

Bridging the Gap Between Agents and Technology



Presented by:

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Today's Discussion

⌘ Bridging the Gap Between Agents and Technology

- ☑ The Carrier's Situation

- ☑ ACORD Standards

- ☑ Case Study in Agent-Friendly Process and Technology Change: Implementing a Straight Through Claims Process between agents and OneBeacon's claims system using ACORD XML

- ☑ Q&A

- ☑ Plasma TV Drawing (Entries must be submitted by 3:55pm & you must be present at the time of the drawing (~4:25) to be eligible to win

About Our Speaker

- ⌘ Vice President of Personal Lines Claims for Massachusetts since 2002
- ⌘ Responsible for all aspects of personal lines claims handling for OneBeacon's largest claims center
- ⌘ Spent 26 years with CNA Insurance in various claims roles
- ⌘ Most interesting assignment with CNA involved the integration of the Continental Insurance Company upon its acquisition.
- ⌘ Led many successful claim integration/automation projects.



OneBeacon - Massachusetts Personal Lines

- ⌘ \$220 million in annual premiums, largest OneBeacon operating territory
- ⌘ Massachusetts is a very highly regulated state
- ⌘ Specializes in personal, commercial and specialty insurance, sold through Independent Agents
- ⌘ Subsidiary of White Mountains Insurance Group
- ⌘ OneBeacon enjoys a 95% claims customer satisfaction rating
- ⌘ Mission: There before you need us.

The Carrier's Situation

- ⌘ Many customers believe their agent, not their carrier, is their insurer
 - ⊞ Multiple carrier relationships give agents lots of leverage
 - ⊞ Close coordination of service between agent and carrier is required to deliver high degree of satisfaction to customer
- ⌘ Being “Easy to Do Business With” is a Major challenge facing Insurance Carriers that rely heavily on independent agents
 - ⊞ Wide range of technological sophistication and capability
 - ⊞ Agents should have the opportunity to do business with carriers as they wish...paper, fax, email, phone, etc.
 - ⊞ Carriers have difficulty mandating new procedures or technology with Independent Agents - if no benefit to the agent, new business will go to a carrier with procedures they like better
- ⌘ Need to take an agent-inclusive view of cost-reduction initiatives.

ACORD Standards

- ⌘ ACORD standards are important to most every process at OneBeacon
- ⌘ Relying on the Agent community as our sole distribution channel forces us to realize the need for standards
- ⌘ Evolution of ACORD from Forms to ACORD XML data
- ⌘ Converted to ACORD XML as claims input format with deployment of new claims system





Challenges Facing OneBeacon

- ⌘ Highly dependent on Agent distribution channel, relying on old technologies to gather claims via Fax and Phone, Web self-service was not a realistic replacement option
- ⌘ Newly implemented claims system, causing delays in setup of FNOL
- ⌘ Redundant processes relating to fax and call center collection of claims causing double data entry
- ⌘ Adjusters time being spent on clerical tasks, unable to spend enough quality time on adjusting claims
- ⌘ Inability to effectively manage spikes in claims traffic due to disasters
- ⌘ Backlog of claims, causing a slower processing and turnaround time of claims
- ⌘ Overall process was far too costly

What We Needed

⌘ Better Process for FNOL Intake

☑ Effective Input Management for New Claims System

- ☑ Lower Overall Claims Processing Cost
- ☑ Faster Turn-Around
- ☑ Higher Accuracy
- ☑ Unburden Adjusters

☑ Fast Implementation

- ☑ Integration with Claims System
- ☑ Immediate Adoption by Agents

☑ Scalability

- ☑ Initial trial in Massachusetts Personal Lines; roll out to Personal and Commercial Lines throughout OneBeacon's entire service territory.

