

Digital acceleration benefits carriers and customers

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Introduction

Insurance carriers report that COVID-19 has influenced their companies' digital strategies. As employers grapple with navigating benefits programs amidst economic downturn, they will require more from their benefits software. This in turn will put greater pressure on insurance companies to modernize their systems and accelerate new partnerships and digital experiences. For employers to feel confident in their coverage, they have to believe the insurance company is always up to date and won't add unnecessary friction at the point of care.¹

Besides digital innovations, there's another positive outcome from COVID-19. Americans have a renewed focus on their family's health and well-being. The pandemic made American consumers consider life insurance more seriously, according to survey data from LIMRA. About 30 percent of respondents indicated the pandemic made them more likely to buy life insurance. About 60 percent reported a "heightened awareness" of the value life insurance might provide. And 42 percent of respondents who contracted Covid-19 now say they are more likely to purchase life insurance as a result.²

For insurance carriers, digital can play a key role in creating more meaningful customer experiences that bridge education gaps, help overcome buying obstacles and lead to new growth opportunities.

"To offer an elevated customer experience, insurance companies must be willing to embrace cutting-edge technologies that will allow them to adjust to changing consumer expectations."³

More consumers expecting digital experiences

Digital or virtual communication is nothing new, but Covid-19 and its aftermath have propelled its criticality. More than ever before, consumers expect a virtual experience. And to remain relevant, employee benefits solutions must have a digital component to reach employers and employees in remote working environments.

That's because remote and hybrid work are likely here to stay. According to FlexJobs' Career Pulse Survey (conducted between July and August 2022), 65% of respondents report wanting to work remotely full-time, while 32% want a hybrid work environment.⁴

In addition, if carriers don't make the shift to virtual experiences, employee satisfaction and understanding of their benefits will suffer. The perception of company benefits has a direct impact on employee satisfaction, retention and recruitment – which can affect an employer's bottom line. Digital resources and education can help ensure these perceptions are indeed positive.

"The companies best able to attract and retain talent will be those offering benefits that address the changing needs of workers." — Harvard Business Review⁵

However, as digital acceleration continues, it's crucial for carriers to blend both human and digital interactions into experiences offered across the spectrum – from employers and employees to consultants and brokers. Offering digital solutions, along with a dash of human touch, is a recipe for success.

There is strong demand from global consumers for more proactive, personalized engagement from carriers, brokers and insurance agents, particularly when claims have occurred, according to insights from new research.⁶

Enrollment: Digital, AI yielding positive outcomes

In 2020, as a result of Covid-19, companies around the world were forced to quickly pivot and devise new solutions for doing business in a virtual world. In the employee benefits industry, the open enrollment season went digital and carriers discovered the many advantages of virtual benefits fairs – which have become the new normal.

"Virtual benefits fairs also have the advantages of accessibility and availability, reaching employees across multiple locations, including hybrid workers and remote workers. One of the best reasons to consider a virtual benefits fair is that they offer a bevy of possibilities for connecting with employees and allow organizations to try new things, such as an online employee resource center, rolling expert panels and interactive benefits quizzes."

— Society for Human Resource Management⁷

Here are three reasons why a virtual approach to enrollment is beneficial for carriers, employer clients and their employees:

- 1. Consistent messaging** — All employees receive the same information anytime, anywhere, when it's convenient for them. This means everyone has access to valuable enrollment details, which aren't restricted to just those who attend in-person events.
- 2. More engagement opportunities** — By offering digital, online enrollment platforms, employers can better engage, reach and educate employees about their benefits through interactive webinars, quizzes and videos. Significant others can also easily participate and help make important benefits decisions.
- 3. Incorporate artificial intelligence (AI)** — This technology is especially useful in guiding employees through enrollment and providing decision support. AI can bridge the education gap with consumers who may not understand the cost or necessity of life insurance and supplemental health benefits.

Against the backdrop of rising costs, experts say organizations that fail to take advantage of tools – such as artificial intelligence to help employees make benefits decisions, application programming interfaces (APIs) that improve the speed and accuracy of benefits transactions by integrating disparate systems, and new analytics tools to measure benefits' return on investment – risk wasting the investments they made to attract new workers and keep existing ones on board.⁸

Digital education key to understanding benefits

Digital information can play a key role in educating consumers and helping them understand the value and cost of their benefits along with making smart choices for their unique circumstances.

