Pulse

Summer 2021

Pennsylvania Association of Mutual Insurance Companies

Goodville Mutual
Insurance Group

THERE'S A LOT OF GOOD IN GOODVILLE

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3 Research Backed Tips to Attract and Retain Millennial Policyholders

8 Reasons to Focus on Vendor Management

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There's a lot of good in Goodville.

A group of entrepreneurial church and community leaders envisioned a modern "licensed" insurance company that would be formed to address these risks while maintaining accountability to the values of love, justice, and integrity, shared by the faith community. On January 4th, 1926 the Goodville Mutual Casualty Company received its certificate of authority, named after Goodville, Pennsylvania, where it was formed. The mutual insurance model allowed the new company to operate for the benefit of its members while also meeting its mission of carrying risk on their behalf.

TECHNOLOGY


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IN EVERY ISSUE

PAMIC
Pennsylvania Association of Mutual Insurance Companies

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Pulse is a quarterly magazine that is published in print and electronically. Issues may feature editorial on PAMIC history, politics and legislation, legal information, technology, economic impact in Pennsylvania and other topics of interest to our membership.

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David Gautsche
Goodville Mutual
Insurance Group

> **I am indeed pleased,**
> that we will once again be able to gather together for the 114th Annual PAMIC Convention…"

When I agreed to serve as PAMIC Chairman several years ago no one anticipated what we were about to experience. Even as our companies shifted into remote work environments in March of 2020 many of us expected to work from home for a few weeks and then return to the office. Much about the last fifteen months has been difficult and challenging, but yet we have a lot to be thankful for. PAMIC and its member organizations successfully adapted to the situation and have continued to serve their members resiliently in spite of the obstacles.

I am indeed pleased that we will once again be able to gather together for the 114th Annual PAMIC Convention August 1st through 3rd at the beautiful Hershey Hotel, in Hershey, Pennsylvania. This event will mark the first in person PAMIC event since late 2019 and I expect it to be a celebration. This opportunity to reconnect with old friends and reengage with the industry will only be more special based on the isolation of the past year.

The Convention Planning Committee, chaired by John Foster from Penn National, has built an exceptional agenda. Keynote addresses by Chuck Chamness, President & CEO of NAMIC and the Insurance Information Institute's President Sean Kevelighan, will provide an extraordinary opportunity to get a perspective on developments in the insurance industry at large. In addition, sessions have been added to provide Board of Directors valuable educational opportunities on governance topics. I'm confident that each attendee will take actionable ideas back to implement into their organization.

While almost everything about this past year was different, PAMIC's success continued to rely on the generous commitment of time and resources by member companies and their committed staff. Volunteer committees continued to plan events which were adapted to virtual delivery and worked to provide resources to member companies, as well as advocating on our behalf with regulatory bodies. Please take time to read the committee reports provided in the annual report and to thank those who served this past year. The success of our trade association depends on member engagement and your willingness to share your gifts!

Lastly, I want to thank you for the honor of serving as PAMIC Chairman this past year. As a relative newcomer to the PAMIC family I was an unlikely candidate to serve in this role, but it was my privilege to serve. When I hand the gavel to John Foster as incoming Chairman in August, my hope is that the coming year will be more predictable and filled with opportunities to gather and learn together.

The mutual industry has a long and noble history of protecting and serving the interests of members. Our success in continuing that tradition this past year is something we should all be proud of and also serve as inspiration to ensure that we continue to deliver value to our members for generations to come!

Sincerely,

David Gautsche

Ron Gallagher
PAMIC

This year, we are delighted to announce that the 2021 Convention is on and in person…"

Welcome to the Summer 2021 issue of the PAMIC Pulse! This issue of the Pulse typically follows the end of our fiscal year and the anticipation of our Annual Convention at the Hotel Hershey on August 1-3, 2021.

This year, we are delighted to announce that the 2021 Convention is on and in-person: a real celebration of "life getting back to normal." By the time this issue is published, you will have received registration emails, sponsorship opportunities, and exhibitor registration. I am looking forward to seeing you in person after almost 18 months of virtual educational programming. Our last in-person event was the Annual Spring Conference 2020 in State College, PA.

This edition of the Pulse is also a great time to review the value and benefits that PAMIC has developed over the last few years making your membership more important and useful in your business operations. Here is a rundown of those benefits:

PAMIC Benefits & Programs

Educational	Networking	Operations	Advocacy	Publications
Save on Live Education Events and Exhibitors with Member Rate Pricing	Unlimited Access to the PAMIC Membership Database	Discounted Services through ISO Claim search ($15000/yr Value)	Lobbying on your behalf	Biweekly 360 newsletters
PAMIC Institutes (Discounted Online Courses through "The Institutes")	Intelligent (internet-based) Marketing Opportunities	Save with PAMIC New Insurer Member Three Year Discount	Regultory Affairs with the Department	Quarterly Pulse
Financial Management Seminar	Committee Membership	Free Access to the PAMIC Cyber Security Center ($3500/yr Value)	Mutual Insurance Day	Email Updates (as needed)
Insurance Technology Trends Seminar	Speak or Present at Educational Events or Webinars	Free Access to the PAMIC Law & Human Resources Center ($2000/yr Value)	Congressional Contact Program	Monthly PAMIC Post
Underwriting & Loss Prevention Workshop	Become an Author in the PAMIC Pulse and 360	Free Registration to all PAMIC Educational Webinars ($600/yr Value)	Online Legislative Tracking	
Annual Spring Conference	Sponsor an Educational Event or Webinar	10% Discount on Rate and Form Filing Services	State by State Compliance Listings	
Claims Summit	Exhibit at varied Events	Exclusive Subscription to All PAMIC Publications	Compliance Assistance	
Executive Roundtable	Advertising in the Pulse (hardcopy and digital versions)	New Insurer Member 3-year Discount	Laws, Regulations, Notices Online	
Annual Convention	Sponsor events based on your budget	PAMIC Governance Center		
Spring Conference		PAMIC Career Portal		
Special Educational Events				
Annual Small Company Meeting				
CE, CLE and CPE Credits for Educational Events				

While this listing seems exhaustive, it is not static. Your Association continually looks for ways to bring added value to your membership. If you are interested in finding out more about any of these programs listed in the table above, please contact the PAMIC staff by phone or email.

In closing, I want to thank you for your unwavering support of PAMIC, especially in the last 18 months, and look forward to serving you in the future! See you in August at the Convention!

Stay safe, and healthy,

Ron Gallagher

3 Research Backed Tips to Attract and Retain Millennial Policyholders

By: Jeremy Leopold
Invoice Cloud

As the largest generation in North America, Millennials are a critical demographic for insurance carriers. Not only because this is a group with significant purchasing power, but also because their expectations around customer service and customer experience are changing the way many carriers operate.

