Streamlining the Product Development Process…

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Streamlining the product development process...

> Understanding

- The process IS complex
- Senior management support
- Understand the big picture of insurance company operations
- Understand who is involved in the process
- New product vs. new flavor - how they effect everything, especially timelines and budget
- Enterprise risk and CAT exposure
- Reinsurance
- Cost/Benefit

Streamlining the product development process…

> ➢ Idea Generation
> ➢ Expertise & Evaluation
> ➢ Project Management Skills
> ➢ Team
> ➢ Interdepartmental Coordination
> ➢ Data
> ➢ Stat/Reporting
> ➢ Product Management
> ➢ Feedback Loop/Monitoring
> ➢ Protecting your IP
> ➢ Stay Focused on Delivery

Streamlining the product development process…

➢ Idea Generation

- Many sources – customers, producers, employees, competitors, market watchers, reinsurers, reinsurance intermediaries, consultants, regulators, etc.
- Important to institutionalize
- Need efficient clarification and evaluation mechanism
- Clarity of ownership

Axiom

Streamlining the product development process...

> Expertise & Evaluation
> - Insurer needs to be honest about their ability to evaluate the opportunity – when in doubt, pass or hire a consultant
> - Innovate vs. imitate
> - Market characteristics?
> - Distribution
> - What will drive losses, profit and premium?
> - Underwriting
> - Expense
> - Reinsurance
> - CAT
> - Regulatory
> - Coverage and Ratemaking Needs
> - IT
> - Data, Validation, Warehousing
> - IP Protection
> - Product Management

Streamlining the product development process…

- ➢ Project Management Skills

  - Checklist
  - Mission
  - Specific Goals
  - Owners
  - Tasks
  - Timelines
  - Budget
  - Tracking
  - Definitions

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Streamlining the product development process...

> ➢ Team

- Need an expert(s)
- Multi-disciplines
- Ideally, someone is assigned full time to the development

- Keep growing the skills

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Streamlining the product development process...

➢ Interdepartmental Coordination

- Actuarial
- Claim
- IT
- PMO
- Legal
- Marketing
- Operations
- Product Management
- Reinsurance
- Underwriting
- Training

Streamlining the product development process…

➢ IT / PMO

- Project Managers most often do not understand the business – spend time to help them
- Get IT involved early
- Understand IT prioritization model
- Accept system limitations and build around them

Streamlining the product development process...

➤ Data

- Consider needs early in process
- Can it be obtained? How?
- Can it be verified?
- How will it be stored so you can mine in future?

- Better to over-capture and at a granular level. You can always roll-up, but rolling down is $$$$$$, often inaccurate, and time-consuming for key resources!

Streamlining the product development process…

➢ Stat Reporting

- To whom?
- Expertise – great time to use a consultant!
- Consider early, and get IT in the loop

Streamlining the product development process...

➢ Product Management

- These folks will file, if admitted, and in any event maintain it
- Help them help you with filings and maintenance
- Get them into feedback loop

Streamlining the product development process...

➢ Monitoring

- Define primary responsibility
- Define roles
- Mechanism
- Reports – watch frequency, should be at intervals where actionable items would be created

Streamlining the product development process...

➢ Protecting your Intellectual Property

- Copyright
- Patent
- Accessibility
- Institutionalizing Innovation

Axiom

Streamlining the product development process…

➤ Stay Focused on Delivery

- Too many good, new products die
  - Inadequate development process
  - Did not have senior management buy-in or management change
  - Bogged down in IT prioritization
  - Never get IT support
  - Caught up in regulatory compliance

- Need a "rational driver"

Questions?

Thank You