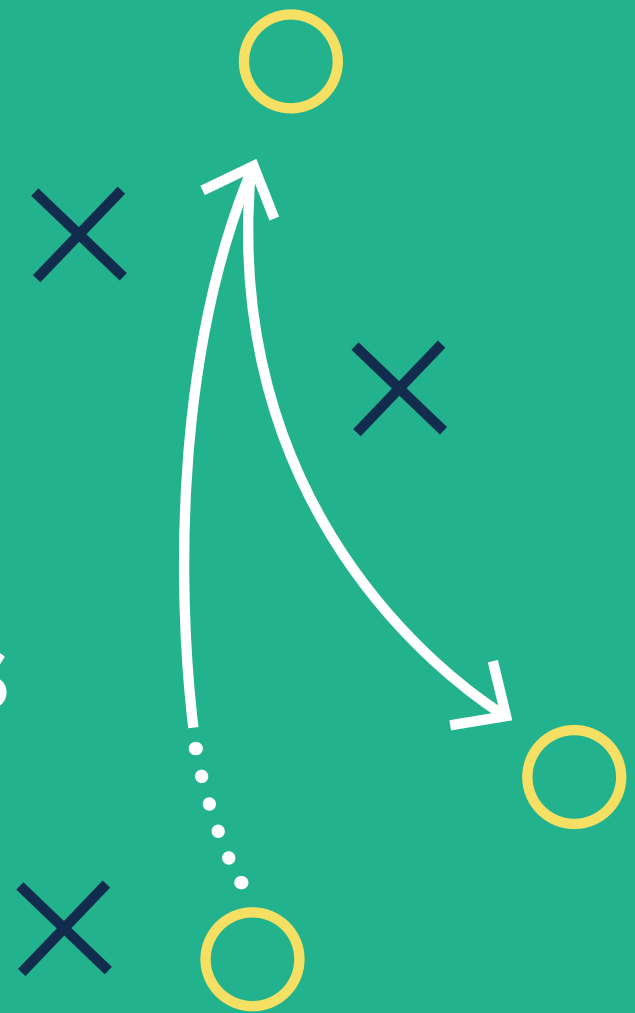


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PRODUCT LAUNCH PLAYBOOK

5 hard-earned lessons from the trenches of insurance innovation

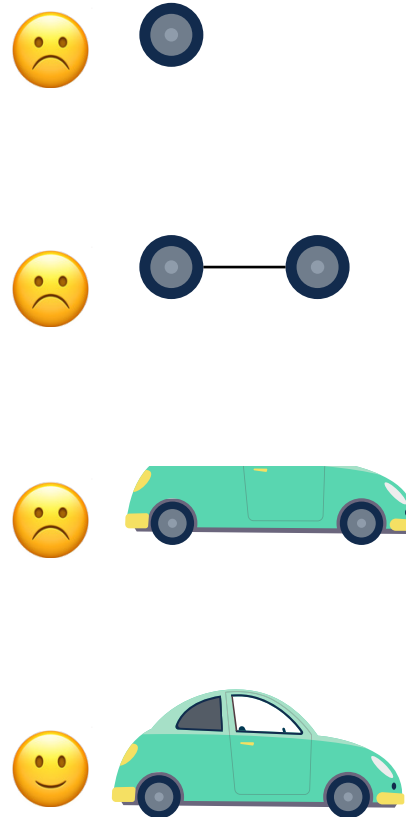


Introduction

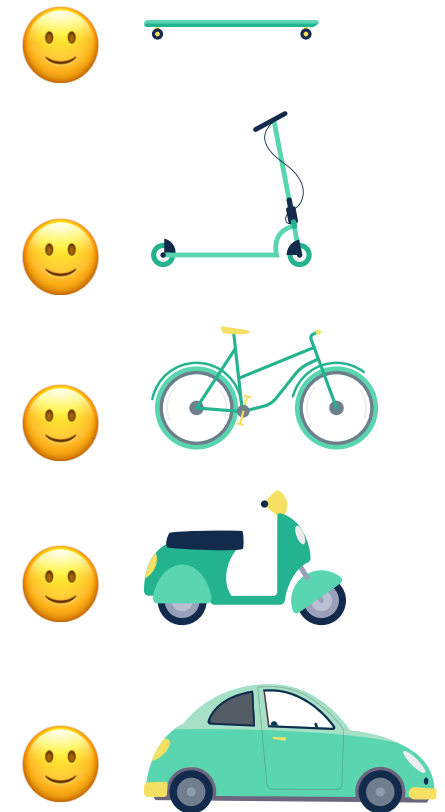
As the insurance industry faces growing headwinds, it's more important than ever that insurers remain competitive and innovate quickly. Insurtechs have gained significant traction by developing convenient and customer-centric products. Now, carriers are following suit and starting to embrace modern technology as an opportunity to diversify and speed new products to market.

The time to disrupt the insurance market may be ripe, but capitalizing on the opportunity can be extremely difficult. The industry maintains high barriers to entry, significant regulation, and well-established competitors. **Survival for carriers and insurtechs alike depends on the ability to launch new products quickly and on a budget — all while tailoring them to customer demands.**

NOT LIKE THIS (Waterfall Approach)



LIKE THIS (Agile Approach)



source: <https://designli.co/the-process>

How can insurers of all sizes transform a centuries-old industry?

The incumbent approach of spending years and millions of dollars on product development is a no-go. It's not only inefficient but will leave your business trailing the competitors. **Insurers must forge a different path using the agile methodology.**