Millennial policyholders expect exemplary customer experiences, and want digital ways to interact and pay bills. Many digital native insurance carriers are taking advantage of this, making it easier than ever to select and purchase a policy directly from your mobile device. For carriers that have been slower to innovate, gaining and retaining customers in this age group is becoming a challenge. It's important for insurance carriers to realize, though, that technology can be an opportunity rather than a threat. Technology lets organizations personalize policyholder experiences, improve engagement levels, and elevate the customer experience.

To help insurance organizations better understand how to leverage Millennial policyholder preferences to their advantage, Invoice Cloud recently conducted an online survey asking this age group questions about the types of policies they own, how they prefer to make payments, and more. You can download the full report here, but here are three major takeaways from our research.

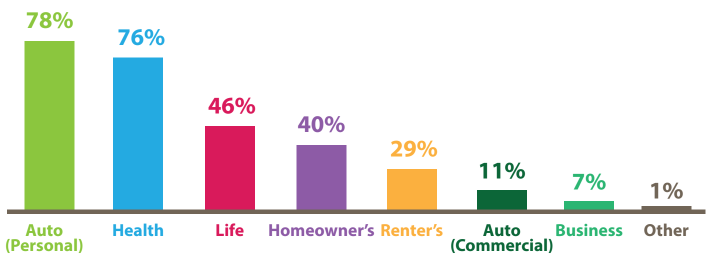
You can download the report by going to
https://resources.invoicecloud.net/keeping-up-with-millennial-policyholders

1. The needs of Millennial policyholders are evolving

In 2019, Millennials surpassed the Baby Boomer generation as the largest living adult generation. This means Millennials now make up a major percentage of consumers, spending trillions of dollars a year in goods and services – and insurance is no exception.

According to the survey results, the most common policy among Millennials is personal auto insurance (78%), followed by health insurance (76%).

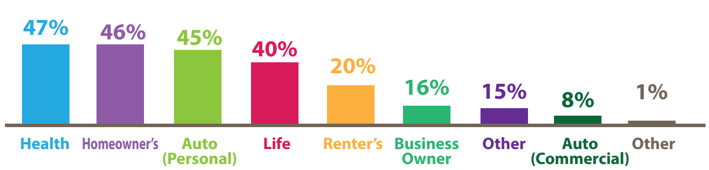
Which of the following insurance policies do you currently own?



Looking ahead, the buying power of Millennials in the insurance market only becomes more formidable. In total, **85% of survey respondents anticipate buying at least one new policy in the next 5 years.** This means that the money spent on insurance by this already influential demographic will inevitably increase, and rapidly.

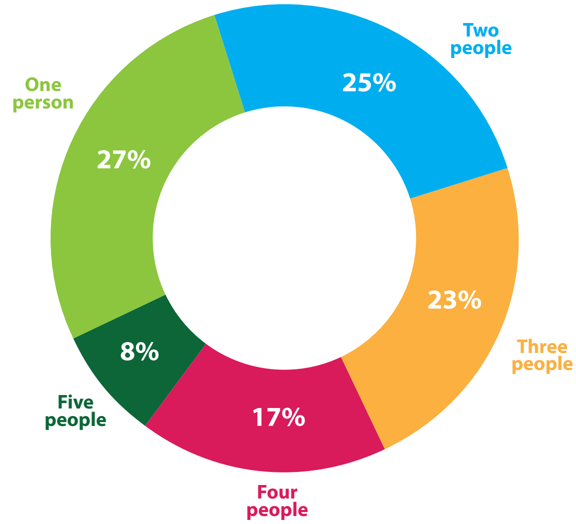
Which of the following insurance policies do you anticipate needing in the next 5 years?

(Please select only policies you do not currently own.)



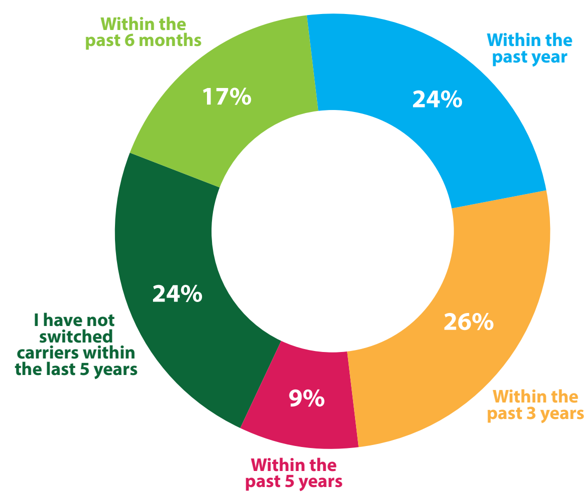
The Millennial generation spans individuals in their mid-20s to late 30s (with the eldest in this group turning 40 in 2021). This represents a sizeable range when it comes to consumer needs and life experiences. On the one hand, some Millennials are starting at their first jobs, striking out in the renter's market, and are no longer covered by their family's insurance plans. On the other side of the age bracket, older Millennials are buying property, starting families, and purchasing more policies as their insurance needs grow.

How many members of your household (including yourself) are covered by your active insurance policies?



As the data shows, the gap between single Millennials (whose insurance policies only cover themselves) and Millennials who are starting families (whose insurance policies cover their partners and dependents) is gradually closing.

When was the last time you switched insurance carriers?



What this means for your organization: It's clear that Millennials are increasingly making up a large proportion of policyholders. They represent a group with a vast array of policy needs, and many are going through transitional phases of life: moving from renter's to homeowner's insurance, or upgrading policies from covering an individual to covering a family. It's for these reasons that carriers have to take Millennial purchasing, payment, and interaction preferences into consideration when deciding how to leverage technology and improve the overall customer experience.

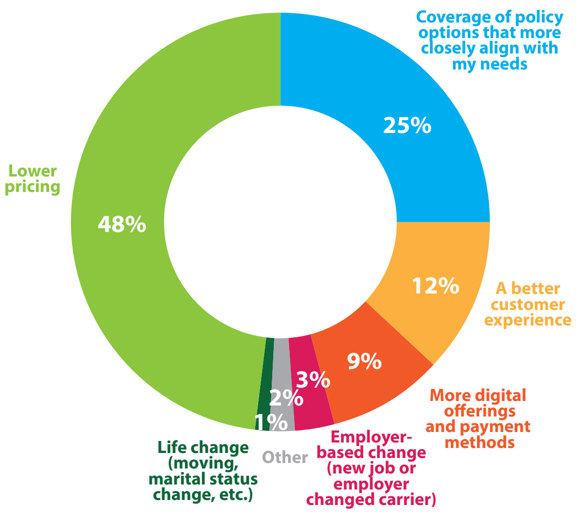
Continued on next page

2. Millennials will switch carriers for a better experience, and have a history of doing so

When it comes to insurer loyalty, the survey results show that Millennials will not hesitate to switch carriers if their current insurer isn't providing a satisfactory customer experience. **Forty-one percent of the Millennial policyholders surveyed have switched insurance carriers within the last six to 12 months.**

To better understand why 76% of these Millennial policyholders have switched carriers in the last five years alone, we asked respondents to pinpoint why they decided to leave their former insurance provider.

