



# THE DIGITAL MEMBER EXPERIENCE FOR GROUP BENEFITS INSURANCE

The road to a loyal, valuable customer

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## The road to a loyal, valuable customer

Customer acquisition has always been a challenge within the insurance industry, growing more difficult with the rise of new disruptive startups and an increasingly competitive landscape. These factors are leading insurance companies to examine how they incorporate digital initiatives into their group insurance services to increase the value of their existing customers through cross-selling and tailored products. By creating a better digital experience for group insurance policy members, insurers can save on acquisition costs and improve customer lifetime value.

In wake of economic upheavals, employees want more clarity on the benefits offered as part of their employment. Organizations can use the digital member experience for managing group benefits as an important hiring and retention tool. This would provide transparency and empower the prospective or existing employee to manage his or her benefits.

Insurance companies need to recognize the value of the customer which they have acquired through a group benefits policy. Providing a great experience can be a key to achieve a Win-Win-Win (Win Cube) proposition for insurance carriers, plan holders and employees. Let's evaluate what's in it for each of the participant in brief:

- Insurance Carriers: Great acquisition channel for individual products, opportunity to cross sell and provide the best service

- Plan Holders: Packaged as part of benefits offered, helping keep employees happy and improving retention
- Employees: Comprehensive risk management and transparency with ability to manage group policy whenever required

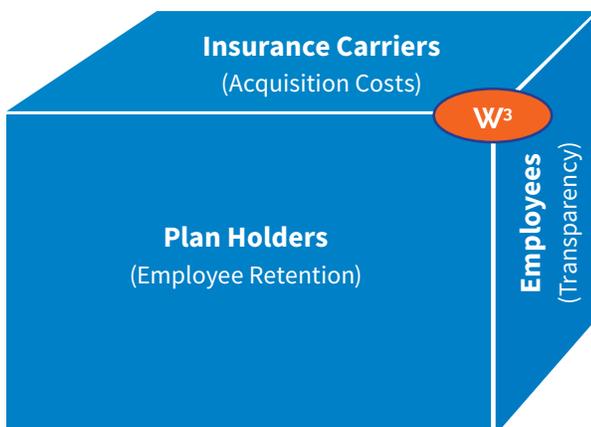
### Key Components of Digital Member Experience

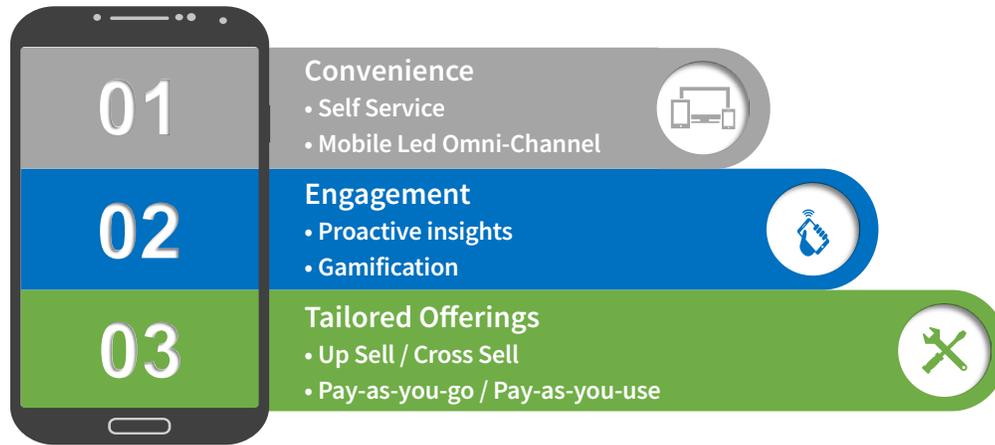
The digital member experience should be based on the following philosophy: "We care and will be there whenever or wherever you need."

1. **Convenience:** Convenience is an essential component of strong digital member experiences. A report from McKinsey shows that two-thirds of consumers prefer researching insurance products on their own, while 90 percent would use self-service digital tools if available. Insurers must cater to these needs by providing access to information on their products, the ability to purchase voluntary add-on coverage as required and a clear understanding of their risk coverage across all their insurance products.

