



CASE STUDY



QUICK LOOK

- Largest mutual company in Missouri
- Over \$3 billion insurance in force
- Annual premiums exceed \$20 million
- 20,000 policyholders, 200 agencies

Company Profile

Billings Mutual Insurance (BMI) is a progressive farm mutual based in Billings, MO. Established in 1891, the company has grown to serve over 20,000 policyholders and has over \$3 billion of insurance in force. Their growth is attributable to their outstanding service to policyholders and the 200 agencies that represent them.

Customer service is critical to BMI's success, so efficiencies in day-to-day operations are essential. IMT Apps software is an important key to that efficiency. This Des Moines, Iowa-based software provider was first introduced to BMI when IMT acquired several software platforms, and they've been working hard ever since to bring best-in-class capabilities to BMI and other insurance company customers.

A Better Payment Process

A few years ago, Billings Mutual processed a high volume of premium payments but did not offer electronic payment methods. Customers were asking to make payments over the telephone and to set up regular automatic payments. In addition, BMI's non-electronic payment process involved numerous manual steps and required a significant amount of administrative time. Customers, agents and office staff all needed to find and implement a better method.

An improved payment process has now become a major component in meeting customer expectations. To respond to customer demand, Billings Mutual added both telephone and automated payment options. The company enlisted the services of ReliaFund to process these electronic payments through the appropriate banking channels and deposit collected funds in the Billings Mutual accounts.

Because IMT Apps is connected directly to ReliaFund, the collection process is easy and efficient. Through payment features in IMT Apps, Billings Mutual seamlessly handles both credit card and ACH payments. ReliaFund reports track all of BMI's electronic transactions, and provide same-day notification on NSF transactions if they occur.

“We’ve reduced our overhead costs to the benefit of our policyholders.”

Jo Ann Halter
Assistant Treasurer
Billings Mutual Insurance



Results and Benefits

The integration of IMT Apps with ReliaFund means the entire payment process requires little effort by BMI employees. Policyholders can pay directly by ACH debit to their bank account, or by credit card. Efficient, on-time electronic payments are easily tracked throughout the process. And while BMI still accepts checks, the efficiency of electronic processing has met customer demands and eliminated questions about when or if a payment was received, a critical issue in the insurance world.

The shift to electronic payments has saved Billings Mutual a significant amount of office staff time. Because agents can assist in the payment process, labor costs are further reduced. The cost of electronic transaction processing is more than offset by this savings. Most importantly, customers have noticed. They appreciate the flexibility, convenience and control of payments by telephone, automatic debit and credit card.

Jo Ann Halter, assistant treasurer for BMI, reports the company now processes 25-30,000 premiums annually by ACH or credit cards. To manually process that many check payments again would be very expensive. "Our customers enjoy the convenience of electronic processing and would not want to go back. They save thousands of dollars in postage annually, while we've reduced our overhead costs to the benefit of our policyholders."

Recent Updates

In 2014, BMI further improved their process by offering the ability to make payments directly online through the company's web site. This enhancement helps meet the needs of customers in a busy world, while reducing the number of phone payments that must be handled.

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PAYMENT SERVICES USED

- ACH transaction processing
- Credit card processing

"Our customers enjoy the convenience of electronic processing and would not want to go back."

Jo Ann Halter
Assistant Treasurer
Billings Mutual Insurance

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CASE STUDY



QUICK LOOK

- Established 1898
- Serves central Minnesota
- \$1.6 billion insurance in force
- Annual premiums \$2 million
- 3,200 policyholders, 21 agencies

Customer Profile

A lot has changed since Elmdale Farmers Mutual was founded in 1898. The cost of insurance that year was five cents per hundred dollars of coverage, and the company's first claim was a whopping \$20 for a fire-damaged barn, hay and harness.

By 2005, the company had grown to serve several thousand policyholders. But along with that growth came a bothersome problem: late payments were increasing, especially for quarterly premiums. Late payments required time-consuming lapse notices and costly certified-receipt cancellation letters. Even when these formal collection efforts were successful, the eventual payment was often delayed by months.

Poor cash flow and spiraling costs meant something had to be done.

A More Timely Payment Process

To help manage growth and reduce payment costs, Elmdale automated their policy management with IMT Apps software. They also selected the services of ReliaFund to process electronic payments and deposit collected funds in the Elmdale bank accounts.

With this foundation in place, Elmdale encouraged habitually late payers to switch to automatic payment withdrawal (using ACH) to reduce the incidence of late payments. They also added one-time web payment and telephone payment options, which are especially helpful in late-payment situations. And in early 2014 the company added one-time credit-card payments as an option as well.

