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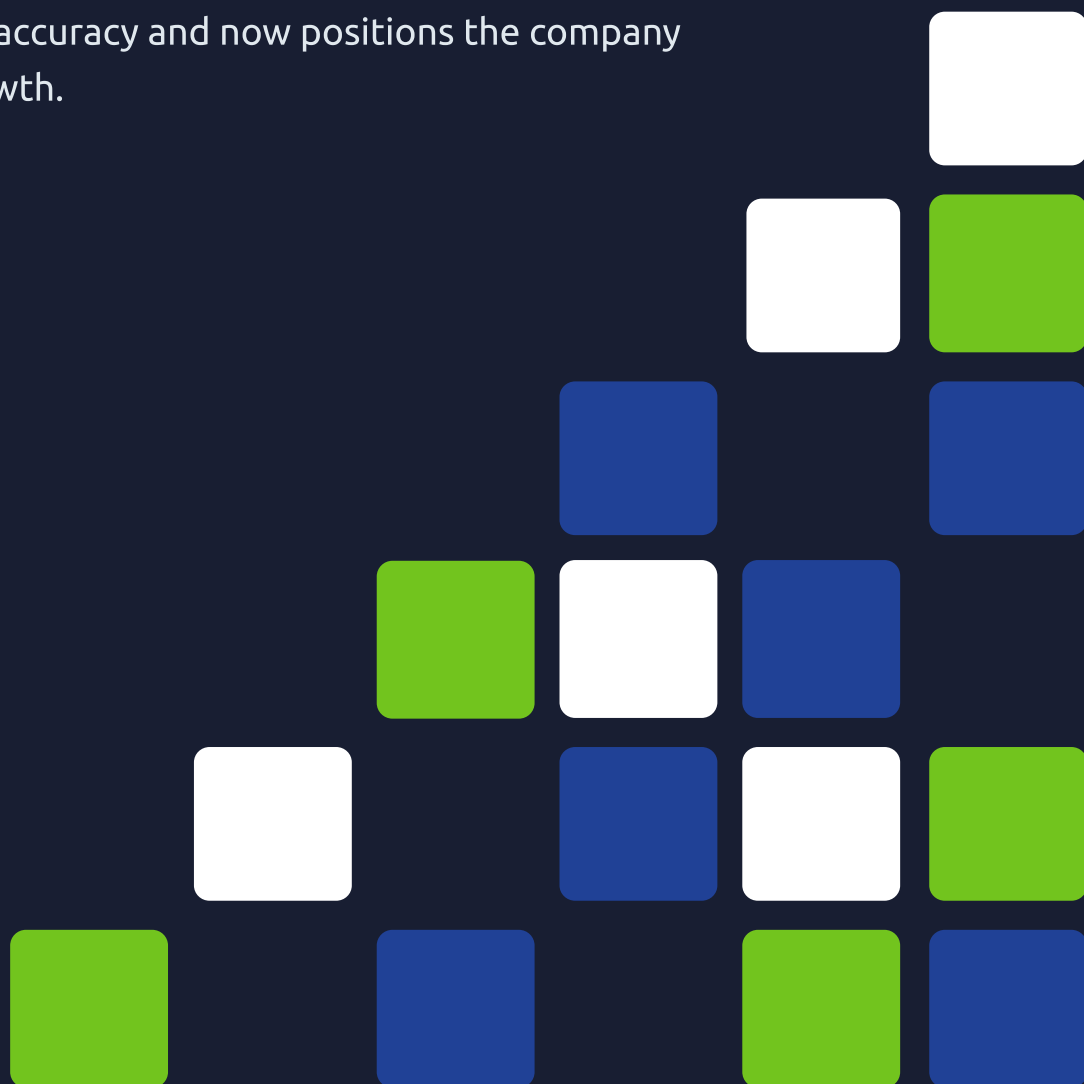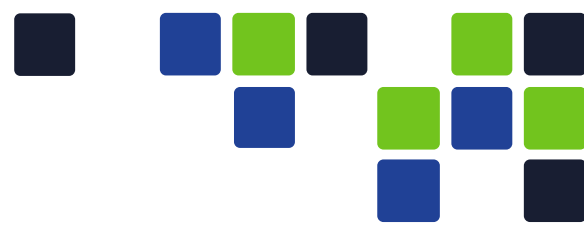
MIDWEST INSURANCE GROUP

A managed entity of Caitlin-Morgan Insurance Services

Risk retention group's decision to move from spreadsheets to the cloud provided immediate benefits to improving policy processing accuracy and now positions the company for continued growth.

