

Insurance NETWORKING NEWS

April 2006

PMA Earns High Customer Service Scores

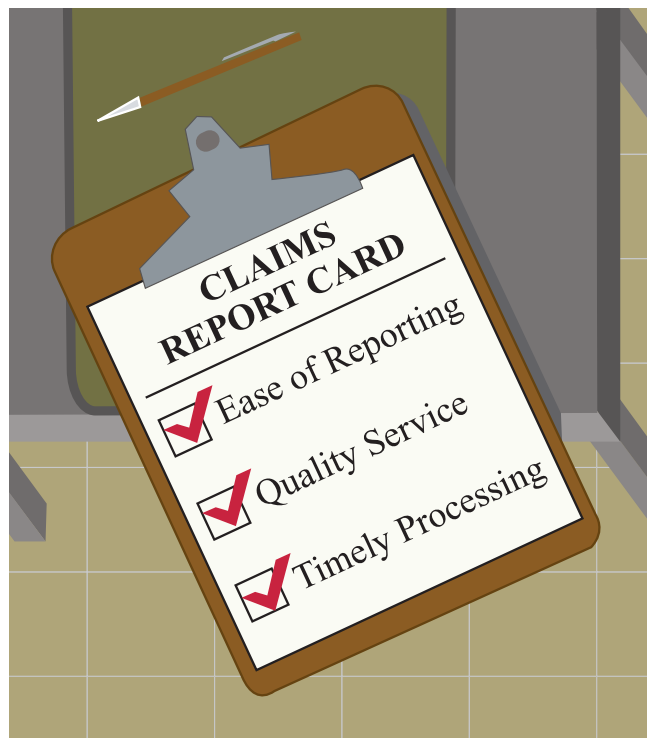
The insurer's Internet loss reporting system and document imaging system have significantly enhanced customer satisfaction. By Daniel Joelson

IN A SIGN OF THE MAJOR BENEFITS to be won by insurance firms that accentuate Web-based and electronic solutions, the Blue Bell, Pa.-based insurer PMA Insurance Group received superlative ratings in customer service in a recent survey conducted by an independent researcher.

In the survey, J.P. Murphy and Co., a Malvern, Pa.-based marketing and opinion research firm, asked approximately 500 of PMA's active clients about the quality of customer service that the insurer offered in areas including claims processing, risk assessment, risk management and cost control.

PMA, which provides mid- and large-sized employers with workers' compensation, commercial automobile, commercial multi-peril and general liability insurance, scored an "excellent/good" rating of 90% or above in 14 service categories.

These include ease of doing business with PMA, ease of reporting claims to the firm, quality of local service, treatment of claimants, overall claims management, understanding your



business, and timeliness of claims processing and payment. Further, 95% of the insurer's clients said it had exceeded, fully met or generally met their service expectations, according to PMA, which, along with J.P. Murphy & Company, revealed selected results from the survey.

An important reason for PMA's strong numbers is its cost-effective management of claims—ensuring that employees who have sustained a work-related injury return to the workplace in a timely fashion. Underpinning the carrier's ability to control costs and provide

effective customer service are two technological prongs: its loss reporting system and its imaging platform.

LOSS REPORTING SYSTEM

With PMA's internally built online loss reporting system, customers complete an electronic form on the insurer's Web site, which is instantly transmitted to the company's customer service center. An electronic confirmation is immedi-

FRONT OFFICE

The latest on customer-facing issues driving revenue

ately issued, along with the new claims number.

PMA rolled out the service to a limited number of customers in 2001, then launched it to all clients in 2004. While that year approximately 25% of PMA's workers' compensation claims came in online, the Internet now represents PMA's primary channel for receiving the reports. Approximately 51% arrive online now, according to Kurt Schuhl, a senior vice president and chief claims officer for PMA.

This translates into major cost savings in workers' comp claims. "It keeps the cost down the sooner you report the claims," says Wendy Fonda, director of human resources for Clemens Markets, Inc., a Kulpsville, Pa.-based family business that operates grocery stores in suburban Philadelphia.

Clemens, a workers' compensation client of PMA, reports approximately 97% of its losses within three days, and averages 0.2 days (i.e., a few hours) to report losses, according to Fonda, who credits PMA for the results. This dramatically impacts the bottom line: The average claim total is \$5,000 if handled in under three days, whereas the same claim is approximately \$14,000 when handled after 20 days, she says.

