

How to Engage with Your Insurance Customer



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OVERVIEW

If you work in the insurance industry, you may be transitioning to digital processes and services. Insurance companies now face significant challenges when working to connect, communicate and engage with new as well as current customers. These challenges are most obvious when onboarding new customers during the application process and assisting existing policyholders during the claims process. Both processes involve multiple touchpoints that can create either deep-seeded loyalty or unwavering resentment toward their insurer.

Unfortunately, today's customers no longer compare the level and quality of service you provide to that of your competitors. Rather, they are comparing your customer service to the service they receive from retailers like Amazon and other online businesses that create a long-lasting impression of what a good customer experience should feel like. These companies engage customers digitally from the beginning to the end of a process, and they can interact via multiple communication channels whenever and wherever they want. This is what they expect you, their insurance provider, to deliver.

Historically, insurance companies tend to avoid risks and move cautiously toward achieving digital transformation. In this age of digitally connected consumers, many insurance companies still use traditional paper-based processes, email, and faxes as primary channels for communication and customer engagement. Insurance leaders can gain a sustainable competitive advantage by making the transformation to digitized processes. Digitization can:

- Cut latency in dynamic, collaborative, and information-intensive processes
- Increase responsiveness to customers
- Improve worker productivity
- Reduce operational costs
- Ensure regulatory compliance

This report details how savvy insurance providers can safely leverage technology to rapidly achieve digital transformation, creating an agile customer communications environment that meets the changing demands of modern customers.

UNDERSTANDING THE CHALLENGES

As mentioned above, there are two processes that involve a high level of customer interaction: applicant onboarding and claims handling. Let's take a closer look at some of the challenges associated with each one of these core business processes.

Onboarding Challenges

When onboarding new applicants, insurance companies face two primary hurdles:

- **High abandonment rates.** Keep the prospective customer's attention and focus during the process so that they do not abandon the activity prior to completion. Repeatedly asking for the same information is one of the reasons companies experience a high abandonment rate during customer onboarding.
- **NIGO (not in good order) paperwork.** NIGO is another bottleneck during the onboarding process. Documents received without all of the required information or signatures must be pulled out of the normal workflow and processed on an exception basis. This time-consuming manual intervention adds costs to the onboarding process.

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T. Rowe Price estimates that each NIGO document adds 50% to the overall processing cost of an account application or change.¹ In addition to slowing down the onboarding process, NIGO is another reason customers abandon an application in process – they think it's just too difficult to do business with a company and seek another insurance provider that can offer an easy, engaging online buying experience.

Claims Handling Challenges

Claims handling typically involves high levels of interaction between an insurance company and its policyholders. Claims handling challenges include:

- **Increased customer demands.** As with the onboarding experience, customers are willing to do some data entry themselves, but they require ongoing communication throughout the process regarding the status of their claims and whether or not they will need to supply additional information to complete their claim.

- **Negative first impressions.** Delays in asking for additional information, or in approving a claim can leave clients with a negative impression of the insurance company. This type of poor customer experience can spread quickly via online social media forums where consumers often rely on friends and family for many of their buying decisions. The result: based on negative reviews and negative experiences other individuals have posted, consumers will look elsewhere.
- **Slow response times.** Employees responsible for delivering service also have expectations about what they and their company should be able to provide customers. The old timeline of months to make changes to form letters, emails, and web screens is no longer viable. New business representatives, claims handlers, or customer service representatives want to make the modifications needed to respond to market and regulatory changes without waiting for IT to fit them into the corporate development calendar.

TECHNOLOGY ENABLEMENT STARTS WITH THE RIGHT PLATFORM

Technology enablement begins by adding structure to a manual workflow process and then codifying that structure with the appropriate software and hardware. Almost any well-defined insurance process, including all of its exceptions, can be automated. Start with a Business Process Management (BPM) platform to streamline the flow of information and enhance the customer experience.

