Auto Club Group: Cutting in Half the Time Customers Spend Making a Claim with SAP® Claims Management

The Auto Club Group, parent organization to AAA clubs in 11 states, needed better claims management. The SAP® Claims Management application and SAP Consulting provided an integrated solution for faster, streamlined first-notice-of-loss intake. The process is far easier for both customers and agents, who at the end can tell customers the name of their single point of contact.

Company

The Auto Club Group

Headquarters

Dearborn, Michigan

Industry

Insurance

Products and Services

Automobile insurance and member services

Employees

8,000

Revenue

US\$2.4 billion

Web Site

www.aaa.com

Partner

SAP® Consulting

BUSINESS TRANSFORMATION

The company's top objectives

- Provide faster and easier claim experiences for customers
- Lower operational costs by improving the speed and efficiency of the claims management process
- Reduce loss ratio by providing more timely and accurate information to claims adjusters

The resolution

- Deployed the SAP Claims Management and the SAP Collections and Disbursements for Insurance applications
- Engaged SAP Consulting to perform the implementation
- Spent 1 year testing over 3,300 cases

The key benefits

- Made the claim processes faster and easier for both customers and agents
- Enjoyed better customer satisfaction ratings
- · Reduced car rental costs

Read more

TOP BENEFITS ACHIEVED

-50%

Agent training time

-38%

Initial incident reporting time

-13%
Call handling time

See more metrics



"Not surprisingly, when we surveyed customers that we served with FACTS, we found significantly increased satisfaction levels."

Fausto Martin, Vice President and Chief Claims Officer, Auto Club Group

Company objectives

Resolution

Business transformation

Future plans

Moving to modern, flexible software

The Auto Club Group sells and services AAA memberships in 11 states. With more than 8.5 million members, it is the second largest auto club in the AAA federation and has provided auto insurance and membership services for over 100 years. Its insurance affiliate, Auto Club Insurance Association (ACIA), and ACIA's multiple property and casualty subsidiaries write auto and homeowner insurance.

Until recently the Auto Club Group managed claims, collections, and disbursements using software that was lacking in flexibility and functionality. "Our systems were rigid and painful for claims representatives and customers alike to use," comments George Onofrio, vice president of insurance applications for the group. "For example, they required that all questions about a claim be answered in a particular order. Well, customers often volunteer information in the order of importance to them, which might be very different from the workflow in our legacy systems.

That meant representatives had to write down what was said and enter it into the system after the call as best they could."

"The last thing a customer wants on the phone is silence, and there was way too much of that," adds Fausto Martin, vice president and chief claims officer of the group. "Customers want representatives to listen, keep them informed, respond quickly, and, above all, make sense. Our old systems made it too difficult to meet those expectations. We also wanted to improve productivity and to reduce loss and expenses such as rental cars by accelerating the claims process." The group chose the name FACTS (for Fast, Accessible Claims Transaction System) for the new claims management solution that would help realize these goals.



Company objectives

Resolution

Business transformation

Future plans

Choosing software and implementation from the same source

The Auto Club Group systematically chose the software to serve as the basis for FACTS, culling an initial list of eight software vendors to four and then two before making its final decision. The group selected the SAP® Claims Management and the SAP Collections and Disbursements for Insurance applications, along with the implementation services of SAP Consulting. "We saw a big advantage in the availability of the software we needed and the talent to configure and implement it from the same company," says Onofrio. "Clearly, SAP's own consultants know the software best. Besides, we knew there wouldn't be any finger-pointing if anything went wrong, and that's the way it has worked out. SAP Consulting provided us with some outstanding people – true partners who have engendered trust among both our technology and business people. Their skill set has been a difference maker."

"The availability of integrated software and services was definitely appealing, but even on its own, SAP software was best suited for us," Martin continues. "The functionality of the SAP software was on the money for almost all our needs, and the applications have the configurability to let us address the rest. We didn't want to have to live with some canned package. We also like the tight integration among the claims management, collections, and disbursement functions."

The team preceded deployment with extremely thorough testing. "We spent one full year on testing, using over 3,300 test conditions," reports Onofrio. "And it surely has paid off. I expected that we would have had at least a few problems after entering production, but we really haven't had any at all."



Company objectives

Resolution

Business transformation

Future plans

Improving the experience for customers and agents alike

FACTS is completely living up to its billing, profoundly improving the claims experience for both customers and agents. Capturing first-notice-of-loss information is vastly simplified with only 11 randomly accessible screens instead of 44 fixed-sequence screens – accelerating the initial incident reporting process from 16 minutes to 10 minutes. Better still, the overall time customers spend on the telephone is only half as much as before, because agents have readily available information from FACTS to answer

questions and address issues. "Customers feel confident in us because we have all the necessary data and resources at our fingertips," says Martin. "There are no more gaps of silence while our representative tries to find an answer to a question." The team instituted a single point of contact for each customer policy and automated the process of assigning that person so the customer learns the adjuster's name on the initial call.

KEY BENEFITS

-50%

Agent training time

-38%

Initial incident reporting time

-50%

Time customers spend on the phone

-75%

First-notice-of-loss screens

-95%

Claim assignment screens

-81%

Number of steps in the payment process



Company objectives

Resolution

Business transformation

Future plans

Finishing the rollout

Internally the benefits are just as strong. Shorter calls mean time savings for representatives too, and therefore their productivity has leaped. By accelerating all the processes involved, the Auto Club Group is settling claims faster and issuing payments sooner – with just 20 steps entailed in the payment process instead of 107. Not only does this make for greater customer satisfaction, but it reduces the time the group has to pay for rental cars while a customer's vehicle is being repaired. Or if subrogation to another responsible party is the outcome, the results are in sooner and the case is off the books faster. New representatives are completely trained within two or three days instead of a week.

FACTS is currently rolled out in Michigan, Minnesota, Illinois, Indiana, Wisconsin, Nebraska, North Dakota, Iowa, Kentucky, West Virginia, and Ohio. The Auto Club Group is targeting the implementation of the home line of business next.





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