

Insurance Case Study:

Farm Bureau Insurance of Michigan

“ImageSoft has helped us take great strides towards providing fast, accurate service to our customers through improvements in workflow and technology. They are a partner we can count on.”

— **Teresa Ruckle**

Director, Life Policyholder Services
Farm Bureau Insurance of Michigan

The Customer

Farm Bureau Insurance of Michigan was founded in 1949 and organically grown by Michigan farmers. Today, with corporate offices in Lansing, Michigan, an employee base of approximately 600 and a customer base of nearly 500,000 Michigan policyholders, this insurer is devoted to safeguarding Michigan farms, families and businesses. The company's 450-plus agents across Michigan offer a broad array of insurance services, including life, home, auto, farm, business, retirement, Lake Estate® and more.

Farm Bureau Life is recognized as one of the nation's safest life insurers and is annually named one of the top 50 life insurance companies in America by the Ward Group in categories such as strength, stability and outstanding financial performance. The company earned an Excellent rating by A.M. Best.

The Challenge

Farm Bureau Insurance of Michigan was wrestling with labor-intensive claims processing business practices that were inefficient, time-consuming and that hampered their ability to deliver timely customer service. Claims processing staff were spending half their work day printing, sorting, looking up claim numbers and document types and setting up folders for incoming faxed claims.

Farm Bureau sought to improve these processes and to better track claim cycle time. They also aimed to streamline the workflow process, expedite decision making and reduce touch points – the multiple handling of paper documents and claim files. Equally important, Farm Bureau wanted to eliminate printing and physical handling of faxes. After reviewing several options, the company chose ImageSoft to implement an OnBase document management system to help them achieve these goals.

The Process

The initial OnBase implementation involved 80 users in the auto claims processing department. Since then, staff from Medical and Workers' Compensation claims processing have also been added to the mix, and Farm Bureau is extending OnBase workflow to staff working Property and Casualty claims in regional offices.

OnBase was integrated with Farm Bureau's claims handling system, CHS+, a “home-brewed” application running on a Citrix platform. CHS+ sends information to OnBase in near real-time to keep the two closely synchronized. The work associated with settling and paying claims (or denying them) is still done primarily within the claims processing system.

OnBase workflow is used heavily to automate document routing, assist decision-making and streamline common processes. Workflow is used to monitor settlement activities and alert management to performance issues.

OnBase, with scripting, evaluates a list of dependencies and determines how to route documents based on the document type, claim status, assigned adjusters or technicians and placement in workflow. The workflow module then routes documents on time to the assigned staff member's queue for processing. Multiple users have access to the claim file simultaneously and can work concurrently.

Since documents in OnBase can be sent from the desktop using e-mail or fax (RightFax), the physical copying and mailing of documents have been entirely eliminated. Documents that were once processed manually are now received electronically and are indexed automatically and routed within workflow without human intervention.

Foldering gives users a familiar interface for navigating work and makes it easy to quickly find documents within the folder structure, leading to rapid adoption. Auto-foldering of documents significantly speeds up the document filing process and eliminates the time and costs associated with creating the file.

Today, when customers call with questions about pending claims, Farm Bureau staff use OnBase to quickly find documents with Custom Query, Document Retrieval or Folder Search. Claim representatives no longer need to track down the physical file in order to discuss the claim, resulting in faster and much improved customer service.

Their Success

During the first six months following implementation, Farm Bureau experienced three catastrophic claim events – the first of which occurred within days of implementation. With OnBase in place, all three were handled without disruption to daily claims processing.

The fax machine, once a fixture in the claims processing department, is now a thing of the past, as is the associated expense. Within the first six months of using the ImageSoft OnBase solution, Farm Bureau was able to eliminate printing of some 65,000 faxes. Instead, these were auto-folded and electronically routed to the proper party within OnBase using RightFax. Similarly, 1,200 invoices from Farm Bureau's Auto Rental partner were received electronically and routed to the appropriate queue in OnBase Workflow, without printing and without the added costs.

With the solution's automated workflow, a smaller staff is now able to handle the workload. During the first months of processing, at least two full-time positions were left unfilled when vacancies occurred. Users are being cross-trained on other functions within the department, and the workflow design allows staff to easily step in and assist without having to leave their desks.

Overall, Farm Bureau of Michigan's annual savings of \$230,000 exceeded their expectations. The company saved more than \$220,000 in the first six months of operation alone and achieved a return on their technology investment in less than one year.

Farm Bureau of MI

The Challenges

- Time-consuming, labor-intensive claims processing business practices
- Too many man-hours spent on unproductive clerical tasks
- Inefficient, paper-based processes slowed customer services
- Delayed decision making caused by inefficient workflow
- Costly printing and physical handling of faxes

The Results

- Annual savings of \$230,000 and ROI within less than one year
- Quick and easy access by staff to documents for expedited and improved customer service
- Eliminated the printing and handling of 65,000 faxes within first six months
- Fewer staff needed to handle the workload. Two FTE positions were left unfilled following vacancies
- Three catastrophic claims events handled within just days of OnBase implementation without disruption to daily claims processing