



# The Value of an ISO ERC Vendor-Partner.

**When it comes to rating engines, not all technology vendors are equal.**

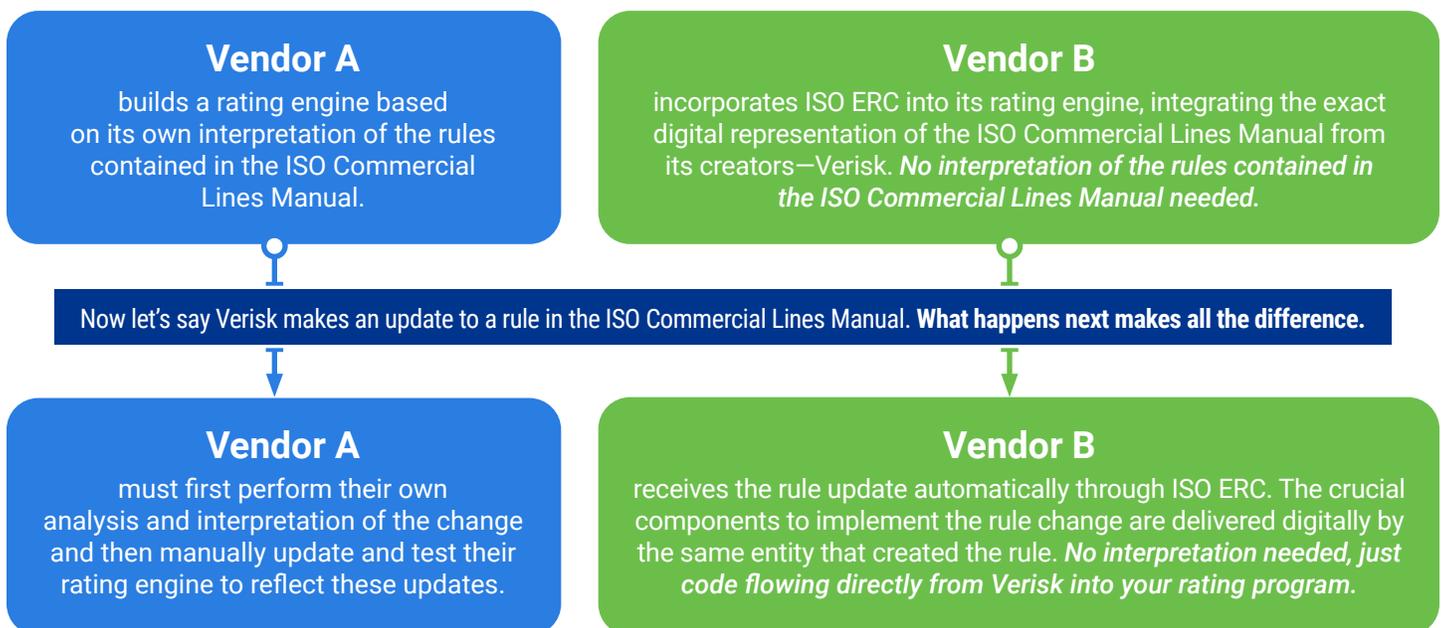
Rating engines help insurers automate the process of applying loss costs, rules, and rating factors to generate a price for a risk. Many engines developed for commercial lines insurers produce this price by using the rating information in Verisk's ISO Commercial Lines Manual.

So, if two rating engines from two different technology vendors both derive their rating algorithms from the ISO Commercial Lines Manual, they're essentially identical, right? Nope.

There can be a significant difference between a rating engine developed by Verisk's Strategic Alliance technology vendors licensing ISO Electronic Rating Content™ (ERC) and those from a vendor that doesn't use ISO ERC™.

## A tale of two vendors

To illustrate the difference, let's take two vendors.



Are you willing to gamble that Vendor A understands the nuances of Verisk's rating rule update better than Verisk? Can they integrate and roll out those changes more efficiently than a vendor that has a direct pipeline to this information electronically?

