

**Case Study:
PBMS/Managed Address Services**

National Insurance Company Receives Enterprise Benefits Through Pitney Bowes Managed Address Services

A Fortune 250 company with \$114 billion in assets and more than \$11 billion in 2008 revenue specializes in long-term care insurance as well as life insurance, retirement investments and private mortgage insurance. The company also offers a variety of payment protection insurance products in international markets.

The company approached Pitney Bowes Management Service's Mailstream Consulting team to help with a return mail issue. Undeliverable mail represented 3.4 percent of outbound customer statements. In addition to the large amount of return mail, the United States Postal Service® (USPS®) threatened to audit the company's addressing processes. They were also facing potential fines because they were not meeting the USPS Move Update requirement.

The PBMS Mailstream Consulting team leveraged Six Sigma process improvement strategies with expertise in address quality. A systematic approach was used to reduce return mail and manage addresses from department to department.

The first divisional mailing that was analyzed was Life Insurance. The consultants identified several processing issues that were impacting address quality. The company owned all the addressing tools they needed to be compliant with USPS regulations. The tools were just not being used properly. For example:

- Addresses were not being validated at the point of data entry.
- The database fields were not sufficient to store addresses in the recommended USPS standardized layout.
- Customer moves were not being identified and saved back to the system or record.
- Return mail was distributed to company departments and was not actively being worked.

Based on the PBMS analysis, it was determined that 9 percent of the customer's active mailing list had issues that were impacting delivery. The operational impact of undeliverable mail for the Life Insurance group exceeded \$1.4 million annually. Operational costs included postage, print, return mail handling, research and re-mailing costs.

Using a Managed Address Process, PBMS consultants corrected 82 percent of the company's bad addresses. Processes were put in place to continually cleanse and maintain addresses, mitigating the risk of costly USPS compliance audits. The process change reduced return mail by more than 80 percent, generating a savings of \$1.1 million. More importantly, the process improvement strategy for addressing was replicated in other departments and resulted in an estimated enterprise savings of \$10 million.

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