

Physicians Mutual Moves Credit Card and ACH Processing to the Cloud to Meet PCI and NACHA Data Security Requirements

Industry-leading insurance firm leverages Financial Transmission Network's (FTNI) ETran receivables platform to tackle credit card payments and meet substantial security requirements.

Credit Card Payments Go Off the Charts

When a new billing and collections system touched off an 850 percent spike in credit card payments, Physicians Mutual Insurance Co. was driven to explore better ways to handle card data. "At the time, card processing occurred as a service through our bank," explained the VP and enterprise architect at the Omaha-based health and life insurer, "but it was apparent we needed more sophisticated and streamlined processes to better meet requirements."

In addition to PCI compliance, Physicians Mutual (\$2.9 billion in total assets at the time) sought a NACHA-compliant solution as well. But available packaged and outsourced options were insufficient or cost prohibitive, according to the VP and enterprise architect, who said the insurer began plans for building its own solution.

Although the initial phase of the in-house build were well along, Physicians Mutual changed course when it learned about ETran, an SaaS-enabled option from Omaha-based Financial Transmission Network, Inc. (FTNI). ETran's No. 1 benefit to Physicians Mutual was that it enabled the removal of all transaction data – and related customer information – from the insurer's systems.

During negotiations with FTNI, however, Physicians Mutual realized that it also needed an internal payment centralization system to link various legacy systems. So, Physicians Mutual kicked off two initiatives – the FTNI implementation and development on an in-house SOA-enabled, J2EE-based system, dubbed Payment Management.

“Implementing ETran started with approximately \$250,000 in savings for up-front infrastructure costs and 3,500 hours of development effort”

- VP and Enterprise Architect

A Reassuring 'Hiccup'

One-time credit card processing rolled out smoothly, and recurrent credit card payments and real-time ACH transactions followed shortly thereafter. But then, a third-party partner caused a disruption in the system. FTNI rapidly tracked down the issue's source and took corrective measures. Consequently, the VP and enterprise architect reported, "Physicians Mutual was quite satisfied with the assurances FTNI provided."

This small hiccup pales in comparison to the rewards, which started with approximately \$250,000 in savings for up-front infrastructure costs and 3,500 hours of development effort, according to the VP and enterprise architect. "And we reduced this phase of our PCI-compliance efforts by about four months," he added.

On the customer-facing side, FTNI works with credit card companies to update card expiration information before a recurring payment is processed, preventing coverage interruptions due to an expired card. The VP and enterprise architect noted, "For us, it reduces internal inefficiencies caused when a payment attempt is made to and expired card."

Not surprisingly, card and ACH transactions have soared. "Within eight months we exceeded credit card volume over the entire



previous year,” the VP and enterprise architect reported. “Also, over the period, we processed \$4 million in electronic payments through the enhanced self-service capability enabled by FTNI. And we’re getting a higher persistency of customers who use recurring payments.”

More recently, Physicians Mutual insourced the previously outsourced administration of a particular product. Prior to FTNI, a complex process for scanning checks and posting to legacy systems would have required considerable IT and business resources to develop, the VP and enterprise architect explained. “FTNI provided an easy way to automate,” he said. “We leveraged a very similar process that existed for credit cards.”

The deployment of ETran has also contributed to a new policy administration system rollout. And it will be leveraged during the adoption of other new Physicians Mutual functionality. “Not only do we feel good about our partnership with FTNI,” said the VP and enterprise architect, “but due to the reduced security and compliance burdens, we sleep better at night.”

About Physicians Mutual

Since 1902, the Physicians Mutual family has been working hard for hardworking people — independent folks who understand the value of hard work and providing for their families.

We’re determined to work harder for you than any other company. We listen to what our customers say and strive to provide solutions that meet their needs. We keep things simple ... talking straight and keeping our word.

The Physicians Mutual family is filled with people who listen. Really listen. We’re about more than just insurance products — we’re about simple, timeless values ... about trust ... about security ... about families. About time, right?



Physicians Mutual®
Insurance for all of us.®

Challenge: Efficiently maintaining increasing PCI and NACHA compliance requirements for handling customer credit card and ACH payment information.

Solution: FTNI’s ETran Integrated Receivables Platform

Benefits:

- ▶ PCI and NACHA compliance achieved within a single receivables system
- ▶ \$250,000 savings in up-front infrastructure costs
- ▶ Internal development efforts reduced by more than 3,500 hours
- ▶ Accelerated PCI compliance efforts by four months

About FTNI

Financial Transmission Network, Inc. (FTNI) accelerates the way businesses accept, process, post and manage payments. Processing millions of transactions monthly, FTNI’s integrated receivables platform, ETran, accepts any payment method, via any payment channel — on a single, secure, cloud-based platform. ETran’s easy-to-deploy, modular design seamlessly integrates current business processes, bank and processor relationships, and back-office accounting software to deliver increased efficiencies and cost savings as a result of true straight through processing. Founded in 2007, FTNI serves more than 20,000 corporate users from leading organizations spanning numerous industries including Banking and Financial Services, Distribution, Insurance, Nonprofit, Property Management, Utilities, and more. For more information, visit www.ftni.com.

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