

Get **Personal** with **Policyholders**

Connect with Customers to Increase Profit



KOFAX 

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It's Profitable to Get Policyholder Communications Right



As an insurer, you're being challenged like never before. This is the result of a convergence of multiple factors:

- ◆ Customer expectations for personal interaction across multiple channels continue to increase
- ◆ Existing systems, though still valuable, are limited
- ◆ Ever-shifting regulatory standards require rapid response
- ◆ Competitors are also pursuing and accomplishing digitization

And, you're expected to manage these challenges while also increasing or uncovering revenue. This creates a mission-critical scenario in which insurers wishing to drive increased revenue must be confident that their communications platform is able to meet customer expectations.

In addition, ideal policyholder solutions must easily integrate with existing systems, respond quickly to regulatory and other industry changes, and be flexible enough to stay competitive.

Simply put, missing the mark on these interdependent objectives—customer expectations, in particular—means losing revenue.

Customer communications management software enables organizations to more effectively create, personalize and deliver communications to any output medium.¹

¹ 2014 Magic Quadrant for Customer Communications Management Software – Gartner

Communicate with Policyholders from Start to Finish

Policyholder communications management touches every aspect of your business, including underwriting, claims, premium accounting and customer service.

NEW BUSINESS/ UNDERWRITING

Although communications should be carefully managed throughout the customer lifecycle, the critical underwriting phase of a new policy is where the tone of policyholder conversations is set. Getting these early conversations right can impress customers and increase loyalty.

- ◆ IGO/NIGO requests
- ◆ Welcome packets
- ◆ Denial letters
- ◆ Modified offer letters
- ◆ Policy printing

PREMIUM ACCOUNTING

Maintaining consistency in communications related to billing and collections is vital to avoid alienating policyholders receiving sensitive notifications.

- ◆ Premium notices
- ◆ Grace/lapse notices
- ◆ Reinstatement letters
- ◆ NSF notifications

CUSTOMER SERVICE

By nature, customer service requires a good amount of ad hoc communication. Many times, phone calls are followed up by a printed summary of the call. This provides an important opportunity to formalize and document customer service-related conversations with policyholders.

- ◆ General correspondence
- ◆ Forms requests
- ◆ Confirmation statements
- ◆ Renewal notices
- ◆ Anniversary notices

CLAIMS

Once a first notice of loss (FNOL) is received, strict guidelines must be met, making the claims process a vital period in which to communicate clearly, appropriately and in compliance with regulatory standards.

- ◆ Acknowledgment letters
- ◆ Claim packets
- ◆ Missing information requests
- ◆ Denial letters
- ◆ Settlement notifications

Why Now Is the Time to Improve Communications

Your company probably understands the importance of digital transformation. However, many organizations aren't sure where to start.

In the meantime, communications are inconsistent and may not express brand values, messaging is likely homogenized (and therefore not truly personal), and the end-to-end process requires too much time and IT involvement.

The net result of these shortcomings is that, over time, the gulf between your capabilities and the capabilities of competitors who do have a policyholder communications solution will widen. The wider the gap, the more likely it is customers will abandon you for an insurer that offers them more convenient—and more pleasing—digital interactions.

An agile communications strategy must include an enterprise-wide customer communications management system that weaves through web, mobile, and print and supports all business processes.²

²The Insurance CIO's Guide to Building an Agile Communications Strategy – Oracle





Customer expectations for relevant and frictionless engagement continue to increase.

Policyholders want:

- ◆ Seamless and consistent experiences across all channels
- ◆ Quick access to transactions and accurate data 24/7
- ◆ Communication that is relevant and personally contextual to them

However, organizations face multiple challenges as they attempt to realize this vision.



Existing Systems Are Limited

Existing systems may still be viable, but over time, their shortcomings become more apparent.

As systems age, gaps in processes are filled by slow, manual solutions that add up to big costs.

Without a modern policyholder communications solution, IT must be involved when changes to existing templates are requested. This is one of many bottlenecks created by outdated communication efforts. These systems, limited by a lack of support for digital channels and requiring regular IT intervention, are simply unable to provide an ideal policyholder experience—no matter how much polish is applied to a website or mobile app.

Policyholders, dissatisfied with the cumbersome interactions these aging systems provide, will leave, and take revenue with them. You can take control of your entire communications process—and keep customers happy—without throwing away everything that’s good about your current line-of-business systems.

