SMA
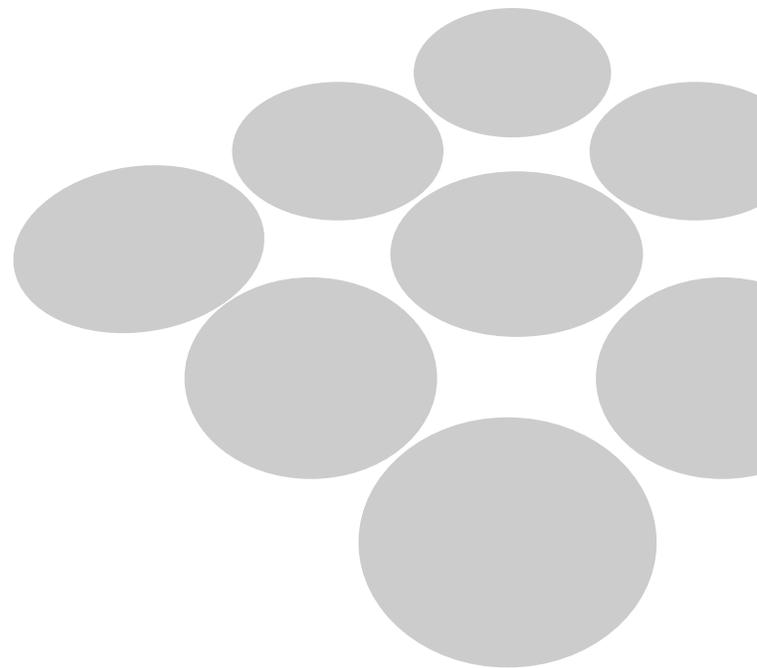## STRATEGY MEETS ACTION

INSURANCE CUSTOMER DOCUMENTS IN THE DIGITAL AGE

Featuring as an Example:

Xpertdoc

An SMA Perspective

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This perspective is based on SMA's ongoing research on document generation and customer experience. Xpertdoc has purchased distribution rights.

About This Perspective

This perspective is based on SMA's experience, research, and insights.

Xpertdoc has purchased the distribution rights to this research and perspective. This is not paid-for research.

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DOCUMENTS IN THE DIGITAL, MOBILE AGE

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Customer Expectations: The Driver of Change

Insurance companies are intensely focused on improving the customer experience. In fact, SMA research shows that it is the top strategic initiative of North American insurers, with over 90% undertaking major initiatives in this area. A vital part of the customer experience is related to the documents and the communications that agents and policyholders receive from insurers. Those interactions – which are increasing in frequency – form some of the most important impressions about the insurers brand, quality, and focus on the customer. Much of the discussion about the customer experience today centers on digital and mobile capabilities. Insurers are working diligently to incorporate new capabilities in these areas into omni-channel plans. The new array of communication options is expanding to include messaging platforms, voice assistants, chatbots, interactive video, and more.

## The Central Role of Documents and Correspondence

All of these new options will play a role over time in customer communications. However, there is one undeniable fact that is at the heart of customer interaction and central to improving the customer experience: the generation and delivery of customer documents and statements are still critically important. This reality warrants a deep dive into the business and technology capabilities required by insurers for customer documents in the digital age.

Customer Communications Across the Value Chain

A review of the many touch points between insurers and their customers provides a good sense of the complexity and importance of documents and other types of interactions. It is important to note that insurance is unlike most other industries when it comes to communicating with customers. In many other industries, such as banking or retail, there tends to be a very high volume of relatively simple transactions. In insurance, the opposite is true – a lower volume of very high-value transactions. A quote, policy document, or claims correspondence is something that is infrequent for the customer, yet very important and even emotional. Everything about the document or correspondence that contributes to the customer's experience – the accuracy, timeliness, readability, delivery format, and other characteristics – are all important. Figure 1 shows many of the key outbound touchpoints where documents are front and center.

