Rating Management

Bring Products to Market Faster – With Less Risk

Guidewire Rating Management™, an add-on module to Guidewire PolicyCenter®, provides insurers with the visibility, flexibility and rapid time to market to capitalize on market opportunities. Rating Management provides more precise control and responsiveness over rating and pricing through all phases of the product lifecycle to increase insurer business agility.

Rating Management delivers the capabilities needed to support the key business objectives of insurers: business agility to capitalize on opportunities faster and launch innovative products; operational efficiency to drive down costs without compromising quality; and underwriting excellence to improve profitability.

Guidewire Rating Management consists of the following functional components:

- Rate table maintenance;
- Rating algorithm workbench;
- Rating Impact testing; and
- Rating worksheets.

Rate Table Maintenance

Rate table maintenance facilitates the management of rate factor tables via a flexible and dynamic user interface. The majority of rating maintenance work for insurers involves changes to rate tables, such as modifying rates or other factors for a given class code, vehicle class, construction type, territory code, etc.; making new entries in rate tables for new coverages or new limit options; and building new tables to define new factors to be used when enhancing the rating algorithm.

The rate table maintenance tools enable business users to create and manage rate tables, with full version control support for rate tables via the creation of date-sensitive rate books via a web browser or in Microsoft Excel, making it far faster and easier to handle these common activities.   Rating maintenance effort is reduced through tight integration with PolicyCenter's product model, enabling business configured product specifications such as coverages, coverage terms and lists of values to be directly re-used in rate tables. Re-usable and easily extensible rate table look-ups are included to facilitate building the rating algorithm. These tools also help manage the process of making changes, testing and approving them, and promoting changes to the production PolicyCenter environment. Rate data caching enables higher performance at run time. Key features include:

- Rate table definition workbench with a web interface for quickly extending tables or defining entirely new rating tables, including many types of look-up parameters and rating factors;

- Rate table editor for viewing and editing the contents of the rating table to edit rates or add entries for new coverages, limits, etc.;

- Microsoft Excel import/export to enable users to export the table data to a spreadsheet, make changes using the powerful and familiar tools of Microsoft Excel, and load the results back into the system. This also allows insurers to leverage and easily convert rate table assets already in Microsoft Excel without re-keying;

- Tight integration with product definitions enabling rate table columns to be linked to coverages, limits, etc. with an automatic understanding of what limit options, for example, are possible for a coverage when setting factors for each limit;

- Rate books to define a set of rating tables (and versions of those tables) which will be managed as a group, including approval, testing, and promotion to production;

- Table versioning and selection leveraging availability logic to define which rate book and table versions apply for a given product, jurisdiction, effective date, underwriting company, etc. This includes allowing a policy to be rerated mid-term with a consistent set of rating tables, while putting in place new versions of those tables for later policies sharing the same effective date;

- Approval and migration tools for managing the lifecycle of rating changes, including capturing approvals, managing status, and migrating changes to test and production environments; and

- Run-time optimization with intelligent caching of rates and rating factors for high-performance rating calculations in a high-volume production environment.

Rating Algorithm Workbench

The rating algorithm workbench enables business and technology users to create, review and modify the formulas and calculation steps used to determine policy premiums. In addition to expanding the user roles able to manage rating algorithms, changes can be made quickly and efficiently, enabling faster speed to market to take advantage of market opportunities.

While changes to rating algorithms are far less frequent than changes to rates and rating factors (rating tables), the Rating Algorithm Workbench puts more power and control over rating in the hands of business users to make the insurer more agile. Actuaries and business analysts often want to review and modify the formulas and calculation steps used to determine premiums for the line of business to verify the rating algorithms in use. Users may also want to make changes to the algorithms to try out alternative rating scenarios. Key features include:

- Algorithm builder with a Web interface designed for non-programmers to be able to define rating steps and formulas using simple dropdown lists and pre-built functions;

- Integrated rate table look-ups to simplify finding a rate or rating factor from rating tables and include in a rating formula;

- Tight integration with product definitions with native access to product definitions enables any risk and coverage data to be immediately accessible in a rating formula;

- Algorithm versioning and selection to ensure the correct algorithm for a coverage is applied based on provided criteria, such as product, coverage, jurisdiction, effective date, underwriting company, etc.; and

- Approval and migration tools for managing the lifecycle of algorithm changes, including capturing approvals, managing status, and migrating changes to test and production environments

Rating Impact Testing

Rating impact testing enables new rating models to be tested against a book of business to determine the influence they will have in actual scenarios – a valuable tool in measuring the effect of a change and evaluating alternatives. Recognizing the impact of a rating change is critical to the decision-making process for implementing a rating change. Key features include:

- Multi-step wizard to identify and select the book of business based on defined criteria;

- Execution of the rating model against the selected book of business;

- Graphical view of the resulting displacement; and

- Download of the resultant data analysis.

Rating Worksheets

Rating worksheets are designed to provide more insight into the results of the rating process and present authorized users with a detailed view of the premium calculations. This visibility into the rating process empowers the underwriter with a clear understanding of the premium for a policy, enabling them to act effectively to manage rate adequacy for a risk and compete using underwriting precision. Key features include:

- Provide a detailed step-by-step view of all premium calculations used within a policy; and

- Automatically generated layout based on configured rating algorithm.

About Guidewire PolicyCenter

Guidewire PolicyCenter® is a flexible underwriting and policy administration system that enables Property/Casualty insurers to grow business profitably by improving efficiency, while responding with agility to market opportunities and enhancing relationships with agents and customers. Designed to support both commercial and personal lines, PolicyCenter helps insurers streamline front and back office processes, from new business submission and quoting through policy renewals. PolicyCenter is available as a standalone system or as part of Guidewire InsuranceSuite™, and can be integrated to an insurer's legacy systems or third party applications.

About Guidewire

Guidewire Software is a provider of core system software to the global Property/Casualty (general) insurance industry. Designed to be flexible and scalable, Guidewire solutions give insurers the capability to deliver excellent service, increase market share and lower operating costs. Guidewire InsuranceSuite™, consisting of Guidewire PolicyCenter®, Guidewire ClaimCenter® and Guidewire BillingCenter ® spans the key functional areas in insurance – underwriting and policy administration, claims management, and billing. Guidewire is headquartered in Foster City, California, with offices in Beijing, Dublin, Hong Kong, London, Munich, Paris, Sydney, Tokyo, and Toronto. For more information, visit www.guidewire.com.