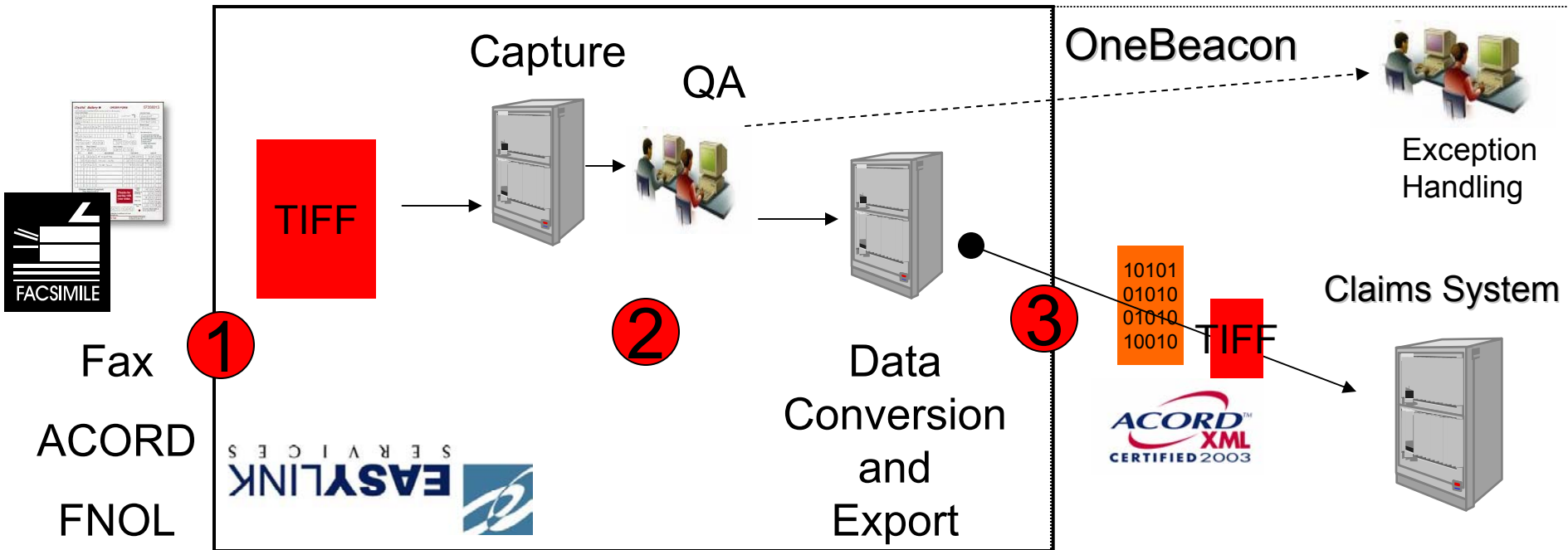


The Solution: Automating Faxed First Notice of Loss (FNOL) Handling

1. ACORD FNOL documents received via EasyLink's Fax to Email Network and converted to TIFF images. EasyLink receives faxes from Agents and Call Center. This replaces all fax machine and paper based workflow.

2. Data is captured from FNOL documents and QA'd by EasyLink to ensure 99.5% accuracy. Major exceptions are sent to OneBeacon Claims staff for repair/handling.

3. Data is converted to ACORD certified XML and exported to the Claims Work Station (CWS). The converted faxed images are sent in TIFF format to CWS to be used in the workflow process.





Key Solution Benefits

- ⌘ Consolidated 2 claims processing centers into one
- ⌘ Faster Claims Setup and Processing - claims processing times reduced by 50-60%
- ⌘ Eliminated daily claims backlog - improving customer and employee satisfaction and lowering litigation risk
- ⌘ Better results on Auto and Homeowners Claims - by processing claims faster OneBeacon is reducing its auto rental and storage costs, as well as responding to policyholders needs faster
- ⌘ Lower overall cost structure for claims
- ⌘ 100% adoption by agents - no technology or process change requirement
- ⌘ Solution has now been deployed throughout OneBeacon

Internal Structural Improvements

⌘ For Adjusters

- ☑ freed up time to use innovative web-tools to assist in the adjusting process
- ☑ able to contact the insured within 24 hours of receipt of a claim
- ☑ eliminated data entry tasks

⌘ For Clerical FNOL Setup Team

- ☑ DCM service auto-populates over 80 fields of information directly into their Claims System
- ☑ clerical employee only needs to verify that the information is complete
- ☑ freed up time for clerical staff to help adjusters with tasks such as vehicle dispatch and policy verification



Significant Cost Savings in Massachusetts alone

Savings = \$44K/month \$535K/year \$1.6M/3 years \$27/claim

	CWS System before EasyLink	CWS System with EasyLink	Savings
Data Entry			
Number of Clerks	19.0	8.8	
Compensation per Clerk/Year	\$32,000	\$32,000	
Monthly Expenses	\$50,667	\$23,467	\$27,200
Claims Processing Time			
Process/Backlog Time	Up to 8 Hours	2-4 Hours	
Average Auto Rental Days per Claim	14	13	
Rental Payment/Day	\$29	\$29	
Auto Rental Contracts per Month	442	442	
Average Auto Storage Days per Claim	9	8	
Storage Payment/Day	\$30	\$30	
Auto Storage Contract/Month	143	143	
Monthly Auto Rental/Storage Payments	\$218,062	\$200,954	\$17,108
Adjusters			
Number of Adjusters	60	60	
Compensation per Adjuster/Year	\$60,000	\$60,000	
Sub-Total	\$300,000	\$300,000	
Office Consolidation - 2 to 1 (Claims Setup Teams)			
Staff Savings/Month (1 Supervisor/.5 Clerical)	\$4,833		\$4,833
Number of Claims Processed Monthly	1,656	1,656	
CWS Monthly Fee	\$1,667	\$417	\$1,250
DCM Monthly Fee		\$5,796	-\$5,796
Monthly Expenses	\$575,229	\$530,633	\$44,595
Annual Expenses	\$6,902,744	\$6,367,600	\$535,144
Cost per Claim	\$347	\$320	\$27



Teaming With EasyLink Produced The Results We Were Looking For.

“Easylink helped transform one of our most critical business processes in under six months. As a result, we have lowered our costs, improved our quality, and increased customer satisfaction through faster turnaround of customer claims - all within the same calendar year.”



Future Opportunities for the Solution

Once the Data is electronic there are many uses for it....

- ⌘ Communicate with other Insurance Service Providers
- ⌘ Use as Model for Call Center Processes
- ⌘ Pass Data Back to Agency Management Systems
 - ☑ ACORD XML or any other format that an agent can easily handle
- ⌘ Reducing costs associated with Call Center Operation
 - ☑ Strike the right cost/service balance between phoned-in FNOL and lower cost options such as Fax/DCM, web, etc.

About the Solution

- ⌘ Our process works with just about any type of form
- ⌘ Output to ACORD XML, EDI, CSV, and other formats
- ⌘ Additional services include image archiving and smart document routing
- ⌘ Input management solution for your claims, workflow, or imaging system(s)
- ⌘ Service-based solution - typical deployment within 8 weeks with no capital requirements for hardware or software.



Thank You

Q & A

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