According to the 2022 LIMRA Insurance Barometer study, when asked what the expected annual cost of a 20-year \$250,000 term life policy for a healthy 30-year-old would cost, over half of the respondents say the policy would be \$500 per year or more. The average cost of such a policy is closer to \$170 per year, suggesting more than half the population thinks term life insurance is three times more expensive than it is.⁹

When consumers better understand their benefit options, they can choose the right financial protection for their family. “Rather than relying on stats or estimated savings, companies will need to roll out solutions in a way that puts the value on full display.”¹⁰

According to the 2022 LIMRA study, Facebook was the most commonly mentioned site used for financial information. YouTube also experienced strong growth among users in recent years. Most survey respondents indicate a large shift favoring online life insurance shopping and purchasing. This is due to advances in technology, as well as the pandemic. Preference for shopping online increased 29 percent over the last six years.⁹

Access to digital information is crucial for today’s tech-savvy employees, especially Millennials and Gen Z consumers.

Younger customers are used to a clear and smooth digital experience, from social networking to mobile banking to music streaming and e-commerce services.¹¹

Post-enrollment: Creating digital efficiency, convenience

When it comes to post-enrollment, digital options can create efficiencies and offer convenience to employees. For example, many carriers and businesses from other industries are investing in eSignature solutions to streamline customer experiences and eliminate overhead expenses like physical paperwork. eSignature technology increases mobility and speeds up the entire movement of the insurance process – which can be especially helpful in improving customer experiences and claims processes for health insurers.¹²

The benefits of saving time and money have also led to many insurers implementing automated underwriting into their value chain. A report by Deloitte finds that 65 percent of insurance executives increased their investments in robotic process automation in 2022, and 74 percent increased their investments in AI in 2022.¹²

Insurers can drastically reduce costs and turn-around time by adopting high-quality digital assistants. According to a study by Juniper, using conversational AI-based chatbots for insurance will lead to cost savings of about \$1.3 billion by 2023 across life, property and health insurance.¹²

Securian Financial's digital capabilities

Here's a sampling of our dynamic digital assets that assist employers and their employees at enrollment and beyond.

- **Benefit Scout®** Digital platform offering personalized benefit recommendations, cost estimates, ability to build claim scenarios and insights to help connect the value of voluntary coverage with employer-provided benefits
- **Recommendation to inbox** Personalized email offering coverage recommendations and cost estimates at key points in the enrollment journey
- **Virtual benefits fair** Live and on-demand interactive experiences designed to build understanding and drive engagement
- **Enrollment reminder emails** Proactive messaging to ensure employees complete the enrollment process
- **Secure Insights®** Data analytics tool that leverages industry, third-party and client data to identify opportunities, set goals, and execute changes to help achieve the plan's full potential
- **QR codes and texting** Quick access to plan documents and materials to streamline the enrollment process
- **Contact-free medical underwriting** Data is gathered and shared digitally to shorten underwriting time and support application completion rates
- **DocuSign®** Digital signature capture tool that streamlines paperwork submission process
- **Financial Wellness 360°** Comprehensive digital program offering tools, education and support to help employees achieve overall financial well-being

[Learn more](https://www.securian.com/products-services/employers/elevate-your-group-insurance-business.html) about how Securian Financial is meeting employers and employees in a virtual world. Visit <https://www.securian.com/products-services/employers/elevate-your-group-insurance-business.html>

Conclusion

Shifting labor force dynamics and a rapidly diversifying workforce – with equally diverse needs – have heightened the value of benefits in employees' eyes, while also increasing reliance on digital education and enrollment methods to serve the needs of an often-remote workforce. Further digital advancements and education are critical and will help carriers stay competitive and elevate the customer experience. Plus, these advancements will help nurture existing relationships and potentially lead to more business as more Americans prioritize protecting their family's health – and turn to their employer-sponsored benefits to ensure they have a comprehensive financial safety net for the unexpected.

COVID-19 has posed significant challenges for life insurance companies, but the advent of new preventative measures and digital advances point to opportunities that can benefit providers and customers alike. With continued expansion of digital tools that enhance the customer experience, insurers can potentially improve customer acquisition and retention in a competitive marketplace.¹

"The bottom line is that, amid the trends of discontinued perks and a slowing increase in the cost of healthcare benefits, brokers can step up to help employers create defining moments in the employee experience that can help organizations focus more keenly on the sustainable and consistent value of core employee benefits."

— says BenefitsPRO.¹⁵

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