What was the primary reason you switched insurance carriers?*



***Of the 76% of respondents who have switched insurance carriers within the past 5 years**

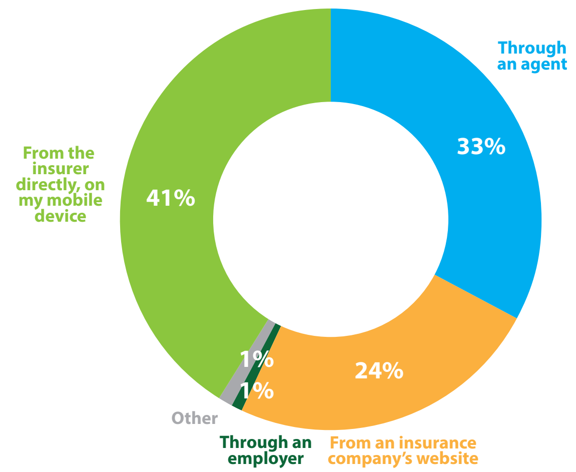
While 48% of respondents cited that price was a primary driver for switching carriers, what's more informative for insurers are the **21% of Millennial respondents that switched carriers for better customer experiences or expanded digital offerings and payment methods.**

What this means for your organization: Competitive pricing will always exist in the insurance space and no carrier can accommodate the changing needs of *every* insured – it's much more attainable for your organization to improve the policyholder experience and expand digital payment options.

3. Digital experiences impact the purchase decision

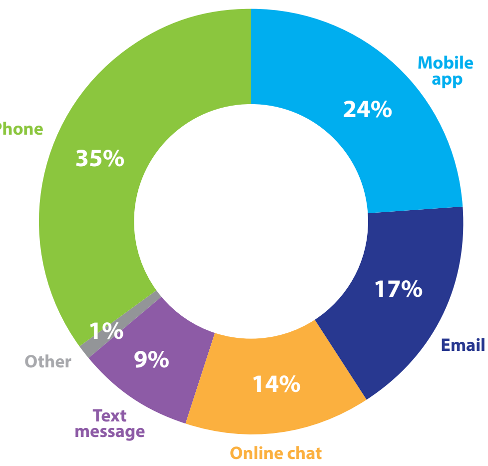
When asked how they purchased their latest insurance policy, **41% of Millennial respondents said they bought the policy on their mobile device, directly from the insurer.**

Think about the last time you purchased a new insurance policy. How did you make the purchase?



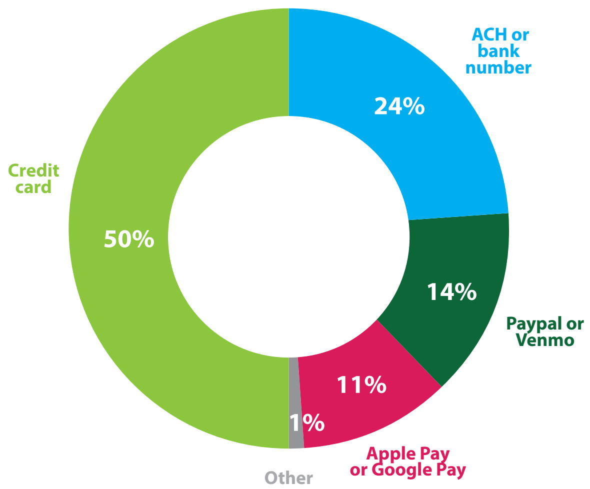
Purchasing policies and paying premiums aren't where mobile preferences stop, either. When asked about their communication preferences, **64% of respondents would rather communicate with an insurance carrier through a digital or mobile channel.**

How do you prefer to interact with your insurance carrier when you need to file a claim, ask a question, etc.?



Even payment method preferences are evolving as Millennials take up more of the insurance space. While credit cards and ACH are still common methods for making premium payments, 25% of Millennials who said online or mobile payment options were "very" or "somewhat important" would rather pay their premiums via PayPal/Venmo or Apple Pay/Google Pay. This is another huge shift that's unique to this rising demographic.

Which of the following online payment options would you use to pay your insurance premium, if available?



What this means for your organization: Insurance organizations can no longer afford to ignore mobile payment channels and methods. To cater to the new consumer mindset, insurers must provide mobile channels for purchasing policies, communicating with insurers, paying premiums, and more. They must also ensure that these mobile channels are fully optimized by offering digital wallet options, pay by text functionality, and a well-designed mobile interface for an outstanding user experience.

Start leveraging this data today

Clearly, Millennial policyholders are an important market for every insurance organization, particularly as the needs of this generation continue to grow and evolve.

To learn more about important Millennial insurance preferences including how they choose insurance carriers, payment preferences and the most important factor when it comes to a great customer experience, download your free copy of Invoice Cloud's research report, *Keeping up with Millennial Policyholders.*

Jeremy Leopold is an experienced representative in the Insurance and Consumer Finance space. He moved to Invoice Cloud just over two years ago once he saw the Invoice Cloud Electronic Bill Presentment and Payment platform, and the many great features it offers to drive online payments and improve policyholder satisfaction and retention. Jeremy works with insurance companies along the East Coast to provide true SaaS solutions and undeniable results. You can reach Jeremy at: jleopold@invoicecloud.com or call him direct at 781-654-0167.

TECHNOLOGY

Why Implementations Far Exceed Original Budgets and Go Far Beyond Projected Timelines

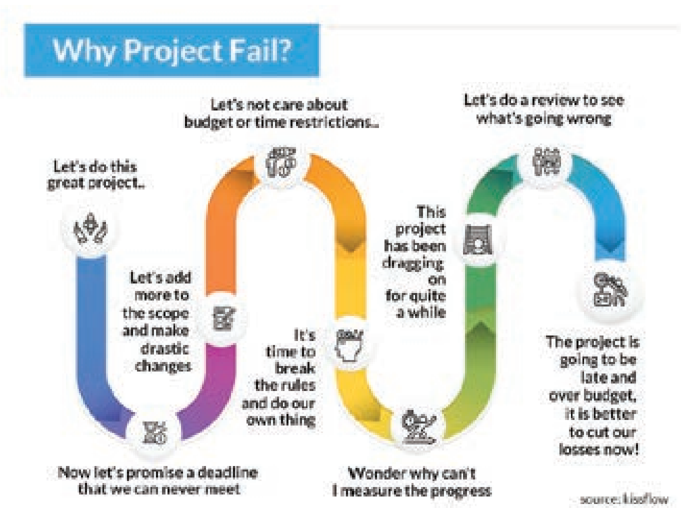
By: Barbara Schwarz, SimpleSolve, Inc

Picture this. You finally decide on an insurance system and are excited to transform your company's processes with it. You've got your budget approved and set a clear project timeline. The twin benefits of digitization and automation are right around the corner! But, before you realize it, scope creep has set all those careful plans to naught. Now your 'go-live' date is months or years beyond the original project management timeline.

