Accelerating success in insurance

How to drive transformation with a purpose

Riding the wave of change

The last decade has seen unprecedented scale and speed of change for the Insurance industry. The transformation of many digital technologies and consumer engagement channels – cloud, mobile, big data, social media – fed the rapid rise of the "new consumer" with hugely accelerated expectations. Where FinTech blazed a trail, InsurTech followed – albeit, many would say, not fast enough.

Insurance has been notoriously resistant to change; it's not overstating things to say Insurance organizations are risk averse. But having to change or be suddenly left behind has been a blessing in disguise for the industry, which is now embracing digital transformation.

For an industry already in such upheaval, the 2020 global pandemic couldn't have come at a worse time. To put it lightly, the Insurance sector has been stretched to its very limits while being placed in the public spotlight.

There can be no return to the "old normal." The only way ahead is by going through the compounded current challenges. Yet knowing how to achieve new modernization objectives is no small undertaking. The complexity is two-fold; it's not just a technology conversation but a cultural one too. Historically, the industry has championed policy at every turn. The industry knows this already and has attempted to mask its policy centricity – but now the time has come to move the customer to the heart of the story and relegate policy to the back-office contract and financial record.

It's time to face these challenges head-on and build a compelling foundation to future-proof growth.

The challenge landscape

Insurance technology is proving to be both a hotbed of innovation and a battleground on which insurers must compete. Insurance is a famously complex industry, with multiple players typically involved in every single transaction: insurers, MGAs, brokers, aggregators, the list goes on.

The digital requirements of today's consumer mean complexity is amplified in the online, connected sphere. Rather than being stifled by this complexity, insurers must embrace digital transformation in order to meet the demands of today – and anticipate the demands of tomorrow.

It's time for insurers to **crush complexity**.

In this eBook, we'll look at four of the most demanding challenges facing the sector right now and how to tackle them:

1. Customer expectation growth

2. Operational resilience

3. Insurance technology innovation

4. Core complexity

Enhance customer experience

Customer expectations continue to rise as the popularity of on-demand, self-service products grow at a rapid pace. This has led to a shift within major insurers – who are now heavily focusing on empowering customers by giving them more control over their products, services, and data. Delivering a great experience is now imperative, with Forbes predicting that service-based strategies that improve customer experience will heavily impact both growth and retention.

The Pega difference

Insurance customers today demand personalized, streamlined, self-serve, and omni-channel experiences when and where they want them. That is a complex task, especially when delivered into an already complex IT architecture. Pega helps insurers develop one-to-one customer engagement with Pega Customer Decision Hub™, which enables insurers to take the right action at every interaction – in real time, on every channel. This drives up customer satisfaction, growth, and the bottom line – no matter what they have going on in their legacy IT.

Enhance customer experience

The problem

Great American Annuity Group sought to simplify the annuities for over 500,000 policy holders as well as the everyday training and application usage for it's customer service representatives (CSRs). Service representatives were bogged down switching between 15 systems, impacting first call resolution, and overall customer satisfaction. A unified CSR desktop was the ultimate requirement to achieve their pledge of "making simple happen."

The solution

Great American implemented Pega Customer Service™ to streamline the annuities process. The 14 week implementation allowed the organization to unify the CSR experience, reducing repeat and status calls. Customer service representatives no longer spend precious time with rote tasks because Pega's straight-through processing capabilities allow for intuitive and automated service experiences for representatives and policyholders.

The results

With Pega, Great American went live with it's Pega Customer Service platform in just 14 weeks, making it even easier for their representatives to provide exceptional, quick, streamlined service to it's annuities policyholders.

- 14 week implementation

- Consolidation of systems from 15 to one

- Reduction in withdrawal process from days to seven minutes

- 50 percent time reduction for address changes

"The system not only allows us to offer a great customer experience, but we're doing it fast, we're doing it in real time, and we're doing it without errors."

