

Insurance Case Study

Business Challenge

Like many insurance companies, this insurance company struggled with paper problems for years. As business and consequent paper volumes grew, unit costs associated with processing continued to rise due to misfiles, lost files, processing delays, and out-of-file conditions. It became increasingly difficult to provide quality, value-added services at a reasonable profit.

In a single department alone, they had 90,000 paper-based policy files, each containing 40 to 60 documents. In another department, 200 files were requested each day. Prior to the FileNet system, storage and maintenance costs were very high and were continuously increasing due to the daily generation of paper based documents.

The space limitations forced the insurance company to move the records management center to a site some distance away from its main facility. This further compounded its processing problems. This not only increased the cost for fetching but also increased the human resource required for maintaining and management of this facility.

Solution

Today, one of the departments has more than 80 of its staff on-line using IBM FileNet capturing and business process management software system to support new business processing, claims, policy payments, and policy changes. All new files and updates, accounting for more than 5,000 pages a week, are scanned and indexed on the system. Based on the document type assigned during indexing, the workflow system automatically routes documents to the appropriate electronic in-box for processing.



Associates using PC workstations select specific items from their electronic in-box. The original document appears on the user's screen with a series of options: create and send a form, pend item, route to another area, obtain policy information, close out this work item, etc. If further information is needed, the work item is placed in a pending queue until the required documentation is received. When received, the needed documentation is scanned, indexed, and routed to the original associate's queue for completion.

Since installation of the FileNet system, the departments at this insurance company have begun to reorganize using a service team concept. With responsibility for all products and distribution systems, service teams together with appropriate support teams handle the entire cycle of the policy from new business application to policy servicing and payment of claims.

Summary

FileNet's Capture and Business Process Management solution enabled the insurance company to redesign its workflows and realize dramatic business improvements and cost savings. Benefits include: substantial savings every year by eliminating the need to maintain paper files, productivity improvements of 10 to 25 percent, a minimum of one day reduction in existing service times, reduced cost of records retention, dramatic improvement in customer service due to real time access to on-line policy files, and faster training time for new employees.