

Data Governance and Standardization the Key to Accurate Underwriting Across Multiple Commercial Brokers

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An underwriter begins the week by reviewing two comparable submissions for industrial warehouses of similar size. Both stores have similar inventory and operate under nearly identical conditions. It clearly means that the evaluation should be easy and simple.

However, once the underwriter starts reading the documents, the similarities begin to disappear. The information is presented differently in each submission.

Same Risk. Different Submissions. Different Outcomes.

The first submission, prepared by an Australian broker, is orderly and systematically structured. Construction details, occupancy information, fire protection measures, and valuation data are presented in clearly defined sections. The information aligns with internal underwriting requirements, enabling reliable ingestion by underwriting platforms and validation of workflows with minimal manual intervention.

The second submission, issued by a broker in California, contains comparable information but lacks a consistent structure. Critical data points are embedded within narrative descriptions; valuation figures are provided through separate spreadsheets, and protection features are referenced without standard definition. The information does not align with internal underwriting requirements, preventing reliable ingestion by underwriting platforms, and increasing dependence on manual review.

The risk itself remains unchanged. What differs is the manner in which it is documented. In a technology-driven underwriting environment, this inconsistency directly affects accuracy.

Data governance and standardization provide the necessary control, ensuring that underwriting decisions are based on information that is consistent, complete, and comparable.

How Standard Broker Submissions Affect Underwriters

A clear contrast appears when comparing Australian and Californian submissions, particularly in how underwriting data is structured for consumption by underwriting systems. Brokers in Australia operate under the APRA Prudential Standards, which encourage precision, traceability, and a stable documentation structure. These expectations result in disclosures that are orderly, clearly segmented, and readily ingested by underwriting platforms, rules engines, and validation workflows.

Californian brokers prepare submissions under the authority of the California Department of Insurance and within the broader framework of NAIC Model Laws, such as

- **The NAIC Unfair Trade Practices Act**, which supports transparency in documentation
- **The NAIC Property and Casualty Model Rating Law**, which governs the justification of rates
- **The NAIC Market Conduct Examination Handbook**, which influences the depth of record-keeping

Although these frameworks establish important regulatory protection, they do not mandate a uniform method for presenting underwriting information. As a result, key

data elements may appear within narrative paragraphs, scattered headings, or independent attachments, limiting their direct usability within automated extraction, validation, and pricing workflows.

For the underwriter, the effect is immediate. The exposure itself does not change, yet the effort required to interpret and normalize the information increases, particularly when submissions are processed through underwriting systems rather than reviewed manually. The underwriter must reconcile

- Terminology that differs for the same features
- Valuation information expressed through incompatible formats
- Protection details placed separately from the main submission
- Descriptions that obscure rather than clarify essential points

This reconciliation must occur before data can be reliably processed by underwriting tools or analytics models, and before any technical judgement can be applied. The complexity lies not in the risk, but in how the information is documented and prepared for both human and system-based evaluation.

Australian Regulatory Environment and Its Impact on Data Expectations

In Australia, the regulatory framework shapes the precision with which underwriting information must be documented and maintained, particularly as underwriting increasingly relies on technology-enabled processes. APRA's prudential standards reinforce the expectation that every piece of information used in risk assessment must be reliable, traceable, and governed throughout its lifecycle, including its movement across underwriting systems, workflows, and reporting environments.

The core obligations are often summarized through two central standards. The Exhibit 1 reflects their distinct focus and the expectations they place upon underwriting teams.

These standards do more than set regulatory boundaries. They create an operational expectation that underwriting decisions are supported by disciplined data practices embedded within **technology**. Any lapse in structure, control, or clarity becomes more than an inefficiency. It directly impacts the insurer's ability to demonstrate sound governance when systems process, store, and analyze underwriting data.

Exhibit 1: Regulatory Requirements for Underwriting Data Under APRA

CPS 220 Risk Management



Primary Focus

Reliability and traceability of information

Implications for Underwriting Data

Records must be accurate, complete, and defensible under audit. All risk assessment inputs must follow a clear structure that supports system-based review and validation.

CPS 234 Information Security



Primary Focus

Integrity and control of data throughout its use

Implications for Underwriting Data

Underwriting information must remain protected, consistent, and subject to documented governance practices across technology platforms and data workflows.

Standardization as the Basis of Reliable Underwriting

Standardization provides the structure required for underwriting when submissions originate from brokers operating under different regulatory expectations and documentation practices. It becomes particularly critical when underwriting data is consumed by extraction tools, validation engines, and downstream underwriting platforms. By replacing individual interpretation with a shared vocabulary, standardization ensures that material facts are described consistently, traceably, and comparably across markets.

