



MUTUAL INSURANCE COMPANY OF ARIZONA

Combining Process Automation, Process Integrity Benefits Underwriting, Claims, Compliance and AP

Over the past 30 years, Phoenix-based Mutual Insurance Company of Arizona (MICA) has grown to be one of the strongest medical professional liability carriers in the nation because of its commitment to its policyholders. As a mutual insurance company, MICA's obligation to policyholders includes not only providing the best possible coverage and service but also running its business efficiently to keep operating costs low and favorable impact rates. OnBase® enterprise content management (ECM) software provides capabilities such as document imaging and automated workflow, which have improved productivity, customer service, disaster recovery and process integrity while holding the line on labor and other costs.

Licensed in Colorado, New Mexico and Utah as well, MICA is the market leader for medical liability insurance in Arizona, providing coverage for individual physicians, groups and medical facilities. With an A (Excellent) rating from A.M. Best, MICA's number of insureds and premium volumes have consistently grown over the past 5 years.

"We knew that having stacks of papers and retrieving files was cumbersome," says Ron LeBrun, VP of IT at MICA. "We also recognized that ECM would improve customer service. In the past, a policy holder would call a rep about a policy or invoice, but they wouldn't have the file. Having to call back is especially inconvenient for doctors who are often busy seeing patients."

Working with a consultant, MICA began evaluating ECM solutions that offered ease of use and maintenance, workflow and versioning. After careful consideration and extensive input from the user community, MICA chose an OnBase solution from OSAM, Inc., an authorized OnBase solution provider based in Phoenix.

"We liked OnBase because it seemed to offer more technical proficiency while still being easy to use," LeBrun comments. "It was also important to us that a lot of other insurance companies were using OnBase because it showed that they really understood our business." As part of their due diligence, representatives from MICA conducted a site visit to another insurance company to see first hand how they were using OnBase.

Immediate Access to Any File

While it's critical for all insurance companies to adequately assess risks during the underwriting process, a mutual insurance company like MICA is keenly aware of the potential impact one policyholder's action can have on everyone. Thus, the paper-laden Underwriting Department (UW) was a logical first place to start as it is the beginning of the process. UW began scanning documents and implementing OnBase Workflow in the spring of 2004. In addition to scanning incoming documents, MICA also scanned 26 years of existing UW documents, many of which presented pre-sorting challenges, in about 8 months.

MICA's UW staff scans the mail daily. Ascent Capture® software from Kofax Image Products, Inc. is used to capture specific values from standard documents (such as a policy number from an application). Indexing is also facilitated by drop down menus and the ability to automatically populate keywords using data from OASIS insurance processing software from Delphi Technology, Inc., based on the file number.

Based on the type of document (e.g. new/renewal application, correspondence), territory and other factors, the scanned images are routed to processors working with OASIS. Using dual screens to view OASIS and the OnBase image simultaneously, information from the

AT A GLANCE

Replacing paper-based manual processes with a centralized electronic repository and automated workflow has improved productivity enterprise-wide at MICA while bolstering compliance initiatives.

BENEFITS

- Staffing has remained steady despite increased volume
- Reduced time and complexity of audits
- Enhanced disaster recovery initiatives
- Automation reduces cycle times, increases accuracy and improves accountability
- Single platform for multiple processes reduces total cost of ownership
- Improved customer service

APPLICATION

- Underwriting
- Claims
- Accounts Payable

ONBASE SOFTWARE

- Desktop Document Imaging
- Production Document Imaging
- Archival API
- Export
- CD Authoring
- EDM Services
- Document Import Processor
- E-Forms
- Integration for Kofax Ascent Capture®
- E-Mail Integration for Lotus Notes®
- Publishing
- Virtual Print Driver
- Workflow

COMPLEMENTARY PRODUCT INTEGRATIONS

- Kofax Image Products, Inc. Ascent Capture software
- Delphi Technology, Inc. OASIS insurance processing software
- IBM Lotus Notes® e-mail software

image can be entered into OASIS. The images are then routed through the workflow process. Workflow collects the supporting documents as well as providing E-Forms with checklists. After review and approval, the documents are sent to an Assistant UW for policy issuance.

Similarly, the Claims Department scans its documents at the departmental mailroom. Based on the file number that already exists in OASIS, indexing information is downloaded for those documents. A claim representative uses OnBase to manage documents associated with the claim.

Workflow is also used to manage the multiple approval processes involved in Accounts Payable (AP). Scanned documents are indexed using the OnBase AutoFill capability to pull indexing information from MICA's accounting system. Accounting routes the invoice to a department where two levels of approval are required and the account code is assigned. When it is returned, Accounting posts it to the Accounting system.

These automated workflows decrease cycle times, primarily due to reducing the amount of time spent trying to track down and/or distribute files. Because of the increase in productivity realized by using OnBase, MICA's employee count has remained steady for the past several years, despite the significant annual growth in the number of insureds.

Governance, Risk and Compliance Benefits

MICA's paperless systems reduce the potential for delays and errors associated with having to manually handle all of these processes. Documents are entered into OnBase on the day they are received, and administrators can track their progress and history while a file is being worked or after it has been archived.

Strict security settings can also be applied to documents, preventing unauthorized users from viewing them. For instance, LeBrun notes that AP documents, which are not relevant to the majority of users, have been tightly restricted. Even if a user has access to a document, s/he may be restricted from modifying, printing or e-mailing it.

Conversely, the OnBase solution has made documents more accessible to independent, state regulatory and insurance auditors. MICA has eliminated the disruption associated with having to assign personnel to gather documents for an audit by providing auditors with temporary access to the OnBase repository. Disaster recovery initiatives are also supported by the ability to back up files nightly and store the media off-site.

Happy Customers, Happy Employees

Prior to the implementation, Mary Hedin, MICA's VP of UW estimated that many of the calls to the call center required someone to pull a file from the file room and call a policy holder back. Now, nearly every call can be answered immediately because customer service representatives have immediate access to nearly all documents right from their desktops. More efficient handling of UW and Claims also supports MICA's reputation for professionalism and trustworthiness, which is evidenced by its 98% retention rate.

LeBrun reports that MICA's employees have been happy with the system from the outset. Each department handled its own training with assistance from IT, and the transition was smooth due to OnBase's ease of use. As a member of the Insurance Vertical OnBase Group of User Experts (VOGUE), LeBrun meets with others in the industry to share ideas for using OnBase to optimize efficiency. Self-governed groups that meet to discuss issues and technology specific to their vertical markets, VOGUEs also drive many of the enhancement requests that lead to continuous improvements in OnBase's ability to meet the needs of insurance customers.

OnBase is ideally suited to business processes specific to insurance, but an initial OnBase solution can be enhanced to increase operational efficiency and reduce costs across an organization. In addition to increasing the number of documents scanned and expanding the solution to include risk management, MICA is working with OSAM to develop solutions for the Sales, Marketing and Human Resources departments. As a result, MICA will be able to continue to offer its policyholders the highest quality coverage and best possible customer service at the lowest actuarially sound cost.



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