Figure 1. Types of Insurance Documents Across the Value Chain
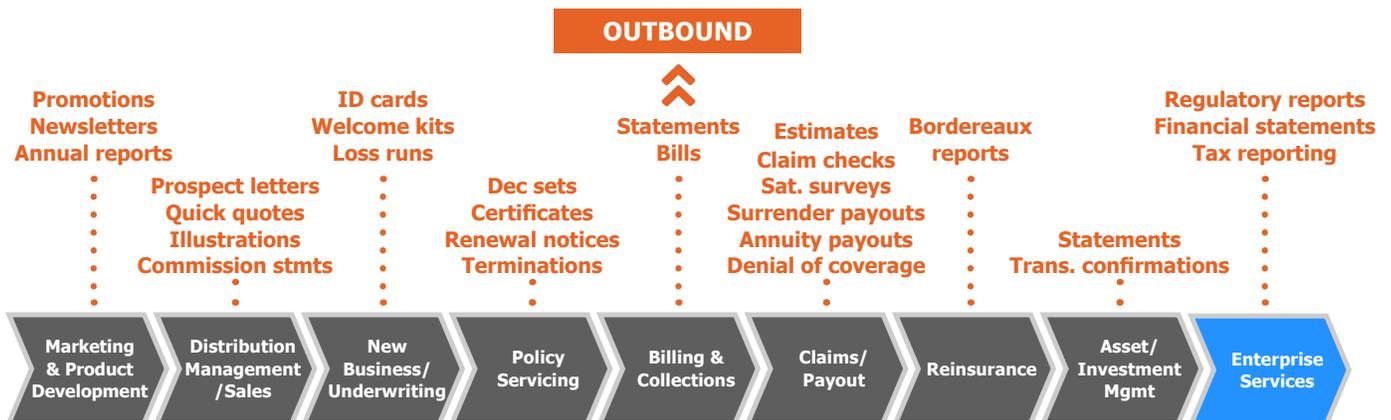
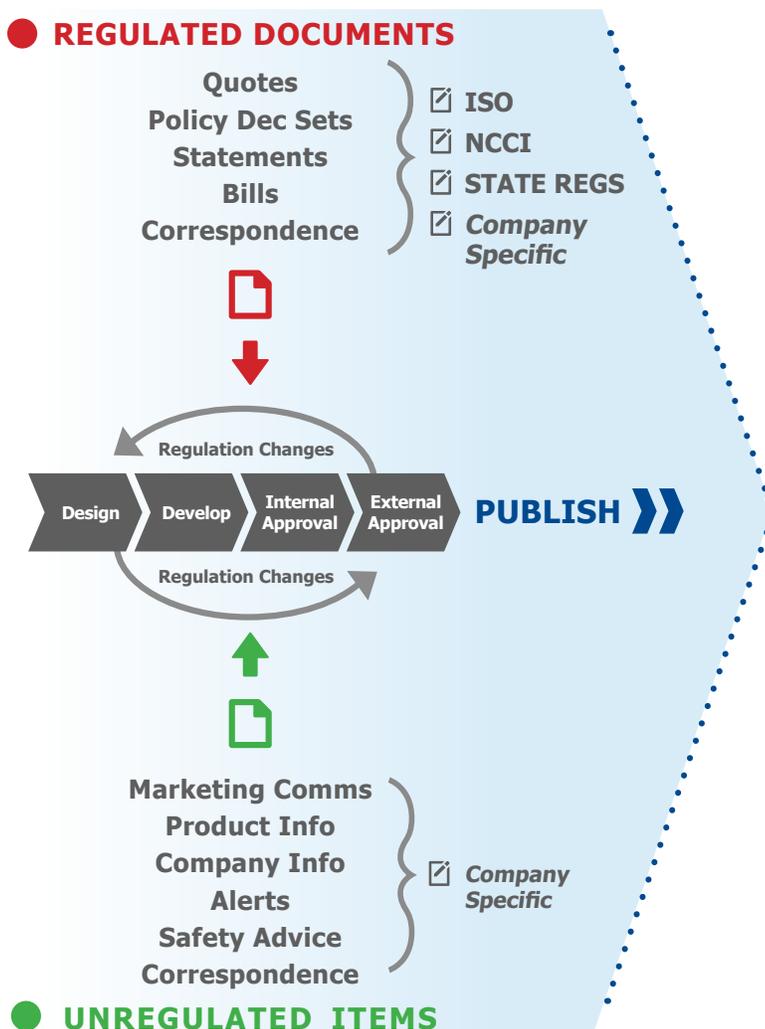
Source: Strategy Meets Action 2018

