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# THE FUTURE OF SMALL MUTUALS



## Small mutual insurers are at a crossroads

For more than a century, small mutual insurers have protected America's farms, homes, and communities — often run by local boards who deeply understand their members' needs. But today, these carriers are at a crossroads.

Consolidation is reshaping the landscape, with more than 160 small mutuals exiting since 2021.

Rising reinsurance costs, tightening capacity, and legacy systems are putting pressure on these community-driven carriers to adapt — faster than ever before.

The question many boards now face: how can we modernize affordably?

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- 2 Risks of inaction
- 3 Silvermoon's modular alternative
- 4 Immediate benefits (billing, product modeling & reinsurance)



## The Challenge: Too Big, Too Costly, Too Risky

Traditional “big-bang” policy administration system (PAS) replacements were designed for billion-dollar carriers.

They demand large IT teams, multimillion-dollar budgets, and years to deliver — resources most small mutuals simply don’t have.

The result? Many smaller carriers remain stuck with outdated systems like IMT Apps or vendor platforms that can’t keep up with digital or regulatory change. Innovation stalls. Reporting becomes painful. Reinsurer dependence grows.

## Why Traditional Core Replacements Don’t Work for Small Mutuals

### Traditional PAS

Multimillion-dollar budget

2–3 year implementations

Requires large IT staff

All-or-nothing replacement

High risk of disruption

### Silvermoon’s Modular Approach

Start small, low-cost subscription

3–6 month **incremental** deployments

Designed for **lean IT teams**

**Modular:** Billing, product modeling, and reinsurance can be deployed independently

**Low-risk pilots:** Quick-win projects to build confidence





# A SMARTER WAY FORWARD

Forward-thinking boards are taking **practical, incremental steps.**

They're starting small — often with billing or reinsurance — to build modernization momentum without the cost and disruption of a full system replacement.

This modular approach allows mutuals to modernize on their own terms, one capability at a time.



**This is exactly the  
gap Silvermoon  
set out to solve**

# THE SILVERMOON DIFFERENCE



## KEY CAPABILITIES INCLUDE:

### Modular Design

Adopt only what you need: billing, product modeling, reinsurance, or policy administration. Add more as you grow.

### Business-User Product Modeling (PMT)

Launch new products rapidly without coding, empowering business teams to own configuration.

### Reinsurance Integration

Automated bordereaux and quota-share logic built into the core, supporting carriers that reinsure 100% of their book

We've built LUNOS, a modular, product-centric insurance platform designed specifically for mutuals.

Instead of replacing everything at once, LUNOS lets carriers adopt what they need — and grow from there.

### Flexible Commission & Billing

Support for broker-driven models where commissions are paid as premiums are collected.

### Cloud-based SaaS Option

Reduce IT overhead with Silvermoon hosting, updates, and support, delivered as a subscription.

### TPA-Friendly Architecture

Easily integrate with third-party claims administrators, avoiding the need to build a full claims system in-house.

With this modularity, small mutuals can start with a quick win — such as modern billing — and confidently expand from there.





# WHY BILLING IS THE NATURAL FIRST STEP

For many mutuals, billing is the biggest pain point — and where modernization delivers the fastest ROI.

Silvermoon's **modern billing module** streamlines premium collection, automates commission releases, and integrates seamlessly with reinsurance or TPA models — all via a lightweight, cloud-based SaaS solution.

It's the perfect pilot: fast, low-cost, and confidence-building.

## Benefits for mutuals include:

- Streamlined premium collection and reconciliation.
- Commission release logic aligned with “premiums paid,” not lump-sum advances.
- Easy integration with reinsurance and TPA models.
- Low implementation risk — designed as a standalone, quick-to-deploy module.

# SUPPORTING THE LONG- TERM FUTURE OF MUTUALS



Our mission is to help small mutuals stay independent — by modernizing affordably, incrementally, and safely

## A Platform for the Community, Not Just the Enterprise

Small mutuals don't need systems built for billion-dollar carriers. They need **partners who understand their size, model, and community mission.**

That's why Silvermoon is investing locally across the **Midwest**, ensuring solutions are shaped around the realities of regional mutuals — not enterprise insurers.



### Low Risk

Modular entry points reduce disruption.



### Affordable

SaaS delivery shifts costs from fixed to variable.



### Scalable

As needs grow, mutuals can add modules without starting over.



### Future-Ready

With LUNOS, mutuals gain a platform that evolves — supporting new regulations, digital channels, and even AI-driven underwriting when the time is right.





## CONCLUSION

The future of small mutuals depends on their ability to modernize without losing focus on their client's needs.

By starting small — with billing, product modeling, or reinsurance integration — and scaling at their own pace, mutuals can chart a sustainable path forward.

With LUNOS, modernization doesn't have to mean big disruption.

It can mean strength, flexibility, and future-readiness for generations to come.



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