By maximizing resources and continually iterating toward a best-fit product, **an agile approach is a key differentiator for insurance innovators** — but agile in insurance is still a relatively new and uncharted path.

Socotra has gotten in the trenches with many of today's top insurers, giving us keen insight into what makes for a successful product launch. We've compiled five hard-fought lessons that both carriers and insurtechs can leverage to distinguish themselves from their peers:

Lesson 01

Go live fast with an MVP

Lesson 02

Accept that your MVP will launch ablaze (if done right)

Lesson 03

Don't hate on manual processes

Lesson 04

Prioritize like an animal

Lesson 05

Choose technology that enables agile methodology

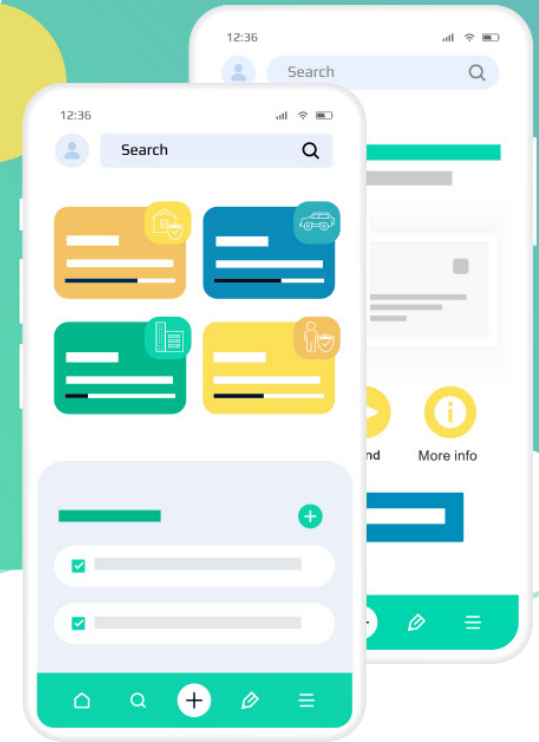
01 Get live fast with an MVP

Historically, insurers took rigid waterfall approaches to bring fully developed insurance products to market. They often spent years and millions of dollars to fulfill every requirement and build every feature for launch. But today's insurers can't afford to take a long and expensive waterfall approach to develop their products. Instead, they must get live fast with a minimum viable product (MVP) and start selling policies.

