Insurance: Superior Customer Experience Through Customer Communications Management

CCM technology allows insurers to offer customers a personalized experience, achieve consistent branding, save costs and ensure compliance with increasing regulation.

Executive Summary

Customers are increasingly buying and managing insurance online and expect insurers to provide a personalized experience by integrating different methods of communication.

Insurers must meet this demand by seamlessly integrating online and offline communication channels after removing infrastructural and process inefficiencies.

Customer communications management (CCM) technology has emerged as an integrated platform that not only meets customers' communication needs but has also prompted content platform consolidation through its scalable content and process management platform.

CCM optimizes multichannel insurance communication processes, and enables an eco-friendly strategy, consistent branding and a targeted and personalized communication delivery with more control and cost optimization.

This white paper focuses on the recent trends in CCM in the insurance domain and the opportunities for optimization.

Introduction

Customer communications management (CCM) is described as a refined derivative of enterprise content management (ECM) technology. It facilitates targeted, personalized and cross-channel communication creation and delivery to customers on demand and in an interactive mode.

Like any industry subject to changing consumer behavior, the insurance industry faces various challenges related to compliance requirements, processes, technology, etc. These challenges include the following:

Compliance
- Changing compliance regimes.
- Government-mandated transparency in insurance processes such as claims.
- Growing purview of compliance laws over communications transactions.
- Increasing litigation.

Process/Technology
- Lack of a cohesive communications strategy.
- Lack of automation in cross-platform communications processes.
• Archaic and disparate technologies and platforms.
• Technology silos.

Market
• Inability to maintain consistent branding in communications.
• Delayed time to market due to unstructured communications management.
• Lack of collaboration among the multiple stakeholders.
• Uneven customer experience.

Adding to the above challenges is the systemic asymmetrical sourcing in the insurance industry. Various insurance product lines function as “sourcing silos,” where parts of processes are outsourced to different vendors and are optimized using different ECM/CCM products.

For example, the auto claims product line will use product A, supported by vendor B to support the document generation process. The medical claims product line will use product X, supported by vendor Y for document generation, despite the process’s similarity to that of auto claims. This asymmetrical model prevents the insurer from benefitting from economies of scale and also leads to higher TCO.

The industry is therefore gravitating towards CCM solutions as part of technology rationalization programs that complement and integrate the existing CRM/BPM/ECM/legacy setup.

CCM Trends in Insurance
Besides the challenges mentioned above, certain industry trends strengthen the case for adoption of CCM.

Customer-Specific

Rapid adoption of the Web as a POS: A growing number of customers are buying and managing insurance online. This necessitates an agile cross-channel communication platform that can help customers transact and communicate through any communications channel of their choice at any time.

Need for interactive and cohesive engagement: Customers are demanding greater responsiveness and transparency in communications irrespective of the communications channel, especially in areas such as claims settlement and policy-holder services.

Growth of mobility: Mobility has evolved from mere claims settlement text messages to end-to-end customer experiences on a mobile platform. Customers have gravitated toward mobile customer experiences and expect the same services that are offered by a portal

Personalized service in return for customer loyalty: The ease of switching insurers has meant that insurers have to go the extra mile to ensure customer satisfaction and retention. This includes undertaking end-to-end service upgrades to offering richer graphical front-end systems. Customers prefer to avoid call centers and expect personalized service in exchange for their loyalty. Customer query processing and request management process segments have therefore been the “first movers” to CCM platforms.

Effectiveness of targeted and transactional communication: Our experience indicates that over 90% of customers respond to transactional and targeted communications. While this may be true for any industry, the insurance industry stands to benefit more from such communications given the more numerous buying and transaction patterns. Through customer predictive analysis, insurers are able to assess a customer’s buying behavior to develop a 360-degree customer view and improve their service. Customers now seek (and get) shorter underwriting cycles, customized insurance plans and flexible policy administration. Greater transparency and regular updates are important ancillary needs.

Insurer-Specific

Rationalization and consolidation: While insurers continue to use some archaic communications/legacy platforms, they have invested in disparate workflow (BPM), document management (ECM) and ancillary (imaging) platforms over the past decade. The multiplicity of these applications has required costly and time-consuming integration/customization or “retooling.” Insurers now seek to rationalize the customer communications landscape by consolidating multiple applications/platforms into singular or fewer applications/platforms. The objective is to have a singular scalable platform for various communications modalities such as batch, interactive and on-demand. In this context, CCM technology has been an enabling integrator.

Process optimization: Insurers are looking for ways to minimize transaction and service costs in order to be more cost-effective and competi-
tive. This is perhaps one of the biggest drivers for CCM adoption. Insurers seek to phase out time-consuming manual customer communications processes such as premium payment notifications, policy packets, welcome kits, etc.

