

Spring, 2010

Progress notes

The installation of our new billing and administration software continues to go well. A field-by-field comparison of our old mainframe system to the new client server-based software has recently been completed as part of our conversion and build-up activities. We literally needed to find “a place for everything and put everything in its place” to move over data from the old system to the new system. That has been accomplished and we found it to be an instructive and productive learning experience.

The change in our billing and administration system, and eventually in our claims system, has generated a lot of discussion about what we do today, why we do it and the processes we follow. Improving efficiency in our operations is of primary concern as we implement our new system. Here are a few of the changes that have come about as a result:

- A unique identifying member number will be assigned to each insured employee. This unique identifying member number will be displayed on premium notices instead of the employee’s Social Security number. We will continue to capture the employee’s Social Security number for purposes of identity.
- The format of the premium billing notices has to change to accommodate the new system; the final design/format is still in the working stages.
- Life and disability coverage is a pre-paid insurance. Many of our billing processes require hands-on manual steps, particularly the delinquency letters. As premium payments are received and credited in the new system, however, we can accomplish more of the necessary steps with less manual intervention.

Right now would be an ideal time to share with us any ideas you may have when you are working on your group’s Life and/or Disability insurance. Your comments are always welcome and we are truly interested in what you think. Send your ideas via the Contact section on our website at www.advanceinsurance.com or by e-mail to your Policyholder Rep at AICK.



Reminders

- EFT (Electronic Funds Transfer) is an easy way to pay your monthly premium - AICK can draft it directly from your company’s checking account. We can also pay your Long Term Disability benefit payments directly into a claimant’s checking or savings account on request.

Toll-free phone: (800)530-5989

Fax (785)290-0727

Progress notes, continued

We anticipate the change in systems will occur next year; and in the meantime, we would ask you to consider the following:

Paying as billed is easier — There are advantages to paying the exact amount billed on your premium notice:

- We can get your group's next life and/or disability billing out to you faster.
- The group's debits or credits are carried forward to the next billing;
- Your payment will register sooner in our system; which is important for payment of claims; and,
- You never have to worry about whether or not the amount is correct — or about the possibility that a miscalculation could inadvertently place your group into a delinquency situation because the premium was short.

Here are a few things that can be done to make your group's billing more accurate if you are not paying as billed:

- Report terminations (or any other changes that affect your group's life and/or disability billing) promptly by e-mail or fax to your policyholder rep at AICK.
- Contact your policyholder rep by fax or e-mail for the premium amount when there is a benefit change or salary change that will affect your group's billing.

We are working hard to prepare for a smooth transition between systems — and will make every effort to see that it is as transparent and as minimally disruptive as possible.

Once again, don't forget to send your comments and ideas to us through our website (www.advanceinsurance.com) or your Policyholder Rep at AICK.

We look forward to hearing from you!

Advance writes a full portfolio of group coverages

Advance Insurance Company of Kansas' (AICK) service staff is dedicated to providing you with single point of service contacts - *one* administrative person in the home office will handle your eligibility, enrollment and billing questions. *One* claims person in the home office will handle any questions you may have about the claims process or the status of a claim. During business hours (Monday - Friday, 8:00 am - 4:30 pm), a real person answers the phone — not a cybervoice. We make it easy for you to ask questions and get information.

Our competitively priced group life and disability plans are available on an employee or member paid basis with guarantee issue amounts, participation and underwriting requirements. Your local Blue Cross and Blue Shield of Kansas representative may be contacted for more information about our group and voluntary portfolio:

- Term Life and Accidental Death and Dismemberment (Employee, Spouse and Dependent Child)
- Short Term Disability
- Long Term Disability
- Accidental Death and Dismemberment