**– Chad Stewart, CIO Annuity Group,
Great American Insurance Group**

Deliver operational resilience

2020 has been a year like no other. But while it has resulted in widespread disruption, it has also seen significant acceleration. The pandemic has acted as a wake-up call to the Insurance sector, speeding up timelines and forcing insurers to re-prioritize their goals in order to be better prepared for change in the future.

For many insurers, this has shifted the view of digital transformation from a slow, incremental process to a top tier ticket item. Investments are being made not only in technologies, but dedicated personnel – and it's all happening not a moment too soon.

The Pega difference

Transformation is complex, especially when dealing with legacy systems. Pega is guiding insurers through modernization projects and rationalizing legacy environments, while simplifying the state of operational IT in the process. Leveraging Pega's intelligent automation, insurers are simplifying operations and leaving time-sink tasks behind – fast-tracking project success and increasing speed-to-ROI.

Deliver operational resilience

The problem

Aflac, a leading supplemental insurance provider in the United States and Japan, provides financial protection to over 50 million customers. Faced with thousands of requests through email alone on a weekly basis, Aflac sought to unify manual classification and assignment of work across it's contact center.

The solution

To align with its "One Digital Aflac" vision, Aflac embarked on an effort to reinvent the way it connects customers, agents, and policy holders. AI-powered email bot technology within Pega Customer Service™ uses natural language processing to understand customer context. The insurance provider is now able to automatically classify and assign emails to cases and can use email bot to respond to inquiries in a streamlined fashion.

The results

- Successfully processed 3,000+ emails per week

- Automatically processed and responded to 30% of incoming emails via straight-through processing – without the need of an agent

- Accelerated response of remaining 70% of emails with AI generated suggestions for agents

"It is no longer about working on technology-centric things, it's about focusing on customer-centric things."

- Rich Gilbert, Chief Digital and Information Officer, Aflac

Drive innovation

Investment in technology represents a means not only for insurers to grow, but a viable method for overcoming some of the impacts felt by the sector during the pandemic. While technology has been the biggest area of investment for insurers for the last three years, Deloitte reports that the pandemic has prompted many insurers to accelerate their digital transformation efforts. They have been seeking out InsurTech firms that can help increase virtual interactions in sales and claims, as well as reduce expenses. As the expectation for personalized insurance products grows, technical innovation is helping insurers provide integrated, personalized, data-rich services at every turn.

The Pega difference

Pega delivers innovative solutions – from intelligent automation, distribution management, and Internet of Things (IoT) to predictive analytics, robotic automation and intelligence, underwriting automation, and continued product development. It's all helping insurers win the innovation war. Innovation has become business as usual with the lowest possible risk.

Drive innovation

The problem

Founded in 1811, Achmea is the largest insurance company in the Netherlands for health and non-life, with 10 million customers. Achmea wanted to build long-lasting, high-value relationships with each of its customers. But disjointed channels and siloed decision-making made it difficult to deliver on the promise of seamless, omni-channel engagement.

The solution

With Pega Customer Decision Hub™, Achmea has unified its inbound, outbound, owned, and paid channels with one central brain. The organization has shifted from a product-centric approach to having dynamic customer dialogue with all customers.

During each dialogue, Customer Decision Hub provides personalized next-best-action recommendations that maximize value for both the customer and the company. With decisioning centralized, every channel now learns from the others. The minute a customer's context shifts, Achmea recognizes it and adjusts the experience accordingly.

The results

With a multi-experience approach to customer engagement, Achmea has seen results such as:

- 85% save rate when using next-best-action recommendations

- 27% increase in online upsell and cross-sell

- 41% web to call center conversion rate

"With Pega, we're omni-channel in our next-best-action approach. It's about being one voice, one brand, for the customer – regardless of channel."

– Jeroen Dijkstra, Product Manager, Omni-channel Personalization, Achmea

Streamline core complexity

A common challenge for many insurance carriers is delivering service excellence across a complex and siloed core system infrastructure. In this environment, carriers often rely on the heroics of service staff as they navigate disconnected processes to deliver the right outcome for their customers. Furthermore, carriers must address the growing desire for digital-first offerings that can connect policyholders from any channel to the right systems of record seamlessly.

