



Montana State Fund Achieves Data Centricity with Guidewire

Workers' Compensation Insurer Integrates Data Management and BI Tools with ClaimCenter

CASE STUDY



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—Al Parisian, CIO, Montana State Fund

Montana State Fund (MSF) is the largest workers’ compensation insurance company in the state of Montana, insuring 26,000 employers. It is located in Helena, Montana, the state’s capital city.

A Public, Non-Profit Insurance Company

In 1915, the state of Montana enacted laws to provide workers who were injured on the job with prompt, equitable, and guaranteed benefits. Seventy-five years later, it created Montana State Fund to continue to carry out this purpose, but also to provide the state’s employers with a locally controlled and competitively priced source for workers’ compensation insurance.

“We serve a unique purpose,” says Laurence Hubbard, president and chief executive officer at MSF. “We write workers’ compensation insurance and related employers’ liability coverage exclusively, and we are a guaranteed market for all of the state’s businesses, regardless of their size.”

A Unique Insurance Organization with Unique Challenges

Because Montana State Fund is a public entity, it is subject to oversight by the State Legislature and must deliver regular reports on its operations to the Governor, all legislators, and all interested public parties. Such rigorous reporting requires clean, validated data that is up-to-date and available at a moment’s notice.

In addition, MSF’s data must be stored for the very long term, as workers’ compensation claims may be open for decades due to lifetime medical and permanent total disability benefits.

Data Warehouse Failure Triggers a New IT Strategy

In 2005, MSF’s aging operational data warehouse failed, prompting MSF to reevaluate not only its ODW, but its entire IT



Montana State Fund

Headquarters:
Helena, Montana

Operations:
United States

Business Lines:
Workers’ Compensation

Employees:
300

Website:
www.montanastatefund.com

Products:

- Guidewire ClaimCenter®
- Millbrook Data Management and BI Solutions (now Guidewire DataHub™ and Guidewire InfoCenter™)

Benefits:

- Achieved data centricity and a single source of data truth
- Empowered all employees with a trusted BI reporting tool
- Created 300 standard reports with 12 filters
- Gathered more and better claims information
- Enabled claims workers to have more informed conversations and make fact-based decisions

structure, which included multiple legacy systems.

“Like every single legacy-bound insurer, our legacy systems did not have granular data, and the data that was there was not of a quality that you could really rely on,” explains Al Parisian, chief information officer at MSF. “We had different versions of the truth like crazy.”

“The pain points gave us a platform for jumping into our decoupling strategy, which is what gave us the ability to move into the next phase, which I would call the data centricity strategy,” says Sandy Levya, applications director at MSF.

Data Centricity as a Core Architectural Principal

For MSF, “data centricity” meant creating a data-driven, fact-based organization by building business applications around a trusted operational data store. The organization implemented Millbrook Data Management and Business Intelligence (BI) solutions (now Guidewire DataHub™ and InfoCenter™) and integrated them with its policy system and Guidewire ClaimCenter®. It named its new, data-centric solution “Insurance Intelligence” because it delivers validated, up-to-date information to the right people at the right time.

Implementing a Data Governance Model

To ensure that the Insurance Intelligence tool is used correctly, MSF formed a data governance team to protect the integrity and usage of its data. The team oversees the data model, reports, and dashboards, as well as data cleansing, security, and access.

The governance team also created 300 standard reports with 12 filters that can be used by anyone in the organization. These reports are watermarked with a special certification to show that they are validated and ready to share.

“The idea for the watermark came out of our desire to achieve data credibility,” explains Al Parisian. “If a report has the watermark you can stop talking—you know the numbers are correct.”

MSF Embraces Data Centricity and Empowers Stakeholders with Actionable Data

Once everyone in the organization accepted having a common source of information and discovered how easy it is to use Insurance Intelligence, they began to embrace the concept of data centricity. Among MSF’s 300 employees, 148 use the Insurance Intelligence tool regularly, and 65 of those regular users are considered power users.

“Insurance Intelligence is terrific,” says Laurence Hubbard, one of MSF’s top five power users. “I use it every day and I can’t say that about Microsoft Word®. It’s a go-to application.”

Hubbard uses Insurance Intelligence to monitor reserve changes daily, pull agency profitability reports, review underwriting decisions, and report regularly to the State Legislature.

MSF’s underwriters use it to create Premium Pricing Reports, which help them to evaluate risks through

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complete, timely information on agencies and agent books, payroll, class codes, geography, and many other data filters.

In the claims division, medical case managers use Insurance Intelligence to review medical payments by category, and claims supervisors leverage the tool to monitor caseloads.

Even MSF agents benefit from Insurance Intelligence through self-service agency portals that provide reports such as loss runs by agency, location, or book of business.

By providing stakeholders from every department with quick access to current, actionable data, MSF has empowered them to make fact-based decisions, have more informed conversations, and be what AI Parisian calls “brilliant in the moment.”

Accurate, Detailed Claims Data Improves Outcomes

Because the Insurance Intelligence system is integrated with ClaimCenter, MSF can now capture and access better quality claims data with ClaimCenter, and report on that data whenever needed with Insurance Intelligence.

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The detailed information that is captured in ClaimCenter is then used for reporting through Insurance Intelligence.

Diana Sullivan, business analyst at MSF, says, “If we see an increase in a certain type of claim—asbestos claims for example—we can give a code to all of the asbestos claims in ClaimCenter and then build reports on asbestos claims in Insurance Intelligence.”

Having detailed, accurate claims data available in ClaimCenter and reportable through Insurance Intelligence provides MSF with the transparency it requires. It also enables the organization to act upon the data to improve workers’ compensation outcomes through accident prevention programs and medical treatment processes.

“We came to realize that the data, which we always knew was important, is the center of the universe—and that’s how we ended up with data centrality,” explains AI Parisian. “Once you get there it becomes a very powerful concept indeed.”

About Guidewire

Guidewire delivers the software that Property/Casualty (P/C) insurers need to adapt and succeed in a time of rapid industry change. We combine three elements – core processing, data and analytics, and digital engagement – into a technology platform that enhances insurers’ ability to engage and empower their customers and employees. More than 200 P/C insurers around the world have selected Guidewire. For more information, please visit www.guidewire.com and follow us on twitter: @Guidewire_PandC.