Case Study:

Maintaining 100% accountability for every check printed.
Farmers® Insurance Group

Executive Summary:

Printing approximately 700 million images in 2009 alone, Farmers Insurance communicates a tremendous amount of customer-critical data every single day – much of it checks for claimant reimbursement. Growing volumes combined with the critically important nature of the materials drove Farmers to seek out a partner who could provide a solution that would automate job audit and reconciliation. The result was a full-featured Videk solution delivering inspection of check documents, complete job reconciliation and streamlined error identification, while improving operational productivity and efficiency.

Herb LaMonda, OPC Director for Farmers at their Chino, CA facility

Technology leadership for the highest customer service

Farmers Insurance has a long track record of applying innovative technology to enhancing customer service and productivity. With over 40 years at Farmers, most recently overseeing print, pre-sort and mailing operations, Herb LaMonda, OPC Director for Farmers, has played a major role in this continual commitment to best-in-class customer service and operational integrity.

"Farmers has continually improved our ability to communicate critical information to customers." said LaMonda "By constantly innovating our industry-leading document services organization with the latest technology and processes, we ensure customer communications are accurate, high-quality and on-schedule."

Claims payment & reconciliation – a need for mission-critical accountability

Claims processing is a critical service provided by Farmers. By nature, these payments are being made to customers who are in essential need of assistance. 90% of all the Farmers claims payments are processed through their new Chino, California facility.

"As a document services group processing claim payments, we really have accountability to multiple entities." continued LaMonda "First is our customer, and that can be a claimant themselves or a vendor providing claim-related services. In addition, there are Farmers agents who are responsible for the care of our customers, and we play a crucial role in the agents' ability to help a customer with their needs. Finally, the Farmers corporation, which relies on us to be the purveyors of accurate, on-time payments for the company while maintaining traceability for the services we perform."

To help ensure print job integrity, check production audits were historically conducted manually. At the end of each check run, operators would reconcile source file data versus actual printed output. In the event of an un-reconcilable job, operators were tasked with deducing the specific sources of the balancing inaccuracies, and identifing problematic checks. If this wasn't easily managed, operators were required re-run and re-check the entire job – mistakes were not an option.

Adding to the need for print job reconciliation and check traceability was the fact that corporate audits are performed at least once a year, meaning that reconciliation records for printed claims checks had to be completed and stored for recall at any time.

The manual processes for managing this information were resulting in wasted time, resources, and leaving the print operations team with an inefficient means of participating in the audit process. "Significant production volumes, strict adherence to the audit process and our unwavering commitment to quality all lead us to search for a better way to manage the reconciliation process." said LaMonda.

ViDEK

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The Solution:

Real-time check inspection and data management technology

Seeking to make the entire process more effective and more efficient, Farmers approached Videk with a business challenge: to provide a system that would automate the collection of essential check information, and provide a digital method of reporting completed job data with connectivity to Farmers' own source data for true reconciliation of printed output versus the print file.

The solution was Videk's DocuVision™ 8400 Print Verification System – a field-proven solution for laser print applications, and one of the most widely deployed check inspection systems available. Integrated into the paper path of Farmers' Océ VarioStream® printers, the DocuVision 8400 scans full-page images of every check printed in real-time. Regions of interest (ROIs) are defined, and enable the inspection and collection of key check data including:

- Check number – enabling tracking missing or duplicate checks, as well as total number of checks produced
- Check amount – monitoring total check run value, and individual check amount accuracy
- MICR characters – inspected for optical readability
- Account number – for customer identification per check
- Encoded Data Matrix barcode information

Information collected by the DocuVision 8400 system is fed into Videk's RECON Manager data collection and reporting utility, where it is configured into a complete job summary report. At this point, RECON Manager also receives a master print data file from Farmers' main system, and performs a comparison of collected print output data with the print master file for a total job audit of actual versus intended output. This report is then easily accessible for the operator to review immediately to reconcile the completed job, and can be stored for later retrieval in the event of an audit.

Check runs commonly include multiple unique payments to an individual customer. To monitor this in accordance with Farmers'

existing data management practices, Videk delivered a custom comparison reporting function that uses customer ID information to

Videk's DocuVision 8400 interrogates every check printed for critical job reconciliation data
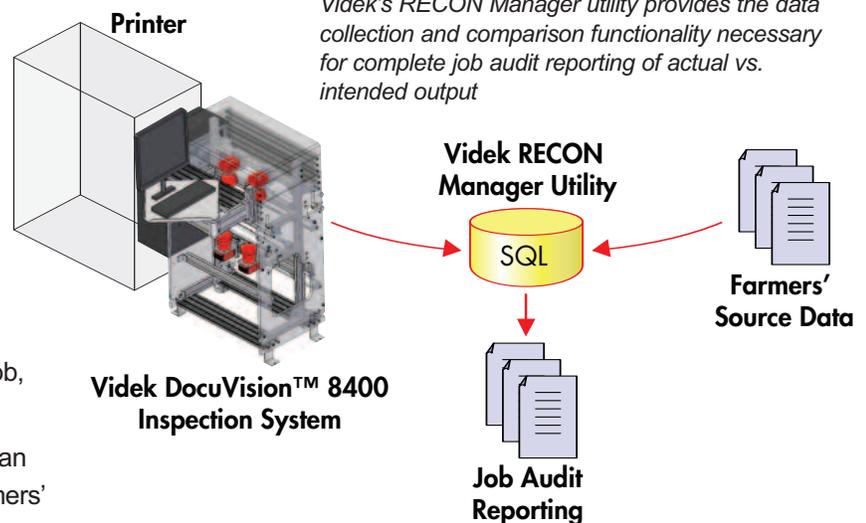
enable aggregating check-by-check information into a single customer line item – eliminating any IT modifications by Farmers.

"Working with Videk on this program was a breath of fresh air in that it was truly a partnership endeavor." said LaMonda. "Our close alignment on the up-front requirements definition, combined with their collaborative approach throughout the installation has enabled us to put a system in place that meets the unique needs of our business. The inspection capabilities, data capture, analysis and reporting are all designed to meet our specific requirements."

Videk's RECON Manager utility provides the data collection and comparison functionality necessary for complete job audit reporting of actual vs. intended output

Printer

Videk RECON Manager Utility

SQL

Farmers' Source Data

Videk DocuVision™ 8400 Inspection System

Job Audit Reporting

The Results:

With the Videk technology in-place, Farmers is now able to completely eliminate the need for any manual reconciliation of jobs – something that historically took an average of 20 minutes per job.

The specialized reporting function delivered by Videk also provides operators with a more surgical approach to correcting errors causing a non-reconcilable job. Through the identification of specific problematic checks, operators can re-print or out-sort only the corrupt documents – saving time and resources.

Additionally, the comprehensive reporting delivered by the system

enables Farmers to generate essentially any information required for operational audits, making compliance a far simpler task that requires less manpower. All required information is easily retrievable, and highly reliable.

"In addition to the tremendous operational improvements this has afforded us" continued LaMonda "We've added an enhanced layer of quality assurance to our claims processing operations, helping ensure that payments are accurate, complete and met without delay. A service that's so important to our customers who are dealing with what is many times a life-disrupting event."