Safety National Reports Significant Efficiency Gains from Incisive Spreadsheet Management

Function
Actuarial

Industry
Insurance

The Challenge
The actuarial team at Safety National needed a more efficient, reliable way to review and test model changes.

Incisive Benefits

- Provided a higher degree of confidence that critical spreadsheet data is accurate and consistent

- Improved ability to ensure spreadsheet controls are being met

- Empowered the actuarial team to do their job more efficiently

The Company

Safety National® is a leading specialty insurance and reinsurance provider. Serving thousands of customers nationwide for more than 75 years, the company offers specialized expertise, flexible program and placement design, and unique claims proficiency. Safety National is a member of the Tokio Marine Group and is rated A+ (Superior), FSC XV by A.M. Best.

The actuarial team at Safety National creates and maintains sophisticated models to assist with risk calculations, valuations, and pricing. The team easily works on hundreds of spreadsheets each year. Every effort is made to ensure formulas are correct, results are reasonable, and the spreadsheets are working as anticipated.

A new model being developed for underwriters to use in pricing business highlighted the challenges with testing spreadsheet-based models. There were multiple people involved with the construction of the spreadsheet and modifications during the development. While the model had a relatively small file size, the number of populated cells (about 1.5 million) and the number of formulas (about 65,000) meant a manual review of all formulas and revisions was not practical. No matter how rigorous the team was with its efforts, there was a strong likelihood that something would slip through the cracks with a spreadsheet this large. While the actuarial team utilized some of the auditing and troubleshooting capabilities within Excel, these tools were simply not enough. Given the large size of the model and small size of the pricing division, they needed a more efficient, reliable way to review and test model changes. The team started looking for tools to help.

How Incisive Software Helps

After researching spreadsheet risk management technology and evaluating several products, the actuarial team at Safety National selected Incisive Software for their spreadsheet management solution. Incisive's solution works seamlessly within

Microsoft Excel to detect and highlight errors and risks. The software utilizes a patented overlay technology that generates a color heat map that displays and highlights errors and potential risk for further examination. Incisive offers an enterprise-class collaboration and controls environment with a simple, user-friendly interface. It provides holistic visibility into spreadsheets across an organization, making change management easier and more attainable.

According to Leslie Martin, Senior Pricing Actuary at Safety National, *"The visual nature of Incisive's solutions is very impressive and truly unique. It was a key factor in our selection of Incisive's solutions. It does a great job providing a big-picture view of what is happening in a spreadsheet from a content standpoint. This is especially useful when reviewing unfamiliar models [created by someone else]. Incisive's overlay technology is a true game changer. The last thing you want is for your testing software to introduce changes to your workbook."*

The Result: Significant Efficiency Gains

The actuarial team at Safety National frequently works with spreadsheets that require the same formula to be used for consecutive rows or columns. However, it is difficult to identify if someone hard-coded something into a formula or overwrote the formula. While Excel's Inquire feature has a way to identify this action, users must go through a listing of cell references, which might be affected. According to Martin, this is another instance where the benefit of Incisive's visual display shines through as it highlights—in color—cells that are different, which saves Safety National's actuarial team significant time.

The ability to customize the tests Incisive's software performs is another feature that frequently benefits Safety National. One example cited by Martin is working with a hard-coded value in an "if-then" statement (e.g., a formula that says if this, then do this, otherwise set it to zero). Most tests, including Excel's Inquire tool, alert users each time the "if-then" statement contains a constant (such as zero). On a large spreadsheet, this can return thousands of formulas as potentially having an error the user must evaluate. When utilizing a large workbook, users could easily spend an hour or more going row by row to determine if a problem exists. Within the test settings of Incisive's software, the user can shut off alerts related to constants in formulas. "This is a simple feature, yet one that is greatly appreciated," says Martin.

Martin continues, *"Tests customized to our specific needs, with added overlay technology that highlights potential areas of concern, are a significant time saver. I cannot say enough about the visual nature of Incisive's spreadsheet management solution and the related time savings. I recently needed to track down an error in a spreadsheet related to external links that were mistakenly introduced into a workbook. What normally could have taken an hour to research took me five minutes. Plus, I was able to generate a report listing all the cells with external links."*

Prior to deploying Incisive's solution, testing changes to spreadsheets required pure manual grunt effort on the part of the actuarial team. This is no longer the case. With Incisive 's software, spreadsheet changes can be monitored or managed with an approval workflow, providing a version control process similar to what software development teams use. Comparing spreadsheets is also possible as needed.

Thinking back to the evaluation process that led Safety National to select Incisive, Martin states, *"Incisive offers a solution that provides a suite of tools with the scale and flexibility we need. The user experience was the best of the products we evaluated. And the service from the Incisive team has been outstanding."*

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—Leslie Martin,
Senior Pricing Actuary at Safety National

ABOUT INCISIVE
Based in San Jose, California, Incisive provides award-winning and innovative spreadsheet risk analysis and management solutions. Our enterprise offerings provide visibility and control to all business areas that use or interact with spreadsheets. Incisive products have been recognized for accurately and reliably highlighting risks to give users confidence in their spreadsheet information. For more information about Incisive and the company's solutions, visit www.incisive.com.

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