**“The cost of customer acquisition in life insurance is typically 10-15% of expected lifetime premium.”**

-McKinsey Report





**a. Self Service:** Customers should be able to access any necessary information for making appropriate decisions based on their needs. Customers expect easy to access information when needed, the ability to add voluntary add-on as required and the ability to understand his or her risk coverage across all the

insurance products. This capability must be enabled for all the devices the customer may own, allowing transactions to be made at a convenient time. Balancing functionality, convenience and usability ensures customers adopt self-serve options and feel in control of their needs.

### Illustrative List of Features for a Truly Great Digital Member Experience:

FEATURE LIST	INSURANCE CARRIERS	PLAN HOLDERS	EMPLOYEES
Comprehensive information about the policy	✓	✓	✓
Ability to initiate modification in policy /personal detail	✓		✓
Anytime anywhere enquiry with chatbots in case of any question. If chatbots cannot provide the answer, it will be transitioned to human based web chat and finally to a contact center agent to ensure customer gets the answer	✓		✓
Claim related communication and documentation	✓	✓	✓
Ability to add any add-on if so desired	✓		✓
Comprehensive Risk Assessment – Members should be able to put details of all the risk covers they have already taken and put their details in order to get a risk report and tailored offers to cover the risks			✓
Tailored offerings by capturing and analyzing data gathered from the member, external and internal sources	✓		✓
Proactively prompt customer in case of life events or any other location based risks	✓		✓
Gamification to engage through social and other member comparisons	✓	✓	✓
Feedback on what is missing and closing the feedback loop	✓		✓

“A Glassdoor 2017 report says three-quarter of job seekers say benefits are either “very important” or “extremely important” while considering a job offer.”

-McKinsey Report

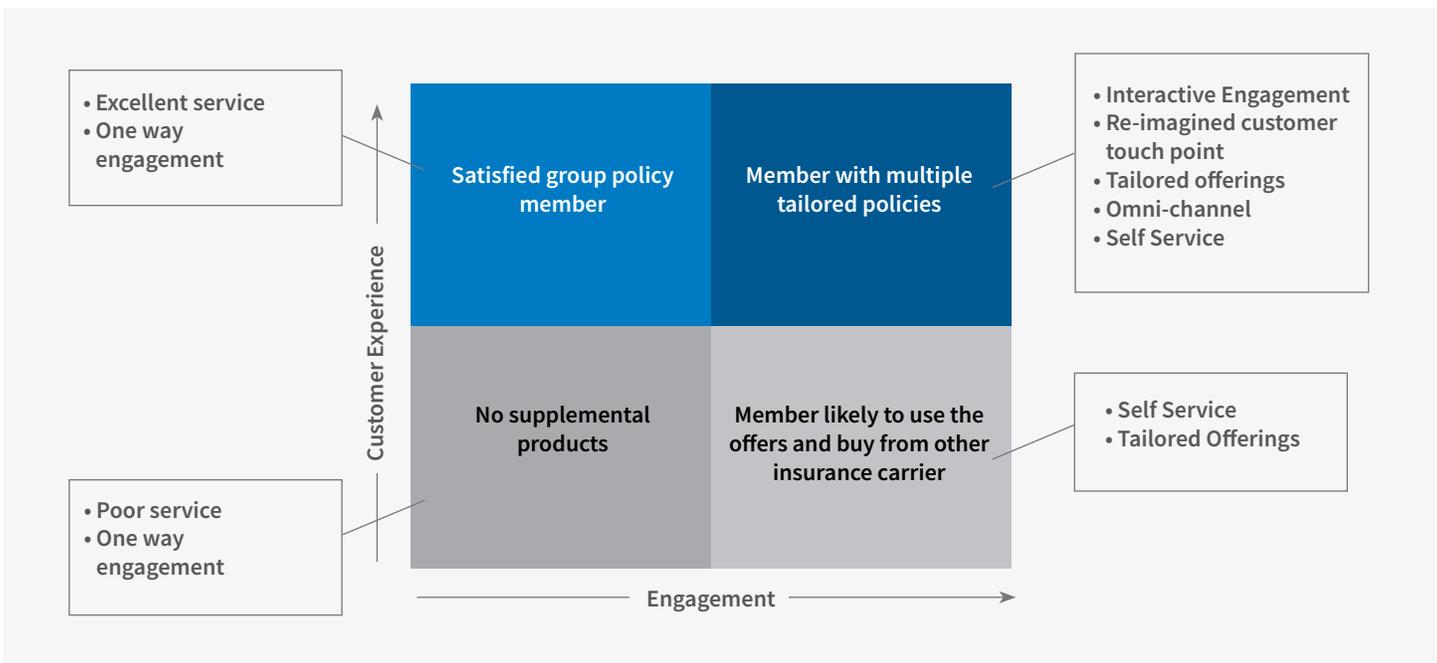
**b. Mobile led Omni-Channel Customer Interaction:**

