



HanseMerkur Insurance speeds up claims processing

“Being a personal insurance provider with a long distinguished tradition, we have focused on the human aspects of customer service and relationship building – this is a principle which is mirrored both in our innovative products and our service“.

At HanseMerkur, the focus is on service and customer relationships. Labor intensive, internal, back office work should be automated to the highest degree possible. This philosophy also applies to the distribution of incoming mail and the extraction of business critical data.

Objective

HanseMerkur Insurance set out with an overall goal of better utilizing their human resources in order to maximize customer service. A key component to this goal was to more efficiently and accurately sort their incoming mail and capture more data without the need for additional manpower. The ultimate project objective was to fully sort and identify all incoming mail consisting of invoices and other important documents, and further, to perform automatic data extraction with little if any human intervention.

Solution

HanseMerkur chose a solution from Paradatec which was integrated and implemented by IBM Global Business Services. Components include: Paradatec's PROSAR-AIDA and PROKEY ICR/OCR-capture system along with EMC's InputAccel scanning subsystem. This set of components integrated with the highly sophisticated yet easily maintained rule tree logic from Paradatec has become a virtual standard used by many health insurance organizations.

In 2006, HanseMerkur went live with automatic document classification for their private health care claims. The implementation has been an outright success. From day one, HanseMerkur has been identifying, classifying and routing 78 different freeform document types and 150 structured form types. All specified data items which were previously keyed in a manual process, are now extracted automatically using Paradatec's highly efficient ICR/OCR process. This data includes: customer information, policy deductibles, co-payments, advance payments, information about parameters of visual aids (from

opticians' invoices, and diagnoses (from doctors' invoices).

In 2007, this already very successful project was expanded to include automatic line item extraction of billing data from doctors and dentists invoices. This billing data is validated against a database of tariffs for doctors and dentists. Additionally, the classification and data extraction process was expanded to 85 freeform document types.

In addition, the accounting department at HanseMerkur uses Paradatec's PROKEY in a process for automating accounts payables records in HanseMerkur's SAP ERP system.

Success in numbers

- 90% automatic classification of all incoming mail (85 freeform document types, 150 structured form types);
- More than 81% of contract numbers and 85% of table data (line items) are extracted automatically and require no human intervention
- New back-office processes have ensured higher data quality, better customer service, and increased customer loyalty;
- Unprecedented business growth (about 50% expansion of customer base and close to 20% increase in premium growth in 2006). This growth has all been managed with little to no change in mailroom labor headcount.

HanseMerkur's 125 years old roots go back to the founding of the "Hanseatische Krankenversicherung von 1875 Merkur VVaG". In 1969 the merger with "Die Hanse-Krankenschutz VVaG in Hamburg", founded in 1936, led to the present „HanseMerkur Krankenversicherung a.G.“ - the parent company of the HanseMerkur insurance group.

Paradatec was founded in 1988 in Braunschweig, Germany. For more than two decades, Paradatec has focused its skills towards delivering the most efficient, accurate, and flexible freeform document classification and data extraction solutions available anywhere. Paradatec software modules have been, and are used in a multitude of different vertical markets both in domestic and international organizations. Paradatec is represented by subsidiaries located in the U.K. and in the U.S.