

Mid-Sized Insurance Company

Renegotiates Its Way to \$700K in Annual Savings & Centralizes Its Payments Data

The Client

A mid-sized insurance company that is a direct writer of personal insurance with auto, homeowners, personal excess liability and marine coverages in the United States.



The Challenge

When this mid-sized insurance company started accepting credit cards, only one-time payments were available to customers. As customer demand for convenience grew, they added a recurring bill pay option to accounts. This resulted in a significant spike in credit card transactions, which only continued to trend upwards over the next decade.

However, credit card fees also started to rise. As months and years passed by, their effective cost rate began to creep above the industry standard. Not knowing how to counteract this undesirable trend, the

management team knew it had to seek a payment expert for help.

The Solution

In searching the market, this insurance company team found Optimized Payments Consulting (OPC). Talking with the OPC team and learning about how the firm had helped clients with similar circumstances gave them the confidence to let OPC take the reins in solving its fee problem.

OPC went to work reviewing their transaction history and contracts with its two credit card processors. After educating the insurance company's team on the fees being charged, OPC determined that renegotiating the contracts and optimizing interchange was the way forward.

"We knew we wanted lower fees. What company doesn't? But we didn't know which fees were negotiable and how much they could be reduced. Furthermore, we didn't know how we could influence interchange. Renegotiating our contracts and optimizing interchange would have been impossible without OPC," shares the lead accountant.

After optimizing interchange and renegotiating contracts, OPC helped the insurance firm centralize their payments data by implementing OPC Analytics, a web-based payments analytics solution. Through an easy-to-use dashboard, the team was able to make sense of their payments data, including determining the types of cards customers were using most frequently and identifying trends in expenses across business units.

The OPC team also ensured they were receiving lower insurance and recurring Visa, MasterCard, Discover, and American Express interchange rates.

The Results

Engaging OPC's consulting and analytics services, this insurance company received multiple benefits:

- **Reduced credit card fees** – savings of \$700K+ per year since contracts were renegotiated and interchange was optimized
- **Contract negotiation** – educating the company's team on different fees and fee structures, along with negotiation process
- **Organizational agility** – ability to quickly analyze payments data and produce management reports, saving the treasury team time and resources
- **Payment analytics** – OPC Analytics automatically consumes, aggregates, and normalizes merchant acquirer and American Express data and provides insightful analytics through their web-based portal
- **Ongoing consulting and value** – in-depth knowledge and market insights about the payments industry, available at any time



"We've been very happy with the OPC team. They are incredibly easy to work with and always willing to add more to their solution to help us as our business evolves."

– Lead Accountant

About Optimized Payments

At Optimized Payments Consulting (OPC) we help large merchants understand and reduce the cost of accepting credit/debit cards through cutting-edge analytics and unparalleled expertise in the entire value chain of payments.

Our web-based analytics consolidate, analyze, benchmark, and simplify interchange and processing fee data from any acquirer, including American Express, Discover, PayPal, and private label cards. Our consulting services include interchange optimization, RFI/RFP guidance, chargeback management, acquirer/network negotiation, and more.

We value our clients' time and have developed a payments analytics and consulting practice that allows them to focus on their operations while we help simplify and optimize merchant services. Most of our clients get a return on their investment within a few months, while the benefits accrue year after year. To date, our analytics and consulting services have saved our clients over \$180 million in card processing costs.

Contact Optimized Payments

- **Website:** www.optimizedpmts.com
- **Email:** sales@optimizedpmts.com
- **Phone:** 800-846-1305