About Business Process Management (BPM)

A BPM platform can execute, manage, and optimize a workflow process, engaging people and various systems at different steps in the business process to accomplish the task at hand. BPM is typically central to orchestrating complex business processes. BPM tools may be marketed as either workflow management systems or case management tools, as these are the core functions they provide.

While a BPM platform helps define and orchestrate the steps that are taken within a business process, many insurance carriers are also starting to adopt Robotic Process Automation (RPA), an emerging and complementary technology.

Robotic Process Automation (RPA)

Here's how RPA works:

- RPA uses a “software robot” that interacts with an enterprise application, web site, portal, or other data source in the same way that a person works with those systems to complete a specific task.
- RPA not only mimics the actions of a user, but also contains sophisticated business logic that directs interactions with a system, transforms the data, and handles exceptions, such as notifying an employee when human intervention is required.
- A Robotic Process Automation solution can be configured to allow entry or retrieval of information for processing a customer's request with any system that a customer service representative interfaces with currently.

RPA helps speed the processing of manual tasks, and unlike humans, the robot knows what to expect between systems or applications and how to respond to performing that activity with greater speed and accuracy. Where a human needs to process the information and decide which action to take, RPA can act immediately.

RPA in Action

Let's look at one example of how a P&C insurer used a suite of tools to automate the claims processing function in their call centers. This company used a BPM to implement the workflow around its claims processing activity. As a part of determining the value of a particular property loss, case workers would manually lookup values in a set of online services, including eBay and Craigslist. Using RPA, the company was able to automate the lookup process and present the results to the case worker for approval. The RPA process is automatically invoked at the right step in the workflow by the BPM. This eliminated a mundane task from the workflow and allowed the case worker to perform higher-level thinking on the claim in order to get it processed more quickly and consistently.

About E-signatures

In an effort to digitize and streamline customer interactions, another stumbling block that frequently comes up is the requirement for a wet signature on certain documents. This requirement may be regulatory, an internal risk requirement, or just “the way we've always done it.” While electronic signatures, or e-signatures are increasingly accepted, they require changes to underlying systems to support the collection, validation, and retention of the e-signature and associated document. The collection of e-signatures is a fairly straightforward process

these days as there are multiple companies that offer tools to perform this step in the workflow.

THE MISSING PIECE IN CUSTOMER ENGAGEMENT

Many insurance companies have grown through mergers and acquisitions. These additions to the business have not always been fully integrated, resulting in inconsistent branding and communication styles. Companies are now looking to unify their branding and increase the clarity and timeliness of communications with clients. Customer Communications Management (CCM) software enhances interactions and communications between a company and its customers, agents, service providers, vendors or anyone else the company needs to exchange information with. When insurance companies look at how CCM software can help them, they typically target high-volume use cases like policy printing or statement and billing notices.

The Importance of Interactive Communications

What is often overlooked when evaluating or implementing CCM software tools is the more complex environment of interactive communications, such as claims correspondence. These are responses to service inquiries and the exchange of communication during the application and underwriting process. These types of communications are often created manually with a combination of Microsoft Word templates and Excel spreadsheets, relying on the employee to use the correct template, include compliant verbiage and apply the right company branding and messaging.

One could easily argue that managing interactive communications is more important than other types of communications since those communications face more frequent changes and edits, and require the ability to allow the author to make on-the-fly modifications or customizations specific to the individual customer they are working with. When evaluating CCM software, it's critical to select tools with a set of templates that allow your business users to customize content, while also supporting corporate branding and compliance standards.

ADDING AUTOMATION TO YOUR CUSTOMER COMMUNICATIONS

An area where many new applications fall short is in providing feedback to the user on the status of their request and what steps they need to take next, if any. In the past, print communications were always the last thought in a new applications development lifecycle. Now, print communications are just the beginning, as email and SMS text messages need to be considered as viable ways to communicate with a client. In the past, addressing a range of communications methods would have required multiple parallel paths.

