

# ACCELERATION: THE KEY TO TRANSFORMING THE CUSTOMER JOURNEY



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Today's insurance customers have higher expectations when it comes to the companies with which they interact and the products they select. For insurers, consumer engagement based on a true understanding of the customer journey is no longer a nice-to-have – it is a must. While policy issuance is the end goal, a better experience for the customer throughout the process can help insurers accomplish even more, engendering customer satisfaction and loyalty.

As insurers develop accelerated underwriting programs and take steps toward more efficient processes, lower costs and a streamlined customer experience, innovations across the insurance industry are helping to improve risk insights. Non-traditional approaches, including the use of predictive models and new data sources, are directly addressing customer pain points in the underwriting process, making it less invasive and faster from application to issue. Armed with a better understanding of the customer journey, insurers are increasingly adopting accelerated underwriting programs to improve the overall experience for customers and insurers alike.

## The Individualized Customer Journey

Often, insurers interact with customers and their beneficiaries only rarely – at the beginning (during the underwriting process) and the end (during a claim) of the insurance journey. As customers seek a simpler process for finding and obtaining life insurance, they are also looking for a more personalized experience when selecting suitable products and services. This presents a catch-22: insurers have less time to actually get to know the customer but are under more pressure to better understand that customer's needs. With limited touchpoints, how are insurers expected to gain a deeper understanding of the individual customer? Enter emerging data sources and tools to fill the gaps.

Traditionally, insurance companies group customers into risk classes based on the evaluation of different

**Executive Summary** *As insurers develop accelerated underwriting programs and take steps toward more efficient processes, lower costs and a streamlined customer experience, innovations across the insurance industry are helping to improve risk insights. It is never too early to start educating yourself and engaging with a partner, such as a reinsurer, who can help you navigate this ever-changing environment.*

attributes and evidence that can take days or even weeks to obtain. However, with the availability of new electronic sources of data, companies can now access information about customers on a real-time basis, enabling an experience catered to an individual's interests. While in the not-too-distant past the concept of direct-to-consumer insurance seemed unfeasible for certain protection products, technology and innovation are proving that it is not only possible but may also serve as a primary driver of change.

Insurers have an opportunity to combine consumer-focused services with improvements in the purchasing and distribution process, including a more seamless underwriting experience. Accelerated underwriting can help minimize the traditional challenge of people abandoning applications when they discover they cannot get instant coverage. Leveraging new data sources and tools can not only expedite the distribution process, but can also enable more targeted marketing, including cross-sell and upsell opportunities.

Some of those data sources and tools include:

### *Medical Information*

Advances in medicine directly impact the life and health insurance industry and ultimately the products consumers need. It is an understatement to say that the field of medicine is ripe with innovation, but it is worth remembering. As medical advances accelerate,



it is increasingly important for insurers to remain well informed and up to date on the issues, and to have an understanding of the impacts.

One field of medicine receiving a lot of attention lately is genomics, as the application of genetics at the clinical level from birth to adulthood is utilized for a wider variety of purposes. Continued advances in genomics science are not only improving outcomes but are even helping to identify cures. Through better screening practices and transformative new therapies, genomics is changing medicine, and it is vital that insurers understand how genomic data is improving health, wellness, treatments and longevity.

From RGA's perspective, genomics provides a good opportunity to partner with insurers to stay current with this rapidly advancing field and to understand potential impacts on risk assessment. We acknowledge that, from the consumer aspect, security of data is a key issue, so it is worth emphasizing that insurers must be very conscientious to use this type of information carefully and responsibly, just as we would use any type of medical information.

#### *Wellness and Wearable Technology*

The "internet of things" has created an explosion of activity and lifestyle tracking via wearable technology. Insurers are exploring how to leverage digital health to attract and engage consumers. The use of technology provides more frequent and convenient touchpoints with customers, and by rewarding activities insurers can help to encourage healthy lifestyle choices and behaviors. In the end, this can help reduce claims and cultivate greater customer loyalty.

Wellness programs and wearable technologies also have the potential to attract and engage customers as they age and health issues likely increase. Data from web-linked devices may help insurers promote fitness and preventive care among consumers. Insurers who are able to use these technologies to improve mortality and morbidity outcomes have the potential



to enhance profitability, strengthen their brands and improve policy persistency.

#### *Other Tools and Data Sources*

Change in life and health insurance continues to build momentum, propelled by advances in technology, data analytics, and an improved understanding of human behavior. Recent and emerging data resources – from prescription histories and prescription scoring through motor vehicle records and beyond – are changing the underwriting process.

For instance, as a complement to medical sources of data, we are now able to use a credit-based mortality score as a predictive tool that represents the behavioral side of risk. Adding a credit-based score through a transparent and easy-to-use tool enables more accurate risk assessment and the ability to accelerate the underwriting process.

While wearable technology, medical information, driving records, and credit and prescription histories all have value on their own, these individual tools and data sources are best leveraged in combination to create a full picture of the unique customer. Like pieces of a puzzle, the picture becomes much clearer as more elements are taken into consideration. The challenge ahead of us will be one of optimization to determine the best mix of tools and data to employ.

#### *Get Educated and Stay Informed*

Accelerated underwriting is currently a hot topic that describes the state of life insurance underwriting right now. However, when looking back through the rearview mirror in a few years, accelerated underwriting will likely just be referred to as underwriting, as the evolution toward a more optimal, consumer-centric approach becomes the new norm. Advances in medical underwriting, data sources and technology continue to evolve at a rapid rate. While some of this information is available to be implemented today, additional sources of data loom on the horizon. It is never too early to start educating yourself and engaging with a partner, such as a reinsurer, who can help you navigate this ever-changing environment. A reinsurance partner can help you choose wisely as new sources and new uses of data are discovered, helping to ensure that you are meeting demand for change while preserving the accuracy of risk assessment. Instead of just following the industry, take a step back to plot out your own strategy and your own course. Take a look at the entire landscape and start proactively planning to reach your goals. Review current processes in light of new ideas and innovations. Seek out an adviser to offer perspective on the

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changes happening in the industry and the tools available to you. The combination of a thoughtful approach guided by industry experts and best-practice methods will help ensure sustained success that ultimately enhances and transforms both insurer outcomes and the customer experience.

Rethinking how insurance can and should be sold, as well as embracing a consumer-centric approach, will help you better understand your customers and address their needs, ultimately helping you achieve your revenue and risk selection goals.

**About the Author**

Dianne Schuetz is Vice President, Business Initiatives for US Markets RGA Reinsurance Company. Dianne leads a team focused on developing and commercializing a portfolio of innovative risk-selection products and solutions for the US insurance market. Prior to her current role, Dianne had 2 decades of experience developing and bringing new products, services and technology to market in the health care and insurance verticals. Dianne received her BS degree in Science and Nursing and her Family Nurse Practitioner Certificate from Purdue University Calumet, Hammond, IN, and her MBA from Loyola University in Chicago.