

# Next-Level Digitization for ISO Electronic Rating Content™

## ***Starr Companies Collaborates with ISO® and Solartis to Support New Small Business Initiative***

### HIGHLIGHTS

- ✔ Starr Companies rolled out Businessowners Policy (BOP) insurance in 30 states in 4 months through their proprietary internet platform, with full nationwide rollout in 6 months
- ✔ Starr followed with a 50-state General Liability (GL) implementation in 4 months
- ✔ Leveraging the new automated maintenance feed enhancement of ISO Electronic Rating Content™ (ISO ERC) facilitated the complete automation of ISO rating content, which has major implications for how ISO rating content can be consumed
- ✔ Solartis Insure is able to automatically consume the ISO rating content delivered via ISO ERC without any human intervention necessary to push the new content live within 24 hours
- ✔ Starr's use of microservices enabled the multi-threaded rating calls necessary to support a digitally delivered business

### THE GOAL AND THE CHALLENGES

Starr Companies' goal was to establish new direct-to-consumer BOP and GL lines of business nationwide on a very short timeline. Their plan was to leverage ISO ERC as the backbone of their new offerings to help ensure that they were up-to-date throughout rollout and into the future.

Starr intended to deploy these new offerings on their direct-to-consumer site, which required quick, multi-threaded calls from various front ends.

Starr faced a significant challenge: how could they deliver the required user and product experience for these new products on such an accelerated timeline?

### THE KEY DRIVERS

In order to achieve their goal, Starr had to aggressively re-evaluate their operational efficiency and speed to market. Their staff needed to be deployed and supported for maximum effectiveness.

Technology played a critical role in that shift by allowing some business processes to be automated and staff to spend less time on unnecessary repetition of tasks. These internal changes align to faster speed to market, enhancing Starr's ability to respond to market opportunities. For the BOP and GL initiatives, Starr wanted to increase

#### ***Benefits of the ISO ERC Automated Maintenance Feed Enhancement:***

- ✔ *Reduced time to automate ISO rating content*
- ✔ *Operational efficiency*
- ✔ *Compliance-friendly*
- ✔ *Decreased chance of rate/rule interpretation errors*
- ✔ *Shifting staff to more valuable roles*

their speed to market to to achieve full cross-country rollout within 6 months.

That desired flexibility meant that Starr needed the technology to facilitate product configuration and quick changes to ISO advisory loss costs. The underlying architecture had to support a digital experience. The new transactional environment had to be able to provide for an unlimited number of calls from their digital platform to support high-volume quoting and multiple iterations of quotes for the same risk. It also needed to support an unlimited number of concurrent users in order to provide the rapid customer service that would distinguish their new BOP and GL offerings.

Because the new BOP product would be based on ISO’s 50-state BOP program, Starr had to be able to consume ISO rating data quickly and accurately. With the existing process, it could take months to process a single ISO Circular – and there would undoubtedly be many more than that while they were implementing the new product. Their accelerated timeline mandated a new way to consume ISO rating content, so that on Day One, their new BOP offering was fully up-to-date in every state to increase acceptance and market appeal. Starr also needed the confidence that upcoming changes to loss costs and rules would be handled with equivalent ease and speed. They felt that the existing ISO rating engines on the market would not be up to the challenge nor be able to support the digital experience that they required.

## THE APPROACH

To meet their goal, Starr incorporated a microservices approach into their existing API-centric technology stack to connect with Solartis’ rating engine. The microservice connectivity from Solartis accelerated the project’s timeline.

A key element in the success of this project came from the breakthrough by ISO in how they deliver content to insurers and solution provider customers. In January 2016, ISO released the automated maintenance feed enhancement to ISO ERC. For the first time, ISO ERC was delivered as an XML file that only detailed the changes between the new and previous versions of ISO’s advisory loss costs, rules, and forms attachment logic.

Solartis is an ISO ERC vendor partner and, like Starr, is focused on increasing automation and decreasing the timeline and effort necessary to consume ISO rating content. The new file approach was what they needed to automate the processing of required changes.

Solartis was able to leverage the most up-to-date BOP program for the initial implementation as well as the deltas found in the new maintenance releases and implement those changes without any human interaction. This automated a significant implementation effort and provided a nearly real-time update capability in Solartis Insure.

