



Larry Shaw tells Michelle Rivera what this company is doing to compete with some of the larger ones in its industry.

## MMG Insurance Company



# Small but Nimble



**M**MG Insurance Company was named the Maine Insurance Company of the Year in 2005 and the New Hampshire Insurance Company of the Year in 2004, an industry award given by each state's respective Independent Agents Association. Add to that MMG's jump from \$47 million in revenue in 1996 to \$108 million today and you have an insurance company that has found a formula for success.

Presque Isle, Maine-headquartered MMG Insurance is a progressive, regional property/casualty insurance company that has consecutively carried an A.M. Best Company rating of A- (excellent). Over the last 25 years, MMG has evolved into a regional company, operating in Maine, Vermont, New Hampshire, and most recently, Pennsylvania.

The move to Pennsylvania gives MMG the opportunity to diversify its business, which is important to the insurance world, explained Larry Shaw, president and CEO of MMG for the last 12 years. "If you're isolated in one area, you're not only subject to severe storms that hit your entire book of business, but you're also dealing with regulatory and legislative pressures that can change the way business is done in a certain state," he said. "The more states we're operating in, the more we spread out our risk in both of those areas."

### **Environmentally friendly**

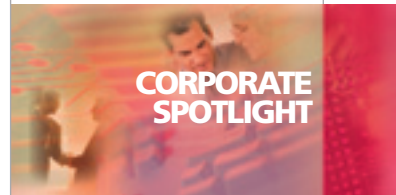
One of MMG's biggest reasons for success that enables it to compete with the giants of the industry is its people, explained Shaw. Competing with the larger companies pushes the company to win business, one policy at a time. "Our people have a strong work ethic combined with positive can-do attitudes."

To keep employees happy, Shaw focuses his efforts on creating an environment that is professional, opportunity-driven, and friendly. MMG enjoys an extremely low turnover rate and was voted the number two best place to work in Maine in 2006 by Best Companies Group of Harrisburg, Pennsylvania for companies that have less than 200 employees. "People want to work here," Shaw said.

Shaw meets quarterly with all employees to discuss where MMG stands financially as well as the company's plans for the rest of the year. The chief executive also just launched a brown bag lunch in which all employees will have lunch with him once a year, in groups of 10 or 12, so they can discuss any recent happenings within the company. Employees can also keep up-to-date with MMG using a company-wide Intranet.

### **Traditional business**

To differentiate itself from the larger companies, MMG works to ensure top-notch service.



"We take a tremendous amount of pride in being there when our agents or policyholders need us," Shaw said. "We still answer the telephone with a human being, which is rare. We've also empowered employees to resolve issues quickly."

MMG has gained a prominent position in the personal lines marketplace by offering a wide array of products. Its unique packaging concept, known as Portfolio, comprises approximately two-thirds of the total premium volume written by the company. MMG also offers a variety of commercial lines products, including business owner, special trade contractor, farm owner, commercial auto, and commercial umbrella. Commercial lines represents more than 26% of the company's premium volume and has seen significant growth in recent years.

The company does business through independent agents with typically six to 20 companies, explained Shaw. Living by the philosophy that people do business with people, MMG meets face-to-face with agents to see what they are dealing with and brings innovative ideas back to the company, making changes if necessary. "Because we're a smaller organization, we can be nimble and make changes. It's key, building a traditional business relationship with our employees and the agents," Shaw said.

"We have to do business in a way that adds value to their operations, so our major focus is making it easy to do business with us, particularly through automation." A staff of about 20

writes MMG's programs. Focus is on the end user, which has proven beneficial. "It's that combination of high-tech, high-touch that enables business to flow from the agents to us and back, and ultimately benefiting the policyholder," Shaw said.

In 1993, MMG went to an image file system, which according to Shaw was very much ahead of its time. Using that as its workflow administrator, MMG has been working with a nearly paperless environment for almost 14 years. "We can move our work around very quickly and efficiently," said Shaw. "We don't have lost files because they are all in the system, and multiple users can look at multiple files at the same time. In the end, it makes it easier for everyone involved," he concluded. ■