While this may sound like a worst-case scenario, the harsh reality is that insurance system implementation can often take between 12 to 18 months and cost more money than anticipated. However, this does not have to be the case. Quick implementation of insurance systems boils down to one thing: clear up-front scope definition.

Why Project Timelines aren't met

This scenario is more common than you would expect.



Reasons for project failure costing you millions

1. Not defining your requirements, leading to scope creep

Before you even begin the process of implementation with your chosen insurance software provider, you need to set aside clear objectives and goals.

- What do you plan to achieve by the implementation?
- What are the pain points in your current system and your operations that you want the new system to fix?

Starting out with a **well-defined roadmap** will help you narrow down what your requirements are and what features are actually needed. If you start the project without this vision, you can often be tempted by extraneous services that you don't actually need. Oftentimes 'one additional feature' might be added on to the initial project scope. But if such 'small' inclusions start to add up, you begin to realize you have exceeded your budget. That is 'scope creep' which is one of the most common reasons for project failure.

2. Not identifying a strong Project Champion

Implementation of a new insurance system requires a complete overhaul of the current processes. Depending upon the technological maturity of the organization, it might even require new infrastructure to be set up and old ones to be retired. This coupled with the costs associated with implementation can make insurance companies averse to change.

A strong project champion can look past these short-term challenges and understand the long-term benefits of investing in the right insurance system. They are critical for getting approval of the implementation, finalizing the budget, and securing the resources necessary to make the project a success. The project advocate also defines the end-goals and objectives of the implementation, which will help guide all decisions that need to be made.

3. Not including all parties affected by the implementation

A fully-integrated insurance software will typically include features for various departments, and can be from your agents, to your accounts team and ultimately, your leadership team. But unless each of these teams are involved right from the beginning in the actual implementation, errors can occur..

When implementation is done without consulting all the teams who will be using it, multiple critical features can get missed out. These will have to be added on in later stages, often at a higher cost. Ultimately this will extend your overall project management timeline. To avoid this, it's essential that you have all your teams and their needs unified under a central project management structure to help finalize the list of features that the insurance system needs to have.

4. Not consulting Subject Matter Experts on the design

A SME is a person with expert knowledge about what it takes to do a particular job. This can be more than one person depending on the specializations required to design the solution. The subject matter expert might be an **internal employee** who has specialized insight or it can be an **external consultant** contracted to advise the company on a technical practice. Business users and programmers usually don't speak

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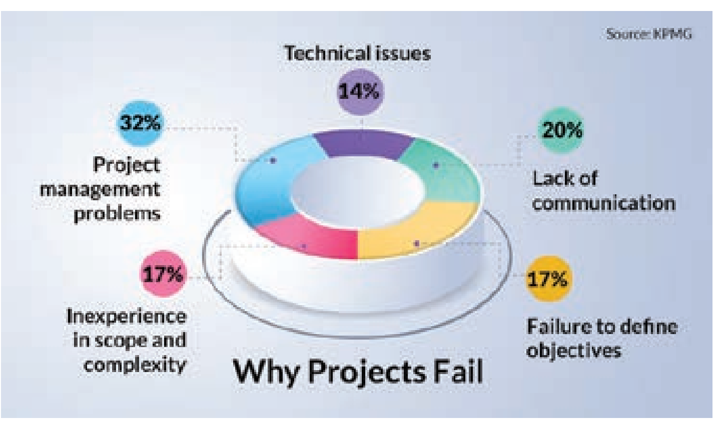
> **…the harsh reality is that insurance system implementation can often take between 12 to 18 months and cost more money than anticipated."**

the same language. The SME therefore, becomes an important bridge between them to translate business requirements into effective solutions.

5. Lack of proper communication

Communication is the bridge that brings together the various teams working on implementation. Without proper communication, there will not be visibility into the status of the implementation, pending action items or any decisions that need to be taken. This will lead to unnecessary delays which will accumulate and lead to the implementation missing the fixed project timeline. Guidelines should be established for all project communication.



6. Lack of identified decision-making process

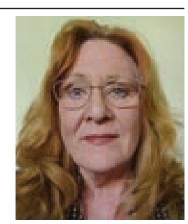
Having a centralized project management structure is only one side of effective communication. The other part of team task management is determining who has ownership over what aspect of the implementation.

While there will be a project manager spearheading the project, at the execution level, there needs to be one **decision-maker for every stage of the process to avoid delays.** It's also important to have clear frameworks and parameters for decision making within your team task management plan. Leaders at each level need to have a complete understanding of the objectives, budgets and project timelines so that they can align their decisions around these goals.

7. Not equipping your team with the required skill sets

The initial software implementation is completed and it looks like you're ready to go! But before you can start reaping the benefits of higher productivity and efficiency, there's one critical issue: **your employees do not know how to use the software or change business processes to take advantage of the new system.** Using a new system requires your employees to learn what the new workflows are that relate to their business processes. Proper training ensures that your team actually uses the new system effectively, so you can get a measurable return on your investment in the new system.

The high costs and long implementation time of insurance software can be a deterrent for companies looking to make the investment. This is why it is critical to clearly establish the business objectives and the scope of the project with the Insurance System provider and get a commitment on the timeline and a fixed cost for the implementation.



Barbara Schwarz joined SimpleSolve in November of 2018 as a New Business Development manager. Barbara's background includes 40 years in insurance technology including IT programmer, middle level manager, front line manager positions. Additionally, Barbara worked as a consultant specializing in process improvement analysis and strategic enterprise level system selection. Barbara has been involved with numerous large system development projects and as well as having production support responsibility. She has a broad knowledge of Property and Casualty lines of business and is proficient in her knowledge of technical solutions available in the industry.

8 Reasons to Focus on Vendor Management

By: Steve Mazefsky, Intrepid Risk Associates

Your service partners are critical to your success in the market and impact your profits, client acquisition, and retention. They're also at the heart of many of your organization's processes. However, you might not consider how important it is to effectively manage your relationships with them. In the past, procurement was simply the act that brought goods and services to the table. But now, procurement should be considered as a part of your overall business strategy. To get the best value for your money, you should be taking a strategic approach to efficiently selecting, then managing your service partners. Doing so will have a myriad of beneficial effects for your organization.

Unfortunately, vendor management isn't widely implemented in the middle market of the insurance industry. Most mid-sized carriers lack the time and resources to get the most out of their service providers. The bigger insurance carriers and third -party administrators in our industry understand the importance of vendor management and make a significant investment in internal staffing to manage their Managed Care, Litigation Support, and Investigative spend. In most instances, multiple full-time management level staff review and manage this spend for these industry leaders. To help you understand its importance, we've outlined eight reasons why vendor management should be a top priority in business.

