

HRMS Software Streamlines Benefits Processing for Insurance Brokerage

Product saving money on premiums while opening new revenue streams for The HDH Group, Inc.



Pittsburgh-based The HDH Group Inc., a commercial insurance brokerage firm, believes that insurance and risk management services are predicated on a promise - the promise that when a problem occurs, the products and services will respond. No matter how well an insurance program is designed, what matters most is how it performs when a customer has a need.

Superior benefits management and administration are critical parts of HDH Group's overall service commitment. Accordingly, the ability to have complete control over customer data and easy access to accurate, up-to-date information is critical for HDH to deliver on its promise.

For years, The HDH Group relied on paper-based methods of administering employee benefit programs and managing claims. However, trying

to manage these programs for its 75 employees and more than 1,800 customers became an impossible task.

"Previously, we had no system in place," said Les Logsdon, Chief Financial Officer of The HDH Group. "We needed a management system that we could use internally at HDH for our own employees' as well as for our clients."

While searching for an HR software package, Logsdon discovered HROffice, an HR management system from Ascentis Software. HROffice allows companies to track employee compensation and benefits ranging from personal data, benefits coverage, compensation history, COBRA, FMLA eligibility and maintenance, OSHA tracking and more. HROffice's custom reports feature allows users to generate information within minutes, saving days worth of work using manual report generation methods. The system also allows flexibility in customizing features to meet benefits management and tracking eligibility, an essential requirement needed by HDH.

"We had several key criteria we needed for an HR product," said Logsdon. "First, the product needed to be SQL based to link to our existing systems, which HROffice is. Second, we needed a system that could download information that could help us automate the benefits process from initial enrollment to the ultimate termination of benefits.

"However, probably our most important criteria in selecting a system was that we have total control over our HR management," continued Logsdon. "We evaluated several Web-based products, but found that the companies offering these products actually controlled how plans were set up. Benefits data is personal and we couldn't risk any type of glitch in our ability to provide quality service to our clients, which means that we needed to have total control over the benefits processing."

Once the decision to purchase HROffice was made, implementation went very quick, with two weeks from purchase to go live. "We had one of our larger clients up and running in under two weeks, with complete data

transfer and information verification within seven to eight days,” said Logsdon.

HROffice helps increase revenue

According to Logsdon, The HDH Group has realized an increase in revenues as a result of implementing HROffice.

“Strategically, HROffice has been an invaluable investment,” said Logsdon. “We’ve generated significant revenue from the employee benefits outsourcing and may look to spin it off into its own company. We’re also generating income by serving as a reseller of HROffice in conjunction with our other services.”

HDH also has integrated payroll and accounting functions with HROffice to improve efficiencies within the HR department and open another income-generating service.

By integrating our accounting with HROffice, we’re able to free up our HR manager to use as a strategic consultant to our clients to advise them on their own internal HR issues,” said Logsdon. “Had we stayed with a paper-based management system,

we’d be missing out on the ability to offer our clients with a value-added consulting service that also helps generate additional revenue for our own company.”

“As an example, one year we caught up to \$50,000 in claims that should not have been paid due to clients’ employee turnover;” said Logsdon.

Cost savings through more accurate enrollment processing

With the ability to generate more accurate enrollment reports, HDH can easily determine which premiums they should be paying on behalf of their clients.

“The ability to reconcile claims with enrollment is very important for us. For example, we have one client that is a contractor of nurses, which by nature of the contracting business has a very high turnover rate. HROffice allows us to keep track eligibility of benefits coverage for active employees

and transfer that data to the insurance carrier to help keep costs down.”

“As an example, one year we caught up to \$50,000 in claims that should not have been paid due to clients’ employee turnover,” said Logsdon. “By comparing enrollment to the generated claims, we were able to save money for our clients.”

Overall, Logsdon is very pleased with HROffice and what it’s helped his company accomplish.

“HROffice is a really nice product that saves employers and carriers money and time on enrollment issues. While the ability to save money and deliver a higher level of service is key, freeing up our own HR staff from administrative tasks to move them into a more strategic consulting role that has opened a new source of revenue that is having a positive impact on our bottom line.”

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