The Parliamentary Review

A YEAR IN PERSPECTIVE

VIPR Solutions

Bob Brown, CEO at VIPR

When my brother and I launched VIPR (pronounced viper) in 2010, we set out to develop computer software systems that would change the way that insurance business is transacted and managed. Data is at the heart of the insurance industry, so it is surprising that many insurance companies still have difficulty understanding and interpreting huge swathes of their own data.

Time to modernise

Our initial focus was on the Lloyd's of London market, where we recognised the need to modernise using the latest technology.

Much of Lloyd's business today is transacted via brokers and agents all over the world. The individual companies that make up the Lloyd's market delegate the authority to write business on their behalf via a worldwide network of agents. This business currently accounts for more than 40% of all the risks that Lloyd's write.

This network of agents report back to Lloyd's, usually on a monthly basis, to tell them about the new policies that have been underwritten on their behalf, which premiums have been paid and what claims have been made. These reports are mostly produced as Excel spreadsheets and have little or no standardisation, making it difficult, if not impossible, to understand and report on the data. Insurers without effective IT software solutions in place try to manage this data manually, manipulating the spreadsheets or re-keying the data – an impossible task considering the tens of thousands of spreadsheets submitted every month, many with thousands of rows of data.

Dealing with data

During a period of research and development prior to the launch of our company, we identified a number of areas where technology was needed and could play a major part in modernising the market. Data was one area where we felt we could help. It was clearly time for the market to tackle this issue and with the advent of new legislation around solvency, it became imperative that the problem was addressed if insurers wished to carry on trading in this way.

One solution was to ask the agents who write the business to submit their data in a standard format. However, this had already been tried and tested with little success. The fear in the Lloyd's market was that if they insisted on this, then they would lose business to other markets. If they wanted to continue writing this business, they had to accept the data as it was and find a way to deal with the issue at their end.

At VIPR, we saw a massive opportunity to develop a system that could take this data in its multiple, non-standard formats and transform it into a standard format that could be reported on.

AT A GLANCE

» Established in 2010
» IT solutions for the insurance industry
» Location: Bromley, South East London
» Leaders: Bob Brown (CEO), Richard Brown (Director)
» Approaching 100 successful product installations
» Other products; Relationship Management Workflow, Reporting Suite, Quote and Bind
» www.viprsolutions.com

Richard Brown, Director at VIPR

> "With new regulation around Solvency it's essential that insurers are able to interpret their data correctly "

VIPR Solutions – helping insurers understand their data

Solvency II, a new EU legislation, was about to hit the market, and a core tenet of the legislation stipulates that companies must understand their data and where the risks lie in their business. It was difficult to see how they could comply with the legislation unless they could understand what all these spreadsheets meant. Failure for non-compliance also posed the risk of severe financial penalties.

A problem solved

In 2010, we developed a solution to help insurers interpret their data, resulting in our product called Intrali. This takes data as Excel spreadsheets, and transforms it into standard headings. On its way through the system, the data is cleansed and validated against the underlying contract terms that control what the agent is permitted to do. Any erroneous data is flagged up for correction and breaches of the contract terms are highlighted. The data can also be enhanced by the addition of new fields and is then standardised and fed into a data warehouse where it can easily be reported on.

Intrali is now widely used in the Lloyd's market, with nearly a third of Lloyd's insurers using it to process their data, and we are looking further afield to the US and other markets where a

similar problem exists. However, a lot of work is still required to encourage the use of electronic data submission rather than Excel spreadsheets, which makes the processing of data unduly cumbersome. This will involve an education programme to encourage agents to submit data electronically so that it can be automatically processed without human intervention. We seem to be a long way away from that but, through a combination of tutoring and incentives, we believe that it is achievable.

New developments

We are now developing a new product for companies which is called Concensus, for the Group Life Insurance market. They have a similar problem; employee data is received in multiple formats and needs to be standardised and cleansed before a quote can be produced. With thousands of spreadsheets being processed monthly, this is a time-consuming and costly operation. VIPR's new product will make the process quick and easy to perform, saving both time and money.

We now offer our clients a range of options for our products. They can either be self-hosted or in the cloud, used internally or managed by our fully-outsourced solution, in conjunction with JDX Consulting. Known as VIPR Managed Service or VMS, this solution provides a pool of trained and qualified consultants who can process data on our clients' behalf.

Now that we have solved the problem of cleansing, validating and standardising the data, we can focus on helping insurers understand the data and to report on it. We have a range of reporting options available, from simple dashboards to complex analysis. The data gleaned from these reports can help insurers to improve their profitability and better control their risks; a win-win situation for all concerned.