



Deliver Value. Drive MomentumSM

Pekin Insurance saves over **\$100,000** and cuts data verification time at least **75%** by modernizing and automating its workers' compensation statutory data reporting.



CASE STUDY | PEKIN INSURANCE
STAT REPORTING AUTOMATION

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Business Situation

An innovator since its founding in 1921, Illinois-based Pekin Insurance provides a complete portfolio of personal and commercial insurance, including a full spectrum of P/C, health and life offerings. Pekin's over 800 employees serve more than 900,000 policyholders in 21 states. With combined assets of \$2 billion, Pekin supports a distribution network of 1,500 agencies and 8,500 independent agents.

Recognizing the Challenges

Like many insurers offering workers' compensation policies, Pekin became increasingly burdened by significant overhead costs, and faced associated regulatory compliance risks, resulting from mandated monthly unit statistical reporting (stat reporting). "Late or inaccurate filings can lead to multi-million dollar fines," says Joan Hatler, Enterprise Data Steward. "Correct reporting is business-critical."

In particular, Pekin is required to file stat reports with the National Council on Compensation Insurance (NCCI) and the Wisconsin Compensation Rating Bureau (WCRB). "Extracting the appropriate transaction data from our legacy core systems and reformatting it into the necessary bureau data feeds was a chronic headache," Hatler says. "Our data processing capabilities were increasingly insufficient, resulting in dedicating a staff member to manually verify and reconcile data records for about 60 hours a month."

Recognizing the Challenges (cont.)

It was all so cumbersome that completing a data feed was typically delayed until just hours prior to the deadline, making stat reporting inherently stressful. “Plus, any hiccups meant other employees, such as commercial lines raters and actuaries, needed to take time away from their jobs to assist,” Hatler adds.

In addition, the existing system was unable to generate the data feed needed by Pekin’s claims department for filing workers’ comp subsequent report of injury forms (SROI reporting). As this is also a mandatory monthly task, nearly a day of staff time was dedicated to manually completing SROI forms.

“Consequently, our company’s overall costs and regulatory risks grew with each monthly reporting period,” says Hatler.

Adopting a Solution

As Pekin was undergoing a significant digital transformation across its landscape, including adopting the Guidewire core systems suite, the insurer sought a reporting solution that also integrated with its other new systems. “We turned to our strategic IT partner, ValueMomentum, to leverage its expertise and experience,” Hatler says.

The project began with an evaluation of existing processes and statutory requirements to determine the various types of data feed challenges. Then, ValueMomentum collaborated closely with Pekin to develop a plan to create an end-to-end process for automating stat and SROI reporting.

“We really appreciated ValueMomentum’s attention to detail throughout the process,” Hatler says. “Its development team posed insightful questions that helped us address a variety of concerns for creating an effective and intuitive solution that was easy to use.”

ValueMomentum engineered a solution to streamline and automate information extraction and data feed creation to meet NCCI and the WCRB specifications. This was accomplished with tools such as Microsoft SQL Server, Microsoft SQL Server Integration Services (SSIS), IBM Rational, Microsoft Visual Studio and Atlassian Jira.

Realizing the Benefits

With Pekin's modernized solution, stat reporting data feeds take only about 30 minutes to create and are automatically generated 15-20 days prior to NCCI and WCRB due dates. In addition, vastly improved data quality, along with an intuitive business user interface, has slashed verification time to less than 16 hours per month.

"Previously, we needed to verify and reconcile about 40 percent of the records per month in order to create the NCCI and WCRB data feeds," Hatler says. "That translated to about 50,000 records. Now, it's less than 3 percent, or fewer than 4,000 records." Further, the data feed created by new solution also contains the necessary SROI reporting information, eliminating the former manual claims task altogether.

As the new system enables multiple employees to refocus from tedious data support chores to higher-value business-critical tasks, Pekin is realizing considerable net benefits. "We're saving over \$100,000 versus continuing with our former processes," Hatler says.

"In addition, we've addressed a significant regulatory risk and relieved workplace stress," she adds. "We've also gained a fully automated data process that will seamlessly integrate with our other modernized systems, as they go live. For us, the outcome is a tremendous success."

Highlights



Realized a net savings of over **\$100,000**, versus the previous solution.



Reduced data verification time by at least **75%**.



Gained a robust workers comp statutory data feed, automating stat reporting and eliminating manual claims department SROI tasks.



Eliminated regulatory risks arising from poor data quality, inaccuracies and submission delays.



Acquired a modern, business-friendly solution easily integrated with other systems already in the transformation pipeline.

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With our high-quality, automated workers' compensation data reporting solution we've reduced or eliminated various manual processes, recovering at least 50 hours of staff time every month.

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About ValueMomentum

ValueMomentum provides software and services to Insurance, Healthcare & Financial Services firms. Customers choose ValueMomentum for the company's track record of delivering value and driving the momentum of customers' business initiatives.

ValueMomentum accomplishes this by applying a time-tested formula of combining strong technology expertise with deep industry experience.

For more information visit www.valuemomentum.com