



# NUANCE

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## CASE STUDY

### Dann Insurance Implements A Paperless Office With Paperport

Working With Electronic T-files Saves CSRs Time and the Agency a Significant Amount of Money

#### CHALLENGE

Improve customer service and cut administrative expenses by cutting claims processing time.

#### STRATEGY

Eliminate movement of paper documents and move to instant electronic paper delivery with PaperPort software.

#### RESULTS

Claims processing times have gone from 2 weeks down to an average of three days, and AFLAC customers are more satisfied than ever.

Insurance agencies have been grappling with paper at least since 1895. Typically, employees in this industry spend more than 60% of their time filing, faxing, copying and pushing paper, yet are still expected to win their agency significant new accounts each month. It is surprising that only upwards of 40% of these organizations are actually using products that can instantly convert their paper into digital information both quickly and affordably in order to realize the promised benefits of the utopian paperless office. And those offices that have implemented solutions still struggle with limitations in the tools they have available to them for the organization and communication of electronic versions of paper documents.

Increased competition and rising costs have made time – minutes and hours – the most valuable asset for insurance agencies. This is easy to understand because the amount of time spent servicing a firm's existing clients cuts directly into the time spent winning new accounts. The successful management of resources is what separates growing agencies from the rest of the pack. From handling T-files (transaction files) to faxing and mailing submissions to carriers, relying on paper steals both time and money away from the agency – day-by-day, month-by-month, and year-by-year. If a CSR (client service representative) or agent is spending 40% or more of their workday moving paper, it stands to reason 40% or more of their time is not being used to service existing customers or more importantly, increasing the size of the agency's client base. Often, small tools can make a big difference in an agency's productivity, and one such tool is PaperPort Professional. PaperPort helps to manage and organize the daily deluge of paper and digital documents every agency faces. According to Steve Anderson of The Agency Automation Report, *"By installing PaperPort on every desktop, your agency will be able to reduce administrative overhead costs, improve customer satisfaction and communicate more effectively with your clients and carriers."*

Recently, the Dann Insurance Agency in Bannockburn, Illinois, looked for ways to eliminate the time employees wasted by the constant handling and movement of paper within their 100 person full-service agency. Like thousands of independent agents, the CSRs at Dann Insurance were being physically buried by paper workflows everyday. Dann's CSRs spent far too much time and money making copies of documents and then mailing them to clients and carriers. The amount of the time spent servicing existing clients cannibalized the time available to search for new ones. The money spent each month on postage and fax services was tens of thousands of dollars. However, these easily identifiable expenses were not what actually motivated Bill Herman, at Dann Insurance, to take action.

*"What really motivated us to tackle our paper problem is the required pace of business in today's environment. Our clients and carriers want immediate answers. The proliferation of personal computers and the internet age have created a reasonable expectation to get information right away," Herman explained. "If you are burdened by a paper process, your CSR's responses are much slower, not to mention more expensive due to actual the cost of printing and mailing paper documents. In addition, the opportunity lost by our CSRs when servicing an existing account further increases the total cost to the agency because of the inefficient use of their time. We felt there was a better way to minimize these hard costs, and at the same time, dramatically increase our existing productivity without increasing headcount."*

**BENEFITS OF USING PDF ELECTRONIC PAPER TO INCREASE PRODUCTIVITY AND SECURITY**

Today, PDF (Portable Document Format) is the standard for electronic transmission of insurance documents for both businesses and individuals. With over 500 million copies of the free Adobe® Acrobat® Reader downloaded, PDF is here to stay. Unlike other proprietary document formats, PDF is an open standard. The reason for its popularity is the unique ability to electronically mimic the actual look and feel of an original paper document. Another significant benefit to the insurance industry is the native security PDF offers that locks the information in to the original document preventing changes, accidental or otherwise, while simultaneously protecting the user's individual computer and network from all document borne viruses.

According to Herman, *"Using PaperPort with it's PDF capabilities allowed us to streamline the process of locking down and securing our original documents without impeding our traditional workflow. Because PDF is a business standard across the insurance industry, it is extremely important for each of our client and carrier's files to be secure and easily read, whether it is by the client or the carrier. Using PaperPort and PDF assures us that an electronic document submission can always be easily retrieved and read."*

**AN ELECTRONIC PAPER WORKFLOW: SCANNING TO SUBMISSION, ASSEMBLY AND MAILING**

Insurance agency management of paper submission files, including an array of documents, faxes, forms and photographs is a monumental task when each of the items in the file folder is an actual piece of paper. Relying on traditional methods for storing, printing, copying, collating, stapling, filling out forms and mailing them to clients and carriers is outdated, expensive and time consuming. Most of a CSR's workday is spent retrieving, pushing and otherwise manipulating paper. Herman knew this. He also knew there were ways to reduce these inefficiencies,

improve productivity and most importantly his department's bottom line. An efficiency consultant who specialized in insurance agency automation solutions recommended PaperPort to Herman. This consultant completed a study of automation products out in the marketplace and it was his recommendation that PaperPort was the simplest automation solution and the best value for the money.