**Changing compliance regimes:** While developed markets are already heavily regulated (e.g., HIPAA), growing insurance markets (especially in the APAC region) will witness increased government mandates for transparency in insurance processes such as claims processing. Increasing litigation costs and the need for secure customer communications are also key drivers for the adoption of CCM technologies.

**Trend toward greener applications:** Initially part of corporate social responsibility, greener applications are now being leveraged to drive cost savings and to achieve process optimization. Insurers are migrating processes such as premium payment, policy administration and bill/invoice generation to green applications. Customer communications has traditionally involved significant paper usage and has therefore been the primary target for such “green initiatives” – with CCM being the technology of choice.

**Modularization of communications processes:** Insurers seek greater modularization of communications processes so as to be able to outsource parts of communications processes to external vendors. For example, content creation may be done in-house but downstream distribution activities may be outsourced.

**Need for greater brand consistency:** From disparate communications experiences, insurers are evolving to place a greater emphasis on a unified communications experience through consistent branding in all communications, regardless of the channel.

**360-degree customer view for targeted marketing:** Insurers now make a more focused effort to profile and understand their customers in a holistic way. This includes understanding customer behavior and needs, and predicting future risk behavior. An integrated inbound/outbound communications experience adds to insurers’ understanding of their customers. A unified communications platform tracks customer interactions (data filled on online forms, request types, preferences, past claims, etc.) and helps insurers serve their customers better through predictive analysis and targeted marketing. This opens up significant cross-selling opportunities.

**CCM Platform: Enabling an Integrated Customer Experience**

Various analyst firms describe CCM as being not just an application platform but a strategy to ensure a cohesive customer experience. While this is true, CCM’s techno-functional schematic in an insurance context is depicted in Figure 1:

**CCM Framework in Insurance**

![CCM Framework in Insurance](image)
CCM is basically a four-stage process, as depicted in Figure 2.

Post-dissemination, the generated communications are archived for records and/or tracking.

Communications dissemination is carried out in three modes:

- **Batch**: High-volume document generation (in a batch) such as annuity statements.
- **Interactive**: User-customized data in preset templates such as policy-holder welcome kits.
- **On-demand**: Output triggered by system/human-led events such as an online premium quote.

Each communications use case listed in the insurance/CCM value chain (see Figure 3) represents a CCM optimization opportunity.

CCM pundits believe insurance is the industry most likely to adopt CCM technology, given its significant customer communications needs and numerous customer touch points. There are a number of other unique value propositions that drive insurers to adopt CCM:

<table>
<thead>
<tr>
<th>Insurance Sub-domains</th>
<th>Structured Communications Management</th>
<th>Interactive Communications Automation</th>
<th>On-demand Communications Generation</th>
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<tr>
<td>Broker/Agent Management</td>
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<td>• Underwriting/customer profiling reports (internal).</td>
<td>• Agent-insurer communications.</td>
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<td>Underwriting</td>
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<td></td>
<td>• Claims settlement guides (customized).</td>
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<td>Claims</td>
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<td>• Customer service correspondence (standard — i.e., acknowledgments).</td>
<td>• Claims history reports.</td>
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<td></td>
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<td>• Policy packages (with manuals).</td>
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<td></td>
<td>(standard — i.e., acknowledgments).</td>
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<tr>
<td>Marketing and Sales</td>
<td>• New product launches.</td>
<td>• On-demand service correspondence.</td>
<td></td>
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<td></td>
<td>• Kits for potential customers.</td>
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<tr>
<td>Payment Management</td>
<td>• Premium payment notifications.</td>
<td>• Online premium computation/quote generation.</td>
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<td></td>
<td>• Premium payment policy (negotiated).</td>
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<td>• Online coverage advisory generation.</td>
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</tbody>
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Figure 3
CCM-Enabled Insurance: Value Proposition

- **Integration with distributed back-office systems and scalability:** As a scalable platform, CCM can cross-pollinate and be used by multiple lines of business (LOBs) and functional streams. As an overarching technology, CCM helps bind disparate back-office ECM/CRM technologies into a cohesive communications framework. SOA and XML-enabled architecture help leverage distributed systems.

- **Greater customer loyalty:** CCM ensures consistent branding on all communications channels, however rich, and mobility-enabled CCM interfaces. It ensures greater personalization by providing a 360-degree customer view that enables targeted marketing aimed at genuine up-selling/cross-selling needs.

- **Lower TCO:** CCM supports thousands of end-user-driven concurrent communications transactions per second with an extensible SOA architecture. Elimination of communications overheads and high transaction rates lead to economies of scale and reduced TCO. The various ways through which reduced TCO is achieved include: Web self-service, green apps (low shipping costs), lower customer retention costs and low correspondence overheads.

- **Process optimization and standardization:** CCM has streamlined routine communications process steps such as insurance template modification for enterprise-wide adoption, shortening the implementation to days from weeks through centralized template management. CCM has enabled unified management of print and electronic communications, eliminating process redundancies.

