



Case Study

IAA LOAN PAYOFF™

Reducing Cycle Time for Insurance Carriers

Problem

Vehicle owners have loans in up to 70% of total loss claims. In order for the bank to be paid once a vehicle is totaled, insurance companies and lenders have to exchange countless phone calls, voicemails, faxes and emails. It's a tedious and frustrating process for everybody involved – the customer, the bank and the insurance carrier.

TOTAL LOSS CLAIMS



Up to 70% of vehicle owners have loans

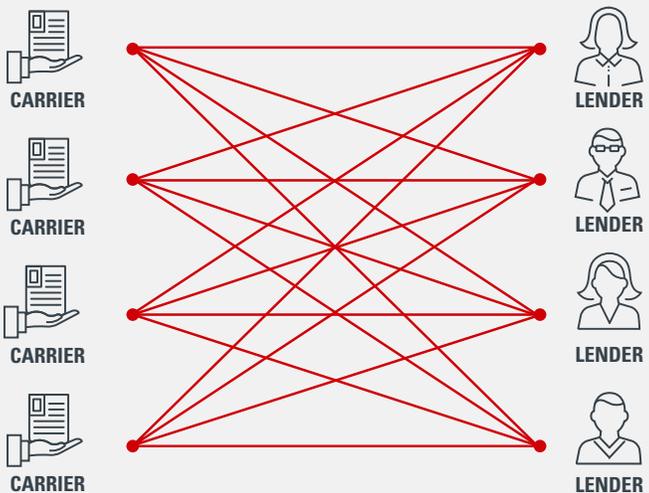


Solution

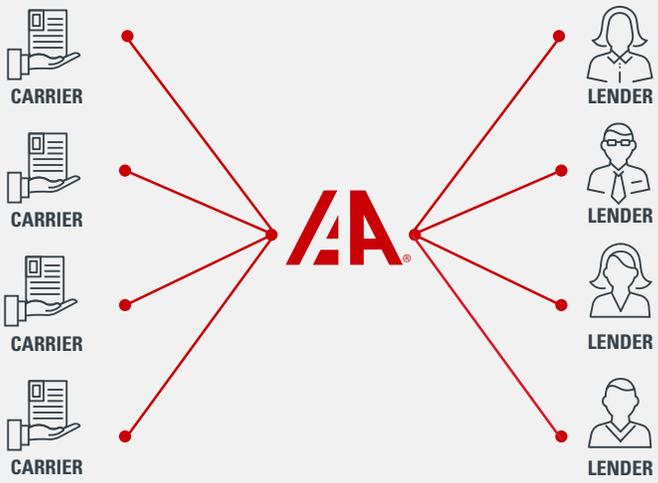
IAA set out to create a better process that reduces the endless phone calls, faxes and overall time it takes for insurance carriers to secure and complete payments to the bank. After researching the process, IAA innovated and designed IAA Loan Payoff, an online communication portal between banks and insurance carriers that gets auto loans paid faster.

Eliminating excess tasks allows insurance carriers and lending institutions to expedite the settlement process, reduce labor costs and focus more time on delivering an improved experience to current and prospective customers. Best of all, IAA Loan Payoff is easy to use.

Without Loan Payoff



With Loan Payoff



With one central landing page, there's no need to reach out to multiple touchpoints during a claim settlement.

IAA Loan Payoff Process



ADJUSTER SUBMITS PAYOFF REQUEST



LENDER APPROVES REQUEST AND PAYOFF AMOUNT



IAA LOAN PAYOFF GENERATES LETTER OF GUARANTEE (LOG)