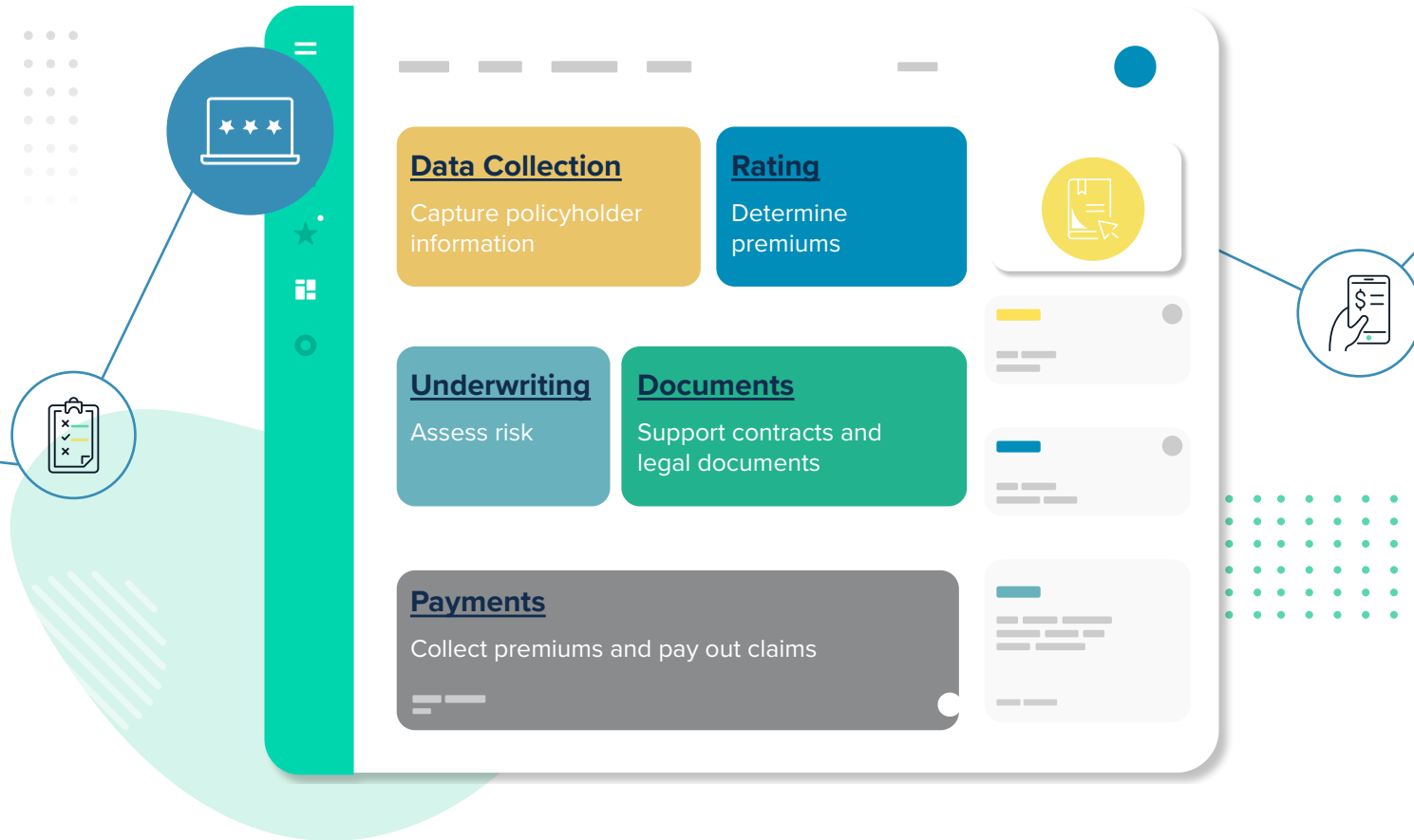
Where legacy products went live with a functionally complete, complex, and closed infrastructure, modern MVPs must remain open-ended in order to iterate based on customer feedback.

