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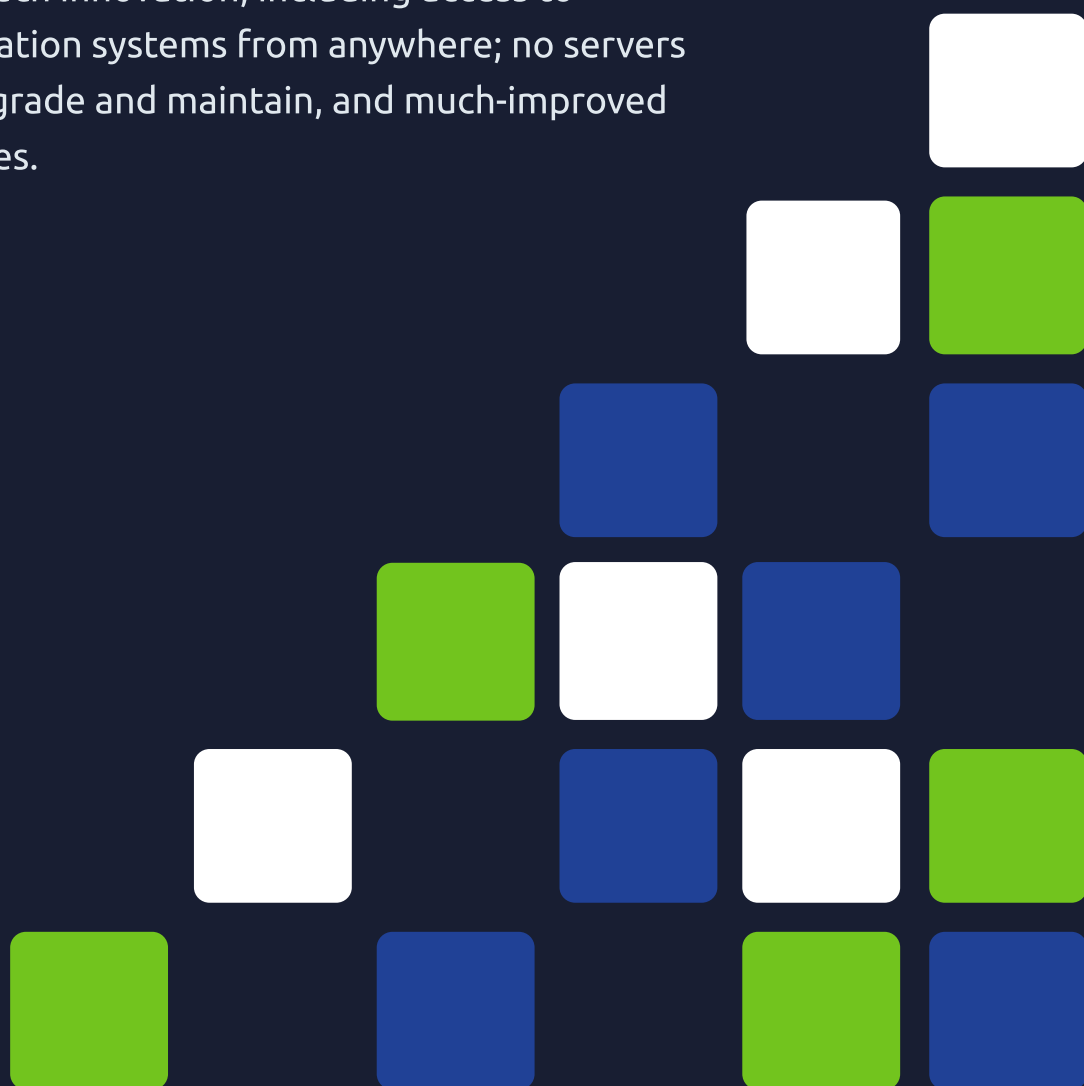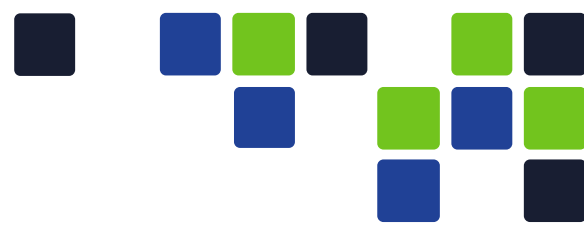
MANUFACTURING TECHNOLOGY MUTUAL INSURANCE COMPANY

Mutual insurer finds success in marrying old fashioned values with Insurtech innovation, including access to integrated information systems from anywhere; no servers or software to upgrade and maintain, and much-improved workflow processes.

When the Detroit Tooling Association set up a charter almost 42 years ago, it could not have predicted that it would attract hundreds of other manufacturing and technology-based companies that wanted to share in the self-insured trust's benefits.

Today, 883-member owners (manufacturers, technology-based businesses, printers, hardware stores and automotive dealerships) of the Michigan-based Manufacturing Technology Mutual Insurance Company (MTMIC) do just that, leveraging a host of benefits that are provided with MTMIC's core value proposition: workers compensation insurance.