Ultimately, an agile communications strategy enables insurers to respond to new market opportunities faster, meet ever-changing regulatory challenges, and communicate meaningfully with their customers.³

Regulatory Concerns Require Nimble Response

Regulatory standards continue to shift, and those affected must be ready to respond rapidly. Insurers must maintain compliance, as well as robust document and process auditability. For example, there are guidelines around how quickly insurers must respond once a claim is filed. Keeping up with these important regulatory demands requires a solution that's nimble and powerful enough to quickly adapt.

Competitors Are Striving for Better Communications, Too

Remember that while you review your policyholder communications solution, your competitors are also aggressively pursuing improved communications (as well as other digitization goals).

To help you stay competitive, your plan for customer communications should ensure that policyholders are engaged in the ways they prefer, using the channels they prefer. Seamless interaction, including the ability to start a process in one channel and pick it up in another, spares policyholders from the disruption of manual processes.

³The Insurance CIO's Guide to Building an Agile Communications Strategy -Oracle



What You Want Policyholders to Say...

“When you provide consistent interactions across all channels—including the ability to start a process in one channel and continue in another—I’m more likely not only to stay longer but also to buy more products.”

—Philip

“I’m receptive to more offers because I have a sense that you acknowledge me as an individual, not a category.”

—Tania

“Because communications from my insurer are well-timed and relevant to me, I’m reassured that my personal needs are being considered.”

—Thomas

Most large insurers are on their way to digitizing at least a portion of their processes. Although you may not have insight into every policyholder communication opportunity, these seven questions will help you understand where your organization currently stands in terms of personal, automated policyholder communications.

7 Questions to Assess Your Policyholder Communications

A successful policyholder communications solution efficiently and consistently manages the conversation between customer and business, whether via batch or ad hoc communications. Answering the following questions will help you close in on your specific policyholder communications needs:

1. Are you losing business because you're unable to create and deliver policyholder documents in time?
2. Are competitors taking your customers because they offer an experience that has less friction than yours?
3. Do your customers need to switch to paper output for document signatures because you don't have paperless signing capabilities?
4. Are you manually copying and pasting data from your line-of-business application into your output or communications?
5. Do you need to ensure that industry compliance and legal obligations are met for all outgoing communications?
6. Are you ensuring that all company documents have a consistent look and fulfill corporate identity requirements?
7. Do communication updates and template creation fall behind because IT is required for key tasks in these workflows?



If you answered yes to any of these questions, then a policyholder communications management solution may be what your organization needs.

How Can I Gauge Where My Company Is Now?

To better judge your current distance from the desired state, it may be helpful to refer to an organized table of indicators known as a “maturity model.” A maturity model makes it easier to quickly assess readiness or capabilities by depicting categories against which you can compare your own organization.

For policyholder communications, capabilities are categorized as “semi-automated,” “automated” and “optimized.” Where does your organization fit in the maturity model?

Users of customer communications management technology enjoy greater customer spend vs. non-users, including cross-sell, upsell and lifetime revenue.⁴

⁴ Customer Communications Management: Maximize CEM Results with Interactive Content - Aberdeen Group

Policyholder Communications Maturity Model

Use this grid to see how close your organization is to optimized policyholder communications:

	 Semi-Automated	 Automated	 Optimized
TAILORED COMMUNICATIONS	Application-tailored messages	Market segment-tailored messages (groups)	Customer-tailored messages
BRAND COMMUNICATIONS (across organizations)	No standard branding and style	Corporate style guides	Multi-branding with corporate styles
COMMUNICATION CHANNELS	No or limited multi-channeling	Passive multi-channeling	Active channel-optimized multi-channeling
TRACKING AND ARCHIVING	No archiving and no record of sent messages	Limited archiving, sent messages are available to some business users	Single point of all communications, easy lookup
APPLICATION AND DATA LANDSCAPE	Limited built-in capabilities are used – no other data sources connected	Dedicated and multiple applications for output management, no external data sources	CCM application leveraging all LOB applications and various data sources



What Will Improve Policyholder Communications?

Personal Wins Over Personalized

Personalized communication is not as effective as it once was. Savvy customers are now looking beyond superficial engagement for messaging that's directed more closely to their true needs and priorities. This requires much deeper data integration than simply programming a [First Name] field in communications.