Christina Selwicki, Herman's Commercial Quality Control Manager adds, *"When we discussed it, the philosophy of going paperless was very exciting. If all the relevant documents could be attached to a customer record in our computer database. Each account would be all-inclusive and make it much easier to follow at an instant what is happening with each client or carrier. Instead of looking for individual pieces of information in perhaps a dozen different paper and electronic files, like we did in the past, we could store everything on a customer in one single, easily accessible place and eliminate all the paper files."*

**DRAG & DROP TRANSACTION FILE ASSEMBLY**

According to Michele Holz, a Dann Insurance Agency Senior Account Manager, *"On a daily basis we process submissions on clients and get them out to insurance companies. These can be 10 to 300 page documents, depending on the complexity of the client being insured. We used to have to print or scan them, go to the copy machine, make several copies, staple*

***"By installing PaperPort on every desktop, your agency will be able to reduce administrative overhead costs, improve customer satisfaction and communicate more effectively with your clients and carriers."***

**Steve Anderson,  
The Agency Automation Report**

*them all, put them in an envelope, take them to the mail department, and use snail mail to correspond with the clients and carriers. We looked at the annual cost of the toners, paper, envelopes, staples, postage, etc., and found the hard costs for these items to be*

*rather high. Now we use a single application to scan items and quickly assemble a submission package. We print directly to PaperPort, scan attachments if necessary, use the drag and drop tools to categorize related documents, stack it all together and quickly e-mail it off. We can even e-mail the submission to ten companies at once if necessary. Daily tasks that used to take us hours to complete now take about five minutes."*

Add the reduction of hard costs and multiply that by the number of CSRs and Dann Insurance is experiencing some very significant reductions in overhead. These numbers don't even take into account the fact that Dann's 100 CSRs can now devote more of each workday to increasing the size of the agency's customer base.

*"The capability to accumulate several pieces of "epaper" on a single subject and temporarily hold it all together until the submission is complete is critical to our success. If I need to add a note, or document a conversation in the file I use the annotation feature of PaperPort to make sure each outstanding item is addressed", adds Christina Selwicki.*

**COMPLETE SUBMISSION FORMS WITHOUT EVER PRINTING THEM TO PAPER**

The problems with dealing in paper extends beyond just customer information and into the realm of agency to carrier communications. Paper forms are still a stubborn part of that process, but PaperPort gave Dann Insurance a unique way of handling those forms efficiently. For paper forms sent via the regular mail, the only previous option was to complete them by hand, and some carriers even require that their applications be completed on a typewriter! In addition, each insurance carrier uses their own proprietary set of application forms. They are known in the industry as "specialty application" or a "supplemental application" forms. Because these forms are unique to each individual insurance carrier, each carrier expects their own unique form back for each submission that is sent in. PaperPort's FormTyper™ feature allows these forms to be completed quickly and easily in an electronic format.

**"In the past we used to complete them by hand or locate a typewriter if necessary. Now we simply scan the application form in to PaperPort. The FormTyper feature allows us to directly type in the missing information into the electronic copy while it is still in PaperPort."**

**Christina Selwicki,  
Quality Control Manager,  
Dann Insurance Agency**

According to Selwicki, "Carriers will typically fill in certain documents and then will ask us for additional information. We are required by each carrier to send their certain type of document back to them if they send it to us to complete. In the past we used to complete them by hand or locate a typewriter if necessary. Now we simply scan the application form in to

PaperPort. The FormTyper feature allows us to directly type in the missing information into the electronic copy while it is still in PaperPort. Once the form is completed, it is sent electronically from PaperPort to wherever it needs to go. We have it set up to automatically retain a digital copy for our files. These copies are stored in the agency management system along with all of the other carrier's standardized application forms. So the convenience of having these electronically completed forms that used to require tedious hand completion for a submission is a tremendous bonus. The fact that we can keep everything together in one place just like a paper file and from there quickly and easily be able to submit it to a client or carrier via fax or e-mail is wonderful. The speed and timesaving PaperPort allows us is tremendous."

**ELECTRONIC T-FILING AND ARCHIVE TO CD**

In the recent past, filing a submission with a carrier entailed copying, organizing and mailing reams of paper to both carriers and clients. Needless to say, the process was labor intensive, expensive and unreliable. Misplacing critical pieces of paper on desks or in filing cabinets was a common occurrence. Incomplete submission files would often be held up at the carrier or rejected altogether and subsequently sent back to the agency for costly rework. Sometimes the submission rework would be simple, like supplying an additional copy of a missing document from the agency's files to the carrier. Other times, the task was much more burdensome because the original document could not be located in the agency's files. To make matters worse, historical files were usually stored off site due to their size. Usually after much effort and cost, corrected submission packages would be resent to clients or carriers. Over time the number of agency files continues to grow. After a few years in operation historical files can easily consume a lot of space. In addition, a duplicate set must be stored offsite to ensure record safety in case of a fire or flood at the agency office itself.

