

BEST'S REVIEW

Monthly Insurance News Magazine

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INNOVATORS SHOWCASE

Eastern Alliance Insurance Group ParallelPay

What It Is

In April 2009, Eastern Alliance Insurance Group introduced its ParallelPay program, a pay-as-you-go plan that allows workers' compensation policyholders to pay their premium one payroll period at a time. The premium payments are calculated based on pay-period payroll census information, and then are debited via an electronic fund transfer from the policyholders' bank account. In addition to the benefits of maximized cash flow and no large upfront premium deposits, there are no installment fees and minimized premium audit adjustment due to fluctuating payrolls.

Why It Is Different

"ParallelPay is the first workers' compensation pay-as-you-go program to permit policyholders flexibility in their reporting options, making it an attractive choice

for employers of various sizes and scope of operations. The ParallelPay program is a unique selling point to employers of all sizes that demand innovative cash flow solutions in a challenging economy. ParallelPay permits the policyholder to choose among several reporting options for their payroll census information. Policyholders can decide to work with one of the many payroll system providers currently using the ParallelPay system, have their current payroll system provider submit the information electronically or via a Web-based portal directly to ParallelPay, or self-report their payroll census data. The name ParallelPay is trademarked, and the www.parallelpay.com domain is secured to provide marketing information on the program as well as a link to the online reporting and data portal hosted by technology partner Prestwick Services."

"Before ParallelPay, pay-as-you-go programs forced policyholders to use a particular payroll service provider or a single reporting method."

How They Did It

Eastern Alliance employed a multidisciplinary task force with several representatives from the underwriting, marketing, finance and IT departments. The task force worked along with Prestwick Services to design, develop and launch the program. The project began in late 2008 and continued through a pilot phase in early 2009 that involved select key agency partners and policyholders. Simultaneously, Eastern Alliance worked on a branding and communications strategy for launching the ParallelPay program. The program was rolled out to EAIG's agency plant in April 2009 and announced to the marketplace on April 7, 2009.

Measuring Success

In less than a year after its introduction, the program had more than \$10 million in direct written premium. Since its inception, the program has written more than 1,000 policies for approximately \$38 million in direct written premium. One independent insurance agent stated that the combination of Eastern Alliance's risk management and claims service and its ParallelPay program "provides our clients with the most complete workers' compensation program in the industry."

Expert Review

"Eastern Alliance's ParallelPay program could be the next trendsetter for middle market clients. Two thumbs up for creative customer thinking on how to pay premiums."

Reviewer:

Insurance company executive