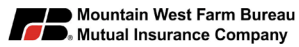


Guidewire Predict

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
mwfbic.com

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

Mountain West Farm Bureau Mutual Insurance Company has been serving the needs of customers for nearly 75 years. It was founded by the Wyoming Farm Bureau in 1948 and partnered with the Montana Farm Bureau in 1958. Currently, it offers multi-line insurance products to individuals, families, and businesses throughout Wyoming, Montana, and (most recently) Colorado through a wholly owned company – 360 Insurance.

Search for a Solution

In 2012, Mountain West was facing profit deterioration in their auto book of business.

That is why Mountain West turned to Guidewire. In 2013, the insurer began its journey with **Guidewire Predict**. The company started by developing a loss-ratio scoring model for the auto line of business to uncover all the risk factors and price efficiently.

Profitability with Predict

The scoring model uncovered a specific issue with driver assignment. The company did not consistently 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.

The loss-ratio scoring model was implemented and rolled out in 2014. This led to a change in the agent behavior and the underwriting methods. The company closely monitors the model performance using Predict and makes adjustments as necessary.

Benefits

- Accurate rates with identification of proper driver assignments
- Approximately 20% growth in written premium in four years

Within a matter of a few years, the scoring model has resulted in a significant shift in the risk distribution. The majority of the risks underwritten in 2018 were in the higher (more profitable) scoring range compared to 2013, which was prior to deploying Predict. The overall auto loss ratio improved, and the company did experience growth.

“Guidewire Predict enables us to move closer to real time decisions and speed up the process of business using predictive algorithms.”

–Tim Hays
Vice President and CIO

“In the first four years, we saw approximately a 20% growth in written premium,” noted Daniel Sorenson, Actuarial Analyst. “Our models have evolved since then and what we are seeing now is that we are writing more profitable business.”

Mountain West has implemented four more model refreshes on that auto model. The seamless connection between Predict and the Guidewire core system, enabled by Analytics Manager, has allowed Mountain West to update the model more frequently.

Expanding Use of Predict

Mountain West’s auto model is evolving into an underwriting model.

Sorenson says, “This underwriting model will allow underwriters to look at a policy and make a decision based off of the score that the auto model offers.”

Mountain West is also looking at implementing a subrogation model that Predict provides, along with a few other claims and business practice models to run more efficiently.

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.