

## The Road to Self Sufficiency

Darwin Professional Underwriters, recently acquired by Allied World, recognized five years ago that as a start up that competing with established insurance companies required technology solutions that would be easy to implement, easy to maintain and that would enable a large degree of self-sufficiency.

Bob Asensio, chief information officer for Farmington, CT-based Darwin, and the other member of Darwin's executive leadership team had a clear vision—build a profitable book of business by being nimble, responsive, focused, and selective. Leveraging

the right technology to streamline traditionally labor intensive endeavors and assure proper underwriting and risk assessment for excess and surplus lines was critical.

"We had well stated business goals and knew what we were going to do," said Asensio. "Picking the right technology in terms of the company's most critical system, policy administration, was not just important, we were betting the company on this.

**...It was absolutely a key part of our strategy."**

### Manifest Destiny

Darwin built a cross-functional team that included individuals from core areas such as underwriting and operations, as well as the CEO, CFO and CIO, to make the decision about which policy administration system the company would choose. The entire team agreed the strongest criterion for selecting a policy administration system had to be self sufficiency—putting a complete underwriting infrastructure and toolset of underwriting services in the "hands" of a producer or sub-producer that can be accessed via the Internet, anywhere, anytime.

Darwin's team narrowed the search to two companies and decided to seal the deal with a face-off. Armed with instructions to do as much as possible in two days, OneShield went to work and proved what OneShield Dragon® could do to get Darwin up and running quickly and efficiently. Darwin was impressed by the progress OneShield was able to make and even further influenced by their internal team members' praise for the system's user configurability. OneShield was awarded the project.

"We had one chance to get it right at the beginning," said Asensio. "That's why we picked a technology that really had no dead ends."

The idea that you could configure a system to be nimble enough to manage change independently was essential to Darwin. Total cost of ownership and the timing savings inherent to a flexible system that provided true speed to market were also extremely important requirements. The company didn't want to create a complex environment similar to the legacy systems in place at more established competitors. Asensio and his team knew such a system would require lengthy programmer time and expensive professional services provided by the vendor to configure for specific business needs.

OneShield Dragon's flexible toolset differentiated the system from other technology products and gave users the ability to do "pretty much do anything" according to Asensio.

"We liked that everything was done within Dragon and it was done in a consistent way," said Asensio. "It enabled us to quickly address issues and respond to the needs of customers."

Within six months of signing a contract to implement OneShield Dragon, Darwin was configuring 80 percent of the company's policy administration application with a small, but very talented, internal staff. Within a year, the company was able to design multiple product-specific workflows and rolled out 15 new products.

"Whatever we've been asked to do with the system by our producers or our management team, we've been able to do," said Asensio. "Whatever the hurdles were, we were able to overcome them. We have a high degree of confidence in the system."

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## Binding Technology and Business Together

As Darwin's comfort level with OneShield Dragon increased, so did the company's ability to configure the product. In 2005, Asensio's own staff at Darwin created a web-based system to allow approved producers to quote, bind and issue coverage from anywhere on a 24x7x365 basis.

"[Using OneShield Dragon], we were able to go to market with a product we call I-Bind," said Asensio. "It's the first automated underwriting product for professional liability."

With OneShield Dragon in the middle functioning as a core processor, I-Bind essentially enables an end-to-end insurance transaction. I-Bind includes a set of interview questions accessible to producers who can walk through the process with the client without ever having to go to an underwriter. This means it is quicker and easier for producers to close new business since I-Bind makes it possible to receive an almost instantaneous quote in the field.

On the back end, Darwin underwriters are notified in real-time that a quote has been submitted and can review anything that comes in with a red flag.

Taking it one step further, Asensio's team was able to eliminate redundant data entry and speed the process even further by providing potential policyholders limited access to the system. Today, I-Bind allows potential customers to enter information into an online form and even submit the application with the help of a producer. The capabilities provided by OneShield Dragon have enabled Darwin not only to create a very dynamic, comprehensive and intricate underwriting process, but to speed the signing of new business through I-Bind.

"One of things OneShield Dragon does very well is to create and generate new products," said Asensio. "With the dynamic nature of I-Bind, we are up over 10,000 rules used within the product. We are a very aggressive and fast-paced company, and we need the ability to respond quickly without having to rely on a third party. We have that with Dragon."

## Success Draws Attention

Darwin increased its written premium 100 percent between 2006 and 2007 and another 86 percent from Q1 2007 to Q1 2008, enabling the company to write gross premiums exceeding \$280 million.

"That is almost double that of other companies our size, and OneShield Dragon is a significant part of that success," said Asensio.

Recently, Darwin's success caught the attention of Bermuda-based Allied World Assurance Company (Allied). Allied decided to "court" Darwin as a potential partner, and took a hard look at the company's business model. In 2008, when Allied finally peeked under the hood at the technology behind Darwin's success, executives decided to purchase Darwin as part of a growing U.S. portfolio.

"When the Allied acquisition came up, it wasn't a done deal as to which policy administration system we would be using going forward," said Asensio. "But we had such confidence in what Dragon can do, during the acquisition, Darwin's business users actually 'sold it' to Allied."

Allied is currently standardizing all of its U.S. business on OneShield Dragon. By starting with general liability and then moving to property, Allied hopes to convert all of its U.S. business to OneShield Dragon within a year. Further, the company is also looking at expanding other market segments to the technology as well.

Next up is implementing multi-currency features which should be in place by the first quarter of 2010. As you may be able to tell, Allied has an aggressive growth plan in place, but that's nothing new for Darwin and OneShield Dragon.

## Results

- Six months in, Darwin's internal staff was configuring 80 percent of the company's policy administration application.
- Rolled out 15 new insurance products within the first year of OneShield Dragon implementation.
- Built an end-to-end insurance processing application called I-Bind around OneShield Dragon to enable greater speed when closing new business and ease of use for producers.
- Darwin was able to provide select agents the ability to rate, quote and bind certain E&S risks on their own in less than 15 minutes as opposed to the previously typical 30 days. Approximately 40% of these policies do not require any underwriter intervention.
- Darwin awarded Celent's 2008 "Model Carrier Component" award at the Model Carrier Summit.

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