Elmdale now alerts all customers to these electronic payment options. Policyholders can choose automatic payments on a schedule that works best for them, or make payments by phone or on the Elmdale website.

Through the combined payment features of IMT Apps and ReliaFund, Elmdale seamlessly processes credit card and ACH payments and gets same-day notification on any NSF's that may occur.

“We love the email notices we get when returns occur.”

Diane Cornell

Banking and Customer Service

Elmdale Farmers Mutual Insurance, Inc.



Results and Benefits

Because the IMT Apps payment process is fully integrated with ReliaFund's processing services, the entire procedure is seamless and requires little effort by Elmdale employees. Policyholders can make payments directly from their bank account by ACH debit, or can pay by credit card. All details of these efficient, on-time payments are easily tracked throughout the process. The ease and precision of electronic payment processing has met customer demands and eliminated any question over when or if a payment was received.

The transition to electronic payments has helped improve cash flow for Elmdale, with fewer late payments. In addition the company keeps its cash account automatically matched with receipts. Policyholders get better cash flow, too, with payments spread out throughout the year and fewer fees for late payments.

Elmdale has realized other savings as well, including office staff time. Automatic posting to policyholder accounts, easier balancing, less data entry and far fewer lapse notices all add up to time savings for the office staff.

Future Plans

Elmdale is in the same building as their local bank, so manual deposits are relatively easy for them. But converting checks to electronic transactions may hold further savings in their future, and they recognize that check scanning may have even more impact for firms who aren't co-located with their bank.

All in all, Elmdale is confident that they'll continue to serve the needs of their customers with IMT Apps and ReliaFund.

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PAYMENT SERVICES USED

- ACH transaction processing
- Credit card processing

“If we have any questions, ReliaFund has been quick to respond and offered great help when we needed it.”

Diane Cornell

Banking and Customer Service

Elmdale Farmers Mutual Insurance, Inc.

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CASE STUDY

Little Black Mutual Insurance



QUICK LOOK

- Established 1889
- Serves north central Wisconsin
- \$1.2 billion insurance in force
- Annual premiums \$3.8 million
- 5,100 policyholders, 41 agencies

Customer Profile

Travel near Medford, WI and you'll see wide vistas of fields, forests, lakes and the Little Black River. It's a rural area, dotted with farms, homes and businesses that are often more than five miles from the nearest fire department.

In this scattered landscape, convenience and creativity are critical when it comes to insurance. Little Black Mutual knows this, and strives to make it easy for the region's populace to do business with them.

But a few years ago, Little Black's payment process was anything but easy. Premiums were accepted in check or cash form only, which could be inconvenient for policyholders and required customers to have sufficient cash every period. It was difficult for Little Black's agents to accept and process these payments on behalf of customers, and the company's daily task of handling physical funds was very labor intensive.

To make it easier to do business, Little Black decided to improve their payment process.

An Easier Way to Pay

Little Black knew that customers wanted an easier way to pay than writing and mailing checks. They also recognized that accepting payments by credit card could be a retention tool, by allowing customers to avoid policy lapses when cash was short. To enhance their payment options, they turned to IMT Computer Services insurance software along with ReliaFund payment services.

With this integrated platform, Little Black began to allow premium payments by bank or credit card, and to accept one-time payments and scheduled bank debits. One-time payments could be made on the Little Black website. The company found that one-time payments are especially helpful for policyholders who normally pay by check but who need a different, more convenient method when on vacation.

Scheduled monthly payments are initiated by the IMT Computer Services software, and processed by ReliaFund as ACH transactions. ReliaFund also processes web, bank and

“Customers and agents appreciate the flexibility and ease of paying premiums now.”

Tony Wilke
President
Little Black Mutual
Insurance Co.



credit-card payments. Once cleared, ReliaFund deposits these funds in Little Black's bank account, and provides online reporting to track and balance the entire process.

To ease end-of-month cash balancing, Little Black does a daily balance between credit card and checking account payments, using ReliaFund's online reports. Besides staying on top of their cash flow, this daily activity allows them to catch duplicates and errors earlier. This, in turn, helps them serve customers by keeping double charges or wrong amounts from throwing off their customers' accounts.

Results and Benefits

Little Black's president, Tony Wilke, says that the payment enhancements enabled by IMT Computer Services and ReliaFund have resulted in fewer late payments, plus a more even cash flow from monthly premiums. "Customers and agents appreciate the flexibility and ease of paying premiums now, and have provided very positive feedback on the process," said Mr. Wilke.

"The system is easier for me, too," he said. "I use the ReliaFund web-based dashboard frequently to keep informed and catch our occasional errors."

"Overall, the easy credit card and bank sweep functions help us serve our customers better at a very cost-effective price."

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Tony Wilke
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