A Matter of Trust
Creating Value for Northern Mutual

The best way to measure your success is to talk with the people who pay you to achieve it. Because we believe that, we asked O'Brien Communications Group (OCG) to have a conversation with some of the people with whom we interact at Northern Mutual Insurance Company in Hancock, Michigan. OCG was joined by Bill Larson, President; Jill Koskiniemi, Auto Underwriting Supervisor; Mary Kay Rouleau, Company Support Manager; and Sheena Rossignol, Property Underwriting Manager.

OCG: Let's start at the beginning: What's the first thing Marias was hired to do for Northern Mutual?

Mary Kay: We were really making a push to do a lot of things in the technology realm that we hadn't done before. We brought Marias in to work with our new policy admin vendor — to answer our questions, to test the software, to be our go-between. Among other things, they worked with the vendor to set up our agency portal. Actually, we revamped the whole thing and made it better.

Jill: And they now have our consumer portal up and running.

Bill: These are just some of the IT initiatives we couldn't have achieved on our own.

Mary Kay: They were big projects, huge projects that we just couldn't get done for whatever reason.

Bill: We didn't have the resources to complete those tasks without the assistance of Marias. Our relationship with them has grown over time to many different areas. Initially, we didn't even use them for testing. They were our liaison with the vendor. They'd contact the appropriate people at the vendor, get the tasks scheduled, and manage them to completion.

Sheena: Testing became huge.

Jill: Yeah. We'd always tested our systems on our own. But we realized we didn't have the people or the time to test thoroughly, especially with ever-changing software and the components we intended to add, like the portals.

Jill: Then we asked them to do report writing. We don't have SQL experts on staff, and the vendor has a suite of database reports. It was a lot easier to have Marias complete those for us, too.

Bill: Marias also is developing custom reports for us.

Mary Kay: Marias hosts our servers, too.

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Bill: Right. We have virtual desktops here. But we work through servers housed in Covington. Marias has the appropriate certifications, along with the temperature and humidity controlled environment to house our servers. They provide redundancy in the form of backup to the cloud and keep our systems up and running even in the event of a catastrophe.

OCG: It sounds as if Marias continues to demonstrate its value to you, since you've continued to use more of the services Marias offers. Is that a fair statement?

Bill: It is. Aside from adding to our staff numbers, we really had no choice. To achieve the goals we had in mind, we needed their assistance. As a result, we've used more of their services, including CIO On Demand. If we have a question, a concern, or an idea, they provide knowledgeable and efficient IT assistance to assist in reaching our objectives.

OCG: You said, "We really had no choice." Other companies might have chosen to bring all the required resources in-house. It sounds to me like you may not have even considered that. That seems rather forward-looking.

Bill: Our choice was to complete our projects by the most cost-effective means possible. We certainly did consider bringing resources in-house and what that would entail. But after review, it was clear Marias was the best option to implementation. We don't have enough IT work to justify an entire IT staff. Marias fills that role for us.

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Jill: We have access to multiple Marias people. Given the size of our company and our geographic area, even attracting that kind of IT talent would have been a challenge.

OCG: So, somebody in the company had to do some kind of budgetary calculations to recognize some greater value from what you budget for Marias versus bringing people in-house. If that's a fair statement, is there anything else you might want to say about the value you derive from the relationship with Marias?

Bill: Marias already speaks insurance. To take people who are knowledgeable in IT and teach them insurance terminology — to give them an insurance understanding and an insurance background — makes for a very steep learning curve. With Marias, we have knowledgeable resources on day one, as opposed to spending a great deal of time and effort just to get to a point where your IT people can actually understand an earned premium.

Jill: It's a specialized area of IT. Marias saw a need that wasn't being met, especially for small companies like ours and especially in the specialized area of insurance IT. They know both of those worlds and bring them together. We weighed the costs and the benefits, and it made sense to us.

OCG: Does the relationship with Marias contribute to your operational effectiveness or efficiency?

Bill: In the past, we had difficulty seeing things through to completion with our vendor. By bringing Marias on, we're able to see those through. From an overall operational standpoint, doing some of the things that we've been able to do, it's hard to put a dollar and cents result to those. But some of the things we've completed haven't been done by much larger companies, such as our consumer portal. When I talk with larger companies, they tell me those are daunting tasks for them. Marias enables us to get them done.

OCG: On the subject of agent and consumer portals, do those things — or anything else Marias has been able to help you with — improved your service efforts as far as you can discern?

Mary Kay: They helped set up our agency download, which would have been difficult to do on our own. And the agency portal allows agents to process their own changes. In the past that was all completed on our end. We were doing a lot of the data entry. The agents were subject to our availability to make the changes. They can apply payments

now, too and send first notice of loss. Within the consumer portal, policyholders can make payments, access declarations pages, and obtain proofs of insurance for auto. That's big. It puts it at their fingertips, which makes it easier, and I think it's becoming more expected.

Sheena: I still think the biggest thing is testing. When we get a new build, Marias tests everything to make sure there are no bugs in production. They get all the glitches out before we get it, which allows us to serve our agents better. Same thing serving policyholders because they're making sure coverages aren't duplicating on dec pages for instance, or that billing is properly stated. That's very valuable.

OCG: We started hearing the disintermediation of agents and particularly independent agents in the insurance industry, maybe as long as 30 years ago, certainly 20 to 25 years ago. Now we have companies like GEICO and Progressive and E-insurance selling direct to consumers. Do you think that's a model that will survive?

Bill: I think the agent will survive for the foreseeable future. There's still a need for insurance counselors out there. Often we hear of online consumers who don't realize the coverages and limits they're purchasing. They become dissatisfied in the event of claims or in the responsiveness of their insurers.

Jill: We've been using Marias as a resource to help agents adapt to the changing market and changing consumer expectations. The role of the agent is going to change, and part of that is the technology consumers expect to have and the functionality they want. Going back to what we said about not having a choice, we could have chosen to do nothing to help our agents, to forego the portals. Some companies still don't have them. They're still holding out. We could have done that. We could have said, "Nope, we're going to be old-school and hang onto paper." Using Marias to move beyond that and look into the future is helping agents adapt also.

OCG: If you had an opportunity to talk to someone about Marias, is there anything you'd like to share that might be helpful to other companies?

Jill: I've actually told people Marias spoils us. Whenever we have a question or we find something wrong with the system or anything like that, they get back to us right away and at least say, "We're looking into it." They may not have the answer right away, but we know they're on top of it.

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