



Allstate Insurance – Leading the Way in Insurance Document Automation

Printing documents for Allstate's 30 million policy holders requires volumes of paper. Here in Allstate's staging area are, Output Processing Manager Debbie Hutson and Print Distribution Center Manager Bruce Brown.



When the “Good Hands People” wanted to get personalized transactional documentation and marketing materials in the hands of their customers faster and on a more frequent basis, the Allstate Insurance Company knew it was time to look for an alternative solution for its massive printing needs.

The solution they found was to switch to the most advanced and fastest twin duplex continuous forms printers on the market combined with sophisticated bar code automation insertion equipment to ensure complete document integrity. The results were impressive – the new technology from Océ Printing Systems USA, Inc. dramatically increased productivity, reduced printing and mailing costs, and enabled the insurance giant to individualize communications with its more than 30 million policy holders.

Allstate, the nation's largest publicly held, personal lines insurance company, had relied on standard pre-printed forms printing for much of its policy document production. The decision to abandon this printing method, and to reject the industry-standard practice of using cut sheet printers in favor of high speed, continuous forms twin duplex printers, was not made lightly.

In the insurance industry, the largest application is the insurance policy together with the DECset, Explanation of Benefit forms, billing documents, and policyholder's ID card. Until very recently, the perception among insurance companies was that the only way to make certain that the policy correctly matched the insured's identification card was to use multiple bin cut sheet

printers. Any error or mismatch in this process could result in an Indiana insured's ID card being sent to a policyholder in Illinois, additional time and expense to rectify the mistake, and of course, a loss of credibility for the company.

Because an impressive nine out of 10 people link the “You're in Good Hands with Allstate” slogan with Allstate insurance products and trust in its reputation to serve its customers, the issue of credibility is paramount to Allstate.

For Allstate Printing and Distribution Services Director of Field Support Barbara Gohr's employees, the chance to reduce printing and mailing costs and improve productivity was an opportunity to not only contribute to the company's bottom line, but also to respond to the Allstate marketing department's desire to personalize its communications with policy holders.

Allstate is more progressive in its approach to printing than most insurance companies having consolidated the transactional, offset, and print-on-demand printing functions at its 25-acre Print/Distribution Center in Wheeling, Illinois.

Allstate complements this facility's operation with another print center, located in Dallas, Texas, that is solely dedicated to policy holder print output. The Dallas plant produces approximately 40% of the data center work while the Wheeling facility produces 60% of the policy holder information as well as the offset and POD work. Director, Barb Gohr, oversees both operations creating cohesive consistency and synergies in the entire document production process. "The benefit of these two operations co-existing is that the Wheeling facility is equipped to handle both POD work and customer transactional documentation. So, today Allstate is prepared for the digital printing revolution. You see, the output processing department in Wheeling can accommodate the overflow of the print on demand work of booklet publishing as well as that of report and customer output production. With the implementation of automation and advanced technology we now can produce AFP work and will be able to accommodate PostScript as well as Xerox work. We see the technology, which before, was exclusively transaction documentation based, is now merging with the in-plant operations. At Allstate we're positioning the company to succeed in the evolution of documentation production."

At the Print Distribution Center Manager Bruce Brown directs three production shifts to print marketing collateral including Allstate's brochures, posters, letterhead, envelopes, and on-demand materials using a variety of four-color sheet and web printers at the 430,000-square foot plant.

On the data center side of the house, Output Processing Manager Debbie Hutson supervises the printing and mailing of transactional documents such as insurance policies, DEC sets, and customer bills for Allstate's policyholders. Systems



Manager Keith Heerdegen was responsible for application development and implementation of these transactional and other electronic documents.

Allstate's implementation of automated continuous forms technology is a compelling example of the many transitions required for insurance companies seeking improved productivity and customer service in transactional document production.

"In 1989, only coverage information and bills were computer generated," Heerdegen said. "To achieve economies of scale," he said, "the print and mail centers were later integrated to create a prototype of laser and electronic printing operations." An 8 1/2 x 11-inch automobile policy format introduced that year proved successful and paved the way for later customization of information in customer mailings using high speed printers.

The initial test application was followed by a new separate, monthly billing application with unique duplexing and customization requirements. The marketing department's research analysis demonstrat-

ed that the benefits of the new monthly statement outweighed the increased postage cost and complexity of separating the bill from the policy renewal or endorsement.

While Heerdegen's team worked to develop the new monthly billing application, which would be produced in a 8.5 x 11-inch format, Allstate's marketing department also re-examined policy issuance formats. Thorough research and focus groups showed customer acceptance and preference for a new 7 x 10-inch format, which was a radical departure from the insurance industry norm.