Companies such as PMA that promote Internet loss reporting are not only pleased because it boosts customer satisfaction; it does so without a lot of resources.

"There is inevitably tension between cost and service, and the trick is to give clients the sense that you value the relationship without spending a fortune on staff and other tools," says Craig Weber, a senior analyst in the insurance practice at Celent LLC, a Boston-based research and consulting firm. "That's what is great about self-service tools."

By making them available, insurers can provide customers the value of convenience, while avoiding low-value manual work. When customers use online self-service, they personally enter data, look up values, check the status of claims and much more.

Importantly, PMA also offers the more traditional outlets for reporting losses, because some clients prefer reporting via telephone, mail or fax.

"Self-service is a fine option that can help reduce costs and is great for convenience," explains Weber. "But brokers typically want to be able to pick up the phone and call someone if they need service."

PMA's customer Clemens is a case in point: While the grocery chain's stores generally call in claims, the corporate office reports both via the Internet and telephone, says Fonda.

This is ideal, says Weber. "Best-practice companies do both: They provide the options that their customers want."

IMAGING PLATFORM

Another technology that elicited positive customer feedback for PMA is its imag-



Jim Klotz

—PMA Insurance Group

ing platform. This technology enables claims professionals to receive electronic facsimiles of paper documents.

"We save time by not having to chase paper, and we redeploy that time into customer service efforts," says Schuhl. "So we not only have greater efficiency with the imaging, but also greater effectiveness, so we can drive better outcomes on claims."

From the moment PMA receives notice of a claim, it scans virtually every document relevant to that claim and stores it electronically, thus saving space. This enhances customer satisfaction because operational savings are passed along to PMA's clients in the form of reduced costs, according to the insurer.

In addition, since the documents are immediately available across the company, the entire firm is more responsive, says Jim Klotz, senior vice president and chief information officer for the insurer. Claims and managed care professionals can collaborate throughout the area in which PMA is represented, from New York to Florida, and develop a strategy for the best claim outcome. In so doing, the



Kurt Schuhl

—PMA Insurance Group

company can respond to inquiries faster—typically instantaneously by phone. Previously, it took hours or even days and a lot of telephone “tag.”

“You want to avoid the who’s-got-the-file syndrome,” says Celent’s Weber. That is the old way of doing business that people are desperately trying to get away from.” But, he notes, this is easier said than done. “The devil is in the details. Making those images available to the right people and getting those people to adopt the imaging system as their tool of choice is the key.”

OTHER TECHNIQUES

PMA Insurance has employed other customer service techniques noted by the survey respondents. For instance, Clemens—whose employees experience injuries such as cutting their fingers at the deli to repetitive motion syndrome—appreciates the audits PMA conducts in its stores, indicating if anything is amiss and providing information about how the grocer can improve safety.

Clemens’ Fonda also gives high marks for the expertise of PMA’s claims staff. “They are quick to respond, and they have knowledge of the claims,” she says. “PMA keeps the same claims adjusters working with our company. They don’t seem to have high turnover, which helps with us because they really understand our company and our culture.”

PMA also has an Internet risk management platform, which its customers noted as helpful, according to James Murphy, head of J.P. Murphy and Co. This tool gives PMA clients instant access to important claims, and enables them to analyze and manipulate their risk data. For instance, they can view more than 30 summary and detailed claims screens, track OSHA reports, display graphs and send e-mail to PMA claims representatives through the online platform.

PMA also has achieved positive customer service results for basics, such as listening closely to customers, intelligent hiring practices and creating a service-oriented culture.

“Customer service is part of our performance expectations,” says Schuhl. “We solicit feedback about our customer service from the customers, agents and brokers that we do business with. We also have claims service managers who are assigned specific accounts and are in constant communication with our customers.”

In the end, PMA’s challenges are no different from other organizations. “Companies in general are looking for further cost reductions,” says Murphy, who has surveyed customer service of other insurance firms, as well as resorts, banks and telecommunications firms. He claims few companies have results as high as PMA’s.

“It really boils down to giving users a choice in how they access your service,” says Celent’s Weber. “There is no one-size-fits-all with customer service. You have to meet each client on his or her own turf.” **INN**

Daniel Joelson is a business journalist based in Washington, D.C.



PERFORMANCE. IT'S WHY WE GET CHOSEN.®