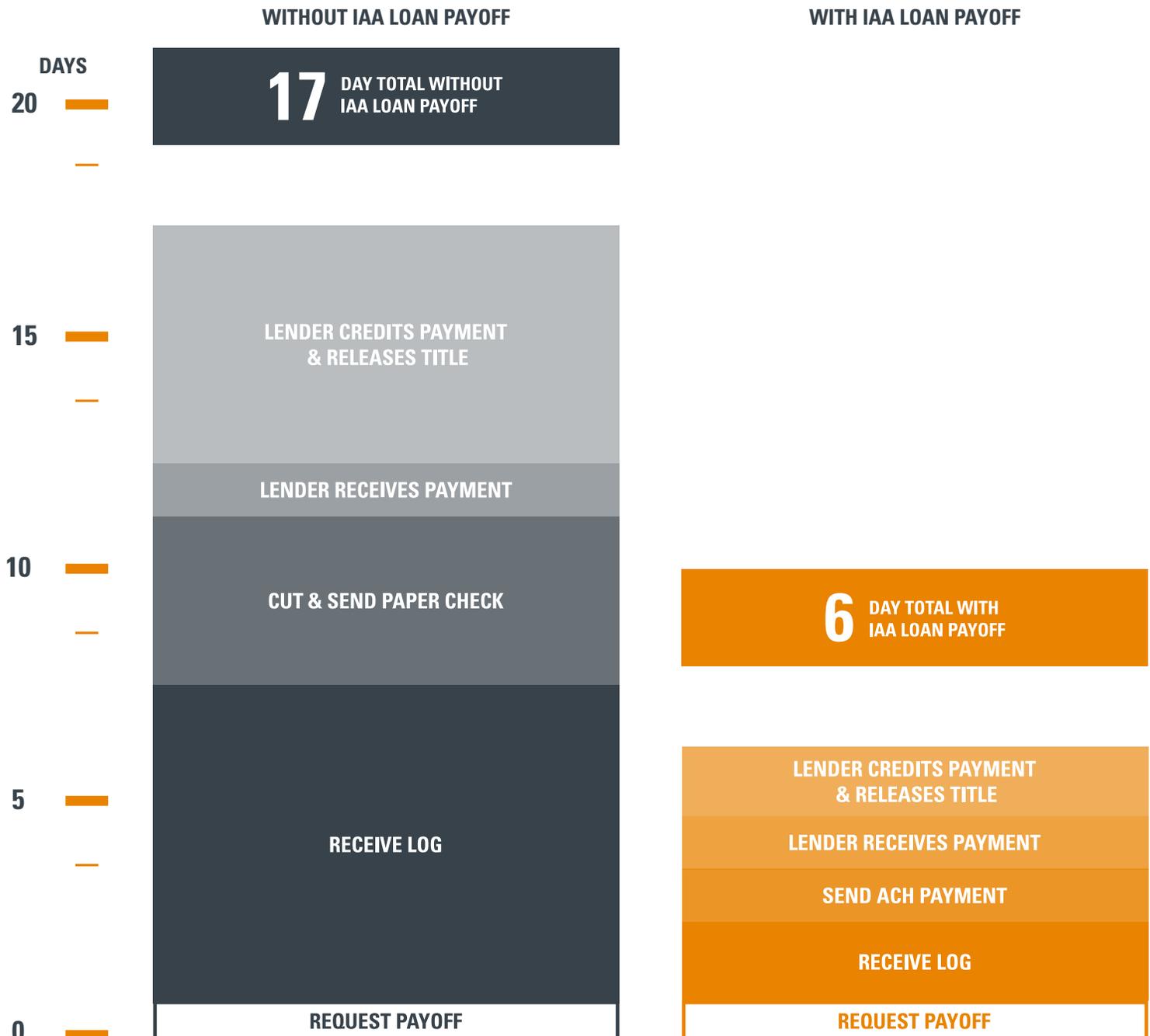
ADJUSTER SENDS PAYMENT VIA ACH TRANSFER



LENDER RECEIVES FUNDS OVERNIGHT THEN RELEASES TITLE

IAA Loan Payoff Reduces Cycle Time

CLAIM SETTLEMENT PROCESS



IAA Loan Payoff greatly reduces the time it takes to make lien payments to the bank from 2-3 weeks to less than a week – often in as little as 2 days. With just one central web portal to connect all parties, this solution eliminates extraneous touchpoints and streamlines communication. Even the time it takes to receive payment is reduced via use of electronic funds transfer, which enables a lender to credit the owners account immediately, rather than having to wait 2-5 days for a paper check to clear.



Initial Pilot Performance

Our IAA Loan Payoff pilot with one of our active insurance carriers has been very successful. Running from September 2017 to September 2018, the pilot proved that streamlined communication through a digital portal dramatically reduced effort and cycle time. In its very first week, IAA Loan Payoff processed more than \$1 million in loans in half the time of the industry average.

As the pilot continued, it demonstrated drastic cycle time reduction and costs savings to the customer. We saw positive results, as well as areas of improvement to be addressed in the future as we continue to make the process even more efficient.

Twelve-Month Pilot



Over 1,300 loans paid



Over \$13.5 million in loans paid



Average of 2.7 days to receive LOG, opposed to industry standard of 10+ days

Saves Time

Cycle time was reduced across the board. There was less time spent on negotiations about the loan payoff amount, so the overall payment turnaround time was shortened. Cars were then sold sooner, stopping value depreciation in its tracks.

Saves Labor

From untangling communication webs to eliminating the need to manually generate and ship checks, IAA Loan Payoff offered significant savings in terms of manpower required. Our carrier was able to offer an improved customer experience due to the speed and accuracy of the process.

Overall, lenders were pleased with the ease of communicating with adjusters, the central location of documents, how quickly they were paid and how easy it was to interact with adjusters. Huge time and labor savings were evident for lending institutions as well.

We're confident that any partners that choose to utilize IAA Loan Payoff will find the same results.

**Visit IAA-Auctions.com/IAA-Loan-Payoff
to learn more.**