



Encova

Headquarters

Columbus, Ohio

Operations

United States

DWP

\$1.1B

Business Lines

Personal, Commercial, Workers' Compensation

Employees

1200

Website

www.encova.com

Product

Guidewire InsuranceSuite

Benefits

- Created its first new personal lines product in only 18 months
- Expanded products to price and underwrite business by introducing integrations with Guidewire's partner ecosystem
- Increased new business sales by 228% in three quarters
- Rolled out Encova Edge – the portal for independent agents to do business with Encova through commercial lines, personal lines, and life – with Guidewire Digital

Encova Reinvents Its Book of Business for Personal Lines

> Continue offering personal lines or walk away? An insurer takes a risk by rebranding and reinventing.

On July 15, 2019, Encova Insurance became a new player in the P&C market. But even though the name Encova is quite young, the company has a rich history.

Encova's story began in 1928 with Motorists Insurance Group. Over time, the group became affiliated with others, offering a variety of products, and eventually undergoing a transformation of its commercial lines book of business in 2017. When Motorists decided to reinvent its book of business for personal lines, it knew that it needed to re-enter the market with a new name and a clear vision of the company's identity: a one-stop shop for agents and policyholders.

"We knew we were going to reinvent ourselves. We were going to transform our products and services," said John Kessler, Executive Vice President and Chief Strategy Officer. "We were going to stand up an entire business infrastructure and take a greenfield approach. That is what led us to becoming Encova Insurance."

Should We Stay or Go?

The decision to transform the personal lines was one that took quite a bit of thought. It almost didn't happen.

Kessler said, "We actually considered exiting the market in personal lines because our products and services had become so antiquated and we were no longer competitive. During the time in which we had put all our focus on commercial lines, we fell even further behind in personal lines."

Although leaders knew that the investment of time and cost to reinvent the personal lines would be extensive, they decided that it was a challenge they wanted to take on.



Navigate what's next.



"We knew our personal lines were going to have to be rebuilt from the ground up," said Matt Wilcox, Executive Vice President of Personal Lines. "It was going to be a completely new product set, completely new pricing models, built on a state-of-the-art technology platform."

The main goal of the project was to become relevant again in the personal lines market.

"It was a strategic imperative for us," Wilcox added. "If we did not invest, the company would have likely gotten out of the personal lines market."

Development began in 2019. It took only 18 months to launch Encova's first product on the new personal lines platform in July 2020. By the end of 2022, the company will have offerings in 11 states.

Commercial Lines Transformation

The reason for the decision to move forward was based on the recent transformation in Encova's commercial lines.

"We knew we had the infrastructure in place from an operational, organizational, financial, technology, and administrative perspective," Kessler said. "We had the tracks laid, and that made it easy to make the decision to take a similar approach with personal lines."

A Greenfield Approach

This thinking paved the way for Encova to take a greenfield approach to building the new personal lines book rather than creating a new company.

"It gave us a clean slate to work on a new state-of-the-art program," Wilcox said. "We knew we could not do what we had done in the past and be successful."

In the past, the insurer had taken a piecemeal approach.

"If we chose to go with one [center] at a time, or one line of business at a time, or roll out in one state at a time, this project would drag out," Kessler noted. "We would lose momentum, and we wouldn't have the impact in the market that we aspired to have."

A Team Effort

The success of the implementation was truly a team effort and would not have been possible without the Guidewire ecosystem.

"This was a very collaborative effort across the entire spectrum of the organization," Wilcox noted.

"We worked very closely with two primary systems integrators — PwC and Cognizant — that were critical to the success of the project."

"We knew we were going to reinvent ourselves. We were going to transform our products and services. We were going to stand up an entire business infrastructure and take a greenfield approach. Our strategy was a key enabler to becoming Encova Insurance"

**—John Kessler,
Executive Vice President and
Chief Strategy Officer,
Encova Insurance**



Navigate what's next.

- Encova introduced a number of integrations because it was expanding the number of products to price and underwrite.

According to Wilcox, "With the increased number of integrations, we certainly had to take advantage of the Guidewire accelerators. Integrations in the previous world would have been impossible for us because we had six different legacy systems as opposed to one platform."

Insurtechs also played a role in the success of this project.

"When we were building and designing the product and pricing models, we looked at a number of different insurtechs to see what value they could add," continued Wilcox. "We decided to bring in a few insurtechs to round out the product suite and to build a better process, making it easier for us and for agents."

Key Successes

Since launching, Encova's new business sales have increased. In the first quarter of 2021, new business sales were up 32% over the prior year. In the second quarter, they were up 168%. And in the third quarter, the increase was 228%.

Implementing straight-through processing has been a success.

"In the legacy system, every single policy that came in the door had to be touched by somebody for one reason or another," Wilcox said. He noted that Encova is now closing in on 50% straight-through processing, and they expect it to go even higher.

Encova Edge, the agency portal, has been a huge hit with agents. It is a one-stop shop where agents do business with Encova through commercial lines, personal lines, and life. It was designed in close collaboration with independent agents. Encova wanted their input because they are the company's primary customers.

"All our products and services are distributed through the independent agents," Kessler said. "They are first and foremost pivotal to all our business strategies."

By implementing Guidewire Digital and rebranding the portal as Encova Edge, the insurer was able to roll out a variety of features and functionality to agents that were not possible before.

"We are growing again with our independent agents," Kessler said. "We are re-establishing some old relationships with agents, and we are establishing some new relationships as we grow our agency footprint."

Guidewire is the platform P&C insurers trust to engage, innovate, and grow efficiently. We combine digital, core, analytics, and AI to deliver our platform as a cloud service. More than 450 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.