1. Mitigate Risks To effectively reduce service provider risk, whether in terms of operations, unforeseen cost implications, or regulatory compliance, you need increased visibility with these providers. Vendor management can track your suppliers and provide the data you need to identify supplier risks so you can take the necessary steps to mitigate them or choose an alternative vendor. You can easily verify supplier information, such as qualifications and certifications, licensure, proper insurance coverage, track performance, and even look into the supplier's financials to get a broader picture of their risk level in order to protect your organization.

2. Optimize Performance Once you have a service provider active in your vendor management system, you can track and measure performance against the contract to ensure that the company is meeting your needs and complying with your requirements. You can develop Standard Operating Procedures so that all parties understand the expectations, and you can achieve consistency in service delivery. You can also measure outcomes versus industry norms, or internal goals, as well as set year-to-year improvement objectives in costs, results, or both. If you are using multiple suppliers, you can evaluate them comparatively for service, costs, and results. This will enable you to

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ensure optimal performance. The data you receive from tracking performance can signal challenges before they become problems and identify areas that may need improvements from your vendor, or even from the manner in which your internal staff engages the vendor. Vendor relationships are a two-way street, and you should elicit feedback from your vendor partners on a regular basis as to how your team can be more effective in assignment selection, data provided, and follow-up. You know the old axiom, garbage in, garbage out!

3. Reduce Costs When you have increased visibility, you can see service costs that you can better control in order to save on expenses. Additionally, having strong relationships with your suppliers can help you negotiate better rates and have access to discounts and incentives that can increase your profit margin. You should also have some ideas as to how volume levels, geographic footprint, and combining multiple services through one supplier can impact your costs and service level. When you openly communicate your standards and expectations, then create the visibility of managing to those expectations, you are creating two-way accountability. Accountability will enhance results.

4. Create Loyal Relationships Good vendors are hard to come by. If you're working with excellent service partners, you should be doing everything you can to strengthen your relationship with them in order to build loyalty. Effective supplier management ensures efficiencies that lead to smooth processes, which can help you build the loyalty you need to keep your great service providers as part of your supply chain for the long term. Never forget that any buyer-supplier relationship is a two-way street, so pick suppliers that you like and trust, with an infrastructure that can grow with your needs and cultivate that relationship for the long term. Align yourself with partners who view you as a top 10 revenue opportunity, understand the mutual benefits of reciprocity, and match your geographic size and scope.

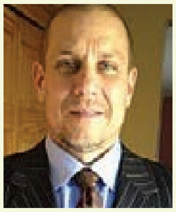
5. Increase Administrative Efficiencies Your vendor management program can significantly drive administrative efficiencies. As a central hub for vendor master data and record keeping, this program cuts down on duplication of data, loss of contracts and other information, as well as administrative labor costs and errors. Having one central place for all your vendor data can help you manage your relationships with heightened efficiency. In addition, the sentinel effect of managing your service providers will add a positive impact on performance. You don't necessarily need one provider per outsourced silo, but I would recommend one portal for intake, processing, and reporting. We can provide a consolidated source of account management including, but not limited to analytics, SOP management, and stewardship reporting. This will streamline the process of managing ROI and results across a broad range of risk mitigation services, saving both time and money while increasing results.

6. Increase Onboarding Speed The time and resources it takes to onboard new vendors can slow down your productivity and cost you money. But with service provider management, it's a breeze to obtain all relevant vendor information, such as bank details, capability information, regulatory data, insurance information, licensure, and capacity details. The quicker you can onboard and vet your vendors, the quicker you can move through the procurement process and receive your goods or services so you can put them to use. Utilizing the correct vendor management partner not only increases onboarding speed, but also reduce the time and expenses associated with the onboarding process.

7. Protect Your Brand Your company's brand has significant value. You don't want to tarnish it due to the actions of an unprofessional or unethical vendor. A vendor management program can provide you with the information you need, such as a supplier's service standards, to reduce your risk of a serious incident stemming from a vendor's actions. In addition, as part of the vetting process your vendor management partner can aggressively check solicited and unsolicited references as well as general industry reputation.

8. Internalization of Strategic Services With the thin margins in the claims industry, and the impact some of these services have on the total claims expenditure, some claims organizations may wish to internalize some of the outsourced services. This could not only add to their revenues and earnings, but a stronger internal program on key areas of risk mitigation may also enhance client retention and acquisition. A strong vendor management program allows a claims organization to better analyze those individual silos to evaluate those which may strengthen their strategic offerings if internalized.

Mr. Mazefsky has spent 32 years in the insurance cost containment industry selling and managing many of the services associated with risk mitigation in the property casualty insurance industry. He spent 10 years in the managed care industry with two national providers before starting his own company called Litigation Solutions in 1999. Steve ran Litigation Solutions for 20 years before exiting at the end of 2018. Litigation Solutions grew from three employees in Pittsburgh doing litigation support to more than 350 employees in 36 states providing both litigation support and investigative services to insurance carriers, third-party administrators, and law firms. In 2019, Steve formed Intrepid Risk Associates as a vehicle to help midsized claims platforms minimize the expense while maximizing the results associated with risk mitigation partnerships throughout the life of a claim. They provide consultative services, managed care, investigations and litigation support services to the insurance industry.



Goodville Mutual
Insurance Group

There's a lot of good in Goodville.

In the early 1920s the predominant mode of transportation in eastern Lancaster County was the horse-drawn carriage, not because it was an Amish community, but because it was the transportation of the day. The first motorized vehicles were invented in 1896 and popularized with the introduction of the Model T in 1908. Still, they were rarely seen on the rural horse paths that connected a conservative Mennonite community. In 1925 the Lincoln Highway, the first transcontinental road, brought the outside world directly through Lancaster County and changed the pace of life forever!

Many in the Mennonite community resisted the outside world's influence, but over time the convenience of motorized transportation gained popularity. It was not long until community leaders realized that mutual aid cooperatives utilized by the community to cover property risks were not designed to protect against the liability risks created by motorized vehicles.

A group of entrepreneurial church and community leaders envisioned a modern "licensed" insurance company that would be formed to address these risks while maintaining accountability to the values of love, justice, and integrity, shared by the faith community.

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Office of Goodville Mutual in Goodville, Pennsylvania, in 1948

There's a lot of good in Goodville.

On January 4, 1926 the Goodville Mutual Casualty Company received its certificate of authority, named after Goodville, Pennsylvania, where it was formed. The mutual insurance model allowed the new company to operate for the benefit of its members while also meeting its mission of carrying risk on their behalf.

Over the last 95 years, Goodville has evolved to meet the needs of its growing member base. Traditional homeowner products were introduced to pair with the auto risks previously covered. Commercial, Farm, and Workers' Comp lines were added to support the diverse business needs of the members as well. Numerous affiliations and mergers, most recently German Mutual (Ohio) and Reamstown Mutual, added to the natural organic growth of a healthy company, doing business across eight states. Today, the Goodville Mutual Insurance Group is represented by more than 300 agencies and has more than $200 million in direct premium writings. Despite the significant growth, the company has maintained its commitment to the original mission statement and an intense focus on being a values-driven organization.