Marketing's analyses also indicated that the new, smaller format would be cheaper to print and mail. Like any insurance company, Allstate is extremely document dependent. And as one of the biggest players in the industry, even a small refinement or cost savings in Allstate's phenomenal half-billion-page output annually could reap significant financial returns.

To meet this goal, Allstate next defined its objectives: to increase transactional document productivity; reduce printing and mailing costs; maintain document integrity;



Allstate's Director of Field Support, Barbara Gohr and Systems Manager, Keith Heerdegen check the print quality of the Allstate documentation.

and institute a tracking system. In 1994, the printing division set its criteria for selecting a vendor that could efficiently print the new 7 x 10-inch format for the policy, DECset, and ID cards.

Allstate's number one criterion was to ensure the vendor's technology be an open system that meshed with the application and that its solution be the best and most appropriate for the application. The second most important factor was

cost, not just for the acquisition, but also the maintenance expense over the life of the installation.

Next, Allstate wanted a fast, quality product. Insurance companies must get important documents and policies into the hands of customers within a set time period and Allstate's new printers had to deliver on time. Footprint was important, too, for despite its gargantuan facility in Wheeling, floor space was at a premium. Allstate also specified that the printers be application-independent and flexible in accepting any platform or data stream-AFP, IPDS, line mode, Xerox Meta Code, Xerox DJDE or PostScript, without the need for application rewrites.

The printing division built support for its printer solution initiative by including and cultivating enterprise-wide buy-in from operations, which performs printing and mailing; marketing, the prime user; purchasing; and systems and application development. With the ground work laid, it was time to begin evaluating vendor proposals.

An established, global printer technology leader provided the winning solution to Allstate's rigorous criteria. The company convinced the selection team that high speed, continuous forms duplex printing using twin systems could satisfy Allstate's speed, volume and savings targets. The biggest hurdle was assuring Allstate that document integrity could be maintained without the danger of mismatching the policy and ID card.

The solution to the Allstate challenge was elegantly efficient. Today, Allstate uses two stacks of continuous forms output from the high speed twin duplex printers-one stack with a bar code printed on the policy and the other stack with the same bar code on a corresponding ID card. The two stacks feed into a specialized post-processing insertion device that reads and matches the bar codes, merges the document, and inserts all the correct documents into an envelope.

"We have effectively automated the entire printing and distribution process and met our productivity and cost objectives in one step," Heerdegen said.



Gone were the multiple bins feeding the cut sheet printers and the production bottlenecks many insurance companies experienced using outmoded technology. The new solution also eliminated the need for labor intensive post-processing steps such as unloading the paper stack and carting it to a processing area.

"We are also very pleased with the way the automated bar code solution has worked to ensure document integrity and provided us with the tracking system we need to verify quality," Heerdegen said.

Allstate's applications are running in an MVS mainframe environment to the high speed continuous forms twin duplex printers, producing the 7 x 10-inch policies, DECsets, and ID cards with sequential bar codes. The policy is a duplex application that is printed on the twin and sent to a folding cart lined up with the automated insertion device. The ID card also is

"Printing and Distribution Services contributed to Allstate's significant cost saving last year. Without automation and the high-speed twin duplex printers, that would not have been possible."

*Bruce Brown
Allstate Insurance
Print and Distribution Mgr.*

*Allstate produces in excess
of 4,000,000 pieces of
documentation weekly.*

a duplex application printed on 28-pound stock and then sent to a burster, chopped into 7 x 10 cutsheet output and placed in an insertion bin where it is merged with the policy via sequential bar code. The package is then inserted into an envelope and postmarked.

The introduction of duplex printing also made marketing's application proposal of monthly billing statements an affordable option. The printers enabled Allstate to economically meet the higher print volume demands of this billing program and the projected growth in the number of policyholders in the future.

Another advantage of the revised application is the print-on-demand capability to tailor letters to very specific situations that might address a policyholder's individual requirements. "The POD capability permits each letter to be signed by the individual customer's agent – a benefit that makes policyholders and agents feel good," Heerdegen said. To accomplish this feat, Allstate has captured the signatures of its 15,000 agents for use in each mailing.

The synergy between Allstate's data center and in-house offset printing units at the Wheeling and Dallas facilities are now being more fully realized with the advent of the automated, high speed, continuous forms twin duplex printer solution. Has the automated, high speed, continuous forms twin duplex printer solution delivered on its promise to reduce Allstate's transactional document printing costs?

"Absolutely," said Gohr. "The introduction of this advanced technology brought us more throughput with less operator labor and has raised our productivity accordingly. Duplex printing has also reduced the weight of our package and saved postage," she said.



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