


## CASE STUDY

# Florida Farm Bureau

“WITH PITNEY BOWES BUSINESS INSIGHT TECHNOLOGY, WE EXPERIENCED A NET RETURN OF INVESTMENT OF 900 PERCENT IN THE FIRST TEN MONTHS.”

Steve Wallace, Senior Strategic Planner, Florida Farm Bureau



FLORIDA FARM BUREAU (FFB) WANTED TO INCREASE PROFITABILITY BY IMPROVING ITS UNDERWRITING PRACTICES AND ENSURING THAT THE RATING INFORMATION ON ITS POLICYHOLDERS WAS ACCURATE.

## Challenge

FFB realized that better location intelligence could provide substantial benefits across many business areas. FFB needed to find a flexible, cost-effective technology platform to help improve its daily underwriting, actuarial, claims and marketing operations.

## Solution

FFB used MapInfo Professional®, StreetPro® and MapMarker® USA to develop a more accurate and efficient underwriting system, manage rating territories and speed claims service. MapXtreme® software was also used to help develop a custom Web-based policy quote service for agents.

## SUMMARY

FFB wanted to improve its underwriting practices and ensure that the rating information on its policyholders was correct. Inaccuracies in information from agents, changes made by regulatory agencies, redistricting of fire stations' response areas and annexation of areas into municipalities could result in the wrong premium being charged to customers—which hurts profitability and could result in fines by state regulators.

Because the basis of many policy coding rules is geography, FFB recognized that location intelligence technology—looking at information on a map rather than a spreadsheet—could be used to integrate policy and regulation changes with its customer and applicant database records. Maintaining sound rates and accuracy in their databases meant finding a way to keep up with these changes, while demanding as little time and effort of its agents as possible.

## RESULT

FFB built GeoVerify, a custom system that integrated MapInfo Professional and MapMarker USA software with databases containing regulatory, rating and proprietary data. Using GeoVerify, FFB is able to efficiently and accurately determine rates for its customers and decrease the amount of time and effort involved in the underwriting

process. According to Steve Wallace, FFB's senior strategic planner and developer of the system, FFB recouped its investment within two months of implementing its location intelligence-based GeoVerify system.

FFB used MapInfo Professional and MapMarker USA to geocode all of its policyholder addresses and accurately determine their geospatial location. Then FFB compared the databases of maps representing the various rating territory regions and codes to the geocoded policyholder points to populate each record with the correct codes. Then they compared these results to the existing policyholder information in order to identify any records with different attributes (ie. miscoded policies). FFB then uploaded corrections to their policy system to have the changes applied at the next renewal.

“With Pitney Bowes Business Insight technology, we experienced a net return on investment of over 900 percent in the first ten months that GeoVerify was running,” said Wallace. “The really significant point is that one-third of the premiums decreased while two-thirds increased, meaning the ROI was really generated by only a third of our total policies.”

Using Pitney Bowes Business Insight's location intelligence technology to verify policy rates has also improved customer service. Because FFB is now able to ensure the accuracy of the information in its databases, it is retaining

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more customers through the policy renewal process. It is also realizing fewer fines and criticisms from regulatory agencies, while eliminating the manual process that the agents used to endure to validate policyholder information.

### Rating Territories

In addition to the GeoVerify system, FFB uses MapInfo Professional to identify high-policy concentration areas. FFB can easily evaluate how much exposure it can handle in a specific area, taking into account important factors such as profitability, market penetration, rate adequacy and catastrophe risk.

FFB uses MapInfo Professional in the actuarial facet of its business to provide a comprehensive view of its policies, and determine new territory boundaries and rates.

### FFB Uses Location Intelligence to Create Web-based Service for Agents

FFB also used location intelligence technology within its point-of-sale system called “FFBLink.” FFBLink enables agents to enter a current or potential policyholder’s address through an online application and with both MapMarker USA and MapXtreme applications, they receive all the geography-based rating elements.

FFBLink automatically verifies the location of a specific address once it is entered, helping ensure that customers are always given accurate pricing information. For instance, when insurance agents enter an address, Pitney Bowes Business Insight’s location intelligence technology automatically determines the correct classification code if

the address falls within various rating zones. By doing so, the policy is automatically assigned the correct rate so the agent does not have to cross check the address with paper-based maps.

### Pitney Bowes Business Insight is Critical to Customer Service and Claims Management

In the aftermath of the devastating 2004 Florida hurricane season, FFB relied on Pitney Bowes Business Insight location intelligence technology to help provide hurricane victims with faster claims support. Using MapInfo Professional and MapMarker USA to provide a visual representation of current claims, FFB was able to quickly locate areas with the highest concentration of claims and deploy the necessary resources quickly and efficiently.

FFB has even used MapInfo Professional to predict potential losses associated with hurricanes by overlaying event information, such as a storm’s current track and wind speed, against its policyholder points on a digital map.

“When a catastrophic event like a hurricane comes along, the need to solve the questions of who, where and how many is critical,” says Wallace. “We analyze the storm track and damaging wind fields and contrast that information with our insured locations that are geocoded to predict the number of claims, and then plot out the actual locations of losses when they are reported. This helps claims managers assign manpower, as well as helping individual adjusters plan their daily agenda to cover losses in proximity to each other.”

## THE PITNEY BOWES BUSINESS INSIGHT ADVANTAGE

Florida Farm Bureau has uncovered the real ROI of today’s location intelligence technology—better, more accurate policy pricing, faster claims support, and improved customer service. The result is reduced operating expenses and greater profitability.

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