



Case Study

CheckAlt Scales Insurance Payment Processing with AmTrust Financial

AmTrust Financial Grows Processing Operation with CheckAlt's ICL and Software Solutions

Opportunity Summary

Most property casualty insurance companies in the market seek to fully or partially outsource their lockbox processing. From the start, AmTrust Financial has operated with a more technology-driven, entrepreneurial focus by building its own internal platforms—first developing its own policy system, and then an in-house lockbox operation.

Eight years ago, AmTrust hired James Buller, who led lockbox processing for PNC Bank, to start from scratch and build AmTrust's lockbox processing the right way. His focus was to ensure efficiency from a cost and a timeliness perspective.

The Challenge

In the process of building AmTrust's in-house processing, Buller identified a critical gap in both cost effectiveness and technological capabilities to create a daily image cash letter (ICL) file to send to AmTrust's depository bank, and to develop optical character recognition (OCR) and handwriting recognition software needed for check scanning.

Developing the technology to capture payment data accurately—and better than providers in the market—was not feasible or cost effective, according to Buller. AmTrust concluded that another avenue must be pursued and sought a solution.



Client Profile: AmTrust

AmTrust began in 1998 with a commitment to innovation in small business insurance. With more than 7,100 employees serving 34 countries today, AmTrust has become a top U.S. commercial insurer and a leading global provider of warranty products and specialty risk solutions.

AmTrust's Goals

- Focus on profitable growth
- Offer the best service experience
- Deliver innovative, transformative technology

Source: <https://amtrustfinancial.com/about-us/history>

“

Our relationship with CheckAlt is the foundation of our check processing system. **CheckAlt's support is scalable.** There isn't a limit to the number of items AmTrust can process, on the high end or low end. **CheckAlt can help insurance companies large and small. AmTrust is proof of that,** having started small and become a big business.

James Buller, Vice President Cash Operations, AmTrust

”



This document is proprietary and confidential. No part of this document may be disclosed in any manner to a third party without the prior written consent of CheckAlt, LLC.

5979 W 3rd St, Suite 200, Los Angeles, CA 90036
(917) 579-3107 • sstern@checkalt.com • www.checkalt.com

Top Benefits Achieved

- ✓ AmTrust built out its own in-house payment processing department with support from CheckAlt.
- ✓ AmTrust outsourced image cash letter (ICL) creation and optical character recognition (OCR) to experts at CheckAlt.
- ✓ AmTrust has kept payment processing costs low while maintaining accuracy and cash flow.

“

CheckAlt's partnership with AmTrust is an example of our **ability to be nimble** and scale with an external operation as payment volumes increase. We are proud to deliver **strong, effective software solutions** that simplify check processing for AmTrust.

Jeryl Lederman, Chief Technology Officer, CheckAlt

”

About CheckAlt

In the past 10 years, CheckAlt has become the leading provider of check payment processing solutions for hundreds of financial institutions across the country. As both bank agnostic and demographic agnostic, CheckAlt is uniquely positioned for payments convergence. It has been our focus to process check payments while also eliminating paper from the system with robust electronic payment APIs.

To learn more please visit
<https://checkalt.com>

The Solution

CheckAlt's industry experience creating daily ICL files for clients' depository banks, in addition to its strong offerings in OCR and handwriting recognition technology, made the company known for lockbox processing an ideal fit for AmTrust. CheckAlt is bank agnostic, which gives insurance companies like AmTrust the flexibility to quickly add depository banks or change the path of an ICL file from one bank to another in one day.

AmTrust built and integrated CheckAlt right into its in-house lockbox processing system from day one, allowing AmTrust to both process and apply payments the same day. From there, AmTrust started growing its own check volume and then added check processing for its sister company NGIC in 2014. As AmTrust's check volume increased, the relationship with CheckAlt grew, according to Buller.

The Result

Through its partnership with CheckAlt, AmTrust met its efficiency goals for in-house lockbox processing. Factoring in CheckAlt with AmTrust's business model, AmTrust is able to reach a unit cost of about 81 cents per item, which compared to the industry is very low, according to Buller.

CheckAlt was clearly able to support AmTrust as it experienced large growth. On day one, AmTrust was depositing about 20,000 items a month, according to Buller. Today, AmTrust is up to about 125,000 items a month. Even with this level of growth, AmTrust did not have to change the way it worked with CheckAlt.

CheckAlt's support is scalable. There is no limit to the number of items AmTrust can process, on the high end or low end. CheckAlt can help insurance companies large and small. AmTrust is proof of that, Buller said, having started small and become a big business.