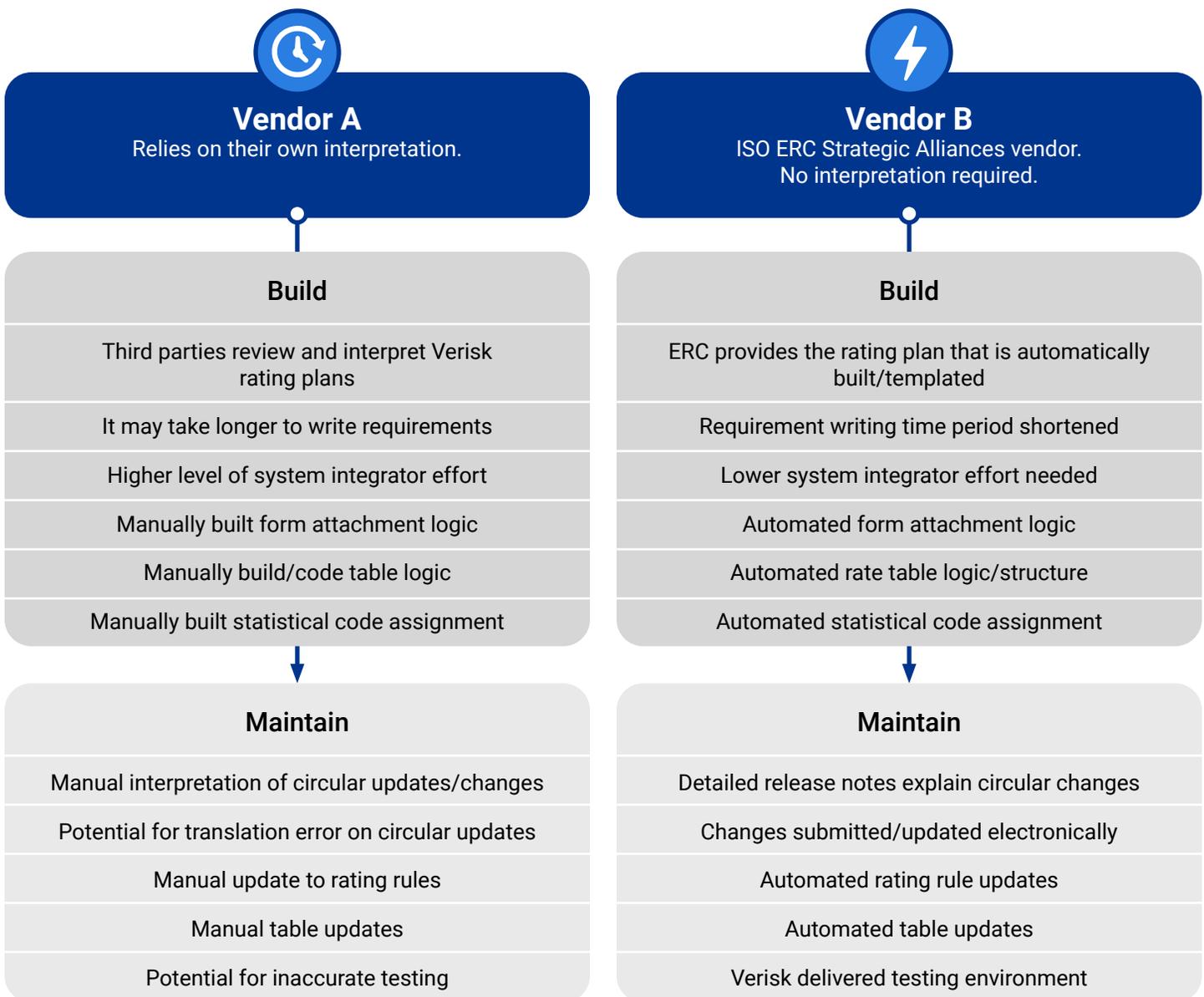
### What could go wrong?

Rating commercial lines insurance policies can be complex—premium calculation formulas and form attachment logic must be followed precisely to help ensure that premium is properly aligned to the risk. What’s more, rating content may be regularly updated to keep pace with underlying market conditions or regulatory changes. Verisk issues hundreds of rating-related circulars a year. Staying current with these changes is critical. Errors or outdated rating formulas can lead to:

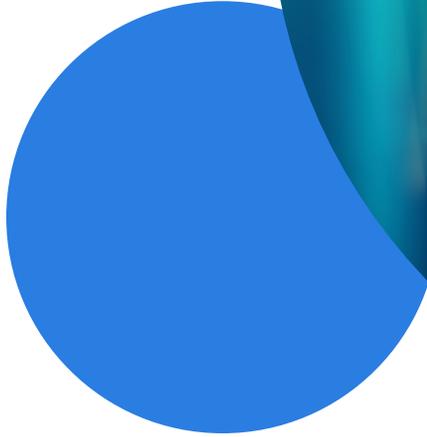
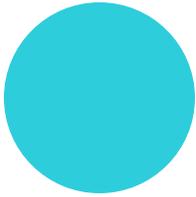
- Premium leakage
- Failure to attach proper endorsements leading to adverse or surprise claims
- Statistical reporting and compliance errors leading to audits or fines

These mistakes can add up, drag down your underwriting profit, and leave you scrambling to clean up statistical reports or respond to special data calls.

Let’s consider the multiple steps that may be required to ingest, interpret, build, and maintain Verisk’s rating content. Each step that a non-ISO ERC vendor has to tackle manually represents a potential opportunity for errors and delays that could be avoided by leveraging a Strategic Alliances vendor using ISO ERC.



By working with technology vendors that leverage ISO ERC, you can be confident that you’re getting the most accurate rating instructions from the ISO Commercial Lines Manual, represented faithfully, quickly, and efficiently.



Contact the ISO ERC sales team to learn more about Verisk's Strategic Alliance vendors.



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