operations.

In addition, FFB saw the need for a custom Web-based policy quote service for agents and they sought to develop one that would capitalize on the improvements realized by using location intelligence technology.

> *"With Pitney Bowes Software's technology, we experienced a net return-on-investment of over 900 percent in the first ten months."*
>
> **Steve Wallace**
> **Senior Strategic Planner**
> **Florida Farm Bureau Insurance Company**

Pitney Bowes
Software

Solution

FFB built GeoVerify, a custom system that integrated MapInfo Professional and MapMarker USA software with databases containing regulatory, rating and proprietary data. Using GeoVerify, FFB can efficiently and accurately determine rates for its customers and decrease the amount of time and effort involved in the underwriting process.

"With Pitney Bowes Software's technology, we experienced a net return-on-investment of over 900 percent in the first ten months that GeoVerify was running," said Steve Wallace, senior strategic planner and GeoVerify developer. *"The really significant point is that one-third of the premiums decreased while two-thirds increased, meaning the ROI was really generated by only a third of our total policies."*

Using the location intelligence technology to verify policy rates has also improved customer service. Because FFB is now able to ensure the accuracy of the information in its databases, it is retaining more customers through the policy renewal process. It is also realizing fewer fines and criticisms from regulatory agencies, while eliminating the manual process that agents previously used to validate policyholder information.

FFB also used location intelligence technology in its point-of-sale system, "FFBLink." Agents can enter a customer's address in the Web-based application, and then receive all the geography-based rating elements. This helps ensure that customers receive accurate pricing information.

Results and Benefits

FFB has uncovered the real ROI of today's location intelligence technology: Better, more accurate policy pricing, faster claims support, and improved customer service. The result is reduced operating expenses and greater profitability.

Using MapInfo Professional to identify high-policy concentration areas, FFB can easily evaluate how much exposure it can handle in a specific area, taking into account important factors such as profitability, market penetration, rate adequacy and catastrophic risk.

Pitney Bowes Business Insight's location intelligence technology saves agents time, and improves accuracy, when writing new policyholders. The location intelligence technology determines the correct classification code if the address falls within various rating zones. By doing so, the policy is automatically assigned the correct rate so the agent does not have to cross check the address with paper-based maps.

CASE STUDY

TECHNOLOGY USED

- MapInfo Professional®
- StreetPro®
- MapMarker® USA
- MapXtreme®

"We analyze the storm data and contrast that information with our insured locations, geocoded to predict the number of claims, and then plot the actual locations of losses when they are reported."

Steve Wallace
Senior Strategic Planner
Florida Farm Bureau
Insurance Company

For more information call 800.327.8627 or visit us online: www.pb.com/software

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Every connection is a new opportunity™