



4 Trends Transforming Life Insurance

How digital-first interactions increase engagement, build a customer-centric organization, and positively influence revenue.

Life Insurers Must Shift Their Mindset on How to Best Acquire New Business in a Digital-First World

As a result of the COVID-19 pandemic, there are now more individuals seeking life insurance than any other time in the last ten years according to a 2021 LIMRA study. The Life Insurance market is facing unprecedented challenges as they look to fulfill the higher demand and learn how to operate in the next new normal. The financial advisors' inability to sell policies in a traditional face-to-face manner has pressured Insurers to accelerate their digital transformation strategies, including automation and optimization of core processes, advisor interactions and the end-to-end customer experience.

Going forward, competitive pressures will continue to mount, with new disruptive entrants continuing to emerge. All of these forces combined are leading Life Insurers to seek new and innovative ways to engage with their customers, especially across digital channels. Across all operations, including Product Development, Marketing, Distribution and Service, New Business, Underwriting, Client Services and Claims, sophisticated technology platforms can orchestrate an amazing customer experience and ultimately drive success for the business.

In this white paper, we dive into:



Four key trends that are transforming life insurance



How technology provides the foundation for better customer experiences and enables long-term success for Insurers



How Smart Communications can help

“Insurers can remove bottlenecks and common issues that plague insurance transactions, driving customer interactions that build loyalty and brand empowerment.”

- Top 3 Customer Experience Trends for Digital Insurance 2022, Gartner

4 Macro Trends Transforming Insurance

1 | Improving the Customer Experience

For quite some time, the Life Insurance market has been primarily focused on cost savings. Today, however, these organizations need to shift their focus to be more customer-centered – future-proofing the business and emphasizing omnichannel customer experiences.

Digitization, automation and streamlining technology and processes are as just as vital for increasing customer-centricity as they are for decreasing costs – and it's time to double down on these efforts.

“Digitally savvy customers are growing accustomed to personalized experiences that anticipate their needs and offer what they’re looking for – sometimes before they even know what that is.”

- Forrester Research

Modern Conversation Platforms are helping Life Insurers’ transform the customer experience by providing:

- A seamless, end-to-end **connected experience**. Insureds expect real-time, two-way conversations whenever they need it, on the channel of their preference.
- Acceleration of **speed to coverage** by simplifying the end-to-end process from submission to underwriting and issuance.
- **Personalized, frictionless, on-demand** digital service - key capabilities leading insurers are rapidly incorporating into their customer engagement process

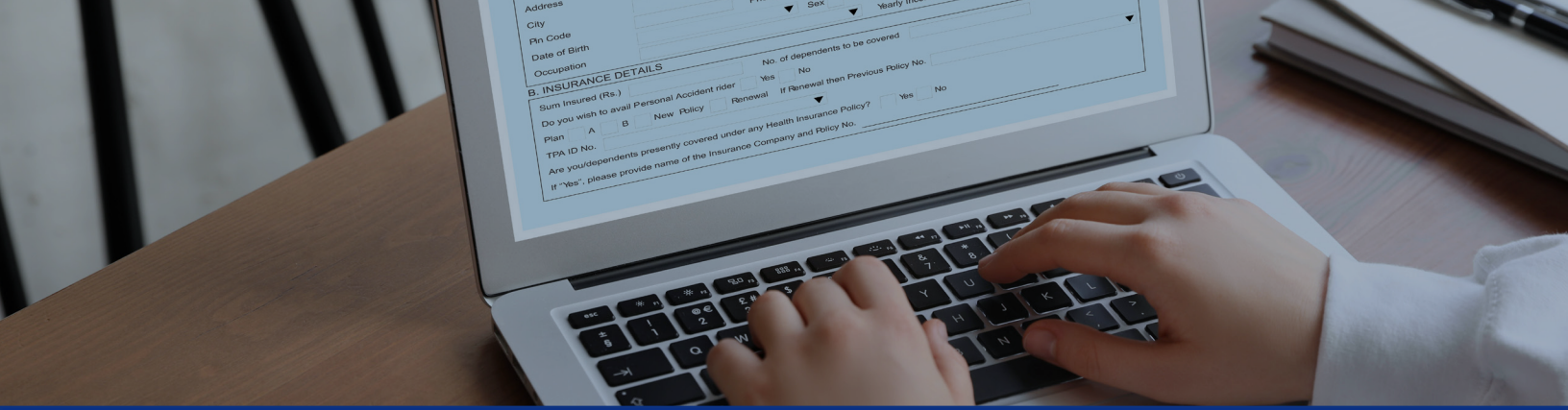
2 | Modernizing the Underwriting Process

Modernizing Life Insurers’ current underwriting processes is crucial to Insurers long-term success. Adopting digital-first strategies for elements of STP, automated decisioning and effective communications management will allow them to maintain quality while delivering an unrivaled customer experience.

Life insurers are shaping the future of underwriting by delivering exceptional customer experiences that make the customer journey simpler, easier, and friendlier.

To accomplish this, they are hyper-focused on robust digital, scalable, data-driven customer experiences to grow the business. At the same time, they are prioritizing empathetic, personalized experiences that enable lifetime relationships with customers.

