



Maiden Re's innovative automated modeling & pricing tool

Dave Adams, Maiden Re's EVP and Team Leader for Facultative and Specialty Reinsurance, discusses the company's new online tool for automated reinsurance purchasing.

As we learned in yesterday's interview, Maiden Re prides itself on working closely with clients. We understand this resulted in an interesting new product.

Yes, one of our clients was looking for some additional flexibility in how they purchase some of their facultative reinsurance, which ultimately led to our development of a product that we call AMP, or Automated Modeling & Pricing. It's a proprietary, web-based tool that allows a client to go online at any time, access the tool from their desktop, and obtain a real-time reinsurance quote on a specific risk according to guidelines we had previously worked out with them. That client can then continue online to bind and process the transaction within minutes, usually without even having to submit the risk to our underwriters.

It sounds convenient.

It's enormously easy to use. Tony Smith and the Maiden team did a great job in building a platform that only demands a minor amount of data entry in order to obtain a quote, and requires only the type of data a ceding underwriter would have readily available at his or her fingertips. AMP has a great deal of flexibility built into it, too. The client can choose, for example, which layers it is seeking to reinsure and at which attachment points, and the tool allows several different layers to be viewed at the same time in order to assess the best fit for the insured.

It also allows the ceding company to choose the amount of reinsurance it wishes to share on any particular layer; for example, whether they are looking to retain 50% or fully reinsure 100% of that layer. It has

other flexibilities, too, such as providing the submitting underwriter with crediting and debiting authority, up to certain parameters, which allows them to make adjustments that will enable the transaction to go through.

But not anyone can simply go into the system and obtain a quote, can they? Surely there are controls and restrictions that impose limits on the ceding companies.

Absolutely, but much of that gets taken care of beforehand. We collaborate very closely with our clients to determine their general guidelines and ours, and to customize the tool for each client. Client guidelines will vary based on the amount of estimated premiums they are likely to cede as well as their anticipated reinsurance needs, in terms of such criteria as capacity, layers and participation. Furthermore, we predetermine which classes of business Maiden Re is interested in reinsuring. AMP is available for Commercial Auto liability and Workers' Comp, but within those lines there are restrictions on the classes of risk we'll reinsure.

One of the beauties of our platform is that if any of the data the client inputs fall outside our pre-set guidelines, then it refers the submission over to one of our underwriters. For the sake of consistent client relations, every client has a specific Maiden Re lead underwriter and backup underwriter assigned to it. If a referral occurs, one of our assigned underwriters will be able to respond quickly, usually that day, and work with the client to see if their request can still be fulfilled.

How have your clients reacted to the product since its introduction?

Clients like it a lot. Not only does it enable quick and convenient reinsurance transactions, which improves the workflow of our ceding companies' underwriters, but it brings numerous benefits in terms of accounting and administration. Each risk is bound through a bordereau that gets automatically generated and receives its own certificate number, which makes for easy digital record-keeping and claims handling.

By moving so much underwriting to an automated platform, does that change the nature of your relationship with your clients?

Reinsurance is still a people business and, ironically, AMP has made our client relationships and communication even stronger. First, since they can go online and obtain a quote and even bind immediately, clients don't have to make multiple submissions to multiple reinsurers. And despite AMP's automated nature, we have formal reviews with each client and their broker at regular intervals, plus an annual audit to assess our business together. In addition, all balances are eligible for our Dedicated Financial Trust, once the appropriate balance is reached.

As for Maiden Re, which typically focuses on smaller regional and specialty insurers, AMP has widened our market because it can be used for somewhat larger companies outside of the small regional and specialty space. In harnessing the latest technology, we have put Maiden Re among the forerunners of our industry, and we are dedicated to continuing to improve our offerings in order to service our clients to the highest possible standards.