Homeowners Insurance Verification:

The digital, no-touch solution that is solving the current outdated and clumsy homeowners insurance verification process.

By Rick Tighe

Do you ever wonder why carriers receive so many requests for evidence of homeowners insurance?

Homeowners insurance is a key part of every mortgage agreement. After origination, customer loans move to a servicer who is responsible for managing the loan. The mortgage company (or investor) has a vested financial interest in the property and must ensure there is continuous coverage in place to protect both themselves and their customers.

The general process of tracking insurance on mortgage loans has proven complex. Policyholders may have multiple loans and multiple types of coverage. Mortgage transfers take place. Ongoing regulations change, impacting specialized risks such as wind and flood coverage. In addition, existing insurance verification channels vary by carrier, leading to challenges with respect to consistency in the data provided by carriers.

Assurant is the market leader in lender-placed insurance and related services. With over 40 years of experience, they partner with 7 of the top 10 largest mortgage servicers in the U.S. to provide LPI programs such as monitoring insurance coverage. Assurant has unmatched experience in this process.

The diagram helps paint a clearer picture of the players in the insurance monitoring ecosystem:

When evidence of insurance (EOI) is not provided, Assurant must obtain the information from either the homeowner or the insurance company on record. This generates a lot of frustration for the customer and for the agents who field these calls. How many calls are actually generated from this process?

Between 2020 and 2021, Assurant logged 1.1M calls to carriers and agents totaling more than 146,000 call hours with calls averaging over eight minutes!

HOMEOWNER

INSURANCE CARRIER

ASSURANT®

MORTGAGE SERVICER

CSR AGENT
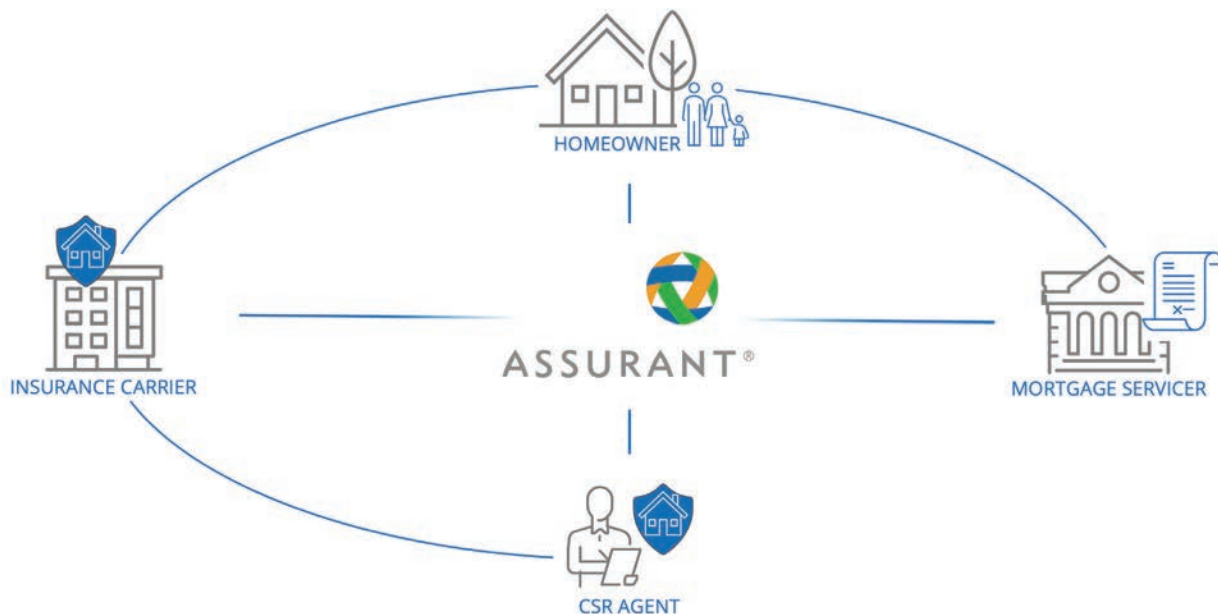
> **"Ease of doing business and efficiency improvements is critical to any customer service-oriented business. By leveraging an API message for evidence of insurance data, we were able to deflect 60 percent of phone calls to an automated API web call. This solution also reduced the risk of manually authenticating callers over the phone. Improved security, improved efficiency, and improving the experience for our mutual customer provided the trifecta of benefits."**
>
> **— Executive at a Top 10 National Insurance Carrier**

But, what about EDI?

Electronic data interchange (EDI) is a well-known industry standard for exchanging batches of information, but it has existed for over 50 years and has not seen significant changes in that time. EDI only offers a one-way exchange of information, and the process can be inconsistent, particularly around incomplete replacement cost indicators and policy numbers that prevent verification of coverage.

Assurant Is Transforming the Process

Even with all channels and attempts to obtain EOI, 80 percent of the time there is missing information that must be validated and that results in calls — to carriers, to and from policyholders, and to agents. Up until now, the process has been clumsy, inefficient and even painful at times. But, as with many processes, targeted technology can help streamline time-consuming tasks and ultimately improve the customer experience.

Assurant recently launched a new, digitally enabled solution that many top insurance carriers have already integrated. **Assurant's proprietary technology, HOIVerify^{SM}, offers an API-based solution** that acts as a bridge between the insurance carrier and the mortgage servicer, allowing systems to talk more directly to one another. With this integration, Assurant eliminates the inherent inconsistencies seen with EDI because all data is retrieved in a common format. This means updates occur in real time — which opens additional opportunities such as electronic payments and mortgagee clause updates.

With HOIVerify^{SM}, Assurant has seen a rate of 60 percent no-touch automation with participating carriers. The reduction in manual processes means:

- Improved policyholder experience.
- Increased data accuracy and efficiency.
- Reduced expenses for you and agents with less time on the phone.
- Improved business controls, reducing the effort to ensure compliance.

If you are interested in learning more about HOIVerify^{SM}, contact Assurant. The implementation process is quick and painless.

This no-cost solution is already transforming our industry and eliminating headaches for agents and carriers coast-to-coast.

Rick Tighe serves as the director of carrier relationships for Assurant, where he collaborates with carrier partners to implement digitally-focused solutions that foster a mutually beneficial partnership aimed at providing a better, more efficient customer experience.

For additional information on HOIVerifySM, contact Assurant:

Rick Tighe
Director, Carrier Relationships
richard.tighe@assurant.com

GO GREEN!
HOIVerify^{SM} is a
Sustainable Solution