BUSINESS CAPABILITIES FOR INSURERS
Design and Generation of Documents

The business requirement for insurers today is to design and generate any type of document or correspondence from any enterprise system while remaining compliant. Forms have an outsized role in the industry, and many are regulated and provided by key organizations such as ISO, NCCI, AAIS, state-based agencies, or others. Every company also has their own branding guidelines and content for creating the templates for various forms and documents. Figure 2 shows a variety of regulated and unregulated document types and profiles the process that insurers must go through to produce approved forms and documents for use.

Figure 2. Creating Forms and Documents in Insurance
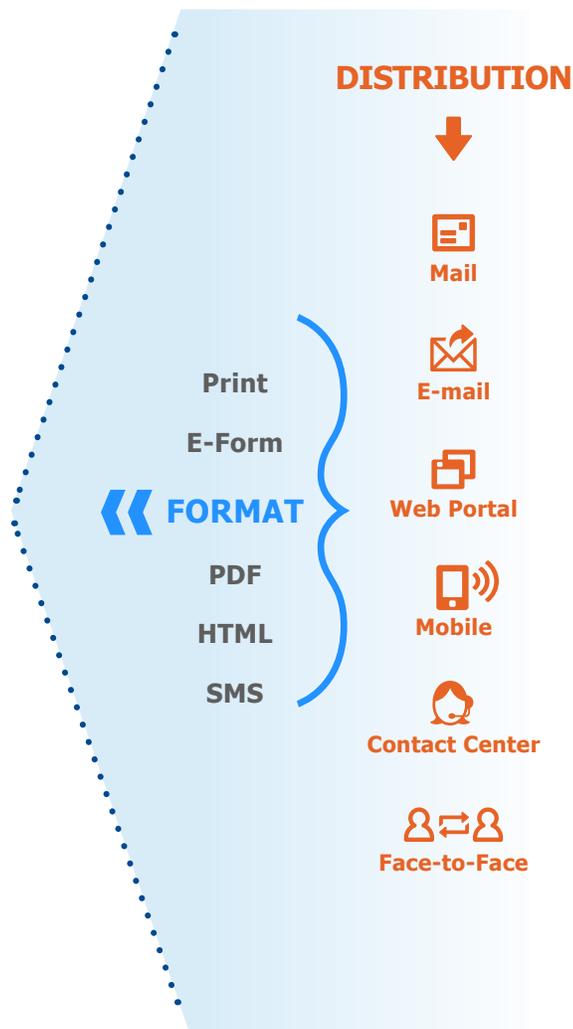

Source: Strategy Meets Action 2018

The process for design, development, approval, and ultimately, publishing the documents often has many manual or semi-automated steps. There remains tremendous opportunity to eliminate paper processes via document automation, while at the same time improving the quality of the documents/correspondence, thus meeting the customer expectations of today.

Rethinking Communications Delivery for Ease of Use

Flexible delivery options might be considered yet another aspect of personalization but warrants separate discussion in the context of an omni-channel environment. The format for delivering communications to customers must be flexible, enabling print or e-delivery through relevant channels. In addition, timeliness is just as important as delivery of the right document through the right channels. Figure 3 highlights key document formats that must be produced and delivered through a number of different channels.

Figure 3. Communications Delivery Requirements

Source: Strategy Meets Action 2018

Customer preferences for delivery and the delivery options themselves continue to evolve. In general, the traditional channels remain while the new options become additive. Insurers must be able to adapt to new forms of communication such as messaging platforms, chatbots, and voice assistants.

Personalization and Customization

We are in the age of personalization, and it does make a difference when it comes to customer satisfaction and retention. Insurers are intensely tracking data from their own customer satisfaction surveys, rankings from external providers such as JD Power, and Net Promoter Scores, and then comparing them to their competitors. There are multiple factors that contribute to the customer experience and affect these scores, including price, product, and claims experience. But documents remain an essential element of many of these touch points and are an important factor in a customer's perception of the insurer.