- **Integrated communications sourcing model:** Insurers have traditionally managed communications in silos in a “reactive” model. CCM ensures process/technology alignment by modularizing core CCM processes across LOBs. This enables insurers to rationalize the sourcing mix under a “utility-sourcing” or “on-demand” model.

- **Adherence to compliance regimes:** For insurers, adhering to changing compliance regimes has become increasingly vital due to the growing purview of compliance laws (and increasing litigation costs) to include communications transactions. CCM ensures accurate governance through communications tracking.

While the benefits listed above are tangible benefits that are very visible to the organization after the deployment of CCM solutions, there are many intangible benefits that cannot be easily monetized. Some core intangible benefits include:

- **Improved competitive positioning through consistent branding.**

- **Benefits from future CCM applications that can be built due to implementation of a scalable CCM platform.** An offshoot could be utilization of the implemented CCM platform for automating routine, noncomplex, manual document-handling processes that are not necessarily related to customer communications.

- **Preventing potential loss of customers.**

**CCM Implementation Considerations**

**Market-specific:** As with any technological change impacting end users, insurers must take into account customers' reactions to migration to a CCM platform. Significant changes in customer experience may spark a negative reaction from the market. An effective change management/awareness campaign is therefore necessary. Likewise, an impact analysis on market positioning/brand should precede CCM implementation to assess the effectiveness of the planned changes. In addition, insurers should assess the CCM implementation and customer experiences offered by their competitors to assess the comprehensiveness of their own planned CCM implementation.

**Technology-specific:** CCM implementation requires significant front-/back-end integration. Given the complexity of such integrations, insurers must conduct a due diligence exercise to gauge the technical feasibility of the planned integrations with CRM, ECM, BPM, legacy and front-end platforms. Likewise, application migration to a CCM platform may affect application stability. Relevant disaster recovery plans should therefore be in place ahead of CCM deployments.

**Process-specific:** CCM implementations would fail without a structured as-is process assessment. Apart from defining the scope, the assessment would segment organizational processes vis-à-vis communications triggers. This will help in identifying the areas that can be optimized via CCM implementations. Such an assessment will help insurers evaluate and identify future inbound and outbound communications channels, apart from taking into account logistical consider-
ations. The processes that are to be optimized can be grouped into CCM implementation phases via a process or LOB-specific cost optimization analysis/ROI exercise. The objective of a process-specific assessment is to gauge organizational readiness.

**Governance-specific:** For wider organizational adoption, insurers must choose most “visible use cases” as first-wave CCM targets. Such visible use cases, when optimized, will build a case for enterprise-wide CCM adoption. For greater customer adoption, it is vital to ensure customer involvement in requirements elaboration sessions. Given the enterprise-wide impact of CCM deployment, the implementation project team should be composed of cross-functional/departmental project members (IT, LOB, corporate communications, legal, etc.). CCM “change agents” can help drive CCM adoption at the department/LOB level and can act as conduits for follow-on CCM requirements and change requests.

**The Road Ahead**

CCM is a unique convergence of analytics, consumer behavior, ECM, imaging and CRM technologies. The insurance industry’s trends and business drivers foretell an inevitable shift from archaic disparate technologies to a unifying and scalable CCM framework. CCM’s evolution as a technology will continue to absorb emerging and institutionalized technologies such as cloud, mobility, etc.

**Footnotes**

1. **Mobility in insurance** is exemplified by auto insurance. Typical scenarios include potential customers in some geographies clicking and uploading a photograph of the vehicle registration plate with a hand-held device. The insurer has an app to then “read” the license plate, whereupon the system retrieves specific underwriting-related information from on-premise/national data banks and generates a list of plans for the prospective auto insurance customer, along with plan financials (premium, coverage amount, etc.). These details are texted to the potential customer’s mobile device with minimal human intervention.

2. Following the Japanese government’s legislation to provide mandatory official process status updates to end customers for each stage in the claims settlement process, one of the world’s leading insurers, based in Japan, had to make a “panic investment” in a workflow/ECM system implementation to meet the changed legal requirement. This expense could have been avoided if the organization had invested in a scalable CCM solution.

**About the Author**

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Cognizant’s ECM Practice is a “single point” practice with dedicated service lines to drive growth in various CCM/ECM product segments. With a large pool of qualified associates, the ECM Practice caters to CCM business requirements by relying on its expertise in CCM products such as EMC xPressions and Oracle Documaker. Over the years, the practice has helped organizations achieve competitive advantage through efficient delivery of ECM/CCM development, support services and solutions. Cognizant’s Customer Communications Management sub-practice comprises consultants/solution architects, technical architects, leads and developers. The CCM team’s experience spans versatile insurance sub-domains such as application processing, underwriting, claims processing and tracking and customer interaction/query processing. Cognizant’s partnerships with leading ECM/CCM solution providers facilitate exclusive access to knowledge bases, technology consulting, product revisions, 24x7 support and various competence development and training programs.
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