



# CASE STUDY

## JAMES RIVER INSURANCE COMPANY

### CUSTOMER PROFILE

- Operates as an Excess & Surplus carrier in all 50 states, plus Washington, DC
- Writes brokerage and individual risk business through 13 underwriting divisions, each organized around a specific industry group or coverage

## Executive Summary

James River Insurance Company recognized they needed a more comprehensive way to identify their risk exposures in order to make better underwriting decisions and to better serve their customers in times of need.

To that end, James River provided their underwriting and claims departments with location intelligence using MapInfo Professional® and MapMarker® USA. Underwriters can now view policy concentrations and proximity to risk factors such as distance to coast. The claims department can predict which policyholders are likely to be affected by a particular event in real-time so claims resources can be proactively mobilized.

## Business Challenge

James River Insurance Company's underwriting approach is defined by its focus on underwriting profit. The company writes brokerage and individual risk business through 13 underwriting divisions, each organized around a specific industry group or coverage.

Previously, the company relied exclusively on CAT modeling software to measure Probable Maximum Loss (PML) curves to manage the concentration of risks, calculate worst case scenarios, and ensure that it is not over-exposed in certain locations. However, relying on these models alone became problematic. Besides being costly, clumsy and not extremely accurate, they really only modeled two perils well: Hurricanes and earthquakes.

*"Using PML as the sole basis for managing risks associated with thunderstorms, fires or terrorism—basically anything other than southeast winds and quakes—had limited utility. Exposing ourselves to this potential error in the models resulted in the potential for errors in underwriting and the entire reinsurance program,"* said Brian Haney, Vice President, Chief Actuary, Actuarial and Reinsurance Department.

In addition to finding a more comprehensive way to identify their risk exposures, the company wanted a way to streamline its claims processes and provide the claims and underwriting departments with an easier way to query data to more accurately determine the number of adjusters and inspectors necessary to handle an incident.

*"Visualizing this important information on a map makes a world of difference... [In the past] it was difficult for our underwriters to avoid inadvertently insuring too many properties within close proximity. With MapInfo Professional, the exact location of a property is visually depicted so we avoid such mistakes."*

**Brian Haney**  
Vice President, Chief Actuary  
James River Insurance Company

## Solution

James River Insurance selected MapInfo Professional and MapMarker USA to improve its underwriting practices, analyze potential catastrophe patterns and enhance its catastrophe management and claims response practices.

With location intelligence technology, the company's underwriters can look at a specific area or "catastrophe zone" on a digital map, see how much business is concentrated within a 25-mile buffer zone and get a clear picture of the potential risk. When a risk comes in, an underwriter looks at the map and if the area is shaded in red, it means there is a concentration of risks and they cannot write it based on the current guidelines.

The company also incorporated the technology into its claims processes. Standard practice has been to download the projected storm paths from NOAA, and then overlay that on a digital map of the locations of its insured properties. The claims and underwriting departments can now query the policy management system using location technology to determine the probable losses associated with the event. Using these analyses, the claims department determines the number of adjusters and inspectors necessary to handle the incident and has them on the scene almost immediately, "so we know exactly what the properties look like," says Haney.

## CASE STUDY

### TECHNOLOGY USED

- MapInfo Professional®
- MapMarker® USA

### Results and Benefits

James River Insurance discovered the power of location intelligence technology in identifying and assessing risk exposures. But more importantly, it was able to utilize the same technology to drive greater customer satisfaction through better claims management and customer service.

Underwriters can now view policy concentrations and proximity to risk factors. This reduces the chance of unintentionally insuring too many properties within the same vicinity.

The claims department can predict which policyholders are likely to be affected by a particular event in real-time so claims resources can be proactively mobilized. For example, in the wake of Hurricane Katrina, the company knew from its estimates that it would need to contract with independent inspectors and adjusters. This early insight allowed the company to strike contracts well before its competition.

*"We initially used Pitney Bowes Software only to create maps—to show people where we write. We knew about the power of the technology and decided to take it to the next level and have it play a more prominent, important role in claims management."*

Brian Haney  
Vice President, Chief Actuary  
James River Insurance Company

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