A disciplined approach to standardization typically involves

- Clear definitions for construction type, occupancy, and protection features that can be consistently captured by systems
- Uniform valuation terminology supported by accepted measurement criteria suitable for automated processing
- Structured templates that place information in predictable sections, enabling reliable ingestion into underwriting workflows

When these elements are in place, the underwriter interprets the risk without having to decode each broker's preferred style, and underwriting systems are able to process submissions without manual intervention or data normalization.

The effect becomes especially clear when comparing submissions from Australia and California. If both brokers use the same structured fields for fire resistance, hazard exposure, or special protection measures, neither the underwriter nor the underwriting platform is required to translate terms or reconcile presentation differences. The focus remains on the substance of exposure rather than on the format in which it is expressed.

Standardization therefore strengthens underwriting by creating clarity at the point of data entry. It aligns broker submissions with internal expectations and ensures that technology-enabled underwriting processes operate on consistent and dependable information.

Steps Insurers Take to Build a Governance and Standardization Framework

Insurers typically follow a progressive sequence when establishing a governance structure to bring uniformity to broker submissions. At Cogneesol, this sequence is operationalized through technology-enabled controls and governed workflows, ensuring that data quality and consistency are enforced in practice rather than documented in theory.

Step 01

Identification of essential data elements

- Cogneesol begins by working with underwriting and operations teams to identify the critical data elements that directly influence underwriting decisions.
- These elements form the foundation for all downstream documentation, validation rules, and automated processing.
- Each data element is formally defined to ensure it can be consistently captured, validated, and traced across systems.

Step 02

Development of structured submission formats

- Based on these definitions, Cogneesol supports the design of structured submission formats that place data elements in clearly defined sections.
- These formats align with internal underwriting guidelines and relevant regulatory expectations, including APRA standards where applicable.

Step 03

Enforcement of broker submission requirements

- Cogneesol helps insurers communicate clear submission requirements to brokers, including mandatory data fields, approved terminology, and acceptable documentation for verification.
- These requirements are reinforced through system-level checks that automatically identify missing, inconsistent, or non-compliant data before it progresses through underwriting workflows.

Step 04

Ongoing quality control and exception management

- Submission quality is monitored continuously to identify recurring gaps and data inconsistencies.
- Cogneesol enables automated validation, exception handling, and monitoring dashboards to ensure that only complete, governed data advances underwriting and downstream processing.

Step 05

Continuous refinement through governed technology

- As regulatory expectations and underwriting practices evolve, Cogneesol supports the continuous refinement of data definitions, governance rules, and validation logic.
- Updates are applied centrally across systems and workflows, ensuring consistent enforcement without repeated manual intervention.

CONCLUSION

Underwriting is increasingly shaped by the quality of data flowing through systems rather than the effort applied by individuals. As platforms, analytics, and automation become integral to decision-making, the ability to define, structure, and control underwriting data determines consistency and accuracy at scale.

Data governance and standardization therefore sit at the core of effective underwriting operations. They establish the conditions under which technology supports judgement instead of distorting it. Insurers that invest in governed, system-ready data foundations are better positioned to evaluate risk consistently across brokers, regions, and regulatory environments, while maintaining operational and regulatory confidence.

Cogneesol works with insurers to embed governance and standardization directly into underwriting workflows and technology landscapes. Our focus is not documentation, but execution. We help transform fragmented submissions into controlled, reliable inputs that underwriting teams and systems can trust.

If underwriting accuracy matters to your growth agenda, then the answer lies in strong data foundations. That's what Cogneesol helps you build them. Book an appointment to understand how we can transform your processes.

cogneesol

Re-imagine. Re-invent.

About us

Cogneesol is a leading Business Process Management (BPM) services firm, enabling clients to build and run future-ready operations. With deep expertise across insurance, residential real estate, finance & accounting, legal services, and DAT (Data, Analytics, AI, Technology, and Automation), we help organizations streamline performance and unlock value at scale.

Our **BPM 4.0** framework — **ADIS** (Adaptive Digitally Intelligent Solutions) — blends domain expertise, process excellence, digital platforms, and intelligence to reimagine processes and reinvent outcomes. Through ADIS, Cogneesol orchestrates, automates, and elevates operations to deliver measurable impact and help clients achieve sustainable competitive advantage.

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