



A Family Affair

A small Midwest insurer has embraced technology and changed nearly everything about itself.

Back in 1995, Midwest Family Mutual Insurance purchased a new policy administration system, and the carrier gambled that by taking in-house the code to the new system, it would grow and prosper. But as technology changed and as using the Web became such an important factor in how companies did business, the carrier found itself slipping behind the competition.

"We finally said, 'Uncle,' and decided to do something different," recalls Ron Boyd, president and CEO of Midwest Family.

The carrier conducted a product search for a new administration system and considered three vendors. One of them, CGI, was a direct descendant of the developers of the original administration system used by Midwest Family. "We elected to go with CGI because the look and feel of the system was the same for our users," says Boyd. "We migrated from our system to [CGI's] version 8 of InsideOUT in 2003."

One benefit of the switch is Midwest Family no longer is in the code business, leaving that to the vendor. As its technology has changed, the carrier has blossomed. Beyond the updated policy administration system, Midwest Family has gone paperless and today operates as what Boyd describes as a nearly virtual insurance carrier with most of the company's 60 employees working out of their own homes. "We have our own IT staff, but it's a much reduced staff," says Boyd. "We have two programmers, an IT supervisor, and a line administrator. What work we do we call 'hang-on work,' where we might be pulling data or doing some application that puts data in our Web site that's not necessarily from a CGI application."

Once Midwest Family made the migration to the new system, it no longer needed to perform any development work internally. "We don't have [more employees] now than we had in 2002, and we have about twice as much business," reports Boyd. "We've doubled our size in the last five years."

Web enablement was the first challenge Midwest Family had to tackle, according to Boyd. "We were doing practically nothing on the Web," he says. "Not a lot of companies were, but we were seeing many companies developing it."

In the mid-1990s, Midwest Family added commercial lines and operated that portion of the business on a separate platform,

bridging that business on the back end. The new version of the CGI system gives the carrier one system for all of its billing, policy processing, and claims. "Everything is on one system now," says Boyd. "That's a big plus."

Midwest Family has been live with CGI's InsideOUT for three years, but Boyd believes things constantly are improving. "It's not perfect, but it meets our expectations," he says, adding being an old CGI customer helps. "If we were moving off a legacy platform or someone else's platform, it might have been more difficult."

Technology has improved Midwest Family's operations, Boyd affirms, and that makes life better for the carrier's distribution channels. "Anywhere we can do something that makes it easier for our agents to do business with us, particularly in personal lines, we do it," he says. "[Ease of doing business] is almost as important as price and product."

Midwest Family also made investments in technology to become fully paperless, which it achieved in 2004. "I don't think anyone really can put a finger on how much improvement you get in productivity when all your files are at your fingertips and multiple people can look at the same files at the same time," says Boyd.

In March of last year, the carrier installed VoIP, and that essentially turned Midwest Family into a virtual shop. "The imaging,

workflow, and VoIP put us in a mode where we could do that," he points out. "We have six people remaining in our home office now. We are what we affectionately refer to as a motel rather than an apartment." The company still maintains about 20 workstations in its now-smaller home office so if employees come in for a day, they check out a cube. "We have 60 employees, but I maintain there isn't anything standing in the way of any company doing this with the technology available today," asserts Boyd.

Midwest Family is willing to spend the money on technology if it can see the value, and Boyd has seen the value. "It's hard to put an indicator on what that's done for our productivity over the years," he says. "If you go back to 2001, our revenue per employee was about \$450,000. It exceeds \$1 million today. We haven't added staff, but we've added technology."

— Robert Regis Hyle

Case File

► **CHALLENGE**

Becoming Web enabled on a single policy administration platform.

► **COMPANY**

Midwest Family Mutual Insurance

Direct Written Premium: \$60 million

Web Site: www.midwestfamily.com

► **PRODUCT**

InsideOUT from CGI

Web Site: www.cgi.com

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