A Winning Document Management Strategy: Be the "Biggest Loser"

Packing on the (Paper) Pounds

Over months and years, much as people do, insurance companies can pack on unwanted pounds – pounds of paper. The weight creeps on silently and steadily, day by day, until one day, millions of forms, contracts, letters, checks, cards and other paper pile up in bins, over-spill shelves, and strain filing cabinets. Company operations get sluggish, bogged down, and can even crash. The expense of maintaining - never mind improving - such unhealthy, unproductive physical document management and tracking systems often skyrockets.

Battling paper-weight gain can seem to be a hopeless cause for insurers, even more so than for peers in other industries. Insurers may not be burdened by slow metabolisms, but they are faced with "operational fitness" obstacles that require unique tools, strategies, and planning. Major document management and delivery challenges include strict state and federal legal requirements for:

- long-term retention of all policy, claim, corporate and financial records;

- reporting of claim and market data to state departments of insurance;

- advertising, notice and disclosures to policyholders and claimants; and

- secure protection of confidential personal data and health information.

These challenges are compounded by increasing customer demand for new policies or products, and accompanying marketing support pieces and educational materials. Maintaining complete, accurate, and timely documentation of all policy transactions, however, comes at a cost: Operational Obesity.

Achieving (Paper) Weight-Loss Goals

While many insurers admit their paper problem, only a small percentage ever reach their ideal goals for minimal physical storage and streamlined, cost-effective workflows. Many dedicated companies begin a reduction program by adopting document scanning technologies, primarily for underwriting policy issuance processes. Further progress may be made by scanning trailing documents with submissions and external data to support underwriting decisions.

However, according to a 2012 report issued by Strategy Meets Action (SMA) , there is little relative progress, and much room for improvement, in scanning documents in other functional areas. Consider claims correspondence, premium payments, customer letters and regulatory notices. Also, per SMA, "with such a high percentage of documents still in a non-digitized format, major opportunities exist for digitizing envelopes, cards and checks." Further, technology also now enables documents to be delivered to and from customers and business partners, and stored electronically, in a totally secure, legally compliant manner which can drastically cut a wide range of operational costs.

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A Winning Document Management Strategy

What may hold companies back in achieving their (paper) weight-loss targets? There are many reasons why companies may not succeed initially.

- As with any weight-loss initiative, the participants may THINK about taking steps, but do not ACT. Inertia and bureaucracy may be a stumbling block. When action is not immediately taken to stem the tide of (paper) weight gain, the weight problem compounds.

- There also may be a great enthusiasm for change up-front, at the start of a program, but a general waning of commitment over time. For example, policy documents may be scanned and stored digitally for retention purposes, resulting in a large up-front cost and workflow savings, but other functional areas might not be participating in a scanning effort. Or, even if there are scanned contracts, the full spectrum of electronic signatures and delivery possibilities may not be fully explored.

- They may be unable or unwilling to change underlying patterns of behavior, often because of a simple fear of the unknown, or that something "bad" will happen. An example of such fear for insurers may be that a new process or work method adopted could be found as non-compliant with laws, by a regulator or auditing firm.

- They may be looking for a "quick fix" or have unrealistic expectations that results will appear immediately without much time, cost, or effort. If they do in fact find a valid program, they may fail to recognize the milestones, and decide it didn't work way too early. However, crash diets don't work for people, and quick fixes don't work for companies. Longer term investments pay off.

- They don't have the right tools or program. As individuals achieve maximum benefits from a diet and exercise plan tailored to their unique goals, physical strengths and limitations, companies need to build a custom plan to manage documents in line with their business plans, organizational framework, IT infrastructure, and human resource constraints.

WHAT IS HOLDING YOUR COMPANY BACK?

Losing to Win – The Benefits of Digitizing Document Management

Face the inefficiencies and resource burdens paper-based activities place on insurers head-on. With the many developments in secure document delivery technology over the past few years, and the fact that more and more jurisdictions are adopting legislation allowing the electronic transmission and signing of a wider range of document types, there is no better time to start or expand your document reduction regimen. Here are just a few reasons to lose that (paper) weight, once and for all.