-SwissRe, 2021



3 | Reducing Operational Costs

Achieving operational efficiency in Life Insurance – with ever persistent low investment returns, increased competitive pressures and costs of acquiring talent - is no easy feat. To do so, Insurers must significantly lower the costs of acquiring and servicing policies while also focusing on growing their revenue faster than the rate of operating costs. Achieving this will require a focus on performance, digital transformation and the customer experience.

A Top Ten Life Insurer Improved Operational Efficiency by Leveraging The Conversation Cloud™



40%

faster turnaround for advisors and policyholders



80%

reduction of Not in Good Order rates due to fewer illegible and incomplete forms.



200 hrs

saved annually via digital interviews to support STP, lower call center volumes, and improved support for advisors

4 | Shifting Away from Legacy Systems

Life Insurers have been burdened by legacy platforms that hinder their ability to adequately serve today's consumer. The continued presence of legacy processes and systems will continue to hamper transformation. Therefore, modernization of legacy applications and processes is a necessary action required for survival.

“Legacy and Ecosystem Transformation is a Top Priority for Life Insurers. Insurers must not only modernize, but also transform their internal systems and how they interact with customers, counterparties and regulators.”

Model Insurer, 2021 – Celent



Transform Your Future

By embracing innovation and transformation, Life Insurers have within their reach the opportunity to put the customer experience at the center of their modernization design. Leading Insurers that seize this approach are investing in and adopting a digital-first, pure cloud strategy to enable **SMARTER** conversations, ultimately achieving higher levels of customer engagement and satisfaction.

Next Generation Customer Engagement

Transforming how customers interact and communicate should be a main priority for Insurers as they continually work to achieve digital transformation. Modern conversation platforms have been proven to improve customer satisfaction scores, boosting speed and quality while also increasing productivity and reducing operational costs across new business, underwriting and other operational areas.

As Insurers explore solutions to optimize the end-to-end customer experience, key capabilities that should be considered include:



Front-End Technologies

Customer facing engagement tools such as self-service portals, mobile apps and web interfaces



Two-way Digital Communication

On-demand, interactive communications produced in real-time



Channel Optimization

Integration of applications and processes enabling Insureds to experience a seamless, consistent experience across insurance companies' physical, mobile and web presence



Cloud-First

Pure cloud technologies to speed up delivery and reduce costs of implementing and maintaining digital services

Integration



Intelligence



Collect



Communicate



Collaborate



Coordinate

The Power of Smart Communications Conversation Cloud™

Life New Business Process



Integration



Intelligence



SUBMISSION



EVIDENCE
MANAGEMENT



UNDERWRITING



FAC
SHOPPING



AMENDMENTS & EXCLUSIONS
POLICY ISSUANCE
COMMISSION STATEMENT



Collect



Communicate



Collaborate



Coordinate



Seamlessly collect information

Initiate interactive, personalized, contextual, compliant communications

Collaboratively negotiate and execute business-critical agreements

Orchestrate conversations across all involved parties

Collect, Communicate, Collaborate and Coordinate all results of claims investigation to conclude negotiations to final settlement

How Smart Communications Can Help

Modern communications solutions enable Life Insurers to offer SMARTER ways to engage their customers, while enabling levels of automation within a digital conversation platform across new client submissions, policy contracting, amendments and exclusions and facultative reinsurance.

Life Insurers that adopt a digital-first strategy enabling two-way conversations in real time across preferred channels, while also leveraging adaptive guided interviews during new business processes, have the potential to achieve benefits such as:

- ✓ Reduce the time to complete new business transactions by 60-75%
- ✓ Limit the development time required to launch new digital applications by more than 75%
- ✓ Improve Customer Experience
- ✓ Reduce NIGO rates
- ✓ Increase Productivity
- ✓ Reduce manual steps for policy contracting
- ✓ Eliminate up to 50% of the manual effort required to create amendments & exclusions
- ✓ Simplify the fac shopping, placement and tracking of facultative reinsurance

Recently named THE leader by Aspire in its 2021 Leaderboard, Smart Communications provides today's top Insurers with The Conversation Cloud™, the leading Customer Communications Management platform, which empowers insurance carriers of all sizes to create consistent and engaging omnichannel, customer-focused conversations. The platform works seamlessly with core policy, claims, billing systems and other enterprise platforms, providing unparalleled personalization and omnichannel capabilities.

Our proven cloud approach, our strategy for delivering meaningful, two-way customer conversations and our platform that's purpose-built to optimize the end-to-end customer experience are enabling Life Insurers to drive growth and exceed customer expectations. Contact us to learn more about how Insurers are delivering **SMARTER** conversations at scale across the entire customer lifecycle.

Contact Us Today

www.smartcommunications.com



About Smart Communications

Smart Communications™ is a leading technology company focused on helping businesses engage in more meaningful customer conversations. Its Conversation Cloud™ platform uniquely delivers personalized, omnichannel conversations across the entire customer experience, empowering insurance companies to succeed in today's digital-focused, customer driven world while also simplifying processes and operating more efficiently. Smart Communications is headquartered in the UK and serves more than 650 customers from offices located across North America, Europe, and Asia Pacific.