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Success Stories From Buck Consultants

Achieving Cost Savings and Improving Satisfaction: Death Benefit Process Re-engineering

“Buck’s expertise and problemsolving capabilities were paramount to the success of the project. Their ability to work with our service providers in an effective and productive manner helped facilitate win-win solutions for everyone.”

**– Vice President of
Benefit Administration**

CLIENT ISSUE

A leading financial services company with 41,000 employees in more than 37 countries worldwide was experiencing significant problems with the administration of death benefit claims. Death benefit administration was outsourced to a service provider. The service provider’s delay in information processing and death benefit payments to beneficiaries resulted in irate calls to the company’s CEO. In addition, the time spent troubleshooting issues and re-working cases was adding unnecessary costs to the company’s bottom line. The company needed a solution that would help streamline information gathering and payment processing and provide better service to stakeholders.

SOLUTION

The company engaged Buck’s Vendor Management and Oversight (VMO) team to develop a comprehensive approach to manage the company’s numerous HR service providers. In conjunction with the company’s oversight activities, Buck performed an on-site review of the death benefit service provider to analyze its processes for administering claims. Our evaluation revealed barriers that affected service, including:

- The vendor was using separate teams to process the death benefit claims for health and welfare benefits and retirement benefits
- Two additional vendors were processing the death benefit claims for life insurance coverage and the 401(k) plan
- Beneficiaries were being asked to submit certified death certificates to each vendor
- Because beneficiary claims were being investigated by different entities, families of deceased employees were receiving conflicting feedback
- Delays in processing occurred as off-site files were pulled by one entity, requiring the other team to wait until the files were returned to the storage facility
- Letters and forms included conflicting and confusing information

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After receiving the results of the on-site review, our client asked us to lead the process re-engineering project and coordinate the process improvement efforts among the service providers that played a role in delivering benefits to surviving beneficiaries. The Buck team mapped the processes and facilitated meetings in which the service providers and the company identified a series of changes to the existing processes that the vendors could jointly undertake to improve the surviving beneficiary's experience and payment turnaround time, including:

- Development of clear process flows and handoffs to eliminate duplicate requests and generation of conflicting information
- Consolidation of the teams handling death benefit claims at the targeted vendor

Reprogramming of the voice response system prompts to ensure that beneficiaries were sent directly to service representatives able to handle the full complement of questions they receive on death benefit claims

- Giving the service representatives the ability to view the status of a death benefit claim in the Web-based tracking tool of the life insurance vendor to provide more up-to-date and accurate information to the beneficiary
- Reviewing letters and forms to consolidate communications and eliminate conflicting information
- Establishing and tracking improved performance metrics for identifying, escalating, and correcting death benefit issues

RESULTS

The process re-engineering results were extremely positive. The project team established performance metrics that demonstrated the improvement in turnaround time for death benefit processing. As changes in the process, structure, and tools were implemented over a nine-month period, the teams went from processing an average of 17 percent of the death benefit claims within the established performance standards to processing an average of 69 percent within those standards. Additionally, the Vice President of Benefits reported that the company's CEO is no longer receiving irate calls.

CONTACT US

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