

The Proof, Before the Program

Why US standard commercial will be won by the carriers that prove three abilities before they fund a platform.

Everyone wants the same market.

US small commercial is one of the largest prizes left in property and casualty: roughly \$140 billion in direct premium, about a third of all commercial premium. It is also fragmented, with the largest carrier holding only about 6 percent. Carriers built for large corporate risk look at it and want in.

One global commercial carrier did the strategy work honestly. It concluded that the smallest accounts were won on straight-through processing it did not have, and that competing there would take an acquisition. It chose to compete where it already had standing: small and middle market accounts in broker verticals where it held relationships and product breadth.

Then it named what it lacked. Brokers wanted one face from the carrier, not one per line of business. They wanted a quote and an invoice at the account level. And they wanted to submit less, with the carrier finding the rest.

THE QUESTION

Which abilities must exist before this strategy is worth funding, and how many does the enterprise already have?

Strip the strategy to its grammar.

Every strategy is a claim about what the enterprise will be able to do. Reduced to that grammar, this one rested on three abilities. Each had to be true for the economics to hold.

	ABILITY	WHAT THE BROKER EXPERIENCES	WHAT MUST BE PROVEN
01	Ability to align underwriting to a broker vertical	One carrier, one point of contact, every line the client needs	Lines of business can quote and service as one account without losing product ownership
02	Ability to consolidate an account view	One quote, one bill, one picture of the client	Policies held in separate systems can be presented as one account without consolidating every system behind it
03	Ability to supplement submission data	An address in, a bindable quote out	Third-party data can locate, describe, and assess every insured location with minimal broker input

The three abilities, anonymized and simplified.
THE STRATEGY, REDUCED TO WHAT IT REQUIRES

The carrier's answer was a platform build approaching nine figures, preceded by a proof of concept to test whether its assumptions held. The board declined. The carrier had just funded a multiyear platform program that already specified account-level underwriting, package policies, location-level risk assessment, and third-party data feeds. No one had asked what already existed.

Prove first. Then fund.

The sequence inverts. Name the abilities the strategy depends on. Resolve each against what the enterprise can already do. Publish what remains as a problem statement to third parties, who respond against the capability rather than a vague brief. Test every response through two feasibility checks. Solutions that do not fit fall out before any capital moves.

01

Name the abilities

The strategy reduced to what the enterprise must be able to do.

02

Resolve what exists

Each ability set against what is already specified and built.

03

Publish the gap

What remains goes to third parties as a capability problem.

04

Test feasibility

Two checks against the model before any commitment.

05

Fund the proof

A scoped proof and a validated shortlist reach the board.

Solutions that do not fit the ability fall out here, before capital.

PROVE FIRST, FUND SECOND

What reaches the board is not a request to discover whether the strategy works. It is a proof already scoped, a shortlist already validated, and a clear line between what the enterprise owns and what it must acquire.

A strategy is a claim about what the enterprise will be able to do. Prove the ability, and the program earns its funding. Skip the proof, and the board is asked to buy a hypothesis.

HOW IT WAS DERIVED

Judgment sets the strategy. The computation finds what it depends on. Resolved against the Carlson BCM corpus, this strategy returns these three abilities. Any carrier pursuing it needs all three. What differs is how much of each a carrier already has, and here a platform program already funded was building much of what the new one meant to buy.

That is what lets them be tested before the investment decision and before the board presentation: set against what already exists, taken into an open innovation process, or put through dedicated diligence.

Eighty capabilities may be needed to run the business. Three decide whether this strategy can succeed. Without the model, they sit among the eighty, undifferentiated, and go to the board as if they were equal to the rest. They are the three that require innovation, and the three that make or break the deal.

The model does not need to author a strategy to test it. It can take one from any firm and show what it depends on before the board pays for it.