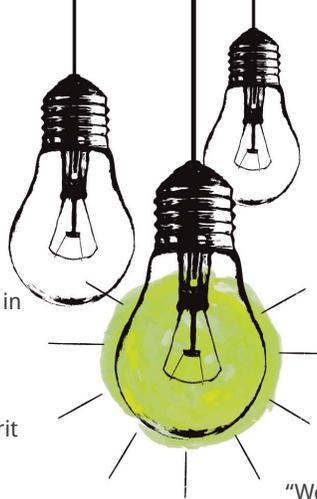


Awarding



Innovation

Innovation is alive and well in the insurance industry, despite the negative stereotypes that attempt to convince people otherwise. NAMIC wanted to celebrate the innovative spirit among its membership; therefore, the association developed the Award in Innovation. Five years into the program, mutual insurers continue to impress and inspire with the ideas and initiatives that are changing their businesses.

**[AI] NAMIC®
AWARD IN
INNOVATION**
Overall Winner
**Mutual of Enumclaw
Insurance Company**

Mutual insurers are known to go above and beyond for their policyholders during times of need. But Mutual of Enumclaw Insurance Company decided during an executive planning retreat that it wanted to provide benefits in addition to protection from disasters. Armed with ideas from different areas of the company, Mutual of Enumclaw partnered with Wildfire Defense Systems to introduce a program to help policyholders prevent wildfire tragedies; the company launched the MoE Perks program to provide policyholders with discounts on local products and services as part of the membership with the mutual; and it introduced the WDS Helps - Snow Mitigation Services program to assist in preventing roof collapses from heavy snowfalls.

Mutual of Enumclaw also strives to assist its agents in communicating with policyholders, which can help increase brand loyalty and policyholder retention. From this goal came the company's marketing playbook, an online portal that contains a suite of marketing and engagement materials for agents to use to keep open their communication lines with policyholders.

"When we reflect on the beginnings of the mutual insurance industry, it was founded on the cooperative spirit of taking care of the needs of its members," writes **Eric Nelson**, president and CEO of

Mutual of Enumclaw, in the company's Award in Innovation submission.

"We believe that the future of the mutual industry will be to remember our past origins. Providing value to mutual members beyond just indemnifying them after a loss is what will keep us relevant in the future."

Innovative Leaders Q&A

We asked senior leaders from the companies that submitted their initiatives to the 2018 Award in Innovation program to answer questions about innovation.

How do you define innovation?

A Innovation is understanding the needs of your customers very clearly and finding ways to meet them.

*Rick Parks, President & CEO
Society Insurance, A Mutual Company*

A Innovation is the creation of something totally new, such as a new coverage for an emerging risk, a new service, or a new analytics tool to improve a process. Ultimately, it's the answer to the question "Is there a better way to do this?"

*Mark Russell, President & CEO
Ohio Mutual Insurance Group*

A Innovation is the process of translating a new concept into a product or service that creates value for our customers. It creatively meets customer needs in a unique, sustainable, and cost-effective way.

*Dave Kaufman, CEO & Chairman
Motorists Insurance Group*

Where do you think the insurance industry ranks on the innovative scale?

A For an industry that has languished in the bottom quartile on an innovation scale, we have absolutely leap frogged to the top quartile and are still climbing.

*Jason Gross, Vice President of
Strategy and Innovation
EMC Insurance Companies*

A As an industry, we provide such a critical social service. When we can solve problems, prevent losses, or reduce friction in the lives of our policyholders, we rank high because the issues we are addressing are so important to the global economy and to the lives of people around the world. There may be more creative industries, but there aren't many more impactful ones.

*Ross Buchmueller, President & CEO
PURE Insurance Group*

A The industry has a number of thought leaders and forward thinkers who are constantly bringing innovative concepts. There are a number of impediments to bringing these ideas to market; oftentimes, the opposition comes from regulatory authorities; sometimes market forces stifle innovation.

*Michael Standing, President & CEO
A.I.M. Mutual Insurance Companies
Burlington, Massachusetts*

What fosters innovation in the insurance industry?

A As policyholders' needs and expectations change, innovative ideas are necessary to allow our companies to meet those needs and expectations.

*Steve Knutson, President & CEO
RAM Mutual*

A You can foster innovation by looking outside of your industry. Someone else has probably solved a similar problem.

Our research showed that our competitors [touted their ability of] answering claims calls quickly and paying claims in a timely manner. We saw an opportunity to answer even faster and pay more promptly, but we thought the bigger opportunity might be related to the time in between. Consumers expressed anxieties about not knowing where the claim stood during the process. They were happy in the end, but it was clear that they wished they weren't stressed throughout their claims.