Today, some customer correspondence tools support all of these communications channels and can be configured to allow business users to make changes to the content of the messages. What normally would take 6 – 9 months to implement can now be cut down to one week, when business users are empowered to make changes to the content, thereby eliminating the need for an IT resource to manage the change.

Adding technology-enabled automation to communications is a huge step towards adding structure; however, technology is only one part of ensuring effective customer engagement. Centralizing communications management and involving stakeholders from key departments such as legal and compliance, marketing and brand, as well as procurement or the team managing print production, are all key to ensuring that communications are created, managed, and delivered properly.

CCM technology ensures that every communication occurs promptly and is fully tracked. Business users must make sure the right content is on each communication and that it meets the governance requirements for the company. By establishing governance, it can be assured that all communications meet the company's standards for branding, compliance, legal, and consistent content and messaging to each customer, while also allowing business users to build a personal relationship with customers through the use of personalized and tailored messaging.

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MANAGING YOUR CUSTOMER'S EXPECTATIONS

In addition to understanding what path a customer may travel when communicating with an insurance company, it is also important to understand exactly what a customer might expect from their interactions. A BPM platform can help collect metrics on all aspects of the workflow. For example, trends can be identified to show where new client applications are abandoned, and changes to the workflow and messaging can be made to fine tune the process and reduce the abandonment rate.

SO WHAT DOES ALL THIS CHANGE MEAN?

So, how does all of this software come together to help address the issues associated with customer onboarding and claims processing? It begins by documenting the workflow and then translating that into the BPM workflow engine. Robotic Process Automation, CCM and e-signature tools are used within a workflow to

gather data, make decisions, store data, send messages, and collect and validate e-signatures.

This new class of software tools enables fast, low-cost implementation of workflows. These software tools allow an existing admin engine to have new capabilities added to it by leveraging its existing user interfaces. Rather than requiring the data entry path that the system was designed with, the tools allow data to be collected in different ways and then entered into the system automatically, using the existing user interface. Building a new user interface with a BPM at its core allows existing admin engines to initiate new ways of onboarding, claims management, or other tasks that better meet the expectations of a modern, digital insurance customer.

APPENDIX A : ABOUT MADISON ADVISORS

Madison Advisors exists to advance the print and electronic communications objectives of Fortune 1000 companies. Madison Advisors specializes in offering context-specific guidance for a range of content delivery strategies, particularly those addressing enterprise output technologies and customer communications.

Madison Advisors offers services and expertise primarily through short-term, high-impact consulting services. With no-nonsense, quick engagements (measurable in days or weeks, not months), Madison Advisors directly helps our clients achieve very hard and specific return on investment (ROI) related to their print and electronic communications initiatives.

Madison Advisors' analysts are dedicated to technology and market research that is delivered through short-term project engagements as well as articles, publications, and presentations. We specialize in customer communication technologies including enterprise output management, content management, customer relationship management, e-billing, and infrastructure technology.

For more information about Madison Advisors, visit our web site: www.Madison-Advisors.com

APPENDIX B: ABOUT THE AUTHOR

Jeff Weldon

Senior Analyst

Jeff Weldon provides both end-user and vendor project-based advisory services in the enterprise output technology space as well as for print service providers. With a wealth of industry and analyst experience in digital printing and electronic publishing software systems, Jeff has extensive knowledge of numerous output management systems in the transactional and print-on-demand markets, including print management and workflow systems and leading electronic delivery solutions.

Previously serving as a principal analyst with Madison Advisors from 2002 to 2007, Jeff rejoined the firm in 2013 after six years with Canon/Océ in its business process outsourcing group. His focus at Canon/ Océ ranged from managed print services to high volume POD shops. Client solutions included software such as uniFLOW, Equitrac, and eCopy, among others. Prior to that, Jeff served as Vice President of Marketing for enterprise output vendor OPserver, Inc., worked for The Thomson Corporation as a consultant for electronic publishing initiatives, and at Adobe Systems, specializing in the integration of Adobe Acrobat products into electronic information delivery solutions.

Jeff earned a B.S. in Computer Science from Boston University.