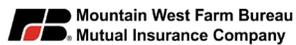
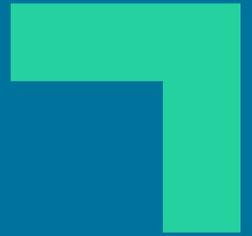


# Guidewire Predict

Mountain West Farm Bureau Mutual Insurance Company  
Improves Auto Underwriting Profitability.



**Mountain West  
Farm Bureau Mutual  
Insurance Company**

**Headquarters**  
Laramie, WY

**Operations**  
United States

**Business Lines**  
Multi-line  
insurance company

**Website**  
[www.mwfbic.com](http://www.mwfbic.com)

**Product(s)**  
Guidewire InsuranceSuite  
Guidewire Predict  
for Profitability  
Guidewire Business  
Intelligence for InsuranceSuite  
Guidewire Enterprise Engage

The Mountain West Farm Bureau Mutual Insurance Company (MWFBMIC) was created by the Wyoming Farm Bureau in 1948. It partnered with the Montana Farm Bureau in 1958. MWFBMIC is a multi-line insurance company, serving the needs of individuals, families, and businesses throughout Wyoming and Montana for over 70 years. The company's mission is to provide financial peace of mind for their customers with competitive, quality products and services.

MWFBMIC is the only domesticated P&C insurance writer in Wyoming and is also the largest writer of Farm & Ranch in Wyoming and Montana.

## Business Problem

Around the year 2012 MWFBMIC was facing some pricing irregularities in their auto book of business. As a result, some bad risks were being underwritten and the overall risk distribution was not what they wanted.

MWFBMIC's journey with **Guidewire Predict**\* began in 2013. The company started by developing a loss-ratio scoring model for the auto line of business to uncover all the risk factors.

## Solution

The scoring model uncovered a specific issue with driver assignment as the root cause for underwriting bad risks. The company did not accurately capture who was driving which vehicle on the policy. For example, on a family-based policy with multiple vehicles, the risk characteristics differ based on who in the family is driving which vehicle.

## Benefits

- Accurate rates with identification of proper driver assignments
- Behavioral changes in agent and underwriting methods
- Approximately 20% growth in written premium in four years

\* Formerly Guidewire Predictive Analytics



**“Guidewire Predict has helped us improve the profitability of our auto book of business. The accompanying behavioral changes have resulted in 20% growth in written premium over four years.”**

—Daniel Sorensen  
Actuarial Analyst II, MWFBMIC

This led to a change in the agent behavior and the underwriting methods. The company now started asking detailed questions to accurately capture who is driving which vehicle. The loss-ratio scoring model was implemented and rolled out in 2014. The company closely monitors the model performance using Predict and makes adjustments as necessary.

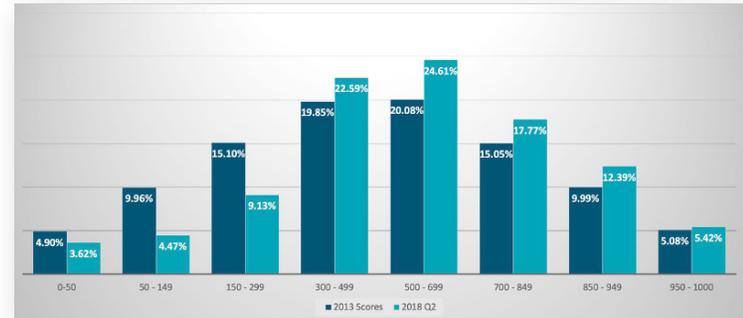


Figure 1

## Results

The scoring model has resulted in a significant shift in the risk distribution within a matter of a few years as seen in the Figure 1. The majority of the risks underwritten in 2018 are in the higher (more profitable) scoring range compared to 2013, which was prior to deploying Predict. The overall auto loss ratio has stayed relatively flat, but the company has experienced approximately 20% growth in written premium in these four years.

MWFBMIC is planning to roll out a major update to the scoring model in early 2020. It also plans to leverage Predict for its property line of business.

**Guidewire is the platform P&C insurers trust to engage, innovate, and grow efficiently. We combine digital, core, analytics, and machine learning to deliver our platform as a cloud service. More than 500 insurers, from new ventures to the largest and most complex in the world, run on Guidewire. For more information, contact us at [info@guidewire.com](mailto:info@guidewire.com).**