Microservices within Solartis Insure also support a dynamic, digitally-deployed, direct-to-consumer front end. Starr needed their rating calls to be independent from discrete digital front ends – they wanted the flexibility to receive calls from any front-end user experience, now and into the future. Utilizing microservices initially gave Starr the capabilities to support Starr Direct and, later, enabled the

*“Implementing ISO ERC and utilizing microservices as components of our US commercial lines digital insurance platform was a ‘must have’ to successfully roll out our new BOP and GL offerings in 50 states on an accelerated timeline.”*

*Mike Toran  
CIO, Starr Companies*

### Needed to Increase...

- ✔ *Responsiveness to market opportunities*
- ✔ *Ease of use*
- ✔ *Automation and digitization of business processes*

### Needed to Decrease...

- ✔ *Time to market*
- ✔ *Cost and resources required for deployment and maintenance*
- ✔ *Human intervention*

expansion of their offerings through digital partners.

## MEASURING SUCCESS

For Starr, the success of the project was immediately measurable: they were able to roll out their new BOP product in more than 30 states in 4 months, with full nationwide rollout in 6 months total. Starr followed the BOP implementation with an expedited implementation of GL nationwide in 4 months. When the products were available to the marketplace for the first time, Starr was better positioned for compliance in each of the fifty states. And, as state-level changes came through in the future, they could remain in compliance with less time and effort than had been possible before.

With Solartis' ability to automate ISO ERC content, Starr no longer had to comb through a circular to establish what had changed and interpret those changes. It also minimized the possibility of human error and the effort that it would take to fix those errors. They could move forward knowing that their new products would continue to be in a position for compliance thanks to this high-speed automated consumption of ISO ERC content in Solartis Insure.

In addition, microservices enabled Starr to create a truly digital distribution channel with the ability to scale independent of the technology stack. This architecture was also critical to Starr's fast timeline, because their use accelerated development and eliminated the need for custom interfaces. This sets up Starr for future success, not just in terms of greater efficiency in processing ISO ERC content but also to support external partnerships.

## SMA INSIGHTS

Insurers have many choices in how they take in and process regulated rates and rules, from internal to hybrid to external. Automating the consumption of ISO rating content is a tactical and operational change that drives business value, which is critical in today's hypercompetitive commercial lines marketplace. It significantly decreases time to market and, at the same time, provides more actionable information for insurers making rating decisions and changes.

The purpose of ISO ERC has always been to ease the process of interpreting ISO rating content and making the required changes to advisory loss costs, rules, and forms. Its true impact is now beginning to manifest with the automated maintenance feed enhancement and ISO's ability to push only the deltas to insurers and solution providers.

The truly electronic consumption of ISO rating content, as Starr has implemented, is a game changer. It opens up new possibilities for insurers to respond to changing market conditions. By transforming the highly manual but essential process of implementing new required changes, the digitization of insurers' operations can take a major step forward. This is especially significant for commercial carriers like Starr, where digitization has been held up by the immense variety and complexity of their offerings.

ISO ERC is a good example of the growing microservices revolution. Microservices can scale without being constrained by previous digital infrastructures. Multiple user experiences are possible without the need to build or configure, and can support any function. They are a keystone in future-ready digital architecture.

*"Starr's decision to automate ISO ERC processing directly led to the exceptional results that they have seen in this project. Leveraging the automated maintenance feed enhancement means that they are using ISO rating content direct from the source."*

Mark Sheehan  
Vice President, ISO

*"Solartis' microservices architecture gives insurers the flexibility to truly engage in the digital ecosystem with the speed and agility required."*

Nick Richardson  
President, Solartis



Changing how insurers manage ISO rating content has a wider impact across the insurance ecosystem. This initiative opened the door for Starr to collaborate with new digital partners such as InsurTechs, which require nimbleness and digital facilitation from their insurer partners. In addition, as more insurers and vendor partners embrace the possibilities of automating the consumption of ISO rating content, the ability to perform that automation will also become more widespread among solution providers who use ISO ERC.

## **ABOUT STRATEGY MEETS ACTION**

Exclusively serving the insurance industry, Strategy Meets Action (SMA) blends unbiased research findings with expertise and experience to deliver business and technology insights, research, and advice to insurers and IT solution providers. By leveraging best practices from both the management consulting and research advisory disciplines, SMA takes a unique approach – providing an unrivaled set of services, including retainers, research, consulting, events, and innovation offerings. We are dedicated to helping the business of insurance modernize, optimize, and innovate for competitive advantage.

This Case Study presents a synopsis of information provided by Starr Companies, Solartis, and ISO, a Verisk business, with SMA's observations, insights, and analysis. ISO has purchased distribution rights for this SMA Case Study.

For more information about SMA, visit [www.strategymeetsaction.com](http://www.strategymeetsaction.com).

Contact the authors Karen Furtado, SMA Partner, at 978.239.2741 or [kfurtado@strategymeetsaction.com](mailto:kfurtado@strategymeetsaction.com) and Karen Pauli, SMA Principal, at 774.462.7820 or [kpauli@strategymeetsaction.com](mailto:kpauli@strategymeetsaction.com).