In the new customer-driven market, it will be very important for insurers to clearly define as well as communicate the value they bring to customers.⁵

⁵ 2016 World Insurance Report – Capgemini

In the example below, the customer experience offered by these two insurers is very different; one relies on aging technology and the other is keeping pace with today's customer-focused marketplace:



LAGGARD INSURER

Sends information that has nothing to do with the policyholder aside from his first name.

Requires a wet ink signature on paper documents.

Has disconnected channels and inflexible systems of record; policyholder must duplicate data entry.



CUSTOMER-FOCUSED INSURER

Communicates with just the right touch, showing insight into who the policyholder is.

Supports digitization from end to end, including electronic signatures.

Provides seamless, cross-channel convenience; policyholder enters information only once and can start a process in one channel, continue in another.

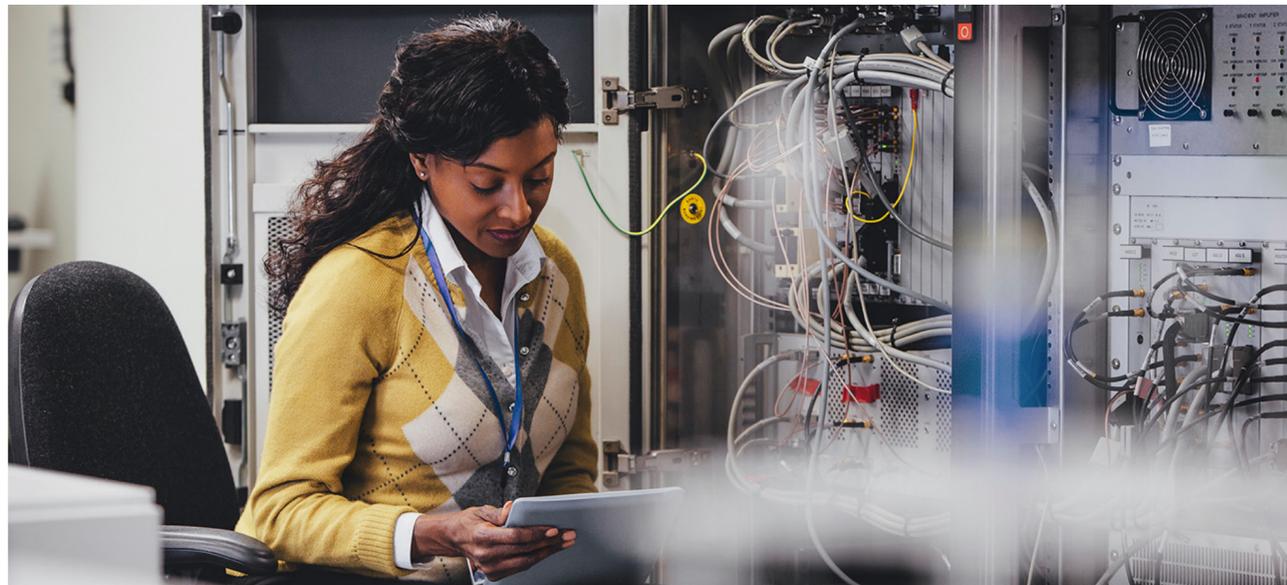
Clearly, the customer-focused insurer is better prepared to meet the challenges facing organizations now and in the coming years—including the ability to communicate in a personal way with policyholders.

Untether IT from Content Creation

Customer-focused insurers can't rely on legacy systems cobbled together over time for their vital customer communications. In addition to implementation and integration headaches that will only multiply as technology evolves, existing communication systems usually require IT involvement.

Instead, customer-focused insurers are choosing more advanced, future-ready systems that are nimble enough to achieve rapid improvement and flexible enough to incorporate new and emerging technologies.

With the right policyholder communications system, business users and other experts can design and manage outgoing communications, such as policies and claims correspondence—and IT isn't required to create new templates. IT can instead focus on ensuring legal and regulatory compliance and other enterprise priorities.



Leverage Your Existing Systems

A leading policyholder communications solution will not require replacing or retiring existing systems, but can easily work with them. Existing business applications can be leveraged for seamless, interactive document composition. Top solutions will be expandable with other modules or add-ons that provide additional functionality.

