

AWARDING

Innovation



AWARD IN
INNOVATION



Innovation is all around the mutual insurance industry. It's not just something that is happening to the industry, though. It's happening by the industry as well, and NAMIC members are deep into creating their own innovations. This is evident by the 12 companies that submitted 16 groundbreaking ideas to the fourth annual Award in Innovation contest. NAMIC recognized the winner during the annual Management Conference in June.



Church Mutual Insurance Company

MERRILL, WISCONSIN

With more than 8 billion connected devices out there,

it would be difficult to not think about the business opportunities they present to the industry. **Church Mutual Insurance Company** isn't just contemplating how to incorporate IoT devices into its business strategy. The organization has implemented its idea and is reaping the benefits, which is why NAMIC chose the company as its 2017 Award in Innovation winner.

Houses of worship are unique clientele, according to **Kevin Root**, senior vice president of operations for Church Mutual. "Technology plays a big part in helping us protect our customers as an active risk management tool. We currently use our sensor technology program to help reduce losses for our houses of worship because many are not staffed twenty-four/seven.



"The sensors allow our customers to remotely monitor building temperatures and the presence of water in vulnerable areas or in areas where priceless items are stored," he continues.

The circumstances Root mentions present a lot of possibilities for loss. In fact, they caused nearly \$2 billion in losses nationwide in January 2014. With all this in mind, two years ago Church Mutual and its partner **Hartford Steam Boiler**

Inspection and Insurance Company brought together a group of people to brainstorm ways to better serve their customers and reduce losses.

"We wanted to answer three questions," **Cheryl Kryshak**, the company's vice president of risk control, wrote in the original Award in Innovation submission. "How could we do more than provide financial protection after an event? How could we prevent damages and



disruptions before they occurred? How could we provide an easy way to alert houses of worship to threats?"

The answer was IoT-connected sensors that can alert a responsible party via text message, phone call, or email.

"... We are changing the way we work with customers," Kryshak wrote. "... [the insured] can take action before the losses occur or reduce the severity of the loss by early intervention. Providing protection before a loss is a paradigm shift in the way traditional insurance approaches risk."

Kryshak says this change in thinking has brought with it many interesting stories. "We call them our 'saves,'" she says. "One customer received an alert at eight o'clock at night. When he went to the church, he found that a volunteer had left a window open. The temperature inside had dropped to forty-five degrees. That could have been a big issue. Stories like that happen a lot more than you think."

While the sensors are just simple black boxes not meant to stand out, the amount of money they have saved Church Mutual and its policyholders is outstanding. Of the 220 pilot-program policyholders, 24 of them saved \$500,000 in losses because of the alerts they received. Seventy-eight percent of the pilot policyholders that responded to a survey about the sensors indicated they found value in the program.



The company estimates loss savings to now be more than \$1 million. Because of the positive results, Church Mutual has set a goal to have 10,000 policyholders equipped with the IoT-sensor technology by the end of 2018.



Best-in-Category Winner

Adaptability

MUTUAL OF ENUMCLAW

Enumclaw, Washington

Mutual of Enumclaw noticed inefficiencies in its lower-value-auto-physical-damage-claims-handling process. Claims were taking longer to pay than they should have and the company's Net Promoter Scores were reflecting dissatisfaction.

The company tasked its claims department management and material damage adjusters with finding the source of the inefficiencies and implementing a solution.

The problem didn't take long to uncover. Adjusters were having to inspect every single claim, even the smallest ones, which bogged down the process.

The remedy didn't take long either. Mutual of Enumclaw partnered with Screenshot, a mobile-based physical damage estimator developer, to create the automated MoE Estimator, which allows policyholders to submit smaller claims online.

The results have been tremendous. Since MoE Estimator's launch, the Mutual of Enumclaw's NPS improved by 10 points. The average estimate time went from eight days to three hours and final payment average dropped from 22 days to nine days, with some being paid within hours. 📱



More
NAMIC
Innovators

- A.I.M. Mutual Insurance Companies
- Acuity – two submissions
- Billings Mutual Insurance Company
- Celina Insurance Group
- MMG Insurance
- Mutual of Enumclaw – two additional submissions
- Penn National
- PURE Insurance Company – two submissions
- Trillium Mutual Insurance Company
- WEA Member Benefits
- Western National Mutual Insurance Company