Multiple channels allow customers to interact how and when they want. This includes options to engage via chat bot, web-chat, social media (Facebook, Twitter etc.), WhatsApp, or traditional methods like emails, letters and calls. Consistency is one of the biggest challenges companies now face, as the customer experience must be seamless across all channels. Whether a customer engages with a company through a website, email, or mobile app, the responses should be clear, consistent, and customer-centric.

**2. Engagement:** For active engagement, it is important that members are able to get proactive insights and are motivated by using gamification strategies.

**a. Proactive Insights:** Data should be intelligently compiled to create a customer persona and understand specific needs and risk profiles. Customers can then be provided relevant insights and touch points customized as per their persona. For instance, an employee could be asked additional questions during the enrollment process to get relevant information. External data would then be merged with this information. This information can then be used to create a persona and provide insights on the kind of risks he or she should be covering.

**b. Gamification:** In order to engage with the customer, an employee’s risk profile can be compared to colleagues or other similar profile customers to make suggestions how they can reduce their risk profile without increasing their premiums. Gamification can go a long way in retaining customers and keeping them engaged. Gamification needs to be relevant to an employee’s goals and should be able to motivate him or her to keep on track.



**3. Tailored offerings:** Personalization based on the member requirements, risk profile and data captured through member behavior, internal and external sources.

**a. Cross sell of other insurance products:** Based on the richness of employee data captured with the engagement, it's much more fruitful to provide relevant voluntary products which employees can choose to enroll in. With an established book of business, insurance companies can offer comprehensive products or add voluntary benefits.

**b. Pay-As-You-Go insurance coverage:** This type of insurance coverage is not only beneficial for employees, but also reduces the burden of standard premiums and keeps employees engaged.

**c. Pay-As-You-Use to provide a win-win offering:** This insurance goes a step forward as it can influence the employee's driving behavior and contribute to the social cause of reducing accidents along with reducing employee's premium. Employees in this case will also provide telematics access to give details on driving patterns and other data elements.

## Member Engagement- Experience Matrix

In the last many years, insurance carriers have done great work in improving customer experience. However, it is important that in today's connected world to be able to offer tailored products, proactive insights and contextual

interactivity. Engaged members will be loyal towards insurance carriers offering tailored products and digital experiences, with a study from McKinsey finding almost 73 percent increase in the likelihood of customer satisfaction from well-designed member journeys . The focus of the digital experiences needs to be on the individual member, ensuring that he or she feels engaged, understood, and that these products are tailored to their individual needs. Engagement can be further improved by using gamification in the context of risk coverage with respect to colleagues or other similar profile customers. Badges, coupons and other rewards can be used to motivate members to engage and get motivated by offers to reduce their risk.

## Summary

The digital member experience can be a real game changer for insurance companies providing group benefits policies. . It's an additional channel for insurance companies, offering zero acquisition cost with better conversion rates. It's also a great retention tool for plan holders, providing great experiences to their members.

## References

- 1 <http://www.mckinsey.com/business-functions/operations/our-insights/the-ceo-guide-to-customer-experience>

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