The company prides itself on being able to aggressively pursue control of their members' workers' compensation environment, including conducting fiduciary due diligence, pursuing all permitted legal remedies, and providing superior claims management and loss control measures.

A PARTNERSHIP APPROACH

"We view our relationship with our members, employees and service providers as partnerships," says MTMIC President John Karlen, CPCU, APA, ARE. "This means maintaining our own high expectations and then doing our very best with their interests in mind." For policyholder members, this includes providing a 24-hour online training portal, proactive loss control services, personalized claims handling and 24/7 claims filing capabilities, flexible payment options, and direct access to key MTMIC personnel who take the partnership approach to heart.

The partnership approach with employees has been positive, as many of the firm's employees have longer-than-average tenure, and know that providing best practice insurance services to members requires that they stay current with modern technologies.

"We consider our technology providers partners, as well, although we do place demands on them," admits Karlen. "Because in order to cost-effectively rate, underwrite and issue our policies, we need reliability and efficiency in terms of being able to access the right data when we need to."
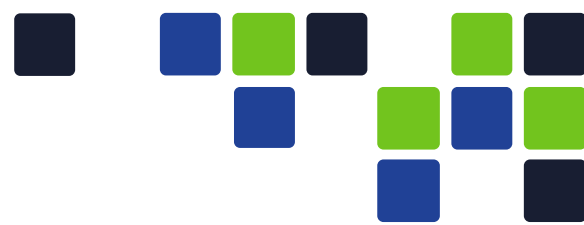
Karlen's company was an early adopter of cloud-based technology among his mutual insurance peers, and he notes that their decision to pursue a new enterprise system built on a cloud platform has delivered a number benefits that include easy access to integrated information system from anywhere; no servers or software to upgrade and maintain; and much-improved workflow processes. Plus, giving his staff the right technology tools has resulted in improved productivity and happier employees.

The company also had financial considerations, Karlen says. "As a mutual company, we are responsible for returning as much premium to our members as possible, so we are as much expense-oriented as data-driven—and back then, knew we needed a better system."

A SOLUTION FOR LONG-TERM SUCCESS

When MTMIC's board of directors (nine of 10 of them are member-policyholders) approved the search for a new policy management system, they were shocked at bids that came in at $500K or more from most technology vendors.

"We have 14 employees, so we need to be able to be efficient and agile, but incurring monthly fees that equal two-thirds of our total payroll was simply not an option," Karlen says.

When Insurium provided a demo of its workers' compensation policy management solution, the management team at MTMIC found that Insurium was the most comprehensive, cost-effective solution, and one that would allow them to grow. Today, the insurer uses almost all of the cloud-based Insurium modules, including Policy and Underwriting Administration, Workflow, CRM, Billing and Receivables, Reporting and Workflow.

"We value the partnership we have established," Karlen says. "When changes need to be made within the system, we meet with them on a Friday and explain, and they are in tandem with us, having the fix done often times by the following Monday. They don't require the six months that other technology vendors do to accommodate our requests."
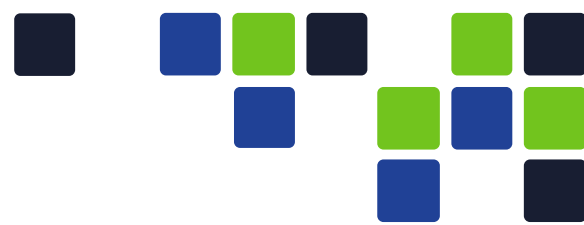
As both companies have grown, so too has the demands for more efficient and reliable processing using modern technologies. For example, once relying solely on Excel for reports, MTMIC can now use Insurium to conduct "what-if" analyses, using easy-to-run queries to determine results such as the number of members with Experience Mods above the industry standard of 1.0, the rating calculations based on the tier they are included in, the number of members that are in each tier, if the insurer's smaller shops have better loss ratios than their larger shops, and more.

Karlen says jokingly that the two teams spend time arguing about whether MTMIC was Insurium's very first customer, "Because it felt like they created our workers' comp software just for us," Karlen says.

Thanks to its partnership philosophy and a strategic plan that includes being expense- and data-driven, MTMIC's successes speak for themselves. As of December 31, 2016, MTMIC reported more than $19M in written premium and more than $58M in assets. MTMIC has paid $9.5M in policyholder dividends over the last three years.

"Since implementation of Insurium, one thing is indisputable: we are twice the size and have twice the number of policyholders," Karlen says, "And we consider Insurium a long-term partner in our success."

INSURIUM™

About Manufacturing Technology Mutual Insurance Company

- MTMIC prides itself on being able to aggressively pursue control of their members' workers' compensation environment, including conducting fiduciary due diligence, pursuing all permitted legal remedies, and providing superior claims management and loss control measures.

- Number of member-owners: 883

- Number of board members: 10

- Number of employees: 14

- Location: Michigan

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