An insurance company, regardless of its size, functions to serve its policyholders in the most efficient and accurate way possible. Caitlin-Morgan Insurance Services, a wholesale insurance broker and managing general underwriter based in Indianapolis, along with its managed entity, the Midwest Insurance Group (MIG), understand this well. MIG, a risk retention group owned by its member companies, writes $3 million in professional and general liability premium in the healthcare industry—providing cover specifically for nursing homes, assisted and independent living and other healthcare facilities.

In this complicated, competitive and highly regulated environment, MIG prides itself on offering its clients an alternative to rising Professional and General Liability costs. To accomplish that, it's critical that the company efficiently and accurately evaluate and price risk, which, in the healthcare industry, is no small task, especially as MIG grows.

Currently, MIG serves 40 commercial lines member-clients through 25 independent agents, and as a result, the firm's technology requirements are multi-layered, and the demands for efficient and accurate processing are high.

NO ROOM FOR ERROR

"Our biggest challenge came from rating with Excel spreadsheets, which left room for error," notes Chris Murray, Caitlin Morgan and Midwest Insurance Group president. "Plus, we wanted to migrate our existing policyholder records to a system that would allow for more reliable processing, improved accuracy, audit trails and regulatory transparency when needed."

Companies such as MIG understand the importance of accuracy. When a member's premium is charged incorrectly, it can affect long-term loyalty, trust, and actually damage a company's reputation. Internally, the costs associated with tracking down and rectifying errors can create a drain on staff productivity and generate unnecessary delays in policy issuance, which can cause a ripple effect within the organization's other functional business areas.

The move to a cloud-based policy management system, which includes rating, quoting and policy issuance, was an obvious next step, adds
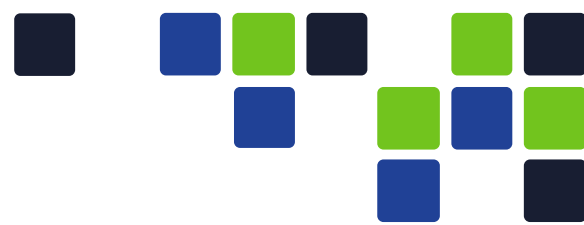
Murray. The firm discovered Insurium from its third-party claims administrator, Brentwood Services, Inc., another Insurium customer. "Knowing Brentwood valued Insurium's technology platform made vetting of Insurium policy management software easy," Murray says.

Insurium's powerful rules-based, multi-state underwriting module automates the collection of information and the creation of MIG's quotes, endorsements, cancellations and renewals.

MEASURABLE IMPROVEMENTS

This is significant for MIG in light of the exhaustive data collection process behind a routine new business quote, a process that once took days and now takes about an hour.

As just one example, the data from a Murray says the company currently completes at least 10 new account quotes per month. "On the underwriting side it takes us close to an hour per account, including the addition of a loss ratio summary," notes Murray. "On the premium/accounting side it's minimal."

ROOM FOR GROWTH

MIG is taking a stepped approach to moving all of the company's policyholder data to Insurium's cloud-based system, housing some of it internally until necessary (at renewal or for a fresh quote/policy issuance).

On the regulatory side, each state's department of insurance is different, with unique reporting requirements, notes Murray. Here, MIG relies on its own compliance checklist, which tracks, among other things, that the billing information matches that of the policy, while Insurium's comprehensive audit trail keeps track of every user and every data input.

MIG's new processes serve as a checks and balances benefit for the company, says Murray. "We also want to get into more statistical and predictive data," he adds, "Especially around Department of Health surveys and Medicare Star Ratings."
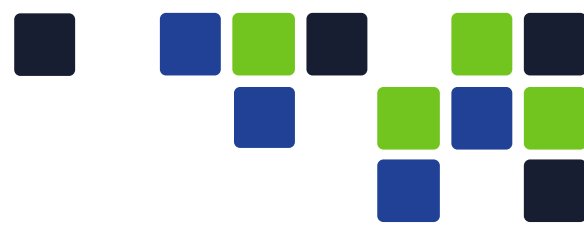
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In the year since making the move to Insurium, MIG has increased business, venturing outside the State of Indiana to service members in Illinois, Iowa, Oklahoma, and Ohio. "We are also evaluating Kansas as a potential growth state," Murray says.

And seeing the success behind Insurium's ability to introduce efficient and accurate processing of the company's rating, quoting and policy issuance functions, Murray is already thinking about other ways the company can leverage technology. "The company is now considering incorporating Insurium's billing features and the ability to process membership agreement signatures into its management system," he says.

About Midwest Insurance Group

- A Risk Retention Group owned by its members

- A managed entity under Caitlin-Morgan Insurance Services, a wholesale insurance broker and managing general underwriter

- Provides cover for nursing homes, assisted and independent living and other healthcare facilities

- Headquarters: Indianapolis

- Number of Independent Agents: 25

- Number of Commercial Lines member-clients: 40

- Writes $3 million in professional and general liability