

The beneficiary experience

Part 1: Anticipating ‘top-of-mind’ questions and setting clear expectations curb anxiety from the start

Executive summary	2
About the beneficiary journey study	3
Key moments of truth at every stage of the journey	4
Conclusion	7



Executive summary

Within the group insurance industry, experiences vary when it comes to the beneficiary claims process. With some carriers, that process is smooth and positive for beneficiaries navigating the loss of a loved one – but sometimes the experience can be more challenging.

As employers and consultants alike consider a life insurance carrier, it's crucial to be aware of the full life cycle of the product. This includes the beneficiary experience, beginning with the first call to make a claim.

Why is it key to understand the beneficiary experience? For consultants, it's beneficial to recommend companies with a good process. And employers want to know they're providing a seamless experience with the carrier they choose. A life insurance claim is the ultimate intent of the product, so a good experience administering the product is vital. Being considerate of what happens to the beneficiary shows companies care about their employees – and their families.

The claims process can be daunting for many beneficiaries, who often call the employer for direction on how to access the life insurance policy and begin a claim. Employers can be more empathetic when they have a better sense of the beneficiary journey – and the challenges beneficiaries face.

About the beneficiary journey study

Securian Financial is committed to delivering an exceptional claims experience and collaborated with Ipsos UU, a global marketing research firm, to gain a deeper understanding of what beneficiaries think and feel before, during and after submitting a claim. In-home interviews were conducted with beneficiaries and their advocates to learn about their claims stories and capture their perspectives on the process.

The overall objective of the research was to understand how beneficiaries and their advocates feel about the life insurance claims process. The results revealed that by anticipating the “top-of-mind” questions and setting clear expectations early on, carriers can mitigate beneficiary anxiety at the start. Which also helps set the tone for a more positive and less stressful journey moving forward.

The top questions beneficiaries have

For most beneficiaries, this is the first time submitting a life insurance claim. Virtually none of the beneficiaries interviewed had been through the process previously. From the moment beneficiaries become aware of the policy and their role, questions begin to swirl:

- Is the policy valid?
- How and where do I find out what to do?
- What is the policy number?
- How much is the policy worth?
- Do I have to pay taxes?
- Are there other beneficiaries?
- How do I get the claim started?
- What documents are needed?
- How long will it take?
- How do I get paid?

Study participants reported that their anxiety tended to decrease when the insurer proactively answered these questions at the beginning of the process – and set clear expectations about next steps and timing.

“I remember calling them, and they were so empathetic. They said, ‘I’m so sorry that you have to make this call, I’m going to make this as painless as possible for you, and here is what you can expect.’ And it just seemed like a big relief, like they had dealt with this type of claim before. It was like, ‘Ok, I’m going to be ok.’”

– Beneficiary

Key moments of truth at every stage of the journey

Participants reported they eventually got their questions answered and found the overall claims process to be simple and straightforward.

However, the study focused on understanding the emotional components of the journey – which includes three primary stages: pre-claim, claims process and claim payout. Key moments of truth were uncovered about each stage of the journey:

1. What actions define that stage?
2. Who do beneficiaries rely on for information?
3. How do beneficiaries feel at that moment?
4. Are there opportunities to create a more seamless, supportive experience?

1 Pre-claim



What happens:

- Policyholder initiates this stage with the purchase of a life insurance policy and assignment of beneficiaries.
- Beneficiary enters the process with notification from the insurance company that they're a beneficiary or search for/discovery of the life insurance policy.



What they feel:

- Grief-stricken
- Surprised
- Uncertain



Influencers:

- Local insurance agent
- Advocate
- Family/friends
- Funeral home

"It's very emotionally draining, and you've been through hell and back before even calling the insurance company."

– Beneficiary

Opportunities

- Once a beneficiary is assigned, offer the policyholder an option to notify the beneficiary with policy information to help prevent surprises later on.
- Provide policy and contact information the policyholder can easily print, file or share with the beneficiary.

2 Claims process



What happens:

- The process typically begins with an initial call by the beneficiary to the insurance company's 1-800 number or the employer's human resources department (if the policyholder was still employed).
- It ends with the beneficiary's document submission and the insurance company's processing of the claim.



What they feel:

- Worried
- Confused
- Impatient
- Frustration



Influencers:

- Local insurance agent
- Advocate
- Family/friends
- Funeral home

"We had the death certificate and got the required paperwork, and within a week or two got the check."

– Beneficiary

Opportunities

- Setting expectations around process and timing.
- Beneficiaries aren't aligned on the best communications method, but some notification around three key points is critical:
 1. Your paperwork was submitted successfully – "We got it."
 2. Your claim is being processed and it typically takes X weeks.
 3. Your payout will be sent X date via your choice (mail or direct deposit).

3 Claim payout



What happens:

- The beneficiary receives a lump sum payout, most often by a check in the mail.
- The check typically arrives within two weeks to two months of claim submission.
- Engagement with the life insurance company most often ends here.



What they feel:

- Relieved
- Surprised
- Pleased



Influencers:

- Advocate
- Family/friends

Opportunities

- Beneficiaries typically have no interaction with the life insurance company prior to the claim.
- Lack of familiarity manifests in skepticism around the insurer's ability to put the beneficiary's interest above its own – this explains feelings of surprise and relief at payout.
- Some knowledge of the policy and familiarity with the insurer prior to the beginning of the claims journey can help build trust and confidence in the process.

Conclusion

Based on its research, Securian Financial has identified a range of feelings beneficiaries experience throughout the life insurance claims journey – from pre-claim, to claim and finally claim payout.

While the process is considered straightforward for most, any disruption magnifies a beneficiary's anxiety during an already stressful time. Anticipating questions, setting clear expectations, streamlining the process and empathizing with the beneficiary mindset throughout the claims journey can lead to better outcomes.

This is the first of two papers about Securian Financial's beneficiary experience journey research. The second paper focuses on opportunities to tailor communication and support employees, beneficiaries and their advocates.

Methodology

In order to gain insights and better understand the life insurance claims experience, Securian Financial collaborated with Ipsos UU to conduct 22 in-home interviews with policy beneficiaries and advocates October 14-21, 2019, in Los Angeles, Minneapolis and Buffalo, New York.

Four of the 22 interviews were conducted in a dyad format, where a beneficiary and their advocate were interviewed together. Five remote interviews with financial professionals were also conducted October 21-22, to capture their perspective on the claims process journey.

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