

Insurance Case Study: Empire Financial Group

By restructuring its business processes and implementing technologies that automate labor-intensive work activities and provide secure universal access to documents for employees at three locations, Empire Financial Group has increased capacity for New Life business by 40% and reduced cycle times by 43%.

The Customer

One of Canada's top 10 insurance companies, Empire Financial Group of Kingston, Ontario, serves more than 270,000 individual clients, 4,000 group employer clients with 90,000+ certificate holders and 400 group retirement plans. To remain a competitive option for its customers and more than 5,000 independent advisors, Empire began to evaluate how content management technology could support restructuring operations, reduce expenses and increase productivity.

The Challenge

One of the greatest challenges posed by its geographically diverse locations in Kingston, Toronto and Montreal was sharing information from a variety of sources. When Empire began looking for a solution in 2002, it was managing 2,700 open files a day and relying on photocopying and couriers to get applications and other documents from one place to another. This created a back up in assigning work to underwriters and wasted time locating important files.

After evaluating content management vendors, Empire selected ImageSoft based on its ability to implement an OnBase content management system with workflow that met all of Empire's requirements. OnBase combines integrated document management, business process management and records management in a single application. Other factors considered when selecting ImageSoft's solution were its experience with other insurance companies, lower total cost of ownership for OnBase and its ability to support regulatory and auditing requirements.

The Solution

All documents, such as new business applications, are now sent to the mailroom at the Kingston headquarters where they are sorted by line of business (e.g. individual vs. employee benefits). An average of 15,000 documents a day are sent to a mail imaging center where they are separated into one of 50 document types (e.g. new business application, correspondence, etc.) and scanned by a document scanner equipped with an imprinter.

Ascent Capture software, from Kofax Imaging Products, provides database validation capabilities, automatically pulling and validating indexing information against a customer and policy database downloaded from the three admin systems.

OnBase can accommodate electronic documents from virtually any source. For example, Empire may also receive documents by e-mail. In the event that the e-mail correspondence doesn't include a policy number, it is sent to a Match Mail process. Based on the client's name, captured from the document, the user is presented with a list of potential policy matches and can verify the correct one. The OnBase COLD/ERM module automatically imports and indexes medical information from third-party suppliers.

Requests for information include a policy number, so any mail that arrives before the application is scanned goes to a workflow queue where it is matched by this common keyword with the other documents received. In some situations, most of the information needed for underwriting is already in OnBase by the time the application is received. That means that once the application arrives, the underwriting process can begin almost immediately and a decision made more quickly.

Like other workflows at Empire, the underwriting workflow includes decision-based work balancing to assure that files are pushed to the appropriate employees. The routing code for a policy is based on a set of defined criteria, including factors such as language and line of business. Once a policy is underwritten, it is automatically sent to another group to update the appropriate admin system with rating information and for a final quality assurance check before it is issued and sent to the client.

To assist in risk assessment, underwriters use an online XML-based decision sheet to document activity. Through VB scripting and a data hub, the decision sheet provides a single front-end for the underwriter to pull / push data from / to three admin systems. This eliminates the need for double entry into both the admin system and the decision sheet. Because underwriter notes previously were typewritten, accuracy and legibility have also been improved. The decision sheet is stored in OnBase as XML, displayed using a style sheet and included in the customer file as an archive document. It is also a part of the OnBase workflow, since it can trigger next steps and remind users to take some other action after a given period of time.

Their Success

The OnBase solution took approximately four months to implement, and the learning curve impact was about six weeks for the 200 users. However, in conjunction with the operational advantages of restructuring and other business effectiveness initiatives, many of which were enabled by the use of OnBase Imaging and workflow, the company has increased capacity by 40% and reduced cycle times by 43%.

OnBase workflow has also provided Empire management with better visibility into the process. A graphical interface makes it possible to see how many documents are in workflow queues and to identify bottlenecks. The use of timers and notifications help ensure that documents don't fall through the cracks and company policy standards are being met. For example, if an applicant required additional documentation due to high cholesterol, the file would be set aside and reactivated in the workflow once supporting documents arrived.

Multiple employees can simultaneously access documents, allowing an underwriter at one location to work on a file while a customer care representative at another location pulls up a read-only version to answer a customer or advisor inquiry. Reducing cycle times and improving response times supports initiatives to increase customer and broker satisfaction while increasing cash flow.

Empire Financial

Benefits

- 40% increase in capacity
- 43% reduction in cycle times
- Supports centralized processes and regional underwriting and customer service
- Virtually eliminated document shipping costs
- Decision-based workload balancing directs files to the appropriate employees
- Improved document security and business continuity
- Online decision sheet reduces data entry, increases accuracy, provides visibility