55% of consumers intended to conduct a business transaction but decided against it, based on a poor customer experience.⁶

Embrace Omnichannel Delivery

Your customers want communication that is timely and relevant, and they usually prefer one channel over another. For example, some policyholders might prefer postal mail over email. That's why it's critical that communications are consistent across channels and appropriate for each. Policyholders are reporting more willingness than ever to change companies, and brand recognition isn't as important as it once was, particularly for younger consumers.

Internally, a leading policyholder communications solution helps you smoothly transfer your outbound communications from print into digital, as needed. Digital communication is also less costly than sending postal mail; having a communications management solution that knows which to choose helps minimize the cost of delivery.

⁶ 2012 Global Customer Service Barometer – Echo Research

Single-Platform Power

Another advantage of leading policyholder communications solutions is that they are built around a single platform. This means you can make changes once and they're automatically applied across all related templates. In addition to avoiding the duplication of work, having changes cascade to all relevant templates also ensures consistency of messaging and makes it less likely a non-compliant or incorrect communication will be generated.

Today, insurance customers and clients' expectations have been shaped by their digital experiences with sophisticated companies in other sectors, such as Amazon and Uber.⁷

A single platform also makes it easier to fulfill compliance requirements because there is only "one version of the truth" for rules, terms and conditions. And, you can generate and send on-demand, interactive and batch communications—all from the same platform.

Insurers that need the ability to support multiple brands and imprints will want to use a single-platform solution as well. A policyholder communications management solution makes it easy to develop communications across multiple brands, allowing for variations in tone and style while maintaining alignment with the guidelines for each.

⁷ Making of a Digital Insurer 2015 – McKinsey & Company



Can Successful Policyholder Communications Drive Revenue?

Say It Right the First Time

Policyholder communications is an often-overlooked source of real revenue. It's easy for policyholders to switch allegiances when they don't feel personally engaged, or when insurers fail to deliver a smooth omnichannel experience. The increasing ease of switching insurers means it's crucial to get policyholder communications right from the start.

Consumers are willing to spend 13% more with a company they believe provides excellent customer service.⁸

Retaining policyholders is much less costly than replacing them, and communicating with them in the right way will increase the likelihood they remain customers and buy more products.

In fact, a survey by the Aberdeen Group⁹ shows that businesses using customer communications management software enjoy greater:

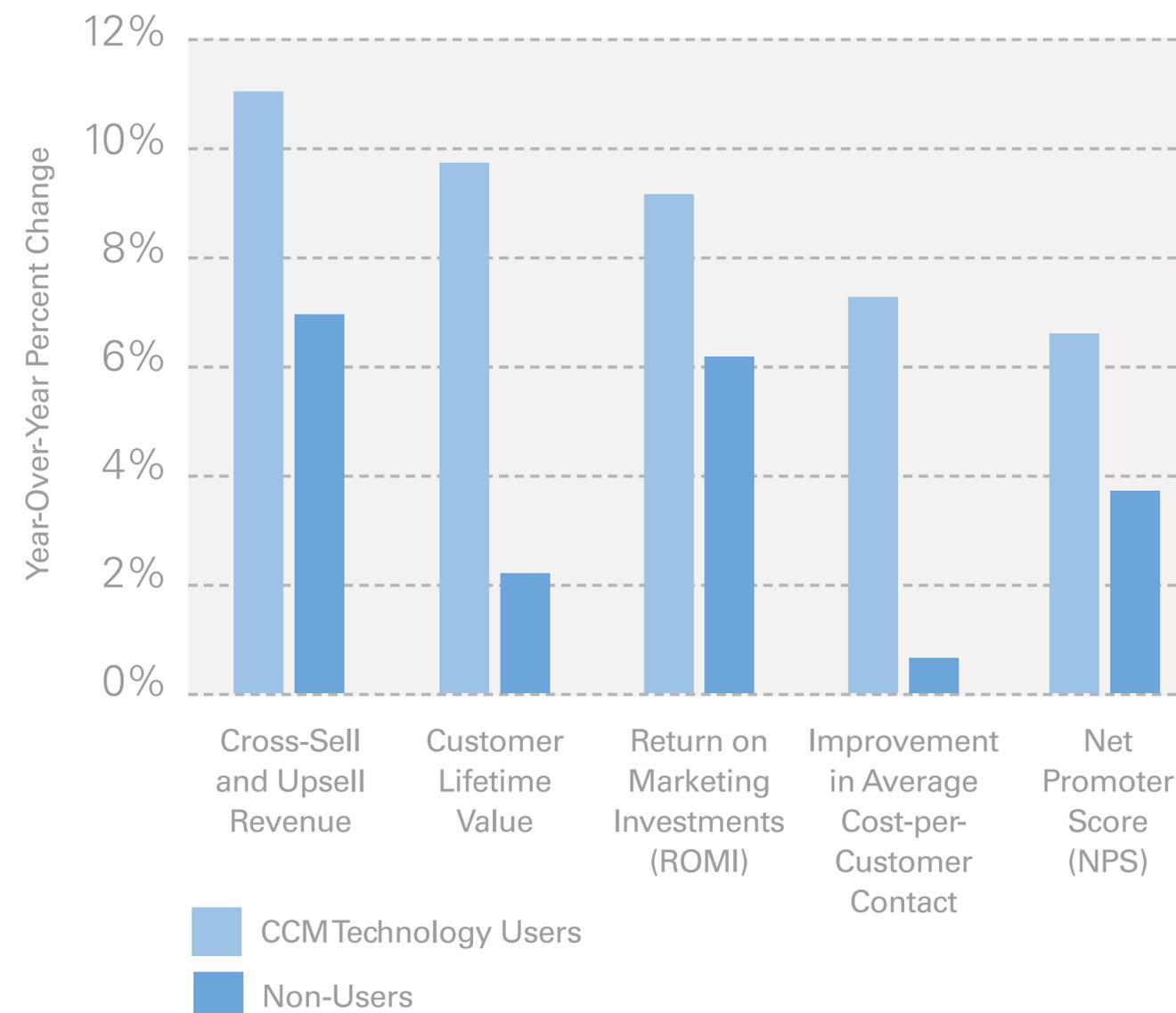
- ◆ Cross and upsell revenue
- ◆ Customer lifetime value
- ◆ Return on marketing investments (ROMI)
- ◆ Improvement in average cost per customer contact
- ◆ Net promoter scores

