



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.

Early Results

- Estimated \$4M increase in annual revenue from a renewal underwriting model
- Premium audit models leading to significant cost savings

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.

Solutions

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.

^{*} Formerly Guidewire Predictive Analytics



Navigate what's next.

**Builders Mutual Increases Revenue,
Reduces Expenses, and Enhances Customer Experience**

Results

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

– Ross Fowler, AVP, Underwriting
Builders Mutual

With the objective to improve profitability, reduce expenses, and create a better customer experience, Builders Mutual began exploring and building models using Guidewire Predict for Profitability in 2014, with an initial pilot and launch in 2016. The initial focus was on building a predictive analytics model to support underwriting and pricing at renewal. The early results from the model have shown an anticipated annual increase of over \$4M per year in premium revenue. That number continues to grow as they socialize the process. Growing at nearly 20% per year, Builders Mutual soon came to the conclusion that its existing premium audit processes could not cope with the growth in its workers' compensation business. It needed to reduce the more expensive physical audits in favor of voluntary audits. Working with Guidewire, Builders Mutual was able to produce a predictive model that optimized when a physical or voluntary premium was required, resulting in considerable cost savings.

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.

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