Consistent with its values, Goodville has always been committed to giving generously to charity. The COVID-19 pandemic of the past year provided a new set of challenges for Goodville, and more importantly, for the communities and members served. With reduced driving during the pandemic, it only made sense to return premium to members, but management knew that many members were more fortunate, while the pandemic significantly impacted others. A creative plan was formed to allow members to designate their premium refunds to charity, if so inclined. In total, members donated over $110,000 of their refunds, with Goodville adding $100,000 beyond its regular charitable donation. These funds were distributed to food banks, first responders, and international relief with the assistance of local independent agents. A unique opportunity to live out our values of love, justice, and integrity in the spirit of mutuality!

While rooted in the historical community and faith values of Lancaster County, Goodville also recognizes that competing in an increasingly commoditized insurance industry requires adapting to a competitive and ever-changing landscape. An early adopter of technology, the company continues to invest heavily in business process automation that is member-centric and a focus on ease of doing business for our valued independent agent partners. While technology and automation are critical, they cannot replace the importance of quality people and the trust that comes from long-term relationships—noted in the decade's long tenure of our valued agents and employees.

While our accomplishments are many, including various "Best Places to Work" awards and 11 consecutive years named to the Ward's Top 50, we remain centered on our values in all decisions related to our employees, members, and agent relationships. As grateful as we are for our financial achievements, a letter from a long-term member indicating their delight and appreciation for a first-time claims experience handled with care and compassion is just as rewarding. It speaks to the core of Goodville's purpose.

Much has changed over the 95 years Goodville has served communities across the Mid-Atlantic and Midwest, but the relevance of the mutual insurance model remains strong and viable. We believe that living the spirit of mutuality while conducting ourselves based on principles of love, justice, and integrity, will always be the path to real success in an evolving world! We are humbly confident in our ability to successfully grow our company through continued service to our members and the communities in which they live.

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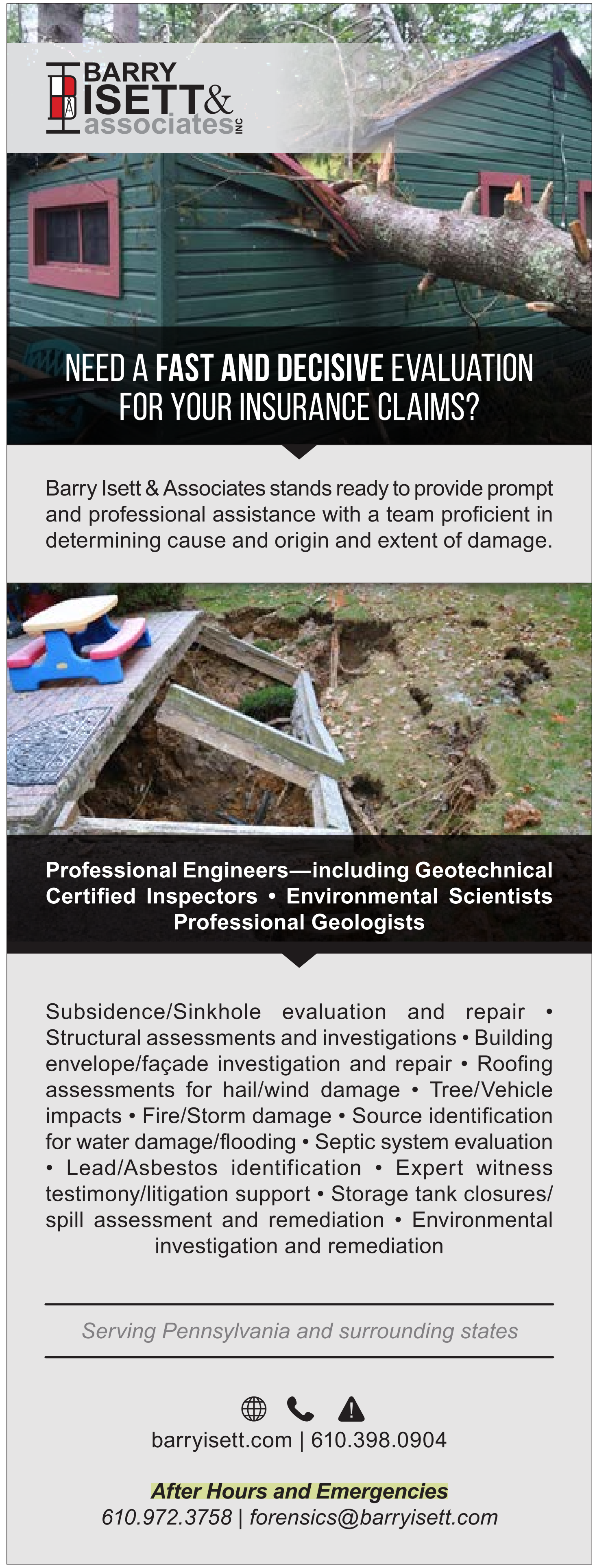
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Recruiting the Next Generation of Insurance Professionals

By: Sue Quimby, MSO Inc.

The insurance industry is facing an employment crisis of major proportions as the baby boomer generation ages and leaves the workforce, and there is a great need to attract the younger generation. In 2020, according to the United States Department of Labor, the insurance industry employed 2.9 million people. A significant percentage — approximately 400,000 — will retire in the next few years. These retirements also mean a loss of their many years of knowledge and experience. Planning for the perpetuation of your company — whether it is an agency or a company — is essential. Times have changed, and so have the expectations of prospective employees. Recruiting the next generation requires a knowledge of what their goals and values are.

Historically, the insurance industry has struggled to attract and retain qualified employees. Competition for workers comes from all sectors of the economy, and it is getting more intense. In March 2021, there were over 15 million job openings in the United States alone (nbcnews.com). Insurance is not a glamorous marquee type job, and is not commonly considered as a career path. In fact, too often insurance companies are seen as the enemy — despite the fact that society could not function without insurance. This is unfortunate because the insurance industry is essential, providing critical services and protections to society as a whole. A student with virtually any college major can find a career in insurance. In many cases, children of people who work for and even own insurance companies have never talked to their parents about a career in insurance.

Millennials (born from 1981-1996) currently make up the largest segment of the workforce in the United States, or about 35%. Like Gen Z (born from 1997-2015), millennials have grown up in a different world than their parents. Having never known life without the internet, they are used to on demand accessibility of information. Millennials' knowledge of technology is usually more advanced than that of the retirees they are replacing. They are more likely to change jobs for advancement or prefer to work independently (businessinsider.com). Surveys show that, unlike their parents, this generation prefers urban to suburban living.