Waist… or Waste… Reduction

Losing weight can save people money, often decreasing the cost of such things as clothing, footwear, insurance, and medical care. For insurers, print and customer delivery operations are large cost centers, justifying major investment in digitizing technologies. Savings can be achieved not only on paper, but on postage, supplies, and specialized products such as rubber stamps. Staff time may be reduced for automating and streamlining manual, paper-based delivery processes. Reducing paper also eliminates storage costs. Some major insurers have several hundred thousands of boxes being stored in archives in multiple locations, bringing potential cost savings for digitizing storage into the millions of dollars.

Reduce Risk Factors

Additional pounds increase one's risk for diabetes and other serious diseases. Additional steps in operational workflows increase the risk that mistakes will be made in policy-issuance and claims handling tasks. Transforming paper-intensive workflows into electronic, automated processes can reduce the risk of customer complaints, partner disputes, and state fines, fees, penalties.

For example, correspondence, policy forms and associated envelopes or invoices often contain valuable and/or sensitive personal and financial customer information that should or must be minimized and maintained securely. Encryption of electronic information is more secure than hardcopy/paper printouts. Also, digitizing and automating the mailing of required policy and claim-related disclosures and notices can help reduce market conduct compliance risk.

Perk Up Daily Performance

A diet plan with daily exercise is proven to improve the body's performance, endurance, energy and stamina. It can reduce reliance on medication. A plan to reduce (paper) weight can provide similar benefits for staff. The daily grind of producing paperwork manually can stretch staff resources and attention, and may contribute to turnover and burnout. But with automation and technology, employees can spend less time entrenched in compiling, copying, and mailing paper and more time on substantive activities that truly serve customers and add real value to their business.

Improve Attractiveness and Competiveness, Boost Brand Image

Who doesn't like to feel attractive and competitive in the marketplace? Insurers certainly do. Companies carefully groom their customer image, intent on achieving high levels of client satisfaction. Building brand recognition has a direct impact on the bottom line for the company, enhancing core share value.

One of the most fundamental ways to enhance the customer experience is to ensure that documents are delivered accurately and timely, and to make all steps in the policy issuance or claims process as streamlined, fast, and as customer-friendly as possible. Customers today expect insurers to be on the leading edge of technology, and to take full advantage of as many cost-saving initiatives and efficiency drivers as possible, while still delivering the highest quality products and services. The most successful companies today are those who are adopting new technology, not only for assembly and storage, but also for delivery of documents and completing business transactions.

How to be the Biggest Loser and Transform Your Operations

You, too, can be a winner by being the "biggest loser," following strategies akin to that used by contestants on the popular NBC TV diet and fitness show of the same name.

Visualize Your Ideal Self. The first step in any project is to visualize what the end result may be, and explore options and solutions that can get you where you want to be. Insurers may envision an ideal world where policies and related documents are assembled or compiled online, and seamlessly delivered electronically to customers with appropriate applications, forms, notices, and disclosures. The vision may also include the ability to have a complete audit trail of all activities and deliverables in the policy issuance or other functional processes, as well as secure, encrypted storage.

Do an Honest Self-Evaluation. Take time to honestly evaluate your current resources and abilities, to get a picture of where you truly are now. At least annually, insurers should carefully review and catalog any and all current document assembly, delivery and storage processes, by department or functional area, by line of business, and for both incoming as well as outgoing information. Manual processes should be noted, as well as any current capabilities for electronic storage and exchange.

Once current strengths and weaknesses are fully documented, a "gap analysis" can be done, looking at "current state" against the ideal vision. This is a foundation for change, identifying major challenges. For your company, is the list of challenges topped by "budgets"? Staffing? A need to integrate with prior systems? Hardware or software limitations? A shortage of internal IT support?

Prioritize, and Plan for the Long Term. The results of a self-audit or evaluation should naturally lead to a discussion of prioritization. What challenges are more important for the company to tackle – and in what business areas might digitization or automation make the most difference or significant contribution? In this process, don't overlook the possibility of achieving a few 'easy wins.' A tool or program may exist which already has insurance-driven content or features to meet an identified area of weakness or need, so that the insurer does not have to invest its own time, energy and resources to develop/build out a custom application that might ultimately meet only a narrow, short term need.

