



Earned Respect

A Conversation with Virginia Farm Bureau Mutual Insurance

A good way to gauge your success is to talk with your customers. A better way is to have a third party talk to your customers. We asked O'Brien Communications Group (OCG) to talk with Pat Caine, CIO at Virginia Farm Bureau in Richmond, Virginia, and to record the conversation. This is a transcript of their discussion:

OCG: How long have you been at Virginia Farm Bureau, and how long is your relationship with Finys?

Pat: I've been here for 10 years, and our agreement with Finys was signed in 2011.

OCG: If we were to walk into a room at an industry conference and ask, "How many people recognize the name, Finys?" how many hands would go up?

Pat: Not many.

OCG: Really? Why not?

Pat: They're not well known yet. We're huge fans of Finys. But as a CIO, I travel in circles of technology leaders. And while Virginia Farm Bureau Mutual Insurance is an independent entity, there are Farm Bureau insurance companies all over the country. We get together a lot and have opportunities to compare experiences. I used to have to explain who Finys is. Since I've been talking about them for seven years, that's no longer true. But in a room of people close to policy admin providers, you might get a couple of hands. If you plan to change that, we're happy about it.

OCG: To be fair, I believe Kurt [Diederich, the president and CEO of Finys] knows the Finys brand isn't as prominent as it could be. That's why we're here.

Pat: Yeah. That's good to hear. Kurt is a bright guy. We think a lot of him and how he has nurtured the company.

OCG: Aside from Kurt, what makes you such a fan of Finys?

Pat: There are a lot of reasons. First, as a P&C carrier we don't exist without technology. We can't do business without it. So, the Finys platform is our business. We run the complete Suite, everything from quoting to rating, from underwriting to billing and claims.

OCG: Was it difficult to commit everything to one platform, one provider?

Pat: Like many insurers, we were struggling with an outdated platform that made it difficult to keep pace with the market. So, we struggled for years: "How do we effectively move off of our legacy platforms onto a new one?" It's difficult. And we had unsuccessful attempts at moving dating back at least 15 or 20 years. Finys came along with a completely different approach to adopting and implementing its platform, based on a flat fee over x number of years. We took a huge chance on them. They knew it as well as we did. And they hung in there with us for the first two tedious years. But no balls were dropped. We continued to do business. And we've gotten almost our entire business onto their platform, which we'd been unable to do with any other platform. That's why I say I'm a fan.

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OCG: It sounds as if Finys was as committed to your success as you were.

Pat: That's true. I think the architecture of the Finys Suite is evidence of that, too. Its insurance-only focus has allowed us to do the things we all hoped we could do on a new, modern platform, including developing and adapting products more nimbly, effectively, and quickly. That's a huge benefit. We're more efficient as an organization because of Finys. That, too, makes me a fan.

OCG: You just used the term, modern. Isn't that a little dicey? What's modern today won't be tomorrow.

Pat: I take your point. But Finys is well-architected and allows them to upgrade and refine the platform to put new technology in place. We've been on it for seven years now, and it's not outdated. We've been taking incremental updates to the platform, and we run their current and newer technologies together seamlessly.

OCG: They're responsive to change ... or to the necessity of change.

Pat: They are. And I'm also a fan because, while Finys has grown, they remain committed to acting like a small, responsive company. Being able to work closely with people like Kurt and the project managers, from Mani, Ted, and David to the developers —I can't name them all. But we've got a close relationship with the team all the way up to Kurt's level. They're as committed to us as we are to them, and they're genuine in that.

OCG: You said a little earlier that Finys took a different approach to implementation. So that suggests you looked at other providers before selecting Finys. If so, what was different in the Finys approach?

Pat: I don't want to violate any contractual confidences. But let's just say most implementation projects require large

upfront investments. In some of those projects, if they go sideways, there can be substantial losses. Finys partnered with us in a way that allowed us to minimize what otherwise would have been our upfront investment.

OCG: Skin in the game, so to speak.

