

Future-Proofing the Insurance Industry: The Ohio National Financial Services Payments Transformation

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Payments systems are both complex and critical, particularly in the insurance industry – good reasons for investing in new technology-based offerings. Yet for legacy industries with longstanding processes, established payments systems are challenging to replace because they are deeply integrated with many departments and functions of the business.

Eventually replacing a legacy payment system becomes more challenging than embracing a new platform.

Such was the case for Ohio National Financial Services, a mutual insurance company headquartered in Cincinnati that has a business mix of life insurance, annuities, disability income insurance and investment products through its affiliated broker/dealer, O.N. Equity Sales Company (ONESCO). Challenged with having to maintain an aging mainframe system and manually print checks, Ohio National is transforming the manner it disburses payments to policyholders in a way that can also integrate with multiple legacy and modern policy administration and claim systems.

“Like many companies in our industry, our previous solution was developed in the 1990s and coded in an antiquated language,” said Patrick Demmer, director, treasury operations for Ohio National. “There had been discussions about moving off that original system for many years. We considered investing in a new in-house system, but

ultimately we wanted a subscription-based SaaS solution rather than a large capital expenditure.”

Ohio National turned to KeyBank, where they had a longstanding relationship. They knew KeyBank’s team understood Ohio National’s broader business and treasury management goals. KeyBank was able to leverage their partnership with Snapsheet to recommend an insurance industry-specific solution that delivered an innovative and adaptable path forward for Ohio National’s policy payments.

“Our integrated solution with Snapsheet is a cloud-based platform that combines all the financial controls and functionality of several systems,” said Charles Arenas, senior vice president, KeyBank Enterprise Payments. “It breaks down the silos between departments and provides a much-improved internal operational experience that saves time and expense. It also empowers employees to track payment status and answer customer service requests. This ultimately improves their customers’ experience.”

The Challenge: From Manual Bottlenecks to an Efficient and Transparent Process

Ohio National’s challenge was a common one for many life and annuity companies, according to David Boddy, vice president of Snapsheet Payments. Many insurance companies use the same outdated legacy mainframe systems which, while not broken, were not built to support automation, innovation, or new digital payment methods. The industry, particularly users of legacy platforms like this one, is facing several barriers to benefit realization:

- **Institutional knowledge of mainframe systems is often lost when people retire or leave the company.** This problem becomes compounded as more time passes, and the underlying code base is nearly obsolete. New hires are now being trained by associates who weren’t there when the system originated, and they are learning how to use outdated equipment and software no longer supported by the manufacturers.
- **Manual and exception activities can be time-intensive, error-prone and expensive.** When insurance companies process a claim or payment, it traditionally takes a manual workflow with several handoffs of data, rechecks and corrections, and approvals to produce a physical check and supporting information that is mailed to the claimant. For Ohio National, Snapsheet provides a solution to a time- and personnel-intensive redundant process.
- **Lack of integration into downstream systems can create logjams.** In the traditional process, the work is handled by a payment team, and the business unit doesn’t have a direct view into the status of disbursements or whether a check has been issued. When a payment status or check image needs to be obtained as part of a customer inquiry, this can take several handoffs between groups with segmented systems and processes.

- **Mainframe systems can present business continuity risks.** Mainframe systems can be less reliable and secure than cloud-based platforms, plus they don't allow the same flexibility to access records or process payments away from the office. In times of disaster recovery or other crises, this can hinder business operations, affecting both accessibility and scalability.
- **Multiple legacy claim and policy administration systems exist.** Many carriers with long-term policies have multiple legacy and modern claim and policy systems issuing payments. The challenge is integrating and supporting those multiple systems in a modern claim payment platform that allows enhanced digital payment processes for the legacy systems.

To address these challenges, the KeyBank and Screenshot integrated offering can provide carriers a payment hub for issuing claims and expense payments via a variety of payment options, without adding complexity or risk to their back-end processes.

The Solution: Implementing A Collaborative and Consultative Approach

The KeyBank and Screenshot implementation began with existing-state workflow discovery sessions on-site at Ohio National, which followed the current payment process to identify what could be streamlined and automated. The team discovered that within the existing manual system, a number of Ohio National associates were performing time-consuming work that didn't take full advantage of their specialized accounting knowledge. Automation, rather than replacing human capital, would allow Ohio National to better use associates' skill sets to focus on adding value to the business – while improving their overall experience.

With this base, the team then moved on to training, which involved not just treasury operations, but also consulting with each business line so they understood how to access information that was previously siloed. Once the system was live, online tutorials throughout the platform refreshed this training.

“There was commitment, communication, and trust among all three parties – Ohio National, KeyBank and Screenshot – that we all wanted to see this succeed,” said Doris Paul, Ohio National vice president and treasurer. “The integration has allowed us to benefit from working with a forward-thinking fintech firm and our existing strong bank relationship, delivering the best of both worlds.”

The next phase of this transformational effort at Ohio National centers on driving digital payment adoption, which reduces client servicing time and increases payment transparency.

“The ability to be payment-agnostic and shift with our clients' preferences allows us to future-proof sooner,” added Demmer. “Others are looking at this as kind of a model for how to solve for this big issue within the industry.”

KeyBank and Screenshot: Powerful Insurance Claims Payment Solutions

Inherently risk-averse insurance companies have tended to lag other industries in adapting to new payment technology and payment process automation that improves clients' choice and convenience. KeyBank's partnership with Screenshot gives clients a competitive advantage by enabling them to settle claims payments faster by leveraging KeyBank's payments expertise and Screenshot's integrated payments platform to process transactions quickly and efficiently. KeyBank Enterprise Payments is committed to investing in leading fintech developers and bringing innovative solutions to market.