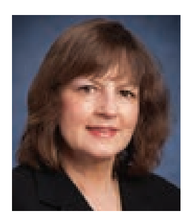
There are ways to make a job in insurance more attractive to younger generations. Job shadowing and internship programs are two ways employers can reach out to prospective employees. Maintain an up to date and engaging social media presence. Potential employees will research companies even before they fill out a job application. Millennials are health conscious and attracted to companies that offer programs such as fitness centers, gym memberships and nutrition counseling.

Another option for companies looking to hire millennials and Gen Z employees is to develop a partnership with colleges and universities that offer risk management and insurance programs. Some also offer a chapter of Gamma Iota Sigma (GIS), a fraternity of students in fields of risk management, healthcare risk management and actuarial sciences. GIS helps students develop skills and offers networking to promote their success in the business world. In recent years, the Chartered Property Casualty Underwriters (CPCU) Society switched from offering scholarships to internships. The International Association of Insurance Professionals (IAIP) offers a job shadow program in addition to scholarships for college students in the risk management and related fields. Some organizations even offer career centers where employers can post openings and candidates post resumes. Partnering with such organizations may help introduce companies and agencies to prospective employees.

The younger generation is accustomed to instant access to information and each other. This means they may not want to be tied to a brick and mortar office. The pandemic changed the perception of the workplace — people can literally work from anywhere they have internet access. This opens up opportunities for flexibility in both hours worked and location. Corporate culture is another key area that millennials consider during their job search. Know what your brand is and share your story in your social media presence and job interview process.

Those baby boomers who are parents of millennials have a vested interest in helping find out where the best career opportunities lie. Millennials like the idea of a career that could lead to future business ownership. In this respect, insurance is ideal. The younger generation wants to make an impact and know that what they do matters. Without insurance, businesses could not operate, people could not own homes. Doctors could not afford to practice without insurance, which increases the cost of healthcare for everyone. The industry is a major supporter of many charitable causes as well.

The insurance industry is facing a significant talent crunch. Seasoned experienced employees are retiring in record numbers. Recruiting the next generation of insurance practitioners can be a daunting prospect. Those employers who take the time to learn what millennials and Gen Z members are looking for in the workplace, and perhaps tailoring their business accordingly, will have an advantage when it comes time to hiring.



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Do Your Systems Talk to Each Other? They Could.

By: Peter Kraynak
Insurance724

You and your management team have probably wondered (more than once) about the possibility of your systems fully talking to each other. There is a good chance however, that in more recent years you have given up on that idea and instead you ask only about your core system's interoperability. The stakeholders who matter most – your policyholders, your agents, and your internal staff members – unfortunately may have gotten used to the hidden impact of providing a mediocre customer experience, the burden of data re-entry, multiple data sources that are "kind of duplicate," and lots of spreadsheets. You don't need to continue to settle for these circumstances.

Continued on page 24

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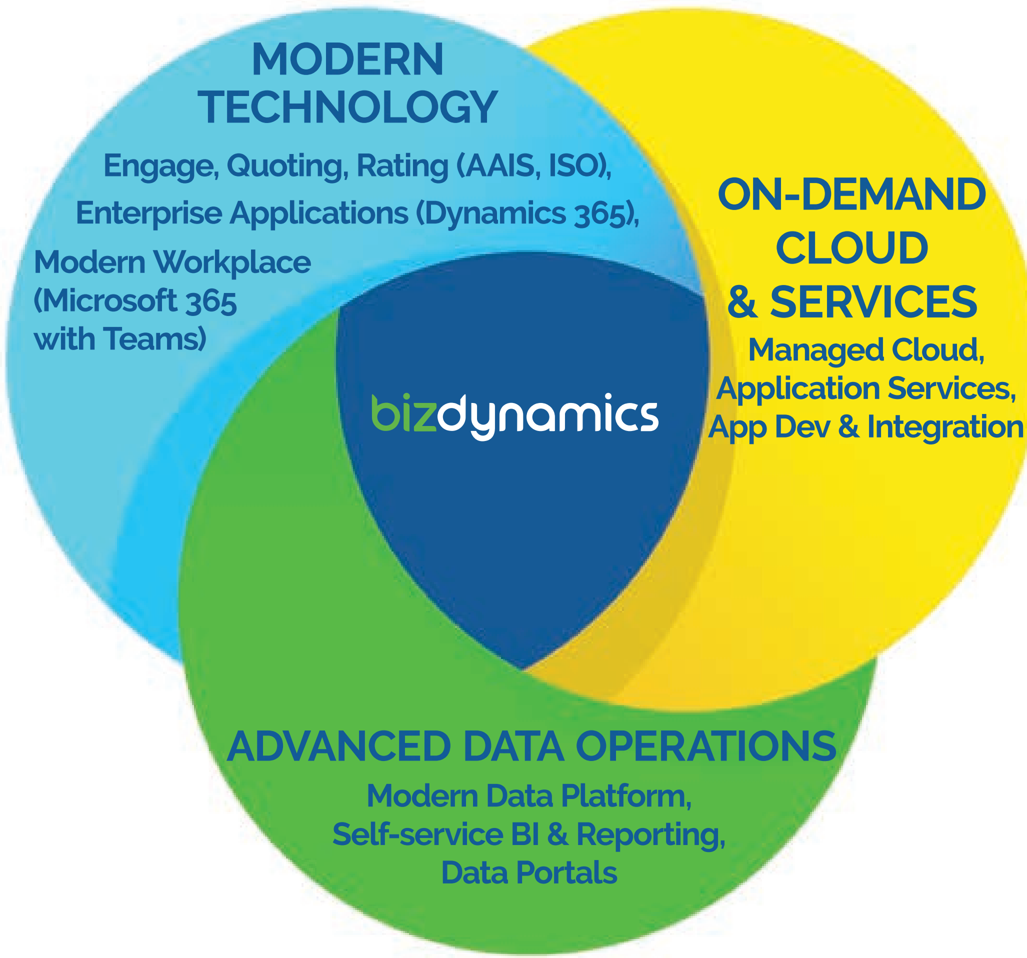

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Even if you like your current core policy system and you are serving tremendous value to your policy holders and agents through the use of modern technology, the complexity of the insurance business means that there are still probably dozens of automation opportunities for improvement. You may have already selected and started using a variety of third-party technologies in addition to your core policy processing system, but having them talk to each other is still a challenge. This can be especially true for newer insurtech applications that are cloud-based, depending on what "connectors" they have available for you to utilize and how effective the vendor was in creating those integrations.

The effort of connecting one system to another system is called Systems Integration or "SI" broadly speaking. The primary goal of "SI" is to provide information flow that is completely uniform or near-uniform. The pursuit of connecting disparate systems is worthwhile in almost all cases when it's important to make data more widely accessible, more relevant, more real-time, and more consistent — to help cause a better customer experience or to make the steps of an internal workflow more seamless.

