

Breaking the Bottleneck in Delegated Authority

Why manual processes are limiting growth
- and how agile underwriting leaders are
solving it with modern platforms



Delegated Authority (DA) is accelerating globally, presenting immense opportunities and operational complexity for insurers.

Whether managing Lloyd's Binders, U.S. insurance programs, or cross-border MGA arrangements, underwriting leaders are unified in their need for control, compliance, and efficiency.

Manual operations - characterized by spreadsheet sprawl, fragmented communication, and delayed reporting - are increasingly viewed as unsustainable.

With DA business accounting for over 40% of Lloyd's premium income and the U.S. MGA market surpassing \$70 billion in premium, the need for modernisation is urgent.

DA programs, once seen as peripheral, are becoming a central growth strategy for many insurers. But growth comes at a cost: more partners, more policies, more regulatory scrutiny - and more operational load. Teams are battling to scale oversight and compliance without introducing friction, risk, or ballooning admin headcount.

For many, the breaking point has arrived...

The industry is at a critical juncture. Carriers and MGAs alike are under pressure to move from reactive, spreadsheet-bound workflows to real-time digital ecosystems.

Forward-looking firms are embracing purpose-built DA platforms that centralise data, streamline workflows, and embed compliance into daily operations. The result: reduced risk, faster onboarding, better data quality, and empowered teams.

This white paper explores the drivers of DA growth, the risks of outdated processes, and the transformative potential of modern governance technology. It is designed to equip COOs, DUA heads, underwriters, and program leaders with a strategic playbook to modernise operations and unlock the next stage of growth.

The Bottleneck Problem



"On average, delegated underwriting teams spend 40-60% of their time on administration, leaving little room for strategic input."

Global Underwriting Survey, 2024

Common Bottlenecks

Bordereaux Backlogs: Policy, claims, and premium data arrives in inconsistent formats and often late, delaying reconciliation and financial reporting.

Fragmented Oversight: Data is siloed across spreadsheets, shared drives, and inboxes, hindering real-time performance tracking.

Regulatory Pressure: Manual tracking of compliance obligations introduces audit risk, especially under Lloyd's Minimum Standards or U.S. DOI requirements.

Human Strain: Ops teams are stretched thin, managing low-value, repetitive tasks instead of value-added analysis.

Impact Across Stakeholders

For Underwriters: Slower quote turnaround times due to lack of timely bordereaux insights.

For Compliance Officers: Reactive rather than proactive response to emerging audit issues.

For Reinsurers and Capacity Providers: Limited transparency results in conservative capital allocation.

The compounding effect is operational gridlock – high cost, low agility, and poor visibility.

Why this matters now



"We've seen regulators moving from periodic audits to near-real-time data expectations. Firms that can't adapt face heightened regulatory friction."

Former DOI Examiner

Several macro trends are converging to make modernisation essential

Explosive Growth in MGA and Program Business

MGAs continue to flourish globally due to their underwriting agility. In the U.S., program business now comprises more than 15% of commercial P&C premium. Across Europe and Asia, new MGAs are launching at record pace, intensifying the need for scalable oversight.

Case in Point: Between 2020 and 2024, the number of registered MGAs in the U.S. increased by 38%, placing significant operational stress on legacy oversight systems.

Rising Regulatory Scrutiny

Regulators are tightening expectations. Lloyd's mandates robust controls and audit trails through its Minimum Standards, while U.S. state DOIs increasingly demand granular bordereaux submissions and proof of oversight. Manual compliance tracking cannot keep pace.

Why this matters now

Talent Shortages and Cost Pressures

Labour-intensive operations are hitting a wall. Admin staff turnover is high, and experienced underwriting ops professionals are costly and hard to retain. Scaling through headcount is no longer viable.

Competitive Threats

Forward-thinking carriers are investing in DA platforms that automate data collection, streamline workflows, and deliver instant MI. They're setting a new benchmark for speed, transparency, and profitability.

Emerging Trend: Several top-20 global reinsurers now require participating insurers to demonstrate DA tech maturity as part of binder renewal discussions.

The New Model

Tech-Powered Delegated Authority

Data Standardisation and Automation

Modern platforms ingest policy, premium, and claims data from diverse sources and automatically transform it into a consistent format - ready for validation, ML, and compliance.

- Eliminates the need for manual rekeying
- Supports ACORD and Lloyd's Market standards (DA SATS, CDR)
- Enables exception-based processing with automated alerts

Unified Oversight

Insurers gain a single dashboard view of delegated portfolios, allowing real-time monitoring of performance, exceptions, and compliance metrics across all Coverholders or MGAs.

- Real-time portfolio segmentation by region, LoB, or capacity
- Drill-down views on TPA performance and claims leakage
- Integrated reporting for internal and external stakeholders

Configurable Workflows

No two DA relationships are identical. Best-in-class platforms allow insurers to configure onboarding, bordereaux approval, and audit workflows to fit their governance framework.

- Custom approval hierarchies
- Escalation routing for overdue bordereaux
- Embedded notes and collaboration threads for audit readiness

Embedded Compliance

Built-in rules engines enforce key controls, flag exceptions, and produce audit-ready logs - minimising the risk of regulatory breaches.

- Auto-validation against binder terms
- Mapping to regulatory expectations across jurisdictions
- Flagging data anomalies for proactive resolution

Mini-case study: A global carrier operating in both Lloyd's and U.S. markets consolidated 100+ DA relationships into a single platform, reducing exception processing time by 65% and improving audit outcomes.

The Business Impact

The move to digital DA oversight is not just a tech upgrade... It's a strategic shift

BENEFITS INCLUDE

Operational Gains

Scalability: Insurers can onboard new MGAs or programs without expanding operational headcount.

Faster Time to Market: New schemes go live faster, giving underwriting teams a first-mover advantage.

Improved Loss Ratios: Access to timely, granular data improves risk selection and corrective action.

Audit Readiness: Regulators, capacity providers, and reinsurers gain confidence in your controls.

Talent Retention: By automating the grunt work, teams can focus on meaningful, strategic work.

Strategic Impacts

- Accelerated product innovation
- Improved partnership reputation with MGAs
- Lower operational cost ratios
- Enhanced reinsurer confidence and alignment



"DA platforms that eliminate manual data handling improve team productivity by up to 70% and reduce compliance errors by over 80%."

LIMOSS/ACORD Insight, 2024

Future Outlook

What's next in DA?

The delegated landscape is set to evolve in several critical ways:

Real-Time Data Exchange

With the adoption of APIs and middleware, insurers will move from batch bordereaux reporting to near-instantaneous data syncing with Coverholders and TPAs.

AI-Powered Oversight

Leading DA platforms are beginning to incorporate machine learning to:

- Predict high-risk binders based on historical performance
- Recommend remediation steps
- Spot anomalies in claims trends

Increased Demands from Capacity Providers

Reinsurers and alternative capital providers will increasingly demand visibility not just at the binder level, but down to individual risk-level economics.

Cross-Market Convergence

As programs grow more international, insurers must harmonise oversight across Lloyd's, U.S., Canadian, and EU regulatory regimes - demanding even more flexible platforms.

Break the Bottleneck

Delegated Authority will continue to grow in complexity and opportunity. Insurers must choose whether to respond with reactive processes or proactive systems.

You don't have to scale chaos. With the right platform, you can gain control, reduce cost, and lead confidently into the next era of delegated underwriting.

Let us show you how.

Book a 15-minute discovery call See how we're helping underwriting leaders streamline and scale delegated authority, globally.

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