



## IKON Case Study

# Atlantic American Corporation

## Gains Efficiencies with State-of-the-Art Claims Management

### CHALLENGE

- Multi-step, complicated manual claims handling process
- Delayed third-party scanning and check delivery, pushing industry deadlines
- Un-indexed CD-ROM claims files and increasing storage costs

### SOLUTION

- IKON Document Lifecycle Strategy Assessment
- State-of-the-art, automated equipment and feature-rich software applications, replacing inefficient manual processes
- Web-based imaging and bar-coded check processing systems
- IKON on-site managed services with renovated service center and formalized customer satisfaction procedures

### RESULTS

- Annualized savings of \$100,000 for on-site claims scanning and imaging
- 80 percent reduction in postage costs for claim payments
- Two-week claims scanning turnaround reduced to one day
- Automated addressing system labeling more than 50,000 direct mail pieces per month

Atlantic American Corporation is an insurance holding company involved through its seven subsidiary companies in specialty markets in the life, health, property and casualty insurance industries. Founded in 1968 and headquartered in Atlanta, Atlantic American serves customers across the United States through 3,500 independent agents and brokers.

### CHALLENGE

A valued partner providing on-site management services to Atlantic American for nearly 12 years, IKON experienced first-hand the inner workings of this growing insurance company. The on-site IKON service center handled mail processing, including the processing of thousands of claims and response cards. Dedicated staff members responsible for processing claims followed a multi-step, manual process that was time-consuming and inefficient.

Complicating matters was an off-site, third-party vendor that managed and scanned its claims. Turnaround time was nearly two weeks, pushing Atlantic American close to the 15-day industry payment deadline. In addition, the claim files were returned to the company on un-indexed CDs, increasing off-site storage costs and making access to claims cumbersome.

When the contract with Atlantic American came up for renewal, IKON saw an opportunity to analyze how changes in both companies could translate into new, more efficient business processes. At the same time, Atlantic American decided to bring lead generation and claims scanning in-house, which would require new systems and technologies.

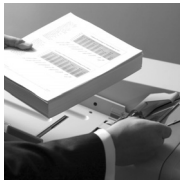
“The dynamics of our business changed drastically in the 12 years since IKON became a partner, and it wasn’t difficult to see that our processes hadn’t evolved at the same pace,” said Barbara Snyder, vice president of human resources, Atlantic American Corporation. “We were ready to take control over functions that were previously outsourced and needed a complete overhaul of our claims processing infrastructure.”

### SOLUTION

Working closely with the customer, IKON performed a Document Lifecycle Strategy Assessment (DLSA) to increase its understanding of the total flow of critical documents through the insurance process. This assessment captures data on documents through all phases of their lifecycles — from initial input and capture through archival and retrieval. IKON uses its DLSA to render cost-benefit recommendations of improved workflow, efficiencies and productivity. With this information, IKON offered a solution that encompassed new equipment, automated systems and software applications that better support Atlantic American’s personnel. This suite of enhancements



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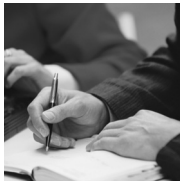


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was mapped to IKON's Service Excellence<sup>SM</sup> methodology, an approach that focuses on total customer satisfaction.

The cornerstone of the new process is a web-based server imaging system that scans and stores completed claims, allowing easy access. A combination of scanners and printers produces claim checks in-house with a new bar code that "instructs" insertion and addressing components, ensuring the right checks reach the right recipients. A commercial grade, cross-cut document shredder eliminated the need for a shredding service. In addition, early steps to internally manage lead generation by imprinting direct mail pieces with a bar code were implemented to aid in demographic tracking.

This comprehensive and far-reaching roadmap for change proved the perfect remedy for Atlantic American's challenges. "IKON brought two important components to the table: the IKON Service Excellence program, and extensive industry know-how and expertise," said Snyder. "IKON's knowledge of the latest innovations in equipment and the intricacies of the insurance business ensures we're getting the best solution possible."



**"IKON provides value that others simply can't offer."**

### RESULTS

Several months into the implementation, Atlantic American is reaping tangible rewards. The new claims scanning and imaging process alone is saving the company approximately \$8,000 a month. The two-week turnaround on claim returns has been reduced to a same-day process, while postage costs have decreased by nearly 80%. The process of hand-labeling checks and mailers is now streamlined with a high-speed automated addressing system, saving valuable man-hours and enabling Atlantic American to generate and send over 50,000 pieces per month.



To aid marketing, the bar code IKON inserts on direct mail pieces delivers valuable customer data with each response sent back by current and potential policy holders. Atlantic American is better able to track campaign response and more accurately steer agents toward prospective clients, bringing the company closer to its long-term goal of building a rich database of actionable, comprehensive marketing data.

Both users and management are impressed with the overhauled infrastructure. "Initial reaction from day-to-day users is very positive; they can do their jobs more effectively with new information at their fingertips," said Snyder. "At the same time, management is seeing cost savings materialize and department budgets go down. That's a win-win combination for us."

IKON and Atlantic American are collaborating to spread efficiencies and benefits even further: efforts to fine-tune support marketing and lead generation activities continue while plans for company-wide imaging are being developed. "In our view, it's important for a partner to develop and nurture relationships with the company you're providing service to. IKON does that every day, and it enables us to look forward to new opportunities for growth," said Snyder.



Atlantic American's chief financial officer, John Sample, concurred. "IKON took the time to understand our processes so they could bring us solutions that make sense. Combine that with the incredible resources behind IKON, and they provide value that others simply can't offer."