Your core policy system or legacy systems may be your biggest challenge when it comes to integration, since those systems were probably not designed to interface with other applications or with third-party data sources. In this scenario, a very effective solution approach is to develop a new and separate layer of software also known as an Integration Platform. This kind of special database application would serve as a "staging area" for moving data between your core policy or legacy system and other applications, providing great value even as a small and inexpensive solution. This integration approach not only can set your company up for seamless data exchange with multiple applications you maintain for agents and policyholders on the Internet and with mobile, but over time your new Integration Platform can also become the central nervous system for internal operations — helping to accelerate back-end processing and making the staff more efficient and effective. With a small start in the right direction you'll be able to see your initial investment quickly pay for itself since each subsequent integration project can leverage the initial foundation. Eventually your new Integration Platform could gain a kind of "plug and play" traction in your organization serving only upside value.

For all of your applications and third-party services that are not part of your core policy system, there are different challenges to overcome. Often times the vendor who provided or licensed a particular system to your company didn't have in mind the interoperability required in your particular environment. In certain cases, your on-premise application or cloud-based functional service is constrained by a proprietary database approach. Fortunately there are plenty of instances in which you have direct access to the database through an API set or through connectors provided by the vendor, and in this typical scenario the seamless exchange of data can usually be accomplished. Although there are rare cases when only extreme measures will accomplish the goal (screen scraping comes to mind!), usually a little determination on your part and a passionate systems analyst by your side can overcome any integration obstacle.

Whether your team is on a good path or not for making improvements in your operations and technology, there are some small and very meaningful steps you can take today towards making your process more seamless without overspending. Here are two key ingredients needed to get an "SI" initiative started and going on a good track....

Key Ingredient — "Field-to-Field Knowledge" Investing time in good systems analysis almost always pays for itself in short order given our technology-centric economy, since it enables a team to finally envision in detail how the systems could talk to each other. In every case, the hardest and most important step is gaining a deep knowledge of the database or data store for each participating system. It's so important that in some cases, the exercise of field-to-field mapping is worthwhile even without yet knowing whether or not you're going to make a full integration investment. Using that as a jumping off point, a full solution specification is only one step away allowing the benefit dollars to be estimated with high confidence. Here is an example of a specification prepared for a quotation and submission portal being integrated with an existing core policy system...

Database Field Mapping <u>Portal Specifications and Integration Project by Insurance724 for ABC Insurance Group</u>

Insurance 724

Web Page Field	Database Field	Database Table	Editable	Required
Last Name	LastName	Driver	Yes	Yes
First Name	FirstName	Driver	Yes	Yes
MI	MI	Driver	Yes	No
Address	Address1	Driver	Yes	Yes
Suite/Apt	SuiteApt	Driver	Yes	No
City	City	Driver	Yes	Yes
State	State	Driver	No	N/A
Zip Code	Zip	Driver	No	N/A
Date of Birth	DOB	Driver	Yes	Yes

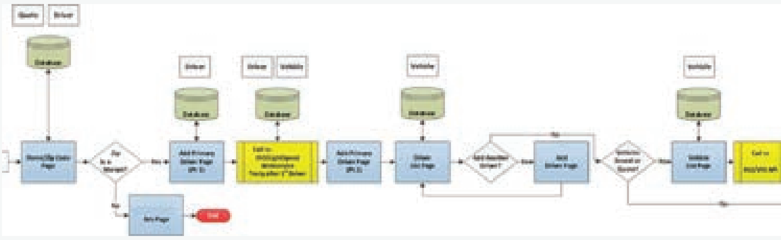
Data Returned by Webservice:

- ✓ **Driver Data**
  - SequenceNumber (SequenceNumber 0 indicates Search)
  - GivenName / MiddleName / SurName
  - RelationToInsured / Insured
  - DOB / MaritalStatus / Gender
  - CurrentlyInsured / MVRStatus / MVRStatusDescription
  - ViolationsType / Violations
  - DrivingLicense / DrivingLicenseState
- ✓ **Vehicle Data**
  - Year
  - Make
  - Model
  - BodyStyle
  - VIN

Edits/Logic/Navigation - Detailed Specification

- Page URL: https://www.abcinsurance.com/RequestAQuote.aspx
- The state field is protected and will be pre-filled to correspond with the zip code entered on the Home page
- The zip code field is protected and will be pre-filled with the value entered on the Home page
- Middle initial will be optional and Suite/Apt will also be optional for field entry supported by validation
- The "Proceed" button will initiate the Policy System's Pre-fill webservices ISO-based and LightSpeed loading the second part
- Developing webservices to enable the ISO and Lightspeed calls returning pre-fill data, and integrating with the Policy System

Key Ingredient – "Visualization" The other key ingredient for successful systems integration is what you might call "visualization" or detailed process mapping for a combined view of the business workflow, the system screens, the internal logic, and the data flow between two disparate systems. Visualization in the case of systems integration is the equivalent of a "Hi-Def" process diagram allowing your team to see how a new uniform data interface or integrated screen flow would work. Should your team decide to proceed with that specific integration project, this work product becomes the design baseline leading to blueprints for the integration work. Assuming it's done right, you would now have a deep and up-close view of how the systems would talk to each other including possible data transformation or data enrichment. The final design specifications should also show how the new system interface will fully leverage modern technologies including Online and Mobile – extending from the participating current systems. A picture is worth a thousand words when the subject matter is simple and clear, but in the complicated case of interface specifications a picture is much more valuable. Here is an example of a visualization work product prepared to help envision how two different systems could be fully integrated — making a process seamless for the agent and policyholder — without having to replace either system...



Although neither of the above ingredients seem important through the lens of normal operations or without being determined to get your systems to talk to each other, both of them actually are essential for any successful Systems Integration effort. Your level of success in good systems integration will be determined by how important you decide to make the subject within your management team. It is entirely possible to make "SI" an important focus all unto itself, which is what the most proactive management teams do. That's not to say it should be thought of as a pursuit of full systems integration or none at all, and instead your team should be asking simply about the opportunities you currently have for practical data integration. A good first step is to have an integration assessment performed to see what it would take to create a starter Integration Platform in a

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scenario with your core policy or legacy system, or just to gain a view into the potential interaction between two or three of your other systems, functional areas, and/or cloud services.

It's easy to think your systems can't talk to each other because they don't currently talk to each other, and never have. But you may be surprised by the results from making the effort with the two key ingredients of "field-to-field mapping" and "visualization" along with the desire to find out what can actually be done for Systems Integration. With higher expectations in the competitive environment, it's probably time to finally "connect all of the dots" when it comes to your systems. Start small and when you see the benefits, you can take the next step to connect a few more of the dots.

Peter Kraynak is a Senior Consultant and a Managing Director at Insurance724, an independent and objective advisory practice for insurance technology and process excellence. Mr. Kraynak has an MBA in Strategy and Finance from Wharton at the University of Pennsylvania and is a Certified Six Sigma Practitioner. Contact him at peter.kraynak@insurance724.com

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