According to Herman, "On a daily basis we created huge photocopying packets that had to be sent via snail mail. Now we use PaperPort to electronically file our submissions via e-mail avoiding the costly USPS mail process altogether. So in this particular area we had an immense amount of savings in both manual effort and postage. The reduction in turn around time using email is just great. The cost savings using PaperPort for electronic submission is twofold. One is that paper documents are much easier to use when they are in an electronic format. My CSRs can easily organize, search and respond to our clients and carriers quickly without having to leave their desks for a time-consuming trip to a filing cabinet, mail room or fax machine. But another benefit that people don't always recognize is the fact that, because these scanned images are digital files stored on our network, we are also automatically backing these files up. Now I have a historical back up of all my agency documents where in the past I did not. In the event that we have a catastrophic problem, we can easily and quickly recover from it and that is something that you simply cannot do with a paper based system."

"We're just about there – the Utopia of no paper," Lois Van Horn, principal of the Athens Insurance Center in Athens, Georgia. "T-filing is a dinosaur. It didn't do anything to eliminate paper. But now we're eliminating the paper and eliminating wasted time by using PaperPort. It's very exciting – a complete paradigm shift for our agency."

**DOCUMENT MANAGEMENT FOR MICROSOFT® NETWORKS**

The value of PaperPort extends well beyond its ability to simply reduce the administrative burden of handling paper documents. PaperPort is an ideal way to organize and find all of your agency's important electronic documents as well. PaperPort places a document management system on every PC, without the associated headaches of installing a traditional database or document management server. This is accomplished by adding typical document management features – thumbnail views, full-text search, OCR indexing and more – directly on top of the existing file folders and files on each CSR's PC and on any networked disk drives.

**“Using PaperPort allows us to automatically populate our agency management system with scans and faxes received directly from our computer terminals. We no longer have the need to walk around the office and use different pieces of computer hardware as in the past.”**

**Christina Selwicki,  
Quality Control Manager,  
Dann Insurance Agency**

Each PC that uses PaperPort can be linked together, allowing the entire agency the to find files and customer information in seconds. PaperPort can also be configured with a centralized document management capability implemented by simply giving each worker access

to a shared network drive. PaperPort's scaleable peer-to-peer document management approach eliminates the need for robust IT and administration staff and puts the benefits of document management within the reach of any size insurance agency.

When documents are managed in PaperPort, agents and reps can find documents in a matter of seconds simply by typing in a word or phrase that they know appears in the document they are looking for. Want to find all the documents on your network pertaining to a particular client? Simply type that client's name in quotes into PaperPort's All-in-One Search™ tool, and all the relevant documents – including scanned images – will turn up in seconds. *“PaperPort offers such a simple and straightforward way to manage documents. The ability to scan into one central “virtual filing cabinet” has made our team's work more manageable”,* said Kris Horton of AFLAC.

**EASY INTEGRATION WITH EXISTING AGENCY MANAGEMENT SYSTEMS**

Agency management systems have rapidly become the electronic backbone of insurance agencies, providing a centralized platform for managing almost all aspects of the business. From accounting information to rating insurance policies, storing electronic forms and client information, AMS solutions have proven to be a valuable tool in the fight against paper. For any insurance automation solution to be useful, it must have the capability to easily pass

information back and forth to the agency's existing management systems and be able to simply adapt the agency's manual processes to an electronic format. Dann Insurance uses Applied System's Agency Management System. PaperPort is used to seamlessly integrate information from their disparate systems into a complete centralized repository that can be easily accessed by anyone at the agency. From setting up customer records to producing invoices, PaperPort has streamlined their business workflow without disrupting the CSR's daily activities.

*According to Selwicki, “Using PaperPort allows us to automatically populate our agency management system with scans and faxes received directly from our computer terminals. We no longer have the need to walk around the office and use different pieces of computer hardware as in the past.”*

**RETURN-ON-INVESTMENT**

In order to survive and prosper in today's fast paced and highly competitive business environment companies must do more with less. Traditional IT budgets allocating vast sums of money for yearly hardware and software upgrades have become a thing of the past. Today's reality is a return on investment in a matter of months, not years. The key to automation success is simultaneously saving money and increasing productivity without breaking the bank.

*According to Herman, “In the first year alone we know there was a tremendous savings in postage that covered the cost to implement PaperPort at our agency. Add that to other obvious things; the reduction in the cost of paper, envelopes, toner, staples, file storage, file archiving, not to mention the added increase in employee productivity – we just can't live without PaperPort.”*

**SUMMARY**

The bottom line in the insurance business is that agencies need to accelerate their business processes to meet the growing demands of consumers for rapid service while at the same time cutting costs to keep an edge on the competition. The administration of documents – both paper and electronic – is one of the main barriers to achieving both of these goals, and technology can provide an edge – but only to the agency that picks the right technology. The lesson of Dann Insurance Agency and the other cases cited in this document show that the ideal solution is PaperPort Professional – the easiest way to organize, find and share your paper and digital documents.

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