

ClaimItAR.com Enables Arkansans to Receive 70% More Unclaimed Property

Category:	Improving State Operations
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Executive Summary

Arkansans can find and claim lost property in minutes on their mobile phones, and receive checks in a few short days, thanks to an innovative online filing system designed by the Arkansas Auditor of State.

Every year, millions of dollars in unclaimed property are given to the Auditor's Unclaimed Property Program by companies that cannot find the owners. Since 1988, claims filing required printed forms and documents to verify identity. The process was so cumbersome that it took up 90% of an auditor's time and kept people from making small claims.

That changed in 2013 when the office became the first in the nation to fully automate its process and offer mobile-friendly claims filing. The process for a claimant is simple, but behind the scenes a sophisticated business process with a unique identity verification system allows most claims to be filed, processed and paid without human intervention.

Automation has streamlined operations and more than doubled the number of claims filed since 2012. That year, the Auditor's Office paid 7,554 claims worth over \$7.2 million under the old, paper-based claim filing process. In 2015, after two full years of electronic filing, the office paid 18,873 claims worth over \$12.3 million. That's a 150% increase in filings and a 70% increase in dollars paid.

The online filing system has also resulted in faster processing and delivery of checks. Seventy two percent of all 2015 claims were filed completely online. Those claimants received checks within seven days versus 30 days through paper filing.

Concept

The auditor's office has only nine employees processing more than \$40 million in claims each year. More than 90% of their time was devoted to handling small claims (less than \$30 each) that could be entirely automated through a digital process. The office needed to automate simple claims processing tasks so employees could focus time on more complex claims, such as those involving estates and trusts with multiple claimants.

The "old way" of filing a claim was just as frustrating for citizens. Before the online filing system was in place, citizens had to find their name printed in a special section of statewide newspapers once a year, call the auditor's office, complete and mail back claims forms along with copies of their driver's license and other documents that verify their identity, and wait 30 days or more to receive their check. The number of steps involved and the time it took to complete them caused many claimants to abandon their claims mid-stream or not even bother with filing a claim in the first place.

The ClaimItAR.com, which became a widely-used feature of the Arkansas state portal, was developed to streamline this laborious, paper-driven process. It includes these features and functionality:

Features:

- Entirely digital, paperless system
- Responsive design – accessible from any mobile device or computer
- Claimant name quick search that narrows searches name, address, SSN
- View and claim properties with the tap of a button
- Instant claimant identity verification through Lexis Nexis integration
- Secure data processing through SSL
- Check claim status online
- Accessible through the state portal

Functionality:

- Claimants conduct a search by entering their first and last name or business name. For greater accuracy, searches can be narrowed by city and/or social security number. The system helps claimants find property by presenting relevant results first and offering to display more related results, if needed.
- Integration with Lexis Nexis instantly verifies claimant identity through matching a first and last name with social security number, address and birth date.

- Claimants can check the status of a claim that has been filed by entering either the claim ID or their social security number. Claim statuses are updated daily at 9 a.m. and 5 p.m.

The Arkansas Auditor of State's office has marketed the online filing system to the entire state population over age 18 through an integrated mix of traditional and digital communication channels. Marketing efforts are built around an annual promotional campaign and supporting outreach through the rest of the year.

Throughout the year, the Auditor of State's office promotes a comprehensive marketing campaign that encourages citizens to "discover what's yours" at www.ClaimItAR.com. The campaign includes special pull-out advertising in several statewide newspapers, promotions on the Auditor of State's Facebook and Twitter pages, email blasts to a subscriber database of more than 5,000, media relations and aggressive pitching for coverage in print, radio and TV news outlets. All marketing efforts drive citizens to the online filing system website where they can enter their name and claim property if it is waiting for them.

The agency lands significant earned media by promoting interesting unclaimed items that are up for auction – including heirloom jewelry, collectible coins and other items that were left in safe deposit boxes – and reminding citizens to search for what's theirs online.

Significance

Arkansas Auditor of State was the first office in the nation to completely automate its unclaimed property process and offer citizens mobile search and filing. At the state level, the project aligns with Governor Hutchinson's goal to reduce state government costs by leveraging technology to help agencies work more efficiently and is a result of the state's enterprise-approach to the portal.

The Unclaimed Property Division's service level to citizens has been dramatically improved in several areas as a result of the online system:

- **Citizens Search & Claim Property in Minutes:** Claims paperwork that once took citizens up to an hour to complete now takes just minutes to submit from a mobile phone. The Lexis Nexis integration automatically verifies claimant identity and enables AAOS to require less information from citizens, again saving time. Furthermore, online automation means citizens do not have to print and mail claim forms or identity verification

documentation to the state, saving paper and postage costs.

- **150% More Claims Filed:** It's clear that citizens would much rather search for property and file claims on their mobile phone, tablet or desktop computer instead of filling out and mailing paper forms. Because the online filing system is accessible from any device, is easy to use and requires fewer steps than the paper process, more citizens are filing claims. The percentage of claims filed grew 134% in the first year of system use alone.
- **70% More Claims Dollars Paid:** Due to the higher number of claims filed, AAOS is paying out more claims dollars than before the system was in place.
- **90% More Efficient Claims Processing:** The system has completely automated the claims process for simple claims and human intervention is no longer needed in these instances. Nine employees were devoting 90% of their time to manually process small claims under the paper process. They now have that much time available to focus on complex claims and other important tasks that need their attention.
- **\$700,000 in Cost Savings to the State:** Due to these process improvements, AAOS is able to handle a greater volume of filed claims with no increase in staff. Considering those claims required little to no human intervention, AAOS is dramatically increasing filing volume that is the equivalent to doubling its staff (\$700,000 in personnel and matching) without adding positions and paying only pennies on the dollar for processing fees.

Impact

Citizens of Arkansas benefit from both the time savings to AAOS and the reduced paper from automation. AAOS is able to get more done without having to spend taxpayer money to hire more employees. AAOS is also spending less money on paper to print forms, which also saves taxpayer money.

Claimants benefit from a faster, more efficient search and claims filing process that is conducted entirely online. They can also receive a check from the state in a much shorter timeframe: seven days instead of 30 or more. Also, claimants received 70% more claims dollars in 2015 than in 2012, which is a direct result of efficiencies created for claimants and AAOS staff.

Due to automation of simple claims processing, the staff's overall productivity has been significantly enhanced. Specifically, nine auditors now spend 90% more time handling complex claims that involve more than one party, such as claims for trusts and estates, rather than processing paperwork for simple claims or answering phone calls from claimants inquiring about the status of their checks. This leads to an increase in job satisfaction and a higher quality of life for these employees.

The system was developed in partnership with the Information Network of Arkansas (INA), a state government-created public/private partnership responsible for the development and promotion of enterprise e-government in Arkansas. It was funded through INA's collaborative self-funded model, which enables INA to provide Arkansas eGovernment services without using upfront taxpayer funds. This proven business model has funded the development of more than 400 Arkansas government online services at no cost to the agencies and without using state appropriated funds.

There was no initial cost to AAOS for application development. However, AAOS pays INA an ongoing cost of \$0.25 per filing for system maintenance, and pays Lexis Nexis an additional \$0.95 per claim. These processing fees are mere pennies on the dollar for the amount of claims paid. Because there was no upfront cost, AAOS realized an immediate return on investment and will continue to realize higher returns each year as claimant adoption increases.