

CASE STUDY:

Productive Partnership:

A Conversation with Co-Operative Insurance Companies

We get such consistently positive feedback from our customers, we thought it would be helpful to share some of it. We asked O'Brien Communications Group (OCG) to speak with Lee Dowgiewicz, president and CEO of Co-Operative Insurance Companies, headquartered in Middlebury, Vermont. This a transcript of their conversation, edited for brevity and clarity.

OCG: How did you learn of Marias Technology?

Lee: Since there's a lot of closeness among mutual insurance companies, I'd known Chris Haines's father, Doug [who passed away suddenly and unexpectedly in July 2022], from my involvement with NAMIC and when I was a reinsurance broker. And I've known Chris since he began Marias. Given what mutuals go through with replacing antiquated policy administration systems — and since testing doesn't come with the purchase of a new system — I'd talk to other insurance companies that were clients of mine and say, "Hey, what would you think about using these guys? Insurance departments expect that when somebody quotes a policy, the quote will be accurate. So, the system needs to be tested."

OCG: And then you got your present position at Co-Op.

Lee: Exactly. Each line of business, each state, everything has to be tested. And we were using our own employees to

do the testing. The underwriters and the claims folks were doing the testing. That's not their day jobs, and they were trying to cram it in during their workdays or after hours. They were getting burned out.

OCG: A philosophical dilemma.

Lee: Certainly an operational one. We're a co-operative insurance company. Our policyholders are our members. And we're always trying to do what's in their best interests. We don't want to spend money frivolously. But when employees were getting burned out, it was like, "There's a better way to do this. I know people who could do this for us. Could we meet with them?" And I introduced the senior management team to Marias.

OCG: And the rest, as they say ...

Lee: Not exactly. Chris always says, "Just give us something to start with, and let us show you what we can do." And then, if the relationship grows, great. Obviously, he wants it to grow. But he wants to test the waters to see what the relationship looks like.

OCG: He recognizes Marias has to provide value and prove itself.

Lee: Yes. Since they started with us two-and-a-half years ago, they've taken over 90 percent of our testing.

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OCG: You said no testing came with your software when you bought it. We speak with so many people who buy software and have no idea they need to test it. How did you come by that knowledge?

Lee: As a reinsurance broker, I'd talk with insurance company CEOs, CFOs, or CIOs. I'd ask them what was going on. They'd say things like, "We're going to spend \$10 million on a new system, and the vendor doesn't do any testing." I'd say, "They're selling you a product, but they can't even tell you it's going to work?" Yeah, that's the way it goes. And it happened routinely.

OCG: That's a nightmare.

Lee: I'd learn insurers started down a path with one vendor, spent millions of dollars, and have to go with a different vendor. That happened regularly. So, I got to be a repository of all these negative stories about IT firms. But when Marias was involved, I never heard anything negative. It just didn't happen.

OCG: Did Marias become your go-to resource at that point?

Lee: It was gradual. In the first year, we set aside \$50,000 or \$60,000. Today our spend is probably five or six times that. They've become a trusted resource.

OCG: And still worth it?

Lee: Oh, yeah. There's no doubt about it. If I sit down with our head of project management, she says, "That was the best thing we ever did." If an underwriter or a claims person finds a bug, it's just a bug. But they can't know the cascade of effects that one bug is going to create. But because Marias has seen it all before, they can say, "I found this bug, and I know that this is going to touch this, this, and this." Then they write up the ticket to go get it fixed.

OCG: Is there a difference in efficiency and quality when Marias tests vs. when your employees test?

Lee: I'm not sure anyone's ever quantified that for me. But

I'd say Marias is probably on the order of 50 percent more efficient. And you're talking about a group of people, my employees, who don't want to do it to begin with. [laughs]

OCG: Marias has experience with 15 or 17 different systems. Your vendor is one of them. Do they ever talk with the vendor on your behalf, stepping in as a middleman?

Lee: We control all communication with the vendor through our project management department. But Marias writes things up that get passed through project management to the vendor.

OCG: That would seem to eliminate some prospective translation problems. We're always leery of those.

Lee: Oh, yeah.

OCG: Is there anything else people who are contemplating the notion of testing should know about Marias or about your experience?

Lee: I'd say it's a lot less expensive than the alternative, which is running down your people.

OCG: If you didn't test thoroughly, the resulting inaccuracies would only end up alienating your agents.

Lee: It's a great point. Sometimes companies roll out a system with known bugs and issues. We took our time and made sure the system was working well, which involved a ton of testing. After launch, another insurance company came to me and said, "I have to thank you." I said, "What are you thanking me for?" They said, "You did an outstanding job of training our common agents. As a result, our rollout was very smooth! We're grateful to you for showing us the difference that could be made with proper testing."

OCG: That's about as good as validations get.

Lee: It is, indeed. And we have Marias to thank for it.

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