Several NAMIC market members offer low-code and/or no-code software options. Check out the NAMIC.org Member Marketplace at www.namic.org/products/membermarketplace.

High Tech, Low Code

AS THE WORLD CONTINUES ITS DIGITAL DEMAND, INSURERS ARE SEEKING SIMPLER WAYS TO STAY ON TRACK WITH TECHNOLOGY AND SOFTWARE UPGRADES.

JACKSON BRUNNER

The insurance industry landscape is changing at a rapid pace, fueled by ever-evolving technology and accelerated by the COVID-19 pandemic and consumer expectations as so many of them continue to seek digital-first experiences. And it's leaving insurance carriers with some major decisions to make about the software they use to conduct business.

Low-code and no-code software solutions have become attractive as insurers seek to become faster and more flexible, alleviating some of the reliance on outside developers to manage their software stacks.

"I think in terms of our experience, the interest is picking up," says **Badri Mallikarjunan**, a digital business leader with **Majesco**. "The interest seems to be rising with every single month that goes by. COVID definitely accelerated this as the digital presence of companies increased."

65%

Forecasted percentage for how much of app development will involve low-code application platforms by 2024

Source: Gartner

it didn't take him long to realize the company needed to transform. He learned some eye-opening information from surveys conducted by the Professional Insurance Agents of New York State. Despite ranking highly in almost every category from underwriting to claims, agents rated Security Mutual average in systems. Agents commented on how they wanted the insurer to offer more and better automation.

"We can't survive being average," Wilder says, "even if we are a small mutual writing only in New York state. We need to be above average."

Therefore, Wilder asked for recommendations from fellow NAMIC member company leaders when he attended the 2021 CEO Roundtables event. Following a conversation with **Tim Suppes**, president and CEO of **Wayne Mutual Insurance Company,** Wilder chose to move forward with software provider Finys. Security Mutual plans to use the provider's policy processing module for everything from claims to reinsurance, with product rollouts already underway. Security Mutual employees are being trained to use the system, which has low-code and no-code elements, including a design studio feature and drag-and-drop tools that can be used to manage the system, allowing any trained user to make changes.
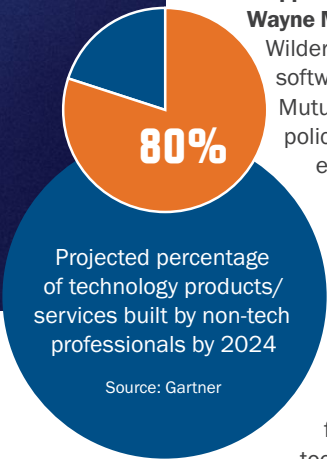
"Once we get the whole system up and running, if we want to go in a different direction with a product or add a new one, we'll have the expertise on staff and we won't have to rely on the software vendor," Wilder says.

Before low-code and no-code options, insurers would often have to wait months during development and testing periods. "We need to have speed to market," Wilder says.

Speed isn't the only goal, according to Wilder. Product diversification is as well. Wilder wants Security Mutual to have a greater commercial lines presence. His goal is for the company to have

80%

Projected percentage of technology products/services built by non-tech professionals by 2024
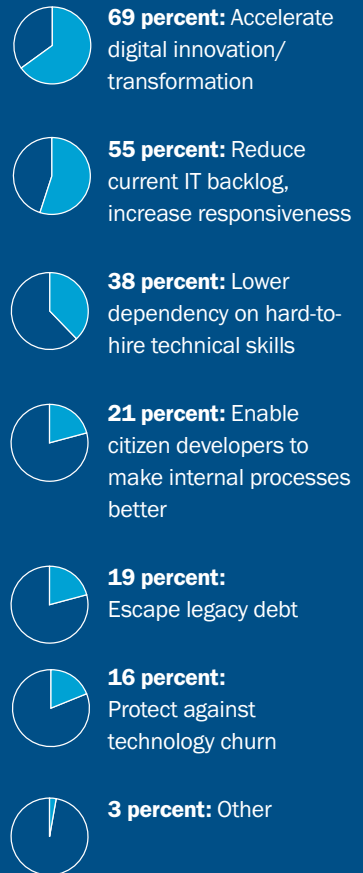
Source: Gartner