Until you have a customer, you know nothing

Learning goes exponentially faster once a product is live. By viewing the product launch as a starting point in the development journey, not the destination, MGAs can test market assumptions by gathering data from real prospects and customers. They can then take what they learn and quickly iterate to develop a more customer-centric product.



The minimum features required for your insurance product



Important caveat

This list applies best to low-volume and non-admitted insurance products, but some admitted products, for example, may require the ability to cancel a policy on day one. MVP requirements depend on your line of business (LOB) and geographical market (regulations vary by state). Standard (admitted) products must meet more state regulations than excess and surplus (non-admitted) products, which determines what features you must include in your MVP.

MVP with a capital M

Not all MVP features need to be fully built and automated. Avoid delaying a launch so that you can build out a function that can just as easily be done in Excel or another manual tool. More of this in Lesson 3.

02

Accept that your MVP will launch ablaze (if done right)

Your MVP has reached its **Day 1 milestone**: selling policies. Now that it's **Day 2**, you'll have a host of fires that you'll need to put out in terms of smoothing processes and meeting customer needs. While an agile approach accelerates your learnings and creates a customer-centric feedback loop for your product, it also demands responsiveness from your team post-launch.

Here are common fast-follow features:



Cancellations

Most customers will not cancel on Day 1, so this feature can wait until Day 2 unless you have an admitted product like personal auto insurance where it's required



Rating updates

Once you start selling policies, you may notice that your pricing isn't competitive. You should pay attention to whether you need to update your rate filings



Renewals

Most customers will renew monthly or annually (depending on the product), giving you ample time to build this feature



Forms updates

For Day 1, many MGAs with non-admitted products create their own forms, which can subsequently be replaced by ISO forms



Advanced policy servicing

Dashboards, extending transactional self-serve capabilities, and more



Reporting

Reports for state regulators and reinsurers

03

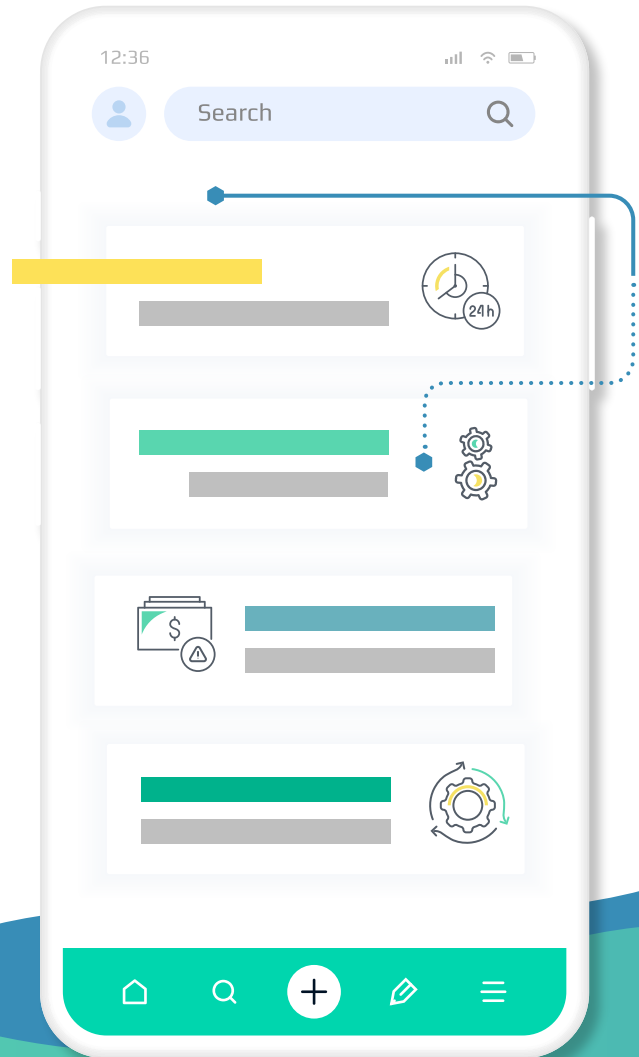
Don't hate on manual processes

Agile methodologies concentrate on minimizing waste while maximizing results.

