Teamwork Makes the Dream Work

A Conversation with Farmers Mutual Insurance Company of Salem County

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 Jim Reagan, Vice President of Product and Regulatory Compliance; Laurie Konzelmann, Vice President of Claims; Tim Davis, Vice President of Technology; and Tom Cornish, Vice President of Finance and Treasurer, and to record the conversation. The following Q&A derives from that conversation:

OCG: The life of a core system is typically 10 to 15 years. We understand you got more than that out of your previous system.

Jim: Yeah. We were with our previous vendor for 18 or 19 years.

OCG: Can you tell us how you found Finys?

Tim: We did some research online and reached out to some other industry people to find out who their customers were. We wanted to make sure we found a good fit in terms of size and responsiveness.

OCG: How did you feel about making this conversion and approaching new vendors?

Jim: We had a very good relationship with our previous vendor. They were small and almost functioned like our own IT department. But there were limitations in their

technology that made it clear they were not going to be able to get us where we wanted to get to as a company —to offer our policyholders and our agents what they need.

OCG: Could you talk more about that? Did you have any specific business drivers that contributed to that decision?

Jim: The old system used a unique programming language, and it required installation on agencies' desktops. There was no web-based rating program. We knew it wouldn't enable us to offer a portal for our policyholders. And we were completely dependent on the vendor to make product changes as we filed them with the departments of insurance. So, the self-service and speed-to-market capabilities of Finys were a big driver.

Tim: Our potential to grow wasn't there with the old vendor. It was time to move into the 21st century.

Tom: I'd add that being able to understand billing in the old system was very difficult for our agents. We obviously wanted to get something that they were more comfortable with. Portals, ease of doing business with us, and growth potential were definitely the three biggest factors.

OCG: Are your agents using the portal as well?

Tom: We have one for insureds to register policies, retrieve documents, pay their bills, and report claims. The agents have their own portal that enables them to issue policies and such.

Tim: The agent portal gives them access to the legacy system and Finys. It also enables them to log claims and to get forms.

OCG: What products have you implemented and what's next?

Jim: In personal lines, we implemented Homeowners, Personal Umbrella, and Combination Dwelling. In commercial lines, we're about to roll out Business Owners Policy. Commercial Package will be next. And we're writing in four states as of now: New Jersey, Pennsylvania, Maryland, and Delaware.

OCG: Were there any claims-related features about the Finys Suite that were attractive to you?

Laurie: Yes. Finys gives us the ability to track specifically where payments are going, not just for building versus contents but for the individual coverages we add onto a policy like service line coverage, sewer backup, or sump pump overflow. Even though we track those details in the system, we can still issue one check, which makes it easier for policyholders to do business with us. That information is valuable for rating and actuarial work. And that specificity within Finys provides expense-reporting capabilities, whether it's for in-house adjusters, outside adjusters, engineers, roofers, attorneys, or whomever.

OCG: Does self-service extend to claims, as well as to policies?

Laurie: It does. In addition to using portals to report claims, policyholders and agents can see what's going on in a specific claim file. Was it received? What's the claim number? Who was it assigned to in-house and outside? So, we have fewer calls coming into our department. And policyholders and agents can get instant information at any time, not just during business hours.

OCG: What's your experience been like working with the Finys team?

Jim: We've been working with Lee Simmons out of the Dallas office on the policy side, and he's taken on a huge role on the project. He's just been great to deal with. Sometimes I worry that maybe too much is getting thrown at him because he's taken on a ton with the project. We communicate with Lee on a regular basis, and we have biweekly calls with our entire team, with Steve Pierce who's also in the Dallas office and with each of the team leads from Finys to walk through the current release and to discuss the tickets that are in process. We also have weekly breakout calls for policy, billing, claims, and reports. So, communication has been very good.

It's a big bonus when you're working with a vendor and get the right people to talk to when you need them. That's one of the stronger things Finys has given us.

Laurie: They've been extremely responsive to us in claims, and we have a great working relationship with them. Much of our success with this system is because of Jim, Tom, and Tim. But Finys is a really great system. It was a smart move for us and a smart choice for us. And at least from the claims side, there's a lot more to the system than I thought there could be.

Jim: We should also mention we did a point-in-time conversion on the claim side. We completely shut off the old claim system and went live for all lines of business on Finys. I understand most carriers do that over time.

OCG: Is there anything else you might be inclined to share about Finys, your working relationship, the system, anything?

Jim: The policy side of the system is very strong. The Finys team implemented the user interface, completed our declarations, and implemented online and batch integrations. Our team used the Finys Design Studio to build rating algorithms, rate data tables, and test cases. They created a smart model, added endorsement forms personal-lines products, and added Lookup Lists — all of which were exactly what we wanted. And the agents tell us they've been able to adapt, as well. So, from the standpoints of intuitive use and self-service, we've gotten what we hoped for. Tim, didn't you say you had your nine-year-old son do a quote?

Tim: Yeah. I think I'm going to have him teach some of our agents. If I were talking with someone at a conference, I'd tell them we definitely made a great choice with Finys. Kurt even jumps on our bi-weekly calls from time to time. I don't see too many companies that give you that type of access. It's a big bonus when you're working with a vendor and get the right people to talk to when you need them. That's one of the stronger things Finys has given us.

Jim: They've been a good partner, especially since we were going from a legacy vendor that was almost our IT department. Finys has given us a lot more structure. And we had some additional needs that weren't identified when we signed the agreement with Finys. For example, we're relocating our headquarters to Wilmington, Delaware, in August. So, we're launching product lines in that state. We threw that in during the system conversion, and Finys was willing to add additional states and work with us. So, to Tim's point, we have a good relationship. They definitely listen to us and give it their all.