Most insurers have moved beyond the "Dear Policyholder" days, but personalization goes far beyond including basic variable information on the document or statement. Key attributes of personalization today include:

- ✅ **Consistency:** Agents and policyholders receive many different communications from the insurer. It is vital that these represent the brand in a consistent way, incorporating the right brand design and branding elements.

- ✅ **Personal Context/Relationship:** An understanding of who the customer is and their relationship with the company must be infused into the document. The length and breadth of the relationship, the life stage of the individual or business, and preferences for interaction are all important (and must be fed from a modern CRM system).

- ✅ **Accuracy:** It should go without saying that the correct form/document needs to be used for a given situation, and the information on the document must be correct. In insurance, this is especially important since many forms are tied to specific states, provinces, or other governmental jurisdictions.

Insurers are working to establish the best processes and technologies to support the requirements of personalization.

Smart Documents and the Future

Intelligence is being embedded into everything around us, and documents are no exception. Although in the early stages, there is tremendous upside potential to create smart, interactive documents for insurance customers. Not only are we undergoing a shift from paper documents to digital documents, but we are also moving from static to interactive documents. The expectation today is that when anything is seen on a digital screen, there should be a capability to hover, click, and manipulate the digital content to link to additional information or conduct a transaction.

One example of this in the insurance industry is embodied in the concept of beautifully designed insurance introduced by Beazley Group. The policy contract for this product, which provides coverage for inclement weather that disrupts a defined event, is smart and interactive. Policyholders are presented with an easy-to-read summary of their policy coverage, exclusions, and claim instructions, with the ability to interact with the document for more detailed information. External data sources are automatically used to trigger claim payments. This solution, leveraging Xpertdoc technology, won an SMA Innovation in Action Award In 2018.

The possibilities for smart documents in insurance are many, with examples across the value chain.

TECHNOLOGY CAPABILITIES FOR INSURERS
Form Creation in the 21st Century

The technology to support document generation, automation, and delivery is evolving to meet the business requirements of insurers. While legacy systems for document generation are still widespread in the industry, it is critical to leverage a modern platform for the digital, mobile era. The full picture of requirements for an enterprise document design and automation platform are expressed in Figure 4.

