

Hastings Mutual Insurance Company

// case study:

SIGNIFICANT SAVINGS ACHIEVED THROUGH ADVANCED SCANNING SYSTEM

Technology Underwrites ROI for HMIC

Hastings Mutual Insurance Company (HMIC) has a \$300 million direct written premium and is licensed to write in Michigan, Indiana, Ohio, Wisconsin and Illinois. HMIC has a nearly 120-year history of success in the competitive insurance industry. Their top five lines of business are Commercial Lines, Homeowners, Workman's Compensation, Auto Physical Damage and Personal Auto. However, even successful companies face the seemingly contradictory demands to increase efficiency, lower costs, and improve customer service.

With the help of KeyMark, HMIC has modified their departmental processes to fit multiple functions throughout their company with KeyRoute. KeyRoute is a combined solution provided by KeyMark, made up of OPEX for automated mail opening and scanning; Kofax for advanced data capture, and Hyland Software's OnBase system for document management. HMIC was able to reduce labor cost and upgrade their current system for processing claim documents. Based on their success, they have applied KeyRoute to other paper-intensive processes in other departments from back office operations in the mailroom and accounts payable to their human resources department.

The Challenge

The previous document management system, implemented in 1995, was not up to the challenge of processing 120,000 multi-page documents per

month and the system was very labor intensive. For example, documents had to be sorted into batches, and after batching, indexed information could not be deleted or modified. Separator pages or blank documents had to be manually removed from the system. As a result, underwriting documents were not available for retrieval for five to seven days. The system had limited search capabilities and no workflow functionality. To make matters worse, in 2002, HMIC learned that the proprietary system would no longer be supported.

HMIC already had over 238,000 policies in place, so an acceptable replacement solution had to be able to accommodate existing images. The new system also had to be flexible enough to extend automated document processing to other aspects of its business and integrate with the existing mainframe. HMIC evaluated a number of enterprise-level vendors and chose KeyMark.

The Solution

KeyMark engineers were able to bring together a number of technologies to improve HMIC's overall efficiency. Each morning, HMIC's documents are scanned directly from the mailroom using OPEX document scanners. By noon, six clerks are able to open, scan and index incoming documents, typically ranging in length from eight to thirty pages. Because blank pages are automatically deleted, personnel no longer have to separate single-sided and doubled-sided documents. Separator pages are also deleted automatically. All images are recognized and stored accordingly in black and white, or color.



Overall labor costs associated with this process have been reduced. On top of the reduction in labor cost, HMIC provided a more comfortable mail extraction process for their employees. Their OPEX scanner has the ability to be adjusted to fit the ergonomic needs of each employee, making a healthier environment and improving productivity.

All Mail in One Location

Originally all claims mail was routed to the claims department and kept separate from the other incoming mail. Once the OPEX scanning system was in place, the claims mail was routed to the mailroom department and scanned into the OnBase system. This process reduced the need for nine new employees who would have had to scan 40,000+ pages a month. That number is expected to double once underwriting mail is factored in. The OPEX scanning system alleviated this need and increased the efficiency of the overall claims process.

KeyMark developed interfaces with Guidewire software in the claims department to prevent double entry of documents and to make the interface more user friendly for employees. Now, once claims documents are scanned and sorted within the system they are electronically delivered to the appropriate individual and processed from there.

All prioritizing of claims mail is done on the scan queue. Now, 100% of the mail sorting and scanning process is done in the mailroom, no pre-batching, no separator sheets to extract manually, and no date stamping. All documents are considered legally received when the document is scanned into OnBase – all in all, saving time for the claims department. In three minutes, mail goes from indexing to receiving, and is scanned to the end user in about ten to fifteen minutes leading to a quicker turn around time for customers.

Integrating With the System

HMIC brought e-mails into the OnBase system through the use of a sub server processing about 15,000 e-mails a month. HMIC keeps their e-mail system secure due to the sensitive nature of their documents “The e-mail rules are, really important because we have to protect secure documents through OnBase security,” Stated Beth Robinson, Hasting’s Quality Service Supervisor. This ability to protect their client information while improving efficiency was beneficial to the overall automation process.

Providing Information Remotely

HMIC has over 100 claims people in-house and in the field. They were able to eliminate

their field employees’ physical mailboxes and have converted completely to an electronic system. Field employees can log on to the network system and access documents they need wherever they are. This eliminated the need for someone on site to pull documents and then either scan, e-mail, or fax the document to the end user off-site. Now, documents are sent to the correct claims person and stored electronically so each employee can retrieve the documents they need, when they need it, from wherever they are – all on a secure system.

Getting Everyone On Board

To prepare their staff for the change to the new system, HMIC provided public relations events to ease their employees into the transition. They also provided staff training to get their teams up to speed with the new keyboarding system. HMIC’s goal was to ensure that the right document was with the right user, at the right time, and that everyone was onboard to make that happen.

Capitalizing on Investment

HMIC has been extremely proactive in seeing how they can improve their system as they go. Each time they have implemented the automation process into a new department they see areas where

they can go back and improve within the departments they have already upgraded. They now have a faster turnaround, which means their customers are receiving their information at a much faster rate. When documents are loaded into OnBase, they are set on timers so OnBase will alert the user when something needs to be done.

This ensures that no documents are left to sit or be forgotten and are responded to in a timely manner. Each user within the system is also only able to look at documents that are assigned to them so people are only working on relevant documents and are not overlapping.

The investment in a KeyMark solution has driven continued returns at HMIC. Automated workflow has been used to further enhance processing of underwriting documents and has been extended to 52,000+ annual claims. The benefits of the system have also been utilized in the Human Resources department, which HMIC was able to implement on their own and in less than a year. HMIC integrated OnBase workflow with their claims center to help maximize efficiency. Overall, HMIC is still finding ways to reduce paper and increase efficiency. With KeyMark’s solutions and support, they have full control of their document and workflow processes and have reduced cost. KeyMark’s on-time delivery and reliable service are part of the reason HMIC has continued to work with them and plan to collaborate with them on future projects.

Technologies Utilized

- Opex
- OnBase
- RightFax
- Kofax Classification