Many startup leaders mistakenly believe automating as many processes as possible will help them stay lean and save time. **While it's counterintuitive, automating a bad process can create additional complexity, work, and problems** — all of which can scale at the pace of the business.

What's more, manual processes aren't bad. For the startup, they are crucial tools to apply the feedback signals received from customers.

Manual processes enable you to tweak, substitute, or eliminate inefficient processes quickly and affordably. In fact, manual processes are the easiest and simplest to iterate on.



Consider three scenarios to see the problems automation can create:



Automated

Your integration with the wrong data provider generates incorrect data forms that you must manually correct and complete.

You must find manual workarounds to support your most common processes

You must manually intervene to “close the gap” created by technology, abandon your technology investment, or fail to gain customer acceptance.

You have the wrong data provider

Some of your workflows are unexpectedly rare

Customer behavior doesn't match your assumptions

Manual



You can manually complete the data forms until you find the right provider

You can focus on common workflows and develop best practices to support them.

You can quickly recalibrate and respond to match customer feedback (verbal or non-verbal)

In summary, avoid prematurely automating a manual process before validating the benefit of doing so.



04 Prioritize like an animal

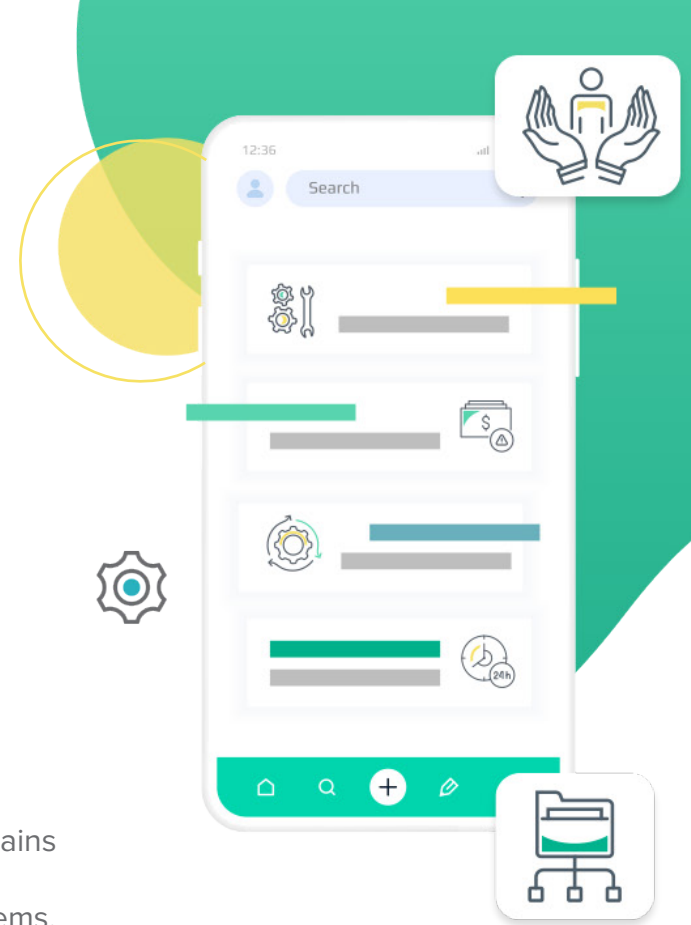
You've gone live fast, responded to feedback with feature updates, and preserved manual processes to maintain your focus on the most mission-critical objectives. Your responsibility to protect your scarce resources doesn't end here. Where you spend your time, talent, and capital still determines your survival and growth even as your resources expand.

