



GROUP AND VOLUNTARY CARRIERS

Maximizing the Enrollment Process

PoV by

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INTRODUCTION

The enrollment process has become an increasingly important function in the success of employee benefit plans for carriers, agents/brokers and plan sponsors. With the continued increase in the use of voluntary products by employers to offer choice and manage the cost of their benefit programs, carriers are under pressure to have a very robust enrollment process. Carriers now face the need to provide a multitude of options: a proprietary enrollment system with third party product capabilities, the ability to accept data exchange from multiple enrollment systems and exchanges, employee communication and risk/benefit education tools, efficient and scalable enrollment process management, and strong data capabilities (entry, integration, clean-up, insights).

INDUSTRY TRENDS

Back in the day when worksite voluntary was a separate segment from traditional group insurance, almost all enrollments were face-to-face, one-on-one. The one-on-one format allowed real education on the risk employees face and the value of the benefits being offered. Generally, results were great with high participation and persistency. As voluntary went mainstream over the past decade, the game changed. Initially most traditional group brokers did not have the resources to do one-on-one enrollments and were hesitant to have enrollment firms enter their relationships. That trend was followed by employers' increasing hesitancy to allow the disruption created by scheduling and executing one-on-one sessions. Group sessions began replacing one-on-ones, followed by the onset of more robust multiple product enrollment systems which drove increasing employee self-service enrollments. The reduced human interaction and education opportunities had a negative impact on participation and persistency results.

Additionally, as these enrollment trends were occurring, the voluntary product offerings were exploding. From the traditional worksite voluntary offering of whole life, cancer and accident products, the industry broadened the offerings with critical illness, voluntary disability income, universal life and gap-medical, and limited-medical plans as medical deductibles increased. Also, a plethora of non-traditional benefits emerged - auto & homeowners, group legal, pet insurance, excess liability, discount programs, identity protection, etc. All of these choices are great for employers (employee attraction and retention) and

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employees (lot of options to choose from), but difficult for carriers with “share of wallet” challenges resulting in reduced participation and shrinking margins.

As benefit offerings have become more complicated, it has challenged employers to provide a meaningful communication, education and effective enrollment process. Independent enrollment firms, technology firms, benefit administration companies and broker owned and independent private exchanges have emerged to make the employer and employee experience seamless.

CHALLENGES

The growth in voluntary benefits space means significantly higher volume during the enrollment periods for group carriers. Managing these enrollment peaks, consolidating data from various enrollment platform providers, and offering consistent broker and member experiences are key challenges in the marketplace. Additionally, the need for flexibility to accommodate exceptions in the enrollment process across multiple intermediaries and technologies makes managing the enrollment process extremely complex.

TRADITIONAL APPROACHES TO SOLVING THE PROBLEM

Traditionally carriers needed staff to handle the various inputs from the enrollment process, including building customized interfaces with the various external enrollment technologies, cleaning all of that data and onboarding the enrollees. Carriers have often looked to drive business to a limited number of enrollment firms and benefit administration firms, to reduce the variability of the data they need to process.

THE IDEAL SOLUTION

Winners in this complex industry must get to a fully digital environment. They will have a proprietary enrollment system with third party product capabilities to make it easy for employers who wish to do business directly with them. They will be able to provide flexible, layered and tailored (for specific employee segments) employee communication and risk/benefit education tools, including benefit calculators and online/telephonic/avatar benefit counselors. They will optimize the user experience for agents, brokers and customers. The successful carrier’s front office solution will be fully integrated with the core technology platform on the backend, streamlining enrollment with automated, digital processes and feeds into the end-to-end business workflow – from quote to implementation to policy issue and ongoing service. In the digital state with a standardized interface for data exchanges with external vendors and customers, the winning carriers will have the flexibility to handle most customer/intermediary situations with minimal staffing and high quality results.

CONCLUSION

Group and voluntary employee benefit carriers have underinvested in technology for years, patching together old technologies with new applications in an attempt to meet agent/broker and customer needs. All the while, impairing their ability to get to a fully digital environment. To thrive in the complex group and voluntary market, carriers will need to provide a state of the art fully digital enrollment process. Once achieved, this digital environment will allow for the use of data analytics to customize offerings to each employee and eventually gamify the environment to connect with and sell to millennials.

ABOUT THE AUTHOR



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Curt Olson is consultant and advisor to Wyde in Go-to-Market strategies for North America. Curt Olson is a seasoned insurance executive with a career having progressed through roles of increasing responsibility; including intermediary and customer facing sales, sales management, distribution and marketing executive and President and CEO roles at AIG Benefits Solutions & ING Life Insurance.

At AIG he has been responsible for setting the overall direction of the company, including its long-term strategy, value proposition and mission to change the way benefits are designed and delivered to the employee-benefits and affinity group markets. At ING he has made significant expense and compensation alignment changes, creating a culture of compliance and maintaining the number 4 ranking in the Korea Life Insurance market.

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