

Case study: Hastings Mutual

Experian QAS Improves Productivity and Reduces Costs at Hastings Mutual Insurance Company



“With QAS Pro, we have all but eliminated incorrect addresses entered internally. The solution delivered value to our business at a minimal cost and a low total cost of ownership.”

— Joe Sacco
IT Application Development Supervisor
Hastings Mutual Insurance Company

Situation

Hastings Mutual Insurance Company was plagued with thousands of incorrect addresses, a problem that threatened productivity, policy retention and renewal, and customer and agent satisfaction. In addition, labor, postage, and printing costs directly related to incorrect addresses topped \$80,000 annually.

Solution

QAS Pro and QAS Pro Web validate addresses at the point-of-entry in real-time and integrate seamlessly with the company’s existing mainframe and online agent portal.

Results

The company significantly reduced the percent of incorrect addresses—from 20 percent to less than 3 percent. As a result, Hastings Mutual has increased employee and agent productivity, improved product quality by reducing the number of endorsement requests, and enhanced customer service.

The Situation: Incorrect Addresses Threaten Productivity

Founded more than 100 years ago, Hastings Mutual Insurance Company has more than 225,000 personal and commercial policies in force today, with over 40,000 policies added annually. The company generates \$300 million in annual premiums and operates in five states including Michigan, Illinois, Ohio, Indiana, and Wisconsin. According to Joe Sacco, IT Application Development Supervisor at Hastings Mutual, the company faced thousands of dollars in unnecessary labor, postage, and printing expenses each year because of inaccurate address data.

In an effort to ensure that addresses were accurate, the company implemented a “dual-entry” process — each address was entered twice, first into a third-party website for verification and then into Hasting Mutual systems — yet as many as 20 percent of all addresses were still incorrect. Sacco described one instance when the address back-log numbered as high as 30,000. A team of between five and seven employees spent all their spare time over an eight month period working to fix the bad addresses. The time spent to correct the address accumulation impacted employee productivity and led to increased labor costs.

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Incorrect addresses also contributed to inaccurate rating for some customers, as well as increased costs to accommodate address-related endorsements and the repeated mailings of statements and invoices. The company estimated they were losing more than \$80,000 a year in postage, printing and labor costs alone due to incorrect addresses. Hastings Mutual also faced less tangible costs, including dissatisfied customers and agents. "Addresses are a key data element in insurance," Sacco explained, "and the ongoing issue of address data quality was plaguing us. We wanted a point-of-entry address verification solution to solve the issue of invalid addresses before they affected rating, billing, and customer service." Sacco noted that between 15 and 20 percent of Hasting's addresses were incorrect at any one time, resulting in a need to capture correct addresses early in the underwriting process

The Solution: Point-of-Entry Address Verification

Hastings Mutual researched a number of address verification solutions, evaluating each vendor on a range of technical and functional requirements, as well as on financial stability. After comprehensive user evaluations and a proof of concept, Hastings Mutual selected QAS Pro and QAS Pro Web, two solutions that validate addresses against official postal records during data entry and provide options for partial or incorrect addresses. "We

were able to validate the proof of concept in just three days," Sacco said. "This heightened our confidence in QAS's knowledge and support, and we recommended QAS Pro and QAS Pro Web."

QAS Pro runs on top of the primary database and operates at the keyboard buffer level, so changes to underlying code are minimal or completely unnecessary. Customer service representatives or employees in operations use the solution to enter new and updated addresses so the addresses can be verified as complete and accurate before they are used for rating and billing. In addition, QAS Pro works easily within the limitations of Hasting Mutual's mainframe system without requiring any changes to business processes or systems.

QAS Pro Web verifies and standardizes addresses entered over the web and can be integrated seamlessly with any web form. Agents entering policyholder addresses via a web portal use QAS Pro Web to validate the address data before submitting it to operations.

"Of all the products we evaluated, QAS was the easiest to work with, which was very important to us. We understood that if we were to realize significant productivity gains, the solution we chose had to be easy to use," Sacco said. He also knew that integration with Hasting's existing systems was also essential to the success of the implementation. Experian QAS works in any legacy transaction screen to paste addresses in the correct fields, even when field sizes are limited, and the solution is easily implemented within agent web portals.

The Results: Efficient Operations and Reduction of Bad Addresses

To date, QAS Pro has been implemented in Hasting Mutual's billing, customer service, and operations departments, and the

company is already realizing measurable results. After the implementation was complete, Sacco asked one of his colleagues to generate a report showing new homeowner policies over a six-week timeframe, and the report showed that no incorrect addresses were entered during that time. "With QAS Pro we have all but eliminated incorrect addresses entered internally," Sacco said. "The solution delivered value to our business at a minimal cost and a low total cost of ownership." He also noted that the software was easy to install, update and configure, allowing multiple users to share a common profile and cutting down on IT maintenance and support issues.

With the implementation of QAS Pro, Hastings Mutual was able to eliminate its "dual-entry" system, which required that each address be entered twice to ensure accuracy, saving employees significant time and effort and boosting productivity. In addition, Hastings Mutual has seen improved productivity on policy processing as QAS Pro provides the full and correct address even when only parts of the address are entered.

Hastings Mutual is currently implementing QAS Pro Web on its agent portal, and once the implementation is complete, Sacco expects the same return on investment. He estimates the total volume of incorrect addresses will decrease to one to three percent. "That's a significant reduction from a year ago when 20 percent of our addresses were incorrect, and it is a real benefit for our organization," Sacco concluded.

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