Low-code platforms can speed up the creation of custom software applications — including those of varying complexity — by allowing professionals to use visual building tools such as drag-and-drop features instead of programming languages. They can allow anyone in an organization to build apps, but a basic level of coding knowledge could be needed in some cases. By contrast, no-code software requires zero knowledge of programming and allows quick app building through simple user interfaces and visual building block tools.
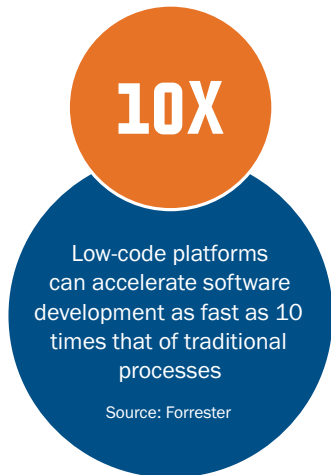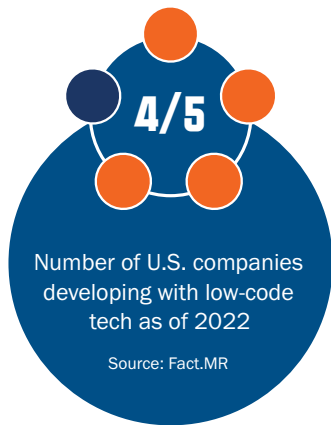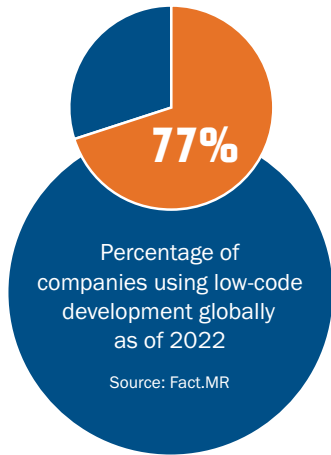
Taking the Leap

Security Mutual Insurance Company is one insurer turning to this type of technology. When **Ron Wilder** became the company's president in 2021,

"The interest seems to be rising with every single month that goes by."

— Badri Mallikarjuna
Digital Business Leader
Majesco

REASONS TO MOVE TO LOW-CODE SOFTWARE

69 percent: Accelerate digital innovation/transformation

55 percent: Reduce current IT backlog, increase responsiveness

38 percent: Lower dependency on hard-to-hire technical skills

21 percent: Enable citizen developers to make internal processes better

19 percent: Escape legacy debt

16 percent: Protect against technology churn

3 percent: Other

Source: OutSystems via Majesco

77%

Percentage of companies using low-code development globally as of 2022

Source: Fact.MR

4/5

Number of U.S. companies developing with low-code tech as of 2022

Source: Fact.MR

10X

Low-code platforms can accelerate software development as fast as 10 times that of traditional processes

Source: Forrester

a portfolio with a 60-40 split, with personal lines as the majority. The commercial lines product was one of the first to be offered through Security Mutual's new system, which launched at the beginning of April. Other lines of business will be added to the upgrade later this year and in 2024.

Similar moves are occurring at the **Western National Insurance Group,** which is changing from legacy software to a cloud-based platform as part of a partnership with Guidewire. Western National leaders say low-code software has already proven its value, specifically for certain customer communications.

Like any other insurer, Western National sends underwriting audit letters, in which policyholders are asked to confirm that policies accurately reflect current business activity and coverage needs, such as the number of employees, revenue, company cars, and other property. In the past, Western National underwriters had to go back through the policy system, spending valuable time searching for files needed for any given customer. This process will be simplified through a low-code platform.

"We found a solution that allows us to extract everything related to a specific customer when a file is opened," says **Loren Klassen**, Western National's chief information officer. "This method frees up team members to focus on upgrading the user experience for agents and policyholders."

Klassen notes the number of people who can automate certain tasks can be expanded through low-code software. A business analyst who doesn't have a background in writing code can now potentially complete work that otherwise would require advanced technical skill. When Western National moves to its new system, Klassen says the company will want to have people around who know how the low-code software was installed and how the rules work in case changes are needed in the future. [IN]

"We can't survive being average."

— Ron Wilder
President
Security Mutual

THE CASE AGAINST LOW CODE/NO CODE

Every NAMIC member has different needs when it comes to technology. Companies such as Security Mutual Insurance Company and Western National Insurance Group have leaned into low-code and/ or no-code software solutions because those tools have helped them ease workloads. But not all companies have the same view on the technology.

Rural Mutual Insurance Company executives believe the expense of the software outweighs the value that could be gained from a change. **John Church**, Rural Mutual's vice president of information systems, says the company has been its own development shop for a long time and has found success with homegrown software systems. Rural Mutual's goal is to enhance the current systems as opposed to transforming all together.

"We can't cost justify to the board why we would spend [millions of dollars] to put in one of those platforms and what we'd actually gain," Church says. "We had long discussions internally and with our board and we decided to stay where we're at for now and invest in other parts of our application portfolio."