

CUSTOMER SUCCESS

case study



Duck Creek Enables Cochrane's Web-Based Submissions, Rapid Product Development and Technology Self Sufficiency

COCHRANE & COMPANY OVERVIEW

Headquartered in Spokane, Washington, Cochrane & Company is the Inland Northwest's premier managing general agency. Established in 1960, Cochrane & Company offers a full array of specialty insurance products for its agency producers. Cochrane & Company is licensed in Washington, Idaho, Oregon, Montana and Wyoming.

At Cochrane & Company, the goal is to provide professional service while adhering to the guidelines required by the companies they represent. This is accomplished by utilizing all of their resources and experiences, as well as a commitment to their agents and companies to provide the services necessary to ensure mutual success.

THE BUSINESS CHALLENGE

With a hard insurance market in 2004, Cochrane & Company (Cochrane) was having no problems writing new business, but they knew that the hard market would not last forever. Cochrane made a conscious decision to get ahead of the curve to be prepared for a changing market by putting an aggressive plan in place to be able to do business over the web. Cochrane decided to look at new technologies to take their business to the web and gain a greater competitive advantage. A key component of Cochrane's initiative was to offer agents the ability to submit applications and quote online.

THE SOLUTION

Unlike many general agents or surplus lines brokers, Cochrane has had an established internal IT department since 1999. With in-house expertise and resources, Cochrane was in a much better position than most to look at options beyond packaged vendor solutions.

From the beginning, Cochrane knew they did not want to build the web submission solution from scratch and quickly settled on a technology strategy that would focus on 'toolsets.' They felt that a tools approach would offer the best option, giving the company control over their own environment and creation of their own products.

SOLUTION CONTINUED



“Being a developer at heart, I wanted a solution that we could maintain control of. While we operate like an insurer, our carriers determine the products, rates, and features. We needed a solution flexible enough to enable us to support these products, yet didn’t make us totally dependent upon the vendor for every new product or product change,” said **Scott Montney**, IT Director, Cochrane & Company.

Utilizing Google, insurance trade magazines, and questioning existing vendor partners, Cochrane was quickly able to narrow down the list of potential toolset vendors to a short list of three. Cochrane also spoke with peer companies, but was unable to find anyone with a similar strategy of managing the IT operation with an internal staff.

The three vendor finalists, including Duck Creek, were all initially qualified through phone interviews followed by WebEx demonstrations.

WHY DUCK CREEK

Cochrane was particularly interested in Duck Creek since the vendor targeted the carrier market more than the general agents market. Since Cochrane functions much like a carrier and has an internal IT staff, they felt Duck Creek was much closer to their requirements in both functionality and technology than most of the vendors that Cochrane’s peers were working with.

When Cochrane saw the demo of Duck Creek’s EXAMPLE Platform®, what really appealed to them was the tool for defining products. All the logic was already in the base system, which would enable Cochrane to develop its products (or rather those of the carriers they represent) in-house using Duck Creek’s EXAMPLE Author®, the product definition component of the EXAMPLE Platform. Cochrane also liked the inheritance model of the Duck Creek solution.



“With all the rating, rules, and logic already defined in the Duck Creek base system, we realized we could reuse already developed capabilities as needed and just add on a few unique layers or functions...and be done. And, technology-wise the Duck Creek system was perfect,” said **Scott Montney**.

Before making a final decision, Cochrane did engage Duck Creek for a Proof of Concept (POC). Duck Creek developed the Cochrane product and installed it at the Cochrane site. After a demo, and a detailed overview and discussion of integration needs, the Proof of Concept remained functional at Cochrane for 60 days, allowing them time to evaluate and learn the system.



“We were 90% sure that we were going to choose Duck Creek, but the Proof of Concept gave us that added comfort level that we were making the right decision. There was a small cost for the Proof of Concept, but it was both time and money well spent to ensure we were heading down the right path,” said **Tom Cochrane**, President, Cochrane & Company.

THE IMPLEMENTATION

Cochrane commends Duck Creek on setting realistic expectations of what it was going to take to develop the first product, dwelling fire. The dwelling fire product was developed from scratch, which required Cochrane to learn the system and a new approach to development.



“Duck Creek’s time estimates were on target. Much of the time was spent with us learning and relearning along the way. As we became more proficient with the Duck Creek tools and the inheritance model of development, we really started to understand the power of the system. As a result, we’d often take one step back to take advantage of the system, take the time to create something we could reuse and do things better,” said **Scott Montney**.

The implementation effort included integration with ImageRight as well as some limited integration with Cochrane’s AIM policy administration solution.



“When it came to integration, Duck Creek was both open and flexible, offering us a lot of different options both now and for the future,” said **Scott Montney**.

THE RESULTS

On the business side, Cochrane is now in production with Duck Creek’s solution, offering web-submissions (called “SuperQuotes”) to its agents for 12 products:

- Alarm Installers
- Apartments
- Artisan Contractors
- Condominium, Homeowners, Community Association
- Dwelling Fire
- Exterminators
- General Contractors (Residential)
- Homeowners
- Landscapers
- Lessor’s Risk
- Mercantile
- Vacant Buildings (Commercial)

Cochrane recently hit a record, processing 700 quotes in a single month with the Duck Creek system. Not only did Cochrane save on manual labor with its new web capabilities (which they estimate at approximately one full-time employee), but they are able to bind a much higher percentage because they are able to provide an initial quote in about two minutes. In this market, retail agents had become very frustrated with general agents and surplus lines brokers due to the time required to get quotes, receiving quotes that were often too high or worse yet, putting in all the upfront effort without ever being provided a quote.

RESULTS CONTINUED

In contrast, the Duck Creek solution has enabled Cochrane to provide agents a simple and easy way to do business via the web.



“The quick and easy quoting with the Duck Creek system has really given us a market advantage. Generally, whoever provides a viable quote first will win the business. We can give agents a reasonable answer in just a couple of minutes, where getting a quote from others typically takes anywhere from four hours in a best case scenario to between three to five days as the norm,” said **Tom Cochrane**.

The Duck Creek system has also given Cochrane a leg up on the competition on the technology front with the advantages of self-sufficiency and the shorter time required for developing new products.



“Rather than have four or five programmers on staff for a year building products, we can now build a product in as little as two weeks. I know of only two vendors who are light years ahead, and Duck Creek is one of them. They are ahead of the technology curve and organized in their strategy. They stand out in everything they do,” said **Scott Montney**.

FUTURE PLANS

In the future, Cochrane’s plans include expanding the integration of the Duck Creek system to streamline the process even further. Under consideration are projects to integrate AMS and Applied solutions, with Duck Creek as the common denominator to tie everything together by taking advantage of the system’s open and flexible architecture. Cochrane also plans to continue to add to the SuperQuotes product list with a goal of offering twenty products via the web. In addition, there is an ongoing effort to continually refine the products and related processes to make them even more efficient with retailers.



“We know we have a competitive advantage with Duck Creek. It’s a powerful system and a great technology. Duck Creek has done a lot for us. It’s difficult to quantify the return on investment, but we are seeing a lot of momentum through labor savings and increased business. When our carrier clients know that we have Duck Creek, they are always impressed,” said **Tom Cochrane**.