Input 1

ALPS Insurance

Turning a Payment Processing Expense into a Strategic Advantage

CASE STUDY

How ALPS Expanded Its Partnership with Input 1 to Modernize Billing and Cut Payment Processing Costs

Overview

ALPS is the nation's largest direct writer of lawyers' malpractice insurance, endorsed by more state bars than any other insurance carrier. ALPS designed its own policy administration system, Phoenix, with premium finance capabilities built in from the start. But as its business grew, ALPS wanted to do more with premium finance than its existing function was meant to handle: adjusting documents, payment schedules, and interest amounts with greater flexibility, and expanding into fees and automated policyholder communications.

ALPS chose Input 1's PBS to power that next stage of premium finance, gaining flexibility and automated notices and follow-ups on a platform purpose-built for the job.

ALPS

Company Snapshot

Name: ALPS (ALPS Insurance)

Industry: Legal Malpractice Insurance

Annual Premium Written: Confidential, but rapidly growing

Business Focus: The nation's largest direct writer of lawyers' malpractice insurance, endorsed by more state bars than any other carrier, serving attorneys and law firms nationwide since 1988

Headquarters: Missoula, MT

That decision opened a broader partnership. ALPS later adopted Input 1 Payments across its billing operation, for stand-alone and recurring payments and within its premium finance program, and in doing so reduced a much larger cost that had been sitting quietly in its payment operations.

"Input 1 helped us bring down both labor and payment processing costs. That's real money and real time savings."
Sara Smith, Chief Financial Officer, ALPS

The Challenge

ALPS built its reputation on a digital-first, service-oriented model. But as its book of business grew, the cost of collecting payment, across direct payments, recurring billing, and financed premium, grew right along with it.

The largest piece was card processing itself. Payment processing is one of the biggest operating expenses most businesses face outside of labor, and it scales with growth without offering economies of scale. U.S. merchants paid a record $198 billion in card processing fees in 2025, more than triple what they paid in 2009, according to the Nilson Report. For a carrier processing a rising volume of premium payments, much of it card-not-present and therefore at the higher end of processing-cost ranges, that expense had become a meaningful and growing line item. Compounding it, older payment workflows added back-office effort that scaled with volume, pulling staff toward manual work and away from higher-value tasks.

Key Pain Points

- **Rising Processing Costs:** Card processing expense grew automatically with payment volume, becoming a larger operational cost every year.
- **Growing Back-Office Effort:** Payment growth brought added back-office work that scaled with every transaction.
- **Fragmented Payment Types:** Policyholders increasingly expected to pay the way they do everywhere else, across cards, digital wallets, and bank transfer, and ALPS wanted to meet that expectation.
- **Growth Without Proportional Overhead:** ALPS needed its payment operation to scale with the business without adding back-office cost at the same rate.

At a blended card rate of about 2.5%, a carrier collecting $2 million in annual premium by card pays roughly $50,000 a year in processing fees.

What They Needed

The pressure ALPS faced reflects a broader challenge across the insurance industry. Carriers collect payments through multiple channels, including agency-billed policies, direct payments, and financed premiums. Each carries processing costs that increase with volume, regardless of how the policy was written or billed. Across a large book of business, those costs can become a meaningful operational expense.

For ALPS specifically, that pressure showed up wherever its policyholders touched a payment: stand-alone and recurring payments and its premium finance program, each adding cost and complexity as the book of business grew. To keep pace with growth while controlling the true cost of accepting payment, ALPS needed more than a payment processor. It needed a billing and payments partner whose platform fit natively into the operation it already ran.

Core Requirements:

- **A Proven Path to Lower Costs:** A partner able to show it could bring down what ALPS spent to accept payment, not simply reallocate that expense elsewhere in the operation.
- **One System, Not a New Vendor Relationship:** A platform that could extend the billing and premium finance system ALPS already used by integrating payments into the same workflow.
- **More Billing Flexibility:** The ability to adjust documents, payment schedules, interest, and fees, and to automate notices and follow-ups.
- **Modern Payment Options:** Support for the ways people pay everywhere else, across cards, digital wallets, and bank transfer, in one experience.
- **Capacity to Grow Without Building Out the Back Office:** A payment operation built to scale without adding headcount.

Why They Chose Input 1

ALPS's relationship with Input 1 began with premium finance. Rather than keep extending a capability built into its own policy administration system, ALPS weighed its options, including a possible in-house rebuild, and chose Input 1's PBS to power the next stage of its premium finance program. The draw was a proven, well-supported platform that delivered the flexibility ALPS wanted (adjustable documents, payments, interest, and fees), plus automated notices and follow-ups, without the cost and risk of building and maintaining it in-house.

When ALPS later looked to address the cost and complexity of payments across its wider billing operation, expanding into Input 1 Payments was a natural next step. Because Input 1's payments and PBS platforms are natively integrated, payment and billing data move together as part of one system rather than through stitched-together connections.

BEFORE

- **RISING card processing costs, growing every year**
- **RIGID billing setup**
- **LIMITED payment options for policyholders**

AFTER

- **Significantly REDUCED payment processing costs**
- **Full billing FLEXIBILITY and automated follow-ups**
- **Full payment CHOICE: credit/debit cards, digital wallets, ACH**

Solution Highlights

Lower Payment Processing Costs:
ALPS has experienced a significant drop in payment processing costs since moving to Input 1 Payments, reducing a growing expense from its operation without changing the payment experience on which its policyholders rely.

Billing Flexibility Built In:
ALPS gained the billing flexibility to adjust documents, payments, interest, and fees, with automated notices and follow-ups.

Full Payment Method Support:
Policyholders can pay with credit/debit card, Google Pay, Apple Pay, Venmo, PayPal, or ACH. With digital wallets now accounting for roughly half of U.S. online purchases, that breadth meets policyholders where they already are.

Works Across the Billing Operation:
Input 1 Payments supports stand-alone, recurring, and financed-premium payments through its PBS integration, one payments layer rather than separate tools.

Native Platform Integration:
Because payments, billing, and premium finance are built to work together, ALPS runs its full billing operation on one connected system with no data gaps to bridge.

Scalable Without Added Overhead:
ALPS's payment operation now grows in step with its book of business, without a parallel increase in back-office headcount or overhead.

Business Impact

With Input 1 Payments in place, ALPS turned a growing operational expense into a source of savings, without disrupting the policyholder experience or adding back-office headcount.

The cost reduction is the headline. Against an industry backdrop where card processing fees have tripled since 2009 and continue to climb, ALPS moved in the opposite direction, significantly reducing what it spends to accept payment. Those savings came alongside greater billing flexibility and room to grow, without adding back-office headcount as volume rose.

Results at a Glance

- Significantly reduced payment processing costs, against an industry trend of rising fees.
- Gained billing flexibility: adjustable documents, payments, interest, and fees.
- Expanded policyholder payment options across cards, digital wallets, and ACH.
- Unified stand-alone, recurring, and premium finance payments on one platform (PBS).
- Scaled the payment operation with business growth without a proportional increase in back-office cost.

Input 1 Payments helps carriers turn payments from a growing operational expense into a strategic lever for cost reduction, retention, and efficiency. ALPS proves the point. It reversed a rising payment cost and gained new billing flexibility, all on one integrated Input 1 platform. For carriers, that's what payments can be: not an expense that grows with you, but a lever that works for you.

Learn More

Lower your payment costs. Reduce back-office work.
Give policyholders the payment options they expect.

Let's talk about how Input 1 can help.
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