


The Importance *of* **Data**

Learn how data can provide the competitive edge you need and the added-value your customers crave.



Data makes the world go around. Data can change the world and the way we look at things. Data used to be thought of as something only accessible to huge companies with special budgets. That is no longer the case. Everyone can get data. And, everyone wants data. All you need to do is figure out the data you need and how to employ it to get the most value.

The insurance industry has always gathered a ton of data, but hasn't taken full advantage of all that the data can offer, including things like increased customer satisfaction and increased revenue. It's time to think about how to mobilize and monetize data. This may come in the form of new technology, revised business models, or expanded areas of expertise.



*Data is opportunity. Let's dive in to see how **data can guide your path to growth** and a successful and profitable future.*

Why Is Data Important?

The answer seems obvious and logical, but let's take a look at what data can do and the power it can provide.

Insurance companies have been on the path to digital transformation for a long time without making tremendous progress. However, in recent years, the pace has dramatically picked up. The world has changed to a digital, on-demand mentality and it's turned into a "how fast can we do that" mantra for organizations in every industry.

So, now we are on a data mission. The insurance industry looks for data to find customers, set rates, predict losses, foster engagement, improve products, refine processes, increase revenue, build the value chain, and more. Data impacts every nook and cranny of the industry and the more we know, the better we can be. Here are a few ways data can help shape and evolve your organization.

Make better decisions. The more you know, the better prepared you are to make your case for product or process adoption, trying something new, or changing the way things have always been done. Data gives you proof.

Solve problems. Got an issue? Find the numbers that can make a difference and lead you to a tangible solution.

Boost lead generation and marketing. Data helps you understand consumers. This includes where to find and how to reach them.

Enhance customer experience. Everything from customer satisfaction to engagement to retention can be bolstered by knowing more about the customer and using that information to improve the entire lifecycle.

Create new areas of focus. Use data to figure out if you can deliver a new niche coverage. Evaluate the geography, competition, and overall opportunity.

Refine business models. Study the data to determine how you can get even a little better to give your organization a competitive edge.

Predict losses. Data allows you to be proactive – you can handle challenges before they become an issue.

Improve internal and external processes. Data helps you understand performance and what's working (or not). Data helps you improve processes so you can reduce wasting time and money. Help preserve the bottom line by using data.

Analyze pricing. Make more money and deliver a great value to customers by optimizing spend and mitigating risk proven by data.

Troubleshoot errors and sub-par results. We know when things go wrong, but how can you pinpoint what went wrong? Tracking and reviewing data can provide answers.

We can all see why we want data. Data is opportunity. It's up to us to use it wisely.

The Drive for Data

There are all types of data. Sometimes there is almost too much data and it can feel overwhelming and paralyzing. Once you envision the benefits data can deliver, you will find no shortage of how to use the information to improve your business and the value you provide to your clients. It will no longer be overwhelming but empowering. Use this power strategically.

1 STEP

Determine what data makes sense for your organization. You may want all the data you can get your hands on or you may already have some data. But, do you have the right data necessary to accomplish your current and future goals? Start by making a data plan. Figure out what your biggest priorities are as an organization and identify the data needed. For example, if you want to build your customer base – do you have the accurate lead generation data needed to build an effective marketing campaign?

2 STEP

Determine how to use the data. Best-in-class organizations typically invest in three to four initiatives targeted at setting themselves up for success with data projects. Focus on what you can reasonably accomplish. You also want to make sure you can set your team up for success. Too many projects could lead to confusion and less getting finished. Be prepared to be agile in your approach and be willing to provide proper training on how to use the data. And, of course, come up with a plan to monitor these projects and data usage to troubleshoot and improve over time.

The Journey to Data

Once you know where you want to go with your data and your organization is ready, what's next? How do you continue your journey? Gather the data. Figure out where it is coming from – internally or externally. If externally, what partners or technology can offer you the data solutions you crave?

Here are a few scenarios and solutions that can help paint the picture of what this could look like:

SCENARIO 1

You are an organization that wants to expand an offering in a certain geographic area. You need to determine the current players and what the total addressable market looks like. Your go-getter strategy may include a tool like Zywave's miEdge Analytics to uncover that prospecting and feasibility data. This can provide you with the data to analyze if this is a feasible undertaking.

SCENARIO 2

Your costs are rising. You need to improve your risk assessment, underwriting, and rate-making to ensure profitability. Taking a deeper look into the risk profiles of the insureds can help avoid excessive claims payouts, improve underwriting efficiency, and refine premium rates. Using a tool like Zywave's Loss Insight can help you improve risk evaluation, pricing and program structure. Today, over 250 insurance carriers, brokerages, and service providers leverage this data to power predictive models, inform pricing, set underwriting guidelines, determine limit adequacy, and create new products and programs.



*Loss Insight has surpassed the **one million mark of loss event case records**. The total loss amount recorded for these low frequency, high-severity cases now exceeds \$10 trillion.*

SCENARIO 3

You want to position yourself as a strategic advisor to your clients - helping them evaluate claims, workers' compensation losses, health plans, and more. Consider a solution like Zywave's Analytics cloud to take the headaches, time invested and guessing out of impactful analyses, as well as growing and retaining your book of business by providing cost-saving strategies and insight.

Becoming a Data - Driven Organization

The path to your future is here and it is paved with data. Lead your organization to a **data revolution** filled with digital solutions. Zywave can help point you in the right direction to design and implement transformational solutions and become the expert your customer relies on.

RESOURCES

Zywave's data solutions can provide the inputs to help achieve your goals. Our products include:

[miEdge Analytics](#)

[Cyber OverVue](#)

[Loss Insight](#)

[Analytics Cloud](#)

For more information about Zywave's data solutions,
reach out to marketing@zywave.com.

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