



New Mexico Mutual Group Replaces Legacy Claims System Two Months Ahead of Schedule

Quick implementation enables workers' compensation insurer to gain a technology advantage in its market.

CASE STUDY



“The difference between Guidewire and other vendors is that Guidewire not only gave us the means to integrate systems, they gave us exact instructions on how to do it.”

—Tim Thackaberry, Director of Information Technology,
New Mexico Mutual Group

Two of New Mexico Mutual Group's (NMMG's) core (claims and billing) legacy production systems were DOS-based systems from the early 1990s. These systems were functional, but extremely limited in terms of making enhancements and improvements. In addition, the systems lacked the data capture and data mining capabilities needed at a modern insurance company.

NMMG was apprehensive about tackling a large-scale claims system replacement project having just done a comprehensive policy system replacement. However, NMMG knew that change was required to keep pace with the ever-increasing demands of its system stakeholders. One of NMMG's most fundamental stakeholder commitments is to providing the best possible care to injured workers all over the state of New Mexico; this led NMMG to make the decision to replace its legacy Claims system with ClaimCenter.

Solution Evaluation and Selection

As a company, NMMG had wisely ruled out building its own legacy replacement systems, preferring to focus on its core competency of providing workers' compensation insurance products to employers throughout the state of New Mexico. NMMG undertook a search to find best-of-breed replacement applications, which included an evaluation of the top workers' compensation claims systems, all of which fell short of its requirements.

NMMG then evaluated Guidewire ClaimCenter™. NMMG's key claims system requirements included:

- Offer adjusters more productivity tools and an easier application to use;
- Provide management with a real-time view of inventory;
- Enable adjusters and in-house medical bill reviewers to work in the same system; and
- Provide a proven, flexible, modern-technology system that could integrate with existing applications.

ClaimCenter met NMMG's requirements. The carrier was impressed by

**NEW MEXICO
MUTUAL**

COVERAGE @ WORK

New Mexico Mutual Group

Headquarters

Albuquerque, New Mexico

Operations

U.S. only (New Mexico)

Business Lines

Workers' Compensation

Employees

150

Website

<http://www.newmexicomutual.com>

Product

- Guidewire ClaimCenter™
- Guidewire BillingCenter™
- Guidewire PolicyCenter™
- Guidewire Client Data Management™
- Guidewire Live Analytics™
- Guidewire Rating Management™
- Standard Reporting

Benefits

- Real-time inventory, enabling efficient resource use
- Ability to redirect assignments based on resource availability
- Real-time activity assignment for improved claims handling
- Real-time views of claim direction and decision making
- Built-in productivity tools enabling adjusters to handle larger volumes of claims
- Ability for in-house medical bill reviewers and adjusters to work in the same claim system
- Ability to handle 1,500-2,000 medical bills per week with a staff of six
- More claim data captured giving adjusters access to detailed information for better decision making
- Improved le access so several experts can work on same problem simultaneously
- Adjuster training times reduced from weeks to days

the amount of claim data that could be captured, the ease with which it could be accessed, and that a claim adjuster could have multiple cases open and worked on by several expert parties simultaneously. NMMG selected ClaimCenter as its next generation claim system.

Innovative Implementation Approach

The ClaimCenter implementation project kicked off in March 2005 and the system went into production – two months ahead of schedule – January 2006. NMMG handles all workers' compensation claims for its multiple product tiers with this single system. Today, ClaimCenter is in use by more than 35 users processing an average of 5,000-6,000 claims annually.

The joint NMMG/Guidewire implementation team included one Guidewire business and one technical resource, with NMMG providing six core team members and "as needed" involvement from various other internal groups for requirements definition, testing and training. ClaimCenter's configurability and flexible rules approach made it possible to complete the implementation with such a small team.

Twenty integrations to other NMMG systems were done as part of this project. Guidewire also provided extensive knowledge transfer so that NMMG can do future integrations in-house. Throughout the process, NMMG learned a lot about itself. Guidewire's structured implementation process provided an effective framework for a successful project. Guidewire uses an agile methodology in core product development, and strongly recommends it for project implementations. The agile approach relies on monthly iterations (or mini-projects) to break a large-scale project into manageable smaller ones. Daily meetings are held to report progress and address issues among stakeholders. The end of a monthly iteration is used as a checkpoint to allow the team to reprioritize remaining work and resolve new issues found during the iteration. Resolving issues in the normal course of business is preferable to facing them as emergency 'show-stoppers' down the road. NMMG learned to rely on these daily and monthly problem-solving opportunities as a way to keep all the moving parts in play. The Guidewire Implementation Methodology proved so beneficial, NMMG has adopted portions of it for use in other projects.

By the time ClaimCenter went into production, NMMG was confident and well versed in ClaimCenter, resulting in the company's self-sufficiency. The NMMG IT team can configure ClaimCenter as business needs require and troubleshoot issues, and now it has the skills and the tools to do both.

As a web-based application, ClaimCenter's user interface and navigation greatly improve the overall work experience for NMMG employees. In ten short months, New Mexico Mutual Group gained a technology advantage in its market. It has the ability to grow and change as business changes, and above all, it has gained a foundation with which to provide improved customer service.

"The 10-month Guidewire ClaimCenter implementation project was extremely well run, on-budget, and in-production two months ahead of schedule. It is the best implementation project this company has ever seen."

—Dan Giralmo, Director of Claims,
New Mexico Mutual Group

About Guidewire Software

Guidewire delivers the industry platform that Property and Casualty (P&C) insurers rely upon to adapt and succeed in a time of accelerating change. We provide the software, services, and partner ecosystem to enable our customers to run, differentiate, and grow their business. We are privileged to serve more than 350 companies in 32 countries. For more information, please visit www.guidewire.com and follow us on twitter: @Guidewire_PandC.

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