Ruthless prioritization will allow you to continue making product improvements while supporting customer and market demands.

For example, automating manual processes can help you unlock massive gains in productivity, performance, and customer satisfaction. Yet knowing which processes to replace and in what sequence is more complicated than it seems.

Use this six-question framework to evaluate which manual processes you should automate first

- ① How much manual work is involved?
- ② What is the error rate (and cost of each error)?
- ③ How much time and effort does it take to integrate/automate away the manual process?
- ④ How often does the process need to run?
- ⑤ How much further iteration is expected?
- ⑥ How much does it harm customer acquisition?



Establish prioritization levels

After evaluating each of your manual processes against the six-part framework, you end up with a list of workflows to replace. Because replacing all processes at once is unrealistic and would disrupt your ability to sell and support policies, you need to prioritize your process-automation sequence. This varies depending on your line of business.

Here are the common processes to automate or integrate for non-admitted insurance products



Top Priority

Customer acquisition processes, such as payments, data providers, and application UI

Medium Priority

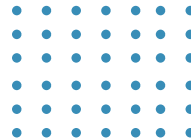
Renewals, documents, and reporting

Low Priority

Cancellations

Prioritization in practice

To demonstrate how a product influences how you prioritize, consider this example. Claims may surface as a top priority for a personal auto product, yet it might be a low priority for life insurance. For example, one term life insurer has yet to receive a claim after 8 months and 1,600 policies issued. As a result, they kept claims as a manual process.



Lay out a prioritization roadmap

In addition to automating manual processes, there are a host of other business decisions that require expert-level prioritization. **The following list of common priorities offers clarity and a basis for decision-making.** Keep in mind that your roadmap depends on your line of business.

Automate manual processes

- ✓ Integrate data providers
- ✓ Integrate payment processors
- ✓ Integrate e-signature and print services
- ✓ Automate with business rules and AI

Elevate customer and agent experiences

- ✓ Support real-time quote and bind
- ✓ Provide self-service tools

Enhance billing capabilities

- ✓ Support multiple payment plans
- ✓ Support lapse and reinstatement
- ✓ Support unequal billing
- ✓ Support billing plan changes