Adopt the Right Tools/Program. Choosing the right diet plan can seem daunting, given the wide variety of programs available to lower dietary fat, carbohydrates, or both. Choosing the right technology tools may seem equally difficult, with so many service vendors in today's market.

However, while some may lose some weight on any diet plan, we all know that crash diets and quick fixes don't work for long. Your chance of success is much greater on a nutritionally balanced plan that emphasizes eating less, backed by the advice of experienced nutrition, health care and exercise professionals. Similarly, to win at paper-weight loss, select a vendor with a proven track record, who can support you with experienced, insurance-focused, professional implementation and technical advice over the long term, and as you may face new challenges on your path to optimal operations.

The Right Tool for Insurer's (Paper) Diet: e-Delivery and SDX

As noted above, one of the most effective technologies today for staving off paper bloat goes beyond just scanning – to electronic or e-delivery of documents. Through e-delivery, information can be easily and quickly sent to and from customers and shared with business partners securely, and in accordance with state and federal regulations. Adding the additional functionality of electronic signature to your e-delivery process can go a long way towards reducing the amount of manual paper processing you may be experiencing.

SDX - Secure Document Exchange from Wolters Kluwer Financial Services is a proven simple and secure way to electronically transmit important information and confidential documents over the Internet. With SDX, companies have saved an average of 65% in printing and postage costs when converting from paper to electronic transmission, increased their capacity by over 75% when automating their delivery processes and have virtually eliminated a substantial portion of their overall paper, printing and shipping fees in the process.

Designed especially for financial services and insurance industries, SDX is a fast and efficient means to deliver new business and policy or claim documents, and to communicate with various parties. It helps you to ensure the privacy, accuracy and completeness of policy and related consumer transactions, while maintaining a solid record of responsibilities and accountabilities of all parties involved.

Key Features	Illustrative Uses
Secure, encrypted transmission of confidential or sensitive personal and business information	Application/Policy Delivery
"Digital shredding" capabilities	Renewal and other Required Notices
User-friendly workflow with few steps to transmit and receive and open documents	Mandatory Disclosures
Single and multiple electronic signature workflows that meet current Federal ESIGN and UETA regulatory requirements. Easily integrated with existing systems and portals	Claim Forms, Inventories, Documents
Complete audit trail for all transactions	Releases and other Legal Agreements
Robust reporting capabilities	Explanation of Benefits Statements
Converts multiple sources to a standard PDF format to facilitate record keeping	Mandatory Data Protection and Privacy Notices to Customers
Flexible fax capabilities	Posting Notice Delivery
Deadline or "expiration" dates can be set to track that recipients take action on time	Invoices and Monthly Statements
Optional paper delivery if a message expires, or a customer chooses to opt out of an electronic delivery transaction	Exchanges with Agents, Brokers or TPA's
	Regulatory Filings
	Sensitive Internal Correspondence
	Any other Confidential Communications

SDX helps streamline an insurer's operations all along the new business, policy services, claims, fulfillment, and compliance processes. It is a flexible solution with a wide variety of uses to fit your organization's unique operational obstacles and correspondence challenges.

A best-of-class solution, SDX is scalable for your organization, requires no hardware or software installation, and can quickly be configured for collaborative two-way communication. SDX is especially "customer-friendly" for delivery of large, bulky documents, where all parties can benefit from improved response time and quality consistency. SDX features simple to use electronic signature workflows for both single and multiple signers. Additionally, SDX is a fully comprehensive delivery solution, providing a unique automatic paper fulfillment service, eliminating the headache of

what to do if your customer should decide to opt out of any electronic transaction. The intuitive user interface and 2-way messaging feature also make it easier than ever to start, track, audit, and complete the policy application and underwriting process – all without being weighed down with manual paper assembly, copying, and shipping.

With SDX – Secure Document Exchange – your organization can achieve its (paper) weight-loss goals today, and see greater flexibility, security, and improved efficiency – for a competitive advantage in every area of your business.

Now is the Time - Be the Biggest Loser!

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To learn more details, please call us at **800.481.1552** or visit us at **Insurance.WoltersKluwerFS.com.**
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