The new approach is to help carriers get work done by eliminating technical silos and engaging policyholders in the way that best suits their needs. This requires customer engagement capabilities that can connect policyholder experiences end to end across channels and keep pace with the demands of a rapidly evolving insurance ecosystem.

The Pega difference

Carriers can eliminate operational complexity and deliver customer outcomes without replacing their existing systems. Pega's case-based approach helps manage complex processes across core systems, unifying the experience for employees and policyholders alike. It just requires focusing on one customer outcome at a time and building from there. Insurers define the data you need to access from the bottom layer of your enterprise architecture, and define the rules for the channels you'll use to connect with your customers on the front-end, top layer of your architecture. This Center-out™ approach helps insurers transform across all channels and existing core systems. It also frees up staff to spend more time helping customers with complex inquiries now and delivers the customer experiences of the future.

Streamline core complexity

The problem

New York Life was looking to harness the power of intent-based data to improve the customer experience. Customer service agents were wasting time logging into and switching between applications to solve for routine customer service requests. Ultimately, they sought to simplify the CSR experience.

The solution

Using Pega Customer Service, New York Life consolidated multiple desktop screens into one. Automating manual processes with a series of rules within the Pega desktop allows agents to see all available actions for their process in a single view. This gives them the power to seamlessly complete customer requests without the delays of switching screens or manual processes.

Today, insurers need to deliver efficient, personalized service to customers. New York Life worked with Pega to simplify the agent desktop – reducing multiple screens to a single screen. The result? A streamlined, intuitive desktop interface for the agent.

The results

- Consolidate multiple desktop screens to a single screen

- Reduce call handle time significantly

- Improve training time by two weeks

- Enable reps to focus on the customer

> "We consolidated multiple screens to one screen. The agent can now see all actions available on one single screen. Our average handle time is a lot lower. All they have to do is click on it, enter the new address change information, and done!"
>
> **– Lakshmi Weiss, Senior Developer, New York Life**

Why partner with Pega?

Pega is the trusted strategic partner helping insurance firms crush complexity and deliver experiences that drive success. Partnering with Pega can help insurers rapidly gain a competitive advantage, continue to stay ahead of the competition, and deliver value for investors and shareholders on an ongoing basis.

Pega helps insurers unlock customer value, improve engagement, and empower employees during periods of unprecedented change and uncertainty. We enable our customers to simplify their current technology stack and seamlessly implement new, market-leading solutions that improve profitable growth, expedite acquisition times, and reduce expense ratios.

Above all, we're about improving customer satisfaction. Our strategy places the customer at the heart of everything we do, helping insurers deliver the proactive, customer-centric protection their customers demand – faster, simpler, and across all channels.

We're helping carriers across acquisitions, claims, and the back office achieve the KPIs that accelerate growth – from improved profitability and reduced operating expense ratios to faster turnaround times and regulatory compliance.

Pega empowers insurers to make the right decisions for the right outcomes, crushing complexity and accelerating execution. We can simplify what you have, what you need, and how you deliver.

Crush complexity:
Take the first step today

Pega's peerless expertise and proven track record in the Insurance sector means we're a safe pair of hands to help guide *your* transformation. But don't just take our word for it – we'd be happy to share more examples of recent success we've driven for our clients.

Get in contact with us today to get started.

Visit **pega.com** to learn more.

About Pegasystems

Pega delivers innovative software that crushes business complexity. From maximizing customer lifetime value to streamlining service to boosting efficiency, we help the world's leading brands solve problems fast and transform for tomorrow. Pega clients make better decisions and get work done with real-time AI and intelligent automation. And, since 1983, we've built our scalable architecture and low-code platform to stay ahead of rapid change. Our solutions save people time, so our clients' employees and customers can get back to what matters most.

For more information, please visit us at pega.com

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