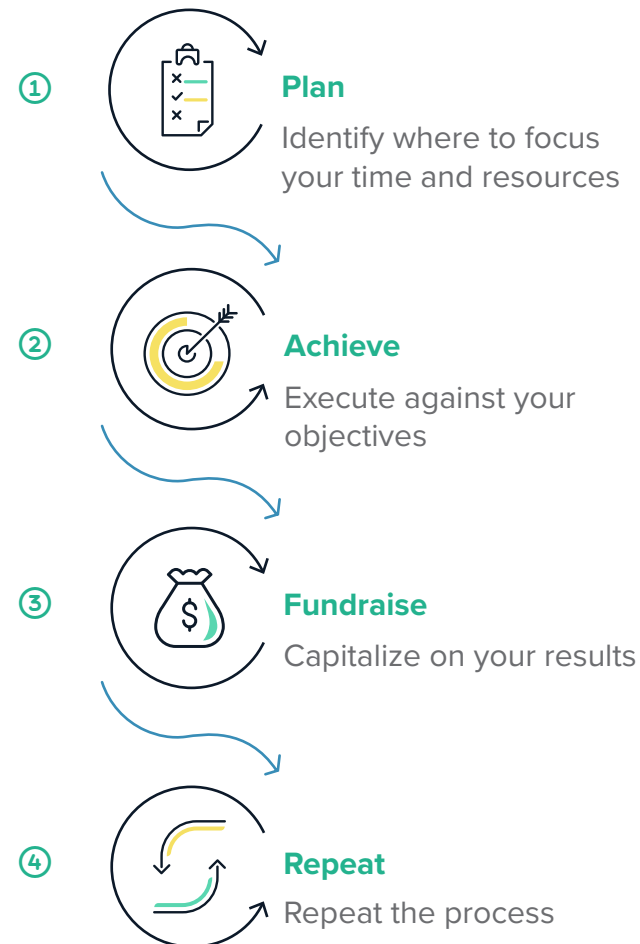
Add new feature complexities

- ✓ Bring claims in-house
- ✓ Add telematics or IoT

Rinse and repeat with this four-part cycle for product optimization

The agile method requires non-linear thinking.

The above decisions, once complete, aren't meant to be fixed. Instead, cycle through business growth and prioritization exercises over time.



05

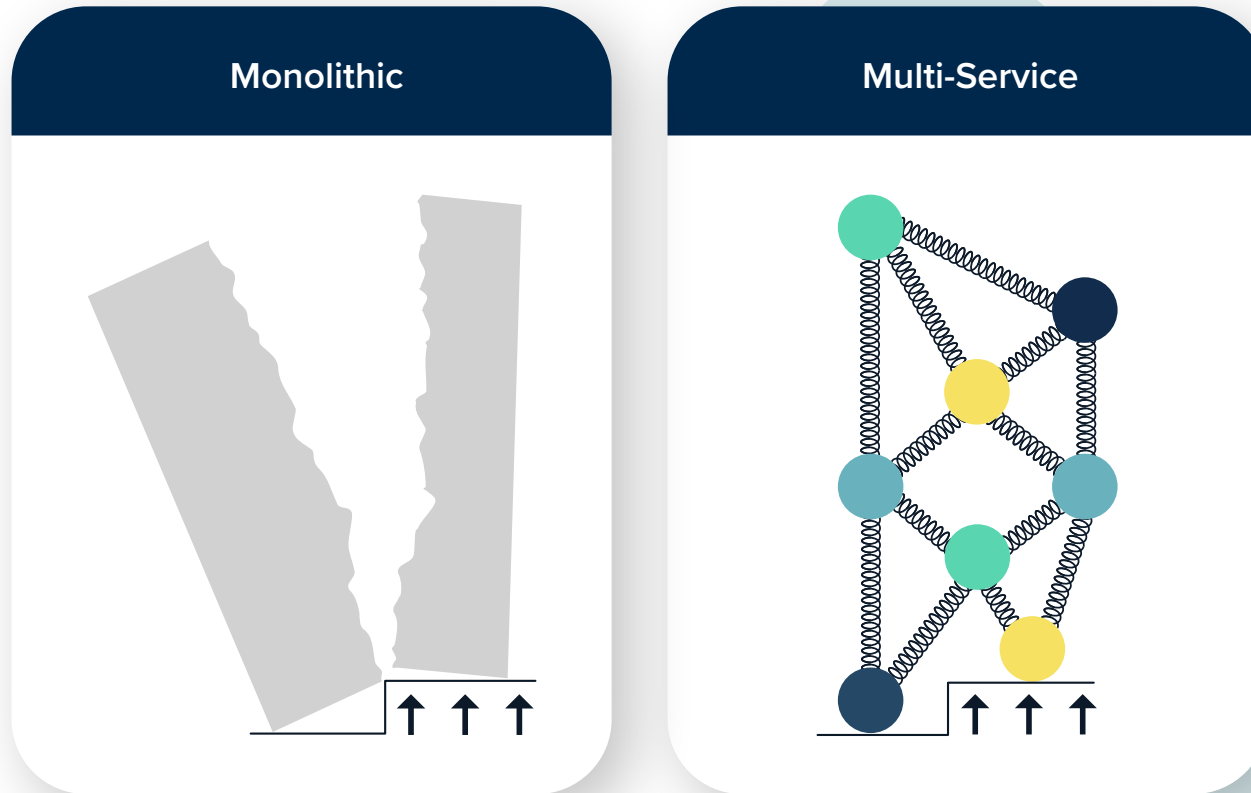
Choose technology that enables agile methodology

Agile methodology requires, by its very nature, agile technology. **In today's terms, that means having a multi-service architecture, which can maximize the agility and impact of lean operations.** In stark contrast are monolithic legacy systems that prevent a fast-moving, nimble team from adapting to market demands in a timely, cost-effective, and non-disruptive manner.

