

Are You Using EFT?

Over 2,500 companies have taken advantage of Electronic Funds Transfer (EFT). Is your company one of them?

In 2002, the NAIC launched EFT as a Speed to Market initiative designed to save the states and industry time, money, and effort. Utilizing EFT allows companies to submit state filing fees and rate and form filings simultaneously through SERFF.

Don Harrison, Regulatory Filing and Support Manager with Berkley Underwriting Partners said, "It (EFT) streamlines our work related to the payment of filing fees by eliminating time, labor, and postage associated with sending a paper check. Regulators have everything they need to begin their review once we hit the "Submit Filing" button and they don't have to hold the filing pending receipt of the check."

Maureen Hartsmith, Life and Health Compliance Manager with the New Hampshire Department of Insurance said that before utilizing EFT, the state filing fee processing time took between three and five days. Now, with the utilization of EFT, "you can have same day filing delivery and assignment to a policy examiner."

In addition to saving time, submitting filing fees electronically saves state and industry money that was formally associated with the processing of paper checks. Monica Ramstad, Senior Product Compliance Analyst with Minnesota Mutual Life said, "We love the EFT feature and have used it from the beginning. We've never had any problems. It saves us time and money both in our compliance area as well as accounting, now that we don't issue and mail paper checks."

Pam Seymore, Program Analyst with the Pennsylvania Department of Insurance agrees that using EFT saves money for the industry and the state. "For our department the ease of use and the fact that the reviewing staff are now able to concentrate on regulatory work versus administrative tasks makes EFT extremely cost effective."

One issue that new EFT users commonly encounter is debit blocks. Many times when a financial institution sets up a bank account for corporations, the financial institution will place a debit block on the bank account, ensuring an extra layer of fraud protection. Companies that are setting up EFT are encouraged to check with their financial institution prior to submitting EFT paperwork to inquire about any possible debit blocks in place. If there is a debit block in place, SERFF customers are encouraged to call the SERFF Marketing Team for information on releasing the block for SERFF EFT debits. If the debit block is not released, SERFF will not have the ability to set up the EFT account.

Every state that accepts filing fees at submission accepts EFT via SERFF. For more information, please go to: http://www.serff.com/state_participation.htm.

For more information on EFT or to sign up, please contact the SERFF Marketing Team at (816) 783-8787 or serffmktg@naic.org.