

Digital acceleration benefits carriers and customers

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Introduction

Insurance carriers report that COVID-19 has influenced their companies' digital strategies. In many cases, the pandemic has reprioritized and accelerated many digital initiatives. This is unsurprising, given the sudden shift to a remote working environment and increased demand for digital benefit education, enrollment and service offerings.¹

The accelerated onset of new and innovative digital capabilities across many industries is indeed a silver lining of the pandemic – but especially within the group insurance niche. These advancements will help carriers not only keep up with competitors but also offer an even better customer experience for their employer clients.

Besides digital innovations, there's another positive outcome from COVID-19. Americans have a renewed focus around their families' health and well-being. In fact, one survey indicates that 66 percent say they now better understand the value of life insurance.² And a LIMRA survey reported one in four consumers say they're more likely to enroll in benefits offered at their workplace.² In addition, more employees are becoming aware of their benefits through their employer and turning to digital resources for education – on the internet and social platforms.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 now and post-COVID.

“This is the year everything changed for HR and benefits professionals. The way we communicate, operate, recruit and motivate teams has all shifted to a virtual model. COVID-19 has forced a transformation in the function of HR and benefits, and has shed a light on the need for more agile communications.”²

– Employee Benefit Advisor

More consumers expecting digital experiences

Digital or virtual communication is nothing new, but this year has proven its criticality. More than ever before, consumers expect a virtual experience. And to remain relevant, group insurance offerings must have a digital component to reach employers and employees in a remote working environment.

That's because remote work is likely here to stay. One survey indicates one-third of employers are planning that at least 40 percent of their employees will continue working remotely for one year once the pandemic ends.³

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.

“Customers want to work with companies who care about them.”³ – BenefitsPRO

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

According to BenefitsPRO, “Customers want to work with companies who care about them. We can't take a digital-only approach. Bringing emotion – positive emotion and empathy – to the experience and every interaction we have with customers will help us get farther, faster.”³

Enrollment: Digital, AI yielding positive outcomes

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

“... Digital options are more practical for reaching time-strapped workforces and can be easily shared among family members, on any device. Email, websites, QR codes, webinars, social media, interactive message boards, virtual meetings, video conferences, mailers, etc. All of these options can be combined to create the right flow of critical information around open enrollment.”²

- Employee Benefit Advisor

Here are three reasons why a virtual approach to enrollment is beneficial for carriers, as well as 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 attended in-person Q&As.
- 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. Spouses can also easily access and help inform family 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 – like millennials who may not understand the cost or necessity of life insurance.

AI is also appealing to carriers because the chatbot’s internet-based technology is relatively inexpensive, addresses questions normally handled by customer service, and can transform the customer experience.⁴ It’s clear, the use of AI is on the rise. Nearly half of large life and annuity carriers (48 percent) have incorporated or plan to launch chatbot capabilities, according to a July report by Novarica.⁴ And almost one-fifth have already introduced AI-powered conversation algorithms.⁴

Digital education key to understanding benefits

The world's monumental shift to digital will only continue post-pandemic. And digital information can play a key role in educating consumers and helping them overcome buying challenges – by addressing the true costs and benefits of life insurance. Consider these statistics from a recent LIMRA and Life Happens survey of 2,000 Americans:⁵

- 1 in 2 millennial respondents overestimated the annual cost of a \$250,000 life insurance policy (for a healthy 30-year-old) by as much as 10 times
- Nearly 6 in 10 respondents said they didn't think they need life insurance
- 52 percent were unsure of how much or what type of insurance they need

When consumers better understand their benefits, they can choose the right financial protection for themselves and their family. "We need to give consumers and employers the ability to conduct their own research and educate themselves on the benefits of insurance," according to a BenefitsPRO article. "They need access to valuable information so they can feel more confident in their purchasing decisions."³

People tend to start researching their benefit options online.³ According to LIMRA's 2020 Insurance Barometer study, almost half of consumers use social media to gather information on financial topics.³

For millennials and Generation Z consumers, having access to digital information is especially crucial for these tech-savvy age groups.

Post-enrollment: Creating digital efficiency, convenience

When it comes to post-enrollment, digital options can create efficiencies and offer convenience to employees. For example, using digital medical records versus in-home medical evaluations can save time and hassle – and speed up the application process.⁶ A Society of Actuaries study reports almost one-third of life insurance carriers have turned to an accelerated underwriting process in response to COVID-19.⁶

In addition, electronic signatures and policy e-delivery make post-enrollment easier and simpler.⁶ And if a claim needs to be made down the road, online claims submission can continue the seamless, digital experience for consumers.⁶

How Securian Financial accelerated its digital enhancements

Like many carriers, Securian Financial has also enhanced its digital capabilities in response to the pandemic – to make enrollment easier for its employer clients and their employees – and during post-enrollment and beyond:

- Enrollment – Decision-support tools include virtual benefits fairs, Brainshark presentations, webinars, texting and QR codes, and an interactive Benefit Scout® tool that uses AI
- Post-enrollment – Contact-free medical underwriting decreases underwriting time and DocuSign® (digital signature capture tool) makes filing a claim less stressful
- Ongoing engagement – Financial Wellness 360® is a multi-faceted wellness program that inspires, educates and encourages employees to make lasting financial behavior changes

To learn more about how Securian Financial is meeting employers and employees in a virtual world, [visit our digital capabilities webpage](#).

Conclusion

In the wake of a worldwide pandemic, digital initiatives are accelerating – and the insurance industry is answering the increased demand for digital benefits, education, enrollment and service offerings that meet employees wherever they are – whether they’re in the office or working from home.

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 financial safety net for the unexpected.

“We’ve ultimately learned that customers need simple, personalized, and trustworthy experiences to put their financial goals within reach,” says BenefitsPRO. “Investing in technology that improves these experiences will set us up for success, even beyond the COVID-19 pandemic.”³

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