We looked for inspiration from the Domino's Pizza Tracker. As customers await their pizzas, they are able to see who



The Award in Innovation program celebrated its fifth year this past June.

Thirty-nine companies have submitted 70 business-changing initiatives since 2014. Applications for the 2019 award opened in November. The winner will be announced at Management Conference in June 2019.

prepared the pizza, when it was sent for delivery, and more.

Today, with the PURE Claims Tracker, our members can see correspondence and connect with PURE claims staff, review payment history, and quickly find the contact details for all the body shops, plumbers, contractors, and other professionals who are helping restore normalcy for our membership.

*Ross Buchmueller, President & CEO
PURE Insurance Group*

A Competition, culture, and partnerships. It's been said that necessity is the mother of invention. In a similar way, changing customer expectations is the mother of innovation, especially for insurers. Technology brings a great democratization of choice to consumers – it's much easier for them to research other options and leave you for a competitor. In order to build and maintain loyalty from a customer, we need to keep pace with their rising expectations for online accessibility, 24/7 service, cost-competitive product options, and coverages that meet changing lifestyles. The best way to address that challenge is matching a strong corporate innovation culture with right technology partners.

*Mark Russell, President & CEO
Ohio Mutual Insurance Group*

Where does your company's innovation come from?

A Our innovation comes from all aspects of our operation. It is the result of continuous improvement. Small enhancements to existing products and services aggregate into transformative change and innovative solutions. We take a modular, plug-and-play approach and then modify the solutions to best meet our evolving consumer needs.

*Dave Kaufman, CEO & Chairman
Motorists Insurance Group*

A Research and insights can inspire innovation, but the real power behind our innovation is a strong sense of purpose.

Our company exists to help our members pursue their passions with greater confidence. We do that by making them smarter about risk, reducing the likelihood of losses, and making people safer. We are also committed to advancing human resiliency and helping our members bounce back on their toughest days.

Our commitment to be a purpose-driven company creates opportunities for innovation that ultimately fulfill our purpose.

*Ross Buchmueller, President & CEO
PURE Insurance Group*

A Associate engagement is the key driver of Ohio Mutual's innovation. We're building a continuous improvement culture that fosters innovation. We have teams of associates that use agent and policyholder feedback to help generate new products and services and new ways to solve problems. Innovative ideas most often come from our non-management staff because they are closest to our customers. We've also partnered with a number of insurtechs to pilot new technology.

*Mark Russell, President & CEO
Ohio Mutual Insurance Group*

What hinders innovation in the insurance industry?

A Complacency. It's a real threat. We need to continue to challenge ourselves and grow through innovation.

*Steve Knutson, President & CEO
RAM Mutual*

A As with any industry, we can be victims of the "We've-always-done-it-that-way" syndrome. Being in the risk business, we can sometimes overplay the risk of making changes as well.

*Rick Parks, President & CEO
Society Insurance, A Mutual Company*

A By our nature, we are a risk-averse industry; at times, that makes us more averse to trying or embracing new technologies and solutions that have

already been proven. Many carriers and agents are carrying on with their outdated legacy platforms. There is a lot of gravity keeping organizations grounded.

*Jason Gross, Vice President of
Strategy and Innovation
EMC Insurance Companies*

In your opinion, what is the most innovative idea out there right now?

A The most innovative ideas right now are ones where multiple emerging technologies — artificial intelligence, blockchain, the internet of things, etc. — are intersecting to open new ways of considering and evaluating risk through data analytics.

*Jason Gross, Vice President of
Strategy and Innovation
EMC Insurance Companies*

A Mutuality is a brilliant invention. If someone approached the clients of stock insurers and proposed to reduce or eliminate the role of expensive capital provided by otherwise disinterested shareholders, they would be ecstatic. If they further described how the operations of the insurer could then benefit them through lower premiums or dividends, better service, or other evidence of an alignment of interests, they would think they discovered a most-amazing breakthrough.

Sometimes, the best ideas are right in front of us.

*Ross Buchmueller, President & CEO
PURE Insurance Group*

A Issues addressed by our industry are so diverse that it is hard to say what one thing is more innovative than something else. The ideas being generated in insurtech are exciting, and cyber risk is evolving rapidly and creating the need for many innovative solutions.

*Michael Standing, President & CEO
A.I.M. Mutual Insurance Companies
Burlington, Massachusetts* 