



**}} Ledgebrook**

CASE STUDY

**Ledgebrook Insurance Harnesses Socotra  
Technology to Redefine E&S Insurance  
Landscape with Speed and Pricing Distinction**

In today's rapidly-evolving insurance landscape, modernization is not a choice, but a necessity for traditional carriers looking to stay competitive. Ledgebrook Insurance, a tech-forward Excess and Surplus (E&S) Managing General Agent (MGA), embarked on a journey to revolutionize the insurance experience for wholesale brokers. This case study delves into how Ledgebrook leveraged Socotra to overcome challenges, streamline processes, and achieve unprecedented efficiency and growth.

## Pioneering a New Path in Insurance

Setting out to serve a market segment that had been rejected in the embedded insurance space – at least three times – was a lofty but worthwhile goal. Led by industry veterans, Ledgebrook set out to redefine the insurance landscape for the Excess and Surplus insurance segment. Their vision was ambitious: to establish a globally-diversified reinsurer, built from scratch, using the best and most mature technology. The MGA aimed to give wholesale brokers a streamlined quoting experience and top-tier pricing while maintaining a nimble and flexible business model.







Ledgebrook's journey began with a painful realization of the limitations and inflexibility of legacy systems. The MGA's founder knew firsthand from large carrier experience that outdated technology cripples innovation and agility. When a simple change was estimated to take six months to a year, ten developers, and one million dollars – or estimates for a new project ranged from five to seven years – enough was enough. Frustrated by the inability to make even simple, essential modifications and facing hampered growth and efficiency, it was time for a change.



# Socotra Policy as the Engine of Change

Modern technology that enables streamlined processes and greater efficiency served as a driving force of the business. Ledgebrook leadership wanted the company to be tech-forward, leveraging the most mature solutions to improve processing speed, information accuracy, risk decisions, and precise pricing, while delivering a white-glove experience to brokers. Socotra Policy emerged as a beacon of hope, offering the flexibility and scalability they sought. This advanced platform provided the means to build tailored insurance products without being held hostage by legacy constraints.

## The Ledgebrook System Snapshot

-  Streamlined underwriting workbench
-  Socotra Policy API-enabled back end
-  OpenAI for NAICS generation
-  Verisk Electronic Rating Content via API for some rating factors
-  AWS + ECS for deploying custom rating app – connected by Socotra DataAutofill, this piece houses the OpenAI integration
-  AWS RDS + Power BI for data warehousing and analytics



# A Journey of Collaboration Nets **Rapid Progress, Speed, and Precision**

The project's primary objective was clear: to deliver the fastest, easiest quoting experience to wholesale brokers while ensuring the utmost accuracy in risk assessment and pricing. The aim was to leave distribution uninterrupted and to outcompete rivals through technological prowess. Ledgebrook's tech-forward approach focused on enhancing front-end process speeds and leveraging data to refine pricing and underwriting on the back end to benefit the broker community.

Ledgebrook's collaboration with Socotra ensured a smooth transition. Despite challenges such as delayed product requirement documents, the combined efforts of technical experts from both sides led to a successful product launch in a remarkably short timeframe.

## Key Factors for Successful Implementation:



Well-defined API documentation: Socotra's open, well-documented APIs facilitated seamless integration and rapid development



Collaborative partnerships: working with tech providers, Socotra was pivotal in overcoming challenges and achieving rapid progress



Data model flexibility: Socotra's inherent malleability empowered Ledgebrook to build tailored solutions without extensive customization

## Achieving Unprecedented Efficiency and Agility

Ledgebrook's adoption of Socotra Policy yielded remarkable outcomes:



**Speed to market:** Ledgebrook launched their product within three months, defying industry norms and expectations




**Real-time insights:** proper data structuring enabled comprehensive tracking and analytics, driving informed decision-making



**Market innovation:** the MGA successfully upended traditional market norms, offering faster quotes and more personalized solutions



**Enhanced experiences:** brokers experienced streamlined, real-time quoting, resulting in improved customer satisfaction



## Harnessing Advanced Tech for Faster Operations and Cost Efficiencies

Ledgebrook found the perfect partner in Socotra. Socotra's cloud-native architecture, powered by AWS services including Amazon Elastic Compute Cloud (Amazon EC2) and Amazon Relational Database Service (Amazon RDS), enabled a simple, plug-and-play construction of Ledgebrook's insurance product. Socotra's well-designed documentation and elegant APIs makes configuration easy. The Ledgebrook team can worry less about the technical details and focus more on creating a quality customer experience.

In a fast-paced drive to embrace the latest technology offerings, Ledgebrook leverages real-time NAICS classifications for informed decision-making. This reduces mistakes attributed to miscategorization and prevents premium leakage.

The MGA's goal was to automate the process of getting NAICS codes, making sure they're available instantly during underwriting. This is crucial for accurately deciding on eligibility and pricing, and for preventing misclassification-based leakage. Integrating these codes at the right time in the application process adds strong business context to underwriting decisions.

However, the main challenge was improving data accuracy. Ledgebrook found that depending solely on policy application info and legacy tools led to manual overrides of NAICS codes almost half the time. This was a costly waste of valuable time. To overcome it, the company's technology team harnessed innovative tools, particularly leveraging the capabilities of Open AI with GPT-4 LLM.