	Monolithic	Multi-Service
Architecture	Built-to-suit, customizations built into and dependent on other aspects of the system	Leverages multiple best-of-breed technologies seamlessly connected by open APIs
Speed to Market	12 months+	2 months+
Updates	Scheduled, costly updates	Automatic, free updates
How to recognize it	<ul style="list-style-type: none">✓ On-prem software that has been migrated to the cloud✓ No public API documentation✓ Highly customized software - You're presented with a Powerpoint instead of sandbox environment	<ul style="list-style-type: none">✓ True cloud - The vendor doesn't schedule upgrades with you✓ Open APIs - Full documentation online✓ Off-the-shelf capabilities - You can get a trial license to the platform in less than 24 hours

Multi-service architecture is built for change

Multi-service architecture enables you to take advantage of best-of-breed technology **to create a dynamic, always-up-to-date platform with enormous flexibility and resilience to change.** Consider the iPhone, which delivers an intuitive core operating system and a marketplace of third-party apps that can be seamlessly installed with a few clicks. In much the same way, multi-service architecture can put leading technology and services at your fingertips without custom coding or downtime for upgrades.



Change breaks a monolithic system, but a multi-service system automatically adjusts

Other benefits of multi-service platforms

Multi-service platforms allow you to tailor your platform to meet market demands quickly and easily.



Instant Provisioning

New users gain immediate access to a complete instance of the platform



Upgrades

Updates occur continuously, automatically, and for free, providing instant access to the latest and best features and enhancements



Automatic Scaling

IT resources are added or removed automatically to respond to business needs (e.g., adding or removing new users)



Integrations

Integrations are easy and seamless between technologies, making it add or replace services

A true multi-service platform enables you to avoid building like incumbents.

If your system would require a near-total rebuild to pivot or update your business, you're not dealing with an agile tech.

Multi-service unlocks your ability to:

- ✓ Differentiate products through improved risk assessment, underwriting, and distribution
- ✓ Accelerate product launches to lower cash burn rate, test and iterate a live product, and begin raising additional capital
- ✓ Reduce implementation time and costs, and eliminate maintenance and upgrade fees
- ✓ Facilitate fast and easy product iteration and optimization



Bring it all together

As an insurance leader, you need a smarter, more dynamic approach to innovation.

Accelerate the next phase of your growth by embracing these hard-fought lessons:



Get live fast with an MVP that includes only what you need to get up and running



Build technology for success through the lens of multi-service vs. incumbent approaches



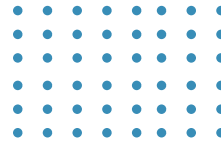
Accept that your MVP will arrive ablaze and focus on rolling out your subsequent essential features



Prioritize like an animal by overhauling manual processes, running through a success checklist, and adopting the cycle for startup success



Don't hate on manual processes, but embrace them as tools to master drastic change



Ready to get started?

Socotra is the first truly modern core platform trusted by innovative insurers and insurtech MGAs. Chosen by 27 customers in the last 18 months, **Socotra empowers agile insurers to:**



Launch

products in as little as two months



Reduce

costs by running lean teams and making product changes in minutes



Power

nearly any insurance product for any distribution channel or geography



Choose

their implementation approach, including self-service



Deploy

integrations instantly through a [*no-code app marketplace*](#)

Learn how Socotra is bringing unprecedented speed, flexibility, and agility to insurers.

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