Conifer
Insurance
Company

The Value of Trust

A Conversation with Conifer Insurance Company

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 Jason Brawner, CIO at Conifer Insurance Company in Birmingham, Michigan, and to record the conversation. This is a transcript of their discussion:

OCG: How long have you been working with Finys?

Jason: I've been with Conifer for five-and-a-half years. But Conifer started working with Finys in 2010 as a start-up. So, Finys built out our policy admin capabilities first, then followed with billing and claims. The relationship with Kurt [Diederich, president and CEO of Finys], however, goes back to about 1994 when Kurt and his team built a claims system for North Pointe. Most of us here at Conifer worked together at North Pointe, which was acquired by QBE in 2009.

OCG: At the point at which you picked up the relationship again, five-and-a-half years ago, was Conifer still using only the policy module?

Jason: No, it was policy, billing, and claims. The majority of the focus was on policy, obviously, since the first thing you do is write a policy. Billing can be somewhat manual. Claims you can handle as they come in if you have to. But you have to be able to push those policies out. And there was really no one here to put requirements for billing and claims. So, when I got here, I put together a team to work with Finys. When we met with Kurt, we said to our CFO and the head of claims, "You have to give us eight months to build out billing and claims to our requirements." That's what we did. Ever since

then, we've had the trust of all the other executives in the company because they realized when the Conifer and Finys teams get together, we can build whatever we need.

OCG: Just like that?

Jason: I don't think there's been anything we've been unable to do. If the execs say, "Hey, Jason, we're opening a new office and writing a new line, and we need to write business in a month," I talk to Finys, and we get it done. It all goes back to trust and the ability of our teams to work together. I can't stress enough the importance of the teams. Together, we can do pretty much anything.

OCG: Some companies, like Finys for example, start out as development shops. They work with an insurer to develop a piece of functionality or a system like policy admin. After developing it, they realize they can productize it. So, it seems there's a line companies like Finys have to walk: On one side, they have the development chops to fulfill the needs of a Conifer. On the other side, they have to achieve some level standardization to keep from reinventing the wheel every time they sell it. How do you find that particular line walked between Conifer and Finys?

Jason: When you look at most other vendors they have a polished product that affords just so much flexibility. It has a lot of functionality, but there's not much room for configuration because the core is really big. That's perfect if you're a personal-lines company and you just write standard auto or homeowners. Conifer is not that. We're a

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niche player. We write stuff other companies don't or won't. Trying to fit our square-peg products into the round hole of a non-configurable system doesn't work. Finys works for us because the core is smaller, and the configurable possibilities are much greater.

OCG: For that approach to be effective, Finys would have to ensure a fairly high degree of efficiency in its configurability. Is that correct?

Jason: It is. It's one of the reasons we're looking forward to working with the Finys Design Studio, which is relatively new. I've seen the demo, but we haven't used it yet.

OCG: Given your development background, what was your impression of the demo?

Jason: My first impression was that they got it right. When you consider the costs of implementation and maintenance, it only makes sense to give CIOs the ability to develop and configure products, add states and lines of business, design screens, add forms, upload rate tables, and other things without having to depend on their vendors.

OCG: That, it seems, suggests the kind of service Finys provides its customers, doesn't it?

Jason: It does. It also makes me appreciate two other aspects of our relationship with Finys: Number one is the way we constructed the contract. We pay them a percentage of the premium we write. Since they have that much skin in the game, if I call up my team at Finys and say, "Stop what you're doing. Change gears now. Here's what we need to do," there's no red tape. And we don't have to worry about how much that change will cost. Number two is that I really feel like I have a dedicated team at Finys. We're in constant development mode. We release every three weeks. It's like having my own in-house development team. It really does save us a lot of money.

OCG: Is there anything else you'd like to share or anything we need to know?

Jason: Since we're publicly traded, we're scrutinized by the SEC, as well as some fronting carriers we work with, some

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auditors, and other regulatory bodies. They keep tabs on our vendors, the SLAs we have in place, and things like that. They're always surprised when they ask, "How many policy systems do you have?" because I say, "One." "How many billing systems? How many claims systems?" Same answer: "One." Then they say, "But you write commercial lines and personal lines. You write in all 50 states. You're a surplus lines carrier. You have an admitted carrier. You do all of that on one system". I say, "Yes." It's because Finys is so flexible. I don't need multiple systems. Other carriers we talk to have four, five, six, eight systems trying to manage different books of business.

OCG: It's hard to grasp all the advantages of that kind of flexibility at once.

Jason: I know. When I started here, we were an 18-million-dollar company. Now we're at $100 million. We did that because, working with Finys, we were able to build out all those lines and support all that growth that fast. And I always stress the us. A lot of insurers want to hire a vendor and say, "Take care of all of our problems. Build our systems." I don't think that's the right approach. We found people who know the business but didn't know Conifer the way we do. All they needed was a little bit of guidance on our specifics. That was the key to getting us to where we are now and to continuing our growth.

OCG: It sounds like a relationship in which egos get checked at the door.

Jason: I'm very honest with them. I don't sugar coat anything. You can't expect any vendor to build everything you need, just the way you want it. That's not the way to succeed with any system. That's why trust and teamwork are essential. When it comes to building things as important as a policy, billing, and claims system —the lifeline of your entire company — if the system goes down, I have 115 people twiddling their thumbs waiting for it to come back up.

OCG: That level of candor is rare. It definitely speaks to your point about trust.

Jason: Our relationship with Finys couldn't and wouldn't be as successful as it is without it.