Pat: Exactly. The fact that they were so confident in our ability to succeed together allowed us to share in the risk of the implementation. They also shared in our commitment to succeeding by agreeing to be paid as the premium generated on the platform grew.

OCG: Considering the way you described the responsiveness and risk-sharing of Finys, is it fair to think some insurers just couldn't afford the risk of — or absorb the prospective losses from — a failed implementation?

Pat: Yeah. Most organizations —most CIOs, CFOs, and CEOs — won't commit to multi-million-dollar technology projects anymore. There have been too many nightmares out there. They'll take a million dollars and invest it somewhere else before they invest it in technology with no guaranteed ROI.

OCG: And yet, if Finys constitutes the better mousetrap for any number of reasons, that has to be proven before it can be credible.

Pat: Right. It's ironic: At the beginning of this conversation we talked about the fact that people weren't aware of Finys. If they're not aware of Finys, what it does, and how it works, they may not realize there's an alternative to more familiar providers. So, they're likely to say: "Yeah. It's great that Finys is willing to share the commitment and the risk. But they're not known well enough, so I can't make this significant a commitment." And once you make a big commitment to a vendor, it's very difficult to turn the ship in a different direction.

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OCG: The nightmare becomes a money pit, leaving you to wonder if those insurers are paying to make sure they haven't made a mistake — or paying to make sure their decision doesn't turn into a mistake.

Pat: Ouch!

OCG: Is there anything you'd like to tell us that you haven't yet? Or is there anything you think we really need to know?

Pat: I'm glad you asked. One of the strengths of Finys is its roots as an insurance-only platform. Kurt has been architecting insurance solutions his entire career. He's an owner, a principal of the company, and I sort of jokingly tell people he reminds me a little of Bill Gates. He's very intelligent and passionate about technology and helping businesses succeed. You could sit him down with a group of technical architects and technical engineers, and he'll go toe-to-toe with them on any topic related to technology, from architecture to databases, from coding languages to Microsoft versus IBM versus .NET versus Java. He's a geek, a super geek in that regard.

OCG: He'd cop to that proudly.

Pat: But he can also sit down with business people and do the same thing. He's been in insurance for so long, he can talk to us on our terms and in our language. You don't find that very often. I've only been at Farm Bureau 10 years. But I've been in technology for 32-plus. Kurt's been in insurance his whole life. He can sit down and talk to an actuary or a claims person or a rating and product person. Sometimes he's giving us business advice because he's seeing the industry evolve through his many customers. So that's a huge strength.

OCG: Any chinks in the armor?

Pat: If there's a weakness, I'd have to say it's one everybody's facing: Finys is a small, growing company. They recruit young engineers like everyone else. While we haven't had

any technical issues with them, we sometimes feel like we're sharing the language and the workflow of insurance with them because they're all not as experienced as Kurt. In fairness, Kurt has no problem admitting or acknowledging that. He knows he needs bright, young technical engineers who have the latest development skills but may not be as experienced in the insurance industry.

OCG: It seems balance would be the key there.

Pat: Yes. From time to time we run into a person we have to bring along a little bit. But I respect Kurt's business model. And the good news is we can talk about anything. If someone at Finys isn't up to speed, we let Kurt know. He'll listen and usually say: "Yeah. We know. We got this. Thanks for telling us." It's truly two-way communication and trust.

OCG: Accountability. What a concept.

Pat: Yes. The Finys team is empowered, and they understand our business objectives. We keep Kurt abreast of our goals and strategies, and he keeps his team on task and in alignment. When things get off track, we can talk about it openly. There are always two sides, and we encourage and accept feedback as well. There's a lot of trust and they rarely let us down.

OCG: That might be the Ultimate Endorsement.

Pat: We want Finys to be successful. We feel like their success will garner more success for us, as well. We've helped them grow, and they've helped us grow. We don't want them to become like some of the bigger technology companies that treat each customer less personally. But I don't see Kurt letting that happen. I don't get the sense they will change what has worked for them and their customers after all these years.

OCG: And that might be the Ultimate Compliment.

Pat: Yeah. Finys is part of us now. They make us as successful as we are.