Within an incredibly brief timeline of just two weeks, the Ledgebrook team devised and executed a groundbreaking application that transformed the scenario. This app allowed them to test with simulation data, improving accuracy **from 60% to 80%**. And they didn't stop there. The MGA continues to refine and test, estimating that as they pass more data to the engine they can boost accuracy to the 95% mark.

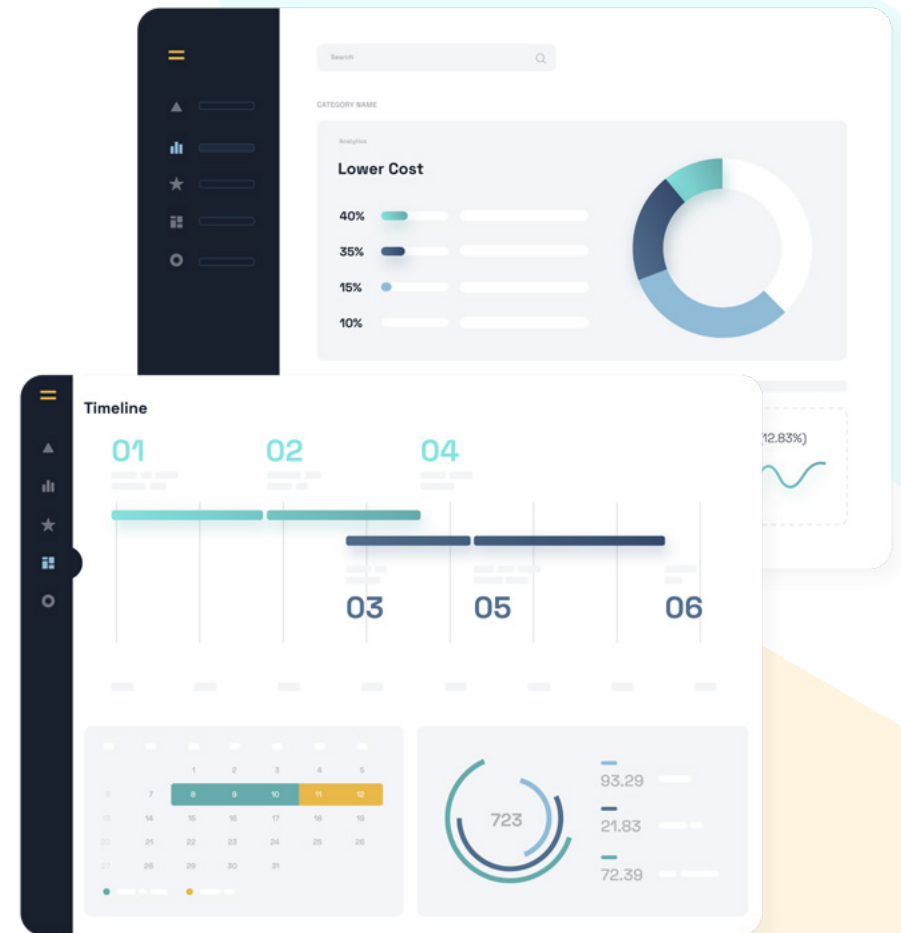
This shift brought about several outcomes as elements such as operational hours, inception dates, products, operations, and descriptions of services found their place within the improved framework. This augmentation seamlessly translated into both superior decision-making and an amplified pace of execution.

Looking ahead, Ledgebrook is seamlessly integrating this enhanced data into their triage modeling.

Furthermore, exploration continues to identify new avenues to harness augmented data quality and enhanced accessibility speed. The MGA's journey is rooted in enhancing performance and spurring innovation, combining top-notch technology with deep insurance expertise.

## Future Plans and Evolution - Scaling Up and Beyond

Ledgebrook's journey does not end with the successful implementation of Socotra Policy. Its future plans involve launching new products, scaling organically, and expanding their offerings within the E&S market. The adaptable foundation laid by Socotra provides the agility needed to accommodate growth and innovation seamlessly.



## Key Learnings and Takeaways

- ✓ Staying the course: a clear and unwavering commitment to its vision propelled Ledgebrook's journey from ideation through implementation
- ✓ Partnering for success: collaborative partnerships with tech providers were essential for overcoming challenges and accelerating progress
- ✓ Culture matters: defining and upholding a company culture aligned with core values fostered a cohesive and productive team
- ✓ Data-driven decisions: properly-structured data was essential for real-time insights, iterative improvements, and smarter decision-making
- ✓ Building with the best: Socotra Policy acted as the catalyst for Ledgebrook's digital transformation, enabling them to build a modern, efficient, and flexible insurance platform

## Conclusion

Ledgebrook's success story serves as a testament to the transformative power of modern technology within the insurance industry. Through their partnership with Socotra, the MGA was able to overcome traditional industry legacy challenges, streamline operations, and redefine the E&S market experience. Ledgebrook's journey underscores that the right technology, backed by a clear vision and a dedicated team, can reshape the landscape of insurance - providing smarter risk decisions, creating better business processes, and ensuring enhanced experiences for all.



For more information visit **Socotra.com**

Copyright © 2023, Socotra, Inc. "Socotra" and logo are proprietary trademarks of Socotra, Inc.