For Greenfield Initiatives... Get Personal

INTRODUCTION

Greenfield initiatives remain a popular way for new players to enter the group insurance market and for existing players to offer new types of products. Speed to market is usually one of the primary justifications for these initiatives, but due to shifts in industry dynamics, it has evolved to become an expectation rather than a long-term differentiator. To maximize growth with higher margins and retention rates, group insurers need to make a personalized customer experience the centerpiece of their strategy.

PERSONALIZED CUSTOMER EXPERIENCE LEADS THE WAY

For today's group insurance greenfield initiatives, speed to market has been displaced by a new and arguably more powerful differentiator: personalized customer experience. Although speed to market remains more important than ever, it is now considered an expectation rather than an enhancement tool, as roughly two-thirds of today's group insurers can bring new products to market in nine months or less. New insurance offerings can also now be imitated by competitors in record time. A personalized customer experience is now the go-to differentiator for group insurers in the current market.

Reporting, Analytics, Audit, & Continuous Improvement

Broker Enablement

Broker receives accurate product and pricing information from group insurance company; confident the case will be installed quickly and correctly.

Employer Implementation

New cases installed efficiently onto group insurance company platform. Employers use an omni-channel approach to access information.

Employee Enrollment

Employees have the right information and tools they need to make the correct benefit decisions for their families.

Employer/ Employee Administration

Employees can understand their benefits and coverages and be quickly approved for additional coverages or make changes.

Claims

Employees feel supported during the claims process, with simple claims paid automatically and expertise provided for more complex claims.

Figure 1: The Virtuous Cycle for Customer Experience Continuous Improvement

Recent research from LIMRA/EY indicates that employers are willing to pay more for group/voluntary products if they receive a better enrollment and overall administration experience for themselves and their employees.[1] Greenfield initiatives, like the group insurance companies themselves, should try to achieve the personalized customer experience goals for all customer constituents (see Figure 1: The Virtuous Cycle for Customer Experience Continuous Improvement).

SUGGESTED APPROACHES

As small businesses (with less than 500 employees) continue to recover from the pandemic, they will resume their long-term role as the growth engine for group insurance markets, requiring group insurers to meet the above customer experience goals in very efficient and creative new ways. When planning greenfield initiatives, insurers should take fresh, innovative approaches to the small business and overall group insurance market, including:

1. Highly efficient, accurate case installation of the employee data and plan rules into a modern administration software platform. The benefits administration software should provide out-of-the-box, but configurable product and coverage eligibility rules for the full range of group insurance products, significantly de-risking and accelerating case installations. Robust data intake should be possible through traditional methods (paper, phone, online) and modern methods like direct integration with human resource information (HRIS) systems.

2. A modern API framework for easy integration into critical functions, including compliance, distribution management, general ledger, underwriting/risk management, actuarial, and, potentially, mailroom.

3. A modern API framework for integrating the benefits administration software with the most commonly used enrollment, payroll, and HRIS systems used by small businesses. These systems enable much of the positive customer experience needed by employers and employees and expected by brokers. The benefits administration software provider should be able to perform these integrations effectively and efficiently and bring deep, broad experience when dealing with their various idiosyncrasies.

4. A modern API framework for group insurance integration with partner products (like identity theft, pet insurance, student loan advice services, etc.) and partner tools/content/services for increased, more effective employee engagement.

5. Multiple enrollment methods, including call center, face to face, and either group insurance company-specific or third-party enrollment vendor portals. For small businesses that do not want to purchase third-party enrollment software and services, the group insurance company should be able to use a self-service portal provided by their benefits administration software provider.

6. New types of value-added information captured during the enrollment process for employees by using the insurtech ecosystem. Insurers should work with companies that have developed algorithms and engagement tools for providing useful product advice during or after the enrollment process without requiring sensitive information from employees. They should also team with companies that make it easy for employees to receive higher face amounts for life insurance through pre-built integrations with underwriting data providers like motor vehicle record providers and prescription databases.

7. Accurate, automated billing and commission processing capabilities to avoid expensive workarounds. Expect the benefits administration software provider to support the full range of flexible, timely billing options and multi-tiered broker commission and bonus plans.

8. Easy, ongoing servicing for employers and employees. Intuitive self-service portals from the benefits administration software provider should integrate with commonly used HRIS systems to enable automatic add/change/delete functions and provide easy access to coverage information for employers and employees.

9. Highly automated claims processing capabilities with effective integration of plan data to minimize manual processing. To boost the claims experience for employees, insurers should partner with companies that consolidate medical claims information from multiple vendors and then make proactive recommendations to group insurance companies about voluntary benefits claims payment due dates.

10. Native, pre-integrated, enterprise functions within the benefits administration software, including CRM, campaign management, reporting, analytics, and digital portals, to allow for the most efficient operations and the most effective continuous improvement efforts.

CONCLUSION

For today's group insurance greenfield initiatives, a personalized customer experience for brokers, employers, and employees has become more strategically important than speed to market alone. The ability of most existing group insurers to bring new products to market in nine months or less and of new product innovations to be copied so rapidly, has made speed to market a given. Personalized customer service is now the key strategy that insurers must implement with greenfield initiatives for sustained profitability and long-term success.

ABOUT VITECH

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1   "Harnessing growth and seizing opportunity: the future of workforce benefits," LIMRA/EY, 2021, pg. 17