



Hastings Mutual Insurance Company fixes incorrect addresses

Hastings Mutual Insurance was plagued with thousands of incorrect addresses, a problem that threatened productivity, policy retention and renewal, and customer and agent satisfaction. In addition, labor, postage, and printing costs directly related to incorrect addresses topped \$80,000 annually.

Objective

Founded more than 100 years ago, Hastings Mutual Insurance Company has more than 225,000 personal and commercial policies in force today, with over 40,000 policies added annually. The company generates \$300 million in annual premiums and operates in five states including Michigan, Illinois, Ohio, Indiana, and Wisconsin.

According to Joe Sacco, IT application development supervisor at Hastings Mutual, the company faced thousands of dollars in unnecessary labor, postage, and printing expenses each year because of inaccurate address data.

In an effort to ensure that addresses were accurate, the company implemented a "dual-entry" process, where each address was entered twice, first into a third-party website for verification and then into Hastings Mutual systems; however, as many as 20 percent of all addresses were still incorrect. Sacco described one instance when the address back-log numbered as high as 30,000. A team of between five and seven employees spent all their spare time over an eight month period working to fix the bad addresses. The time spent to correct the address accumulation impacted employee productivity and led to increased labor costs.

Incorrect addresses also contributed to inaccurate rating for some customers, as well as increased costs to accommodate address-related endorsements and the repeated mailings of statements and invoices. The company estimated they were losing over \$80,000 a year in postage, printing and labor costs alone due to incorrect addresses.

Hastings Mutual also faced less tangible costs, including dissatisfied customers and agents. "Addresses are a key data element in insurance," Sacco explained, "and the ongoing issue of address data quality was plaguing us. We wanted a point-of-entry address verification solution to solve the issue of invalid addresses before they affected rating, billing, and customer service." Sacco noted that between 15 and 20 percent of Hastings' addresses were incorrect at any one time, resulting in a need to capture correct addresses early in the underwriting process.

Solution: Point-of-entry address verification

Hastings Mutual researched a number of address validation systems, evaluating each vendor on a range of technical and functional requirements, as well as on financial stability. After comprehensive user evaluations and a proof of concept, Hastings Mutual selected two Experian solutions that validate addresses against official postal records during data entry and provide options for partial or incorrect addresses. "We were able to validate the proof of concept in just three days," Sacco said. "This heightened our confidence in Experian and their knowledge and support, and we recommended their address validation solutions."

Because the solution runs on top of the primary database and operates at the keyboard buffer level, changes to underlying code are minimal or completely unnecessary. Customer service representatives or employees in operations use the solution to enter new and updated addresses so the addresses can be verified as complete

and accurate before they are used for rating and billing. In addition, Experian's address verification works easily within the limitations of Hastings Mutual's mainframe system without requiring any changes to business processes or systems.

The solution verifies and standardizes addresses entered over the web and can be integrated seamlessly with any web form. Agents entering policyholder addresses via a web portal use the software to validate the address data before submitting it to operations.

"Of all the products we evaluated, Experian's software was the easiest to work with, which was very important to us. We understood that if we were to realize significant productivity gains, the solution we chose had to be easy to use," Sacco said. He also knew that integration with Hastings existing systems was also essential to the success of the implementation. Experian software works without difficulty in any legacy transaction screen to paste addresses in the correct fields, even when field sizes are limited, and the solution is easily implemented within agent web portals.

Results: Efficient operations and reduction of bad addresses

To date, the solution has been implemented in Hastings Mutual's billing, customer service, and operations departments, and the company is already realizing measurable results. After the implementation was complete, Sacco asked one of his colleagues to generate a report showing new homeowner policies over a six-week time frame, and the report showed that no incorrect

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—Joe Sacco IT Application Development Supervisor, Hastings Mutual Insurance Company

addresses were entered during that time. "With Experian, we have all but eliminated incorrect addresses entered internally," Sacco said. "The solution delivered value to our business at a minimal cost and a low total cost of ownership." He also noted that the software was easy to install, update and configure, allowing multiple users to share a common profile and cutting down on IT maintenance and support issues.

With the implementation of Experian's address validation, Hastings Mutual was able to eliminate its "dual-entry" system, saving employees significant time and effort, while boosting productivity. In addition, Hastings Mutual has seen improved productivity on policy processing as Experian provides the full and correct address even when only parts of the address are entered.

Hastings Mutual is currently implementing Experian on its agent portal, and once the implementation is complete, Sacco expects the same return on investment. He estimates the total volume of incorrect addresses will decrease to one to three percent. "That's a significant reduction from a year ago when 20 percent of our addresses were incorrect, and it is a real benefit for our organization," Sacco concluded.

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