⁸ 2012 Global Customer Service Barometer – Echo Research

⁹ Customer Communications Management: Maximize CEM Results with Interactive Content - Aberdeen Group

Benefits of CCM for Organizations

CCM Users Enjoy Greater Customer Spend



Minimize the Risk of Fines with Managed Policyholder Communications

Regulatory fines are sometimes significant and can often be avoided by maintaining compliance, particularly with respect to the timing of claim-related communications. Reduce costs by implementing process automation from end to end, including policyholder communications.

With the right policyholder communications solution, you can manage:

- ◆ Highly regulated insurance milestones—which vary from country to country and state to state—from one source
- ◆ Templates that leverage carefully controlled user access, enhancing auditability

Not only will you have the reassurance that your communications are in regulatory compliance and unlikely to result in hefty fines, you'll also increase operational efficiency, giving you a much-improved ability to compete.

Kofax Customer Communications Manager

Ideal for end-to-end policyholder contact, Kofax Customer Communications Manager™ gives you the exact set of tools you need to quickly respond to market developments and changing policyholder needs, while maintaining regulatory compliance.

Customer Communication Manager helps you move your business closer to personal policyholder communications by addressing each of the factors driving digitization. With Customer Communication Manager for policyholders, you'll be better able to:

- ◆ Meet and adapt to exacting customer expectations, improving customer lifecycle value
- ◆ Successfully incorporate existing systems into new processes
- ◆ Meet and comply with regulatory standards, minimizing risk of expensive fines
- ◆ Maintain competitive edge and stop the capabilities gap from widening

Powered by a single platform and easily integrated with existing systems, CCM empowers business users to manage policyholder communications—freeing IT, increasing responsiveness and maximizing revenue.

Business Users Will Appreciate the Ability to:

- ◆ Create standardized templates and document guidelines and customize them
- ◆ Utilize browser-based, interactive document composition
- ◆ Leverage the capabilities of paperless signing and process orchestration via a single, integrated enterprise platform

Decision-Makers will Appreciate the Real-World Business Benefits:

- ◆ Additional revenue from increased cross-sell and upsell opportunities
- ◆ Additional revenue from increased lifetime customer value
- ◆ Significant resource savings of both cost and time



Contact us today to take the next step
toward building truly personal policyholder
communications.

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