



## Builders Mutual

### About

Builders Mutual is a commercial insurer in the United States focusing primarily on workers' compensation insurance in the construction space.

### Summary

A workers' compensation insurer experiencing rapid growth wanted to outperform its competitors by using predictive analytics.

### Benefits

- **Increased top-line premium by more than 10 percent**
- **Decreased loss ratio by four points**
- **Improved new business conversion**
- **Improved retention**

# Guidewire Predict

## > Builders Mutual Increases Revenue, Reduces Expenses, and Enhances Customer Experience

### Challenge

Despite experiencing significant profitable growth, Builders Mutual understood that continuing with the status quo was no longer enough to remain competitive. To upset the marketplace and adapt to changing customer buying experience, it needed to invest in predictive analytics. Unfortunately, like many insurers beginning their analytics journeys, Builders Mutual lacked the necessary experience to build and deploy predictive models

### Solution

Builders Mutual initially took a slow-and-steady approach to implementing **Guidewire Predict\***. The company knew that, for predictive analytics to be successful, it was essential to start with the most critical problems that models could help solve. In response, the management team identified three focus areas: effective business handling, premium growth, and better customer experience. In addition, Builders Mutual recognized

that it was vital to get internal support that the analytical models would help the Underwriting team and not be seen as a threat to their knowledge and experience. Finally, Builders Mutual needed to convince nearly 600 agents and several other key relationships they needed to convince them that leveraging advanced analytics would benefit their agent partners.

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\* Formerly Guidewire Predictive Analytics



Navigate what's next.

**"Predict is a business solution that can enhance customer experience, increase market share, and improve bottom line."**

**—Ross Fowler, AVP, Underwriting  
Builders Mutual**

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## Results

Guidewire completed the data preparation and modeling in just three months. The machine learning analysis uncovered significant segments of underpriced business, and Buckeye chose to take targeted rate action. The new rating plan was launched after receiving Department of Insurance approval in each of the states in which Buckeye operates. One year after implementation, Buckeye's written premium had increased by more than 10 percent while the company's loss ratio decreased by four points. Key Performance Indicators (KPIs) pointed to sustainable success:

## What's Next

Building on the success of its initial projects, Builders Mutual expects to increase the size of its predictive analytics team. Future opportunities for this new team include building predictive models for New Business, Claims, and Risk Management— all with the aim to improve profitability, lower expenses, and enhance customer experience.