

## › Customer Story



Industry	Business Issue	Solution	Benefits
Insurance Focus Data Management	Implement a data-governance programme to ensure compliance with regulations including Solvency II, and extend the benefits of data analytics into policy underwriting, claims management and customer service.	SAS® Data Management Platform is used to extract data from source systems, and to design and build data-management business rules.	Foundation for compliance with Solvency II data-management mandate, reduced costs related to claims 'leakage' and reinsurance purchase, as well as improved customer service and better decision making.

## Making better decisions at the heart of the business

*Improving data quality to strengthen decision making around underwriting, reinsurance and risk selection*

Ecclesiastical uses SAS® to improve data quality to make better decisions that enhance the reputation of the business, affect millions of pounds of risk selection/underwriting and help to establish optimum reinsurance levels. Millions of pounds hang on decisions around reinsurance and risk selection. Achieving the best possible outcome means taking data and turning it into 'decision-making gold'. The key is to have good data going into the process.

Nigel Light, Business Intelligence Analyst at Ecclesiastical Insurance, comments: "We've been improving our data assets so that we can make better decisions and further enhance our reputation as a safe pair of hands. The data-quality project also saves us money and contributes towards us being data compliant for regulatory purposes as well - these are clearly great benefits to have on top."

The pressures to comply with multiple new regulations and mitigate risk are very real. Ecclesiastical Insurance uses SAS to support these requirements through a business-led data-management solution. By ensuring better data goes into the systems, Ecclesiastical can go a long way to proving that the information it has is "complete, appropriate and accurate".

The fact that the company has improved its decision-making and profitability through better risk selection, and improved coding of claims incidents and policy data adds to the value of the project.



## Arming for better insurance decision making

A data-quality project helped to quickly establish the sources of poor data, by spotting where it did not meet defined business rules. This provided the basis for data improvements, enabling Ecclesiastical to meet regulatory requirements and arming the insurer with better information, enabling it to forecast more accurately and assess risk more thoroughly.

Nigel Light continues: "The impact that this has had is far reaching. If underwriting or reinsurance decisions are made on the basis of bad information, the consequences can be disastrous. Not only are there obvious cost implications and a risk of compliance failure, but it affects the one thing that's hardest to recover from: our reputation. We take great pride in making good decisions for our clients, who range from churches to owners of fine arts. If we make poor decisions, they don't have confidence in our services - so we're always looking at how we can improve our decision making."

**“**We started small, with just a few simple rules for compliance, but the opportunities are huge. We saw the chance to make business improvements in claims, underwriting and policy handling, so we’re rolling out analytics across the business. **”**

Nigel Light, Business Intelligence Analyst, Ecclesiastical Insurance

Ecclesiastical is one of the UK’s largest insurers, fully owned by a registered UK charity with a 125-year history of protecting churches and heritage buildings. The organisation also extends cover to personal lines, charities, property owners and educational establishments.

## Complying with regulations: Solvency II

One of the key regulations that Ecclesiastical faced was Solvency II. Nigel Light explains: “Solvency II regulation requires a data-quality improvement platform to be in place and effective in time for the January 2016 deadline. This requires a major effort from everyone involved in order to meet this time frame. At the same time, we also saw the opportunity to make significant improvements in claims, risk and underwriting off the back of this project, so we rolled out the data-quality project across the UK and Irish business.”

## Business improvement built on platform of data quality

Ecclesiastical realised in 2012 that it needed to embark on a data-improvement programme. Better information would help the company forecast more accurately and assess risk more thoroughly. “We started by working with UK General Insurance claims to monitor the quality of data captured by the claims department,” says Light. “The data-profiling exercise helped to identify errors at their source – either through technical updates or training. This is where SAS was instrumental because it was able to quickly find the problems.” By having more accurate claims data for a number of business processes, Ecclesiastical was able to rely more on its data to make better and faster decisions. It further enhanced its decision making by adding to its internal data with external sources: for example, publicly available information on schools from the Department for Education. Using fuzzy matching techniques, Ecclesiastical supplements its own data to help its risk selection when evaluating new policies.

Light continues: “We need to have accurate information around risk management and forecasting. Our underwriters make critical decisions based on this information. As a company we select risk, and purchase our reinsurance cover based on the data in our systems. Bad information coming in leads to bad decisions; good data coming in gives us decision-making gold.” Ecclesiastical benefited from working with SAS and tapping into its wealth of experience and industry-standard processes, frameworks and systems. Adopting business-defined rules helped make improvements within underwriting. The opportunity to identify and correct policy issues, with respect to reinsurance and risk, now exists – and the correction of policy data ties into new business and renewal cycles in underwriting. This has a significant financial impact on the business, both in terms of top- and bottom-line performance.

## Establishing data methodology and governance processes

The project was not just about finding and fixing problems: it was also geared towards creating a more efficient business culture that could sustain the data analytics driven approach. Light adds: “Working with SAS we developed a methodology around our data to ensure its ongoing quality. We capture, prioritise and manage issues as a first step. Then we analyse the impact of many different factors, as well as the root causes. Once mitigated, the outcome is better, more accurate business decisions that impact our overall performance.” The SAS® Data Management Platform allows Ecclesiastical’s business rules to be run at both an individual claim/policy risk and a dataset level. The results are displayed on a Cognos dashboard that gives managers, risk assessors and underwriters improved data to make better decisions. Moreover, it helps the Ecclesiastical-appointed data steward to monitor data-quality performance metrics. This ensures that the immediate gains from data quality and analytics are fully sustainable over time. “These insights let our management team amend or adjust business rules over time to continually improve our data assets and put us at the forefront of the insurance industry. They also provide valuable evidence as to the effectiveness of the company’s data-governance approach, which ensures punctual compliance with the Solvency II directive. It’s a win-win situation,” Light continues.

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