

## CASE STUDY: TAPCO

TAPCO needed a precise, yet efficient way to quickly determine the distance of policy applicants' property from the coast in order to accurately calculate deductibles.



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*Joe Gianzanti, Manager of Information Systems, TAPCO*

### CHALLENGE

TAPCO needed a highly precise and efficient system to automate distance to coast calculations in order to accurately quote deductibles for its insurance agent customers.

### SOLUTION

By utilizing MapInfo Professional® and integrating the Envinsa™ location platform seamlessly into their proprietary systems, TAPCO was able to efficiently automate the process its underwriters use to determine a policy's distance-to-coast, deductible, and risk exposure.

### Summary

Founded in 1982, TAPCO Underwriters, Inc. of Burlington, North Carolina, specializes in the placement of excess and surplus lines of business for both commercial and personal lines accounts. As an underwriter, TAPCO acts as an intermediary between carriers and agents, helping place surplus lines of insurance with the appropriate insurance carrier.

If an insurance agent can't place a policy with a standard insurance carrier, the agent contacts TAPCO to “place” the policy with another insurance carrier. For instance, most insurance carriers won't insure a policy if it is too close to the ocean, located in a flood zone, if there is too much risk history or too little risk history. TAPCO's team of professional underwriters finds an insurance carrier to take these policies.

### Challenge

For TAPCO, location-based information is a critical component of its operations and decision-making process. Since the specialty underwriter only focuses on homeowners and general liability insurance, the distance of a particular policy from the coast is extremely important.

For instance, deductibles are calculated by distance-to-coast, so if a property is less than two miles from the coast, most insurance carriers won't insure the policy. If the policy is between 2-5 miles from the coast, there is one deductible and a different deductible if it is between 5-10 miles.

Up until Fall 2004, TAPCO never quoted deductibles for its insurance agent customers. TAPCO and most insurance policies simply stated that the deductible will be based on the policyholder's distance-to-coast, without providing any exact numbers. However, this led to a number of problems after the 2004 hurricane season when policyholders would argue their distance-to-coast deductible, stating that they were just outside or inside of a certain deductible range.

In order to increase efficiency and further improve customer service, TAPCO needed to find a way to quickly and precisely determine the distance-to-coast for a policy applicant so they could include an accurate deductible quote on a timely basis to their insurance agent customers. In the event of a claim, the policy's distance-to-coast based deductible needed to be defensible to policyholders.

## THE MAPINFO ADVANTAGE



MapInfo® Location Intelligence provides insurers with a powerful, flexible way to leverage the power of location to improve accuracy, efficiency, and profitability in areas such as underwriting, actuarial work, claims management, distribution, sales and marketing.

TAPCO was able to seamlessly integrate MapInfo Location Intelligence into its proprietary systems to provide new value to its clients and increase the efficiency, standardization and accuracy of its underwriting process.

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## Result

TAPCO implemented the MapInfo Professional® desktop mapping application and Envinsa™ Location Intelligence platform to automate and standardize distance-to-coast calculations for all of its policies.

“The location-based analysis enables us to improve our customer service because we can tell the insurance agent that a policy is this exact distance from the coast and the deductible is X number of dollars,” said Joe Gianzanti, manager of information systems at TAPCO. “This eliminates any confusion with the policyholder when a claim is filed.”

In addition, the insurance carriers that TAPCO deals with on a daily basis wanted a more accurate representation of their real exposure. With MapInfo Location Intelligence technology, TAPCO is helping these carriers decide to insure people that they may have turned away in the past. “MapInfo has helped take the guesswork out of policy locations,” said Gianzanti.

Prior to MapInfo, the distance-to-coast analysis was done by hand. TAPCO’s underwriters would draw a line on basic mapping tools to figure out the distance-to-coast. This process was not very accurate and extremely time consuming. “Now, users just hit a button and MapInfo does all the work, telling them exact distance-to-coast,” says Gianzanti. “The biggest benefit to us is that the distance-to-coast is now an automated, accurate and standardized process. By improving the efficiency of our underwriters, MapInfo is playing an important role in our explosive growth.”

Deployed in under a week, the MapInfo Envinsa platform is seamlessly integrated into TAPCO’s own proprietary system, which is used by about 100 underwriters on a daily basis. TAPCO users still access and work in the same user interface, but now when they enter an address into the system it automatically:

- Tells them the distance-to-coast
- Asks if they would like to see a map
- Asks if they would like to email or fax a picture to the insurance agent or carrier.

“The key is that our underwriters didn’t have to learn anything new. Envinsa just made the system they use smarter,” says Gianzanti.

In the future, TAPCO is planning to use MapInfo’s Location Intelligence solutions to produce detailed maps to show the insurance carriers and agents what risk TAPCO is writing and how the risks are dispersed.