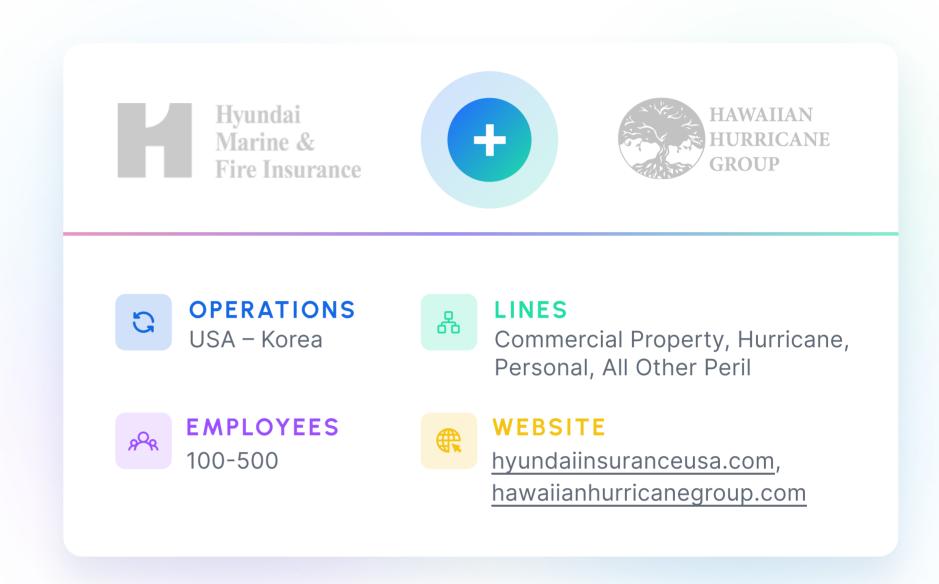# Hyundai + Hawaiian Hurricane
maximize the risk-reward equation

> Efficient use of machine learning in underwriting through the RiskOps platform helps partners double down on growth opportunities.

Holding more than $12.7 billion USD in direct written premium globally, Hyundai Insurance has continued to invest in its presence in the United States. Critical to this strategy has been their MGA partner, Hawaiian Hurricane Group, led by industry veteran Steve Doucette. After 30 years at the helm of US P&C leaders like Milwaukee Insurance Group and Great Northwest Insurance, Doucette characterizes Hyundai's US opportunity this way:

Hyundai Marine & Fire Insurance + **HAWAIIAN HURRICANE GROUP**

OPERATIONS
USA – Korea

LINES
Commercial Property, Hurricane, Personal, All Other Peril

EMPLOYEES
100-500

WEBSITE
hyundaiinsuranceusa.com, hawaiianhurricanegroup.com

> "
> Our feeling has been that the insurance industry is using yesterday's information and skill sets to solve today's problems. Federato's RiskOps solution provides a whole different way of looking at an industry that has tons of data but struggles with how to appropriately use and integrate it."
>
> Steve Doucette
> CEO & FOUNDER, HAWAIIAN HURRICANE GROUP

Key benefits of RiskOps:

MORE EFFICIENT GROWTH

Portfolio-aware underwriting maximized the risk-reward equation with every new policy

IMPROVED RETURN ON REINSURANCE

Proactively reducing the coefficient of variability provided a distinct advantage at the negotiating table

DECREASED MARKETING COST

Faced with new larger market entrants, the organization capitalized on existing market knowledge.

MAXIMIZED PRODUCER PRODUCTIVITY

Combining appetite and winnability data gave brokers consistent visibility into where to spend time and effort.

NEW LINES OF BUSINESS

Increased underwriting confidence allowed launch of new 'All Other Peril' product in record time.

Framing the challenge

Hyundai and Hawaiian Hurricane have seen significant growth in their existing programs. Critical to their continued success were: 1) continuing to compete with larger US household names, and 2) maintaining controls around considerable CAT exposures. With plans to further invest in growth, the team engaged Federato in June 2020, hoping the RiskOps platform could accelerate existing strategies and tactics.

Getting started

The Federato implementation process started with a comprehensive deep dive into the existing approach. Hyundai + Hawaiian Hurricane had a unique understanding of distribution dynamics in their target markets. Equally important was the proprietary approach to underwriting CAT exposures that made this book of business attractive to reinsurance partners. The challenge? The team needed a way to incorporate frequent shifts in appetite into their distribution channels to minimize CAT risk accumulations, while maintaining producer relationships.

The solution

By taking advantage of Federato's advanced federated architecture and RiskOps platform, Hyundai and Hawaiian Hurricane integrated their policy administration data with existing CAT models and 3rd party data sources. Together these resources take advantage of machine learned dynamic optimization to maximize premium subject to rate goals, appetite restrictions, and CAT accumulation constraints. By providing a proactive "punch first" view of in-appetite accounts where Hyundai + Hawaiian Hurricane had a distinct pricing advantage, brokers were able to target marketing efforts while avoiding adverse selection issues.

Outcomes

Hyundai + Hawaiian Hurricane continue to use the RiskOps solution in production. Federato's systems power core underwriting + distribution program efforts. To date, the solution has helped to increase growth while decreasing reinsurance costs through improved confidence in the group's CAT strategy. The RiskOps approach has also played a key role in launching a new line of business.

> "
> The whole idea of RiskOps just opens up new ways of thinking. It's not just marketing or underwriting or actuarial – I can make an impact across all of it. It just blows me away that our company can use this tool for breakaway from the competition."
>
> Steve Doucette
> CEO & FOUNDER, HAWAIIAN HURRICANE GROUP

Federato's industry-first RiskOps platform for P&C and Specialty insurance aligns portfolio strategy wiith underwriting action. Learn more about our RiskOps approach: **Federato.ai.**