Figure 4. The Role of a Document Design and Generation Platform
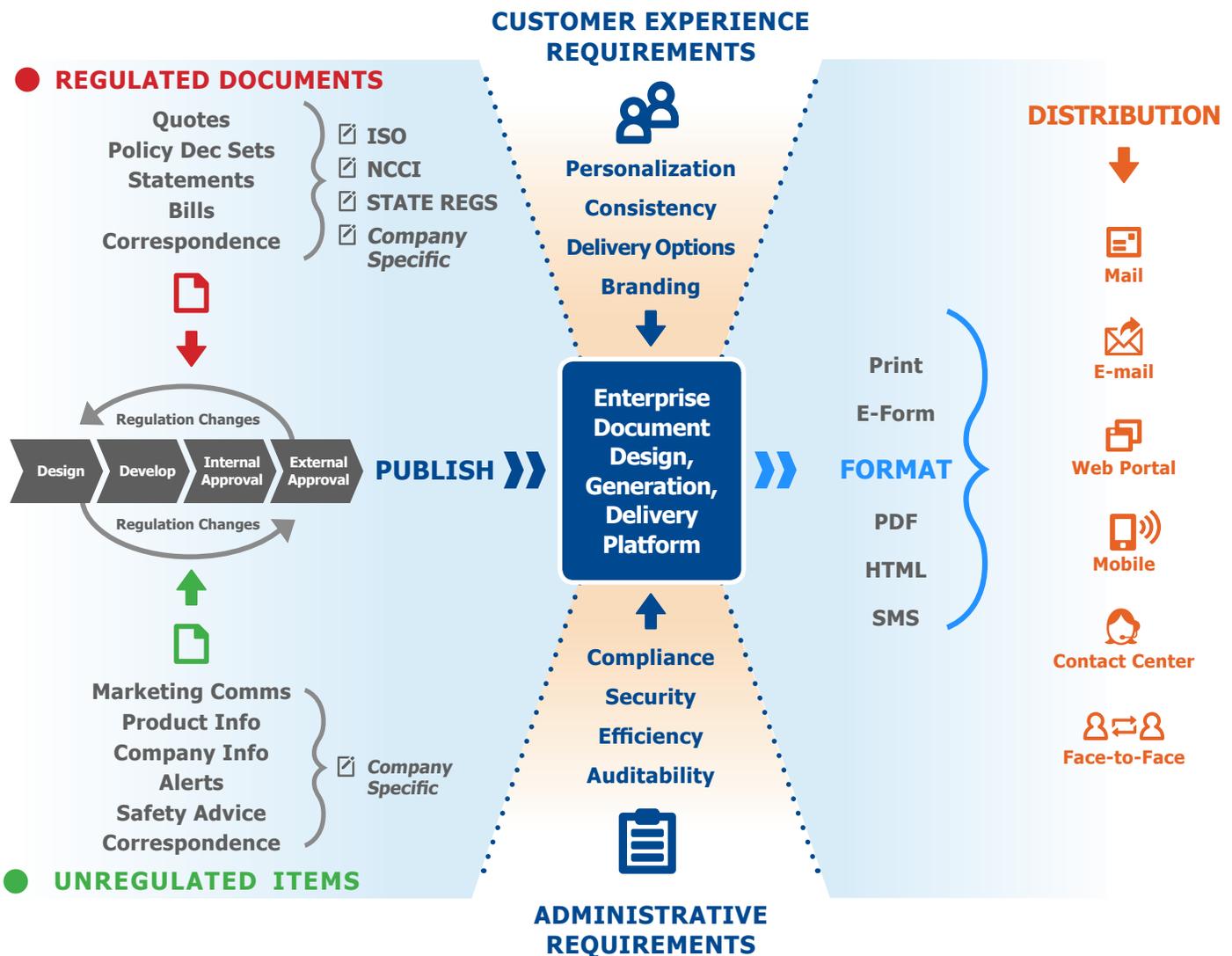
Source: Strategy Meets Action 2018

The fundamental requirements for an authoring engine to support the requirements on the left side of this diagram are as follows:

- **Ease of use:** A primary requirement is that all user groups (administrators, technical users, business users) must find the solution easy to learn and easy to use. Leveraging common paradigms (such as MS Word) may assist in this manner.

- **Workflow management:** Workflow processes must be configurable so that each company can design their own sequence for the design, creation, and approval process.

- **Change management:** Sophisticated version control and global change capabilities are fundamental requirements for a modern authoring engine. Property security and authorization, including specific role definitions, are also necessary.

- **Digital content management:** Document creation and assembly in insurance involves a large number of digital objects, such as templates, logos, brand design elements, e-signatures, text paragraphs, and more. A repository for these objects is required to store and easily access the right content.

- **System/data integration:** The ability to pull variable data from other systems such as policy administration, billing, claims, and CRM systems is essential. APIs and preintegration with key industry solutions go a long way toward satisfying this requirement.

- **Regulatory forms management:** The management of current forms and updates from external industry providers (ISO, AAIS, etc.) is time-consuming and important for insurers. Technology solutions that automate forms management and even provide access to current forms will allow insurer resources to be allocated to other tasks.

Document generation capabilities must also support high-volume batch processing as well as on-demand forms generation and delivery. In the case of complex documents like policies, an advanced capability for document assembly is also required. The appropriate regulatory language and endorsements for specific jurisdictions must be managed and inserted as required.

Compliance Management

In the insurance industry, the compliance burden is significant. There are thousands of regulatory changes every year that affect forms and documents, and insurers are legally required to incorporate those into their documents within defined time frames. Therefore, the abilities for sophisticated version management and the tracking of changes with regard to current regulations are mandatory. Missing regulatory deadlines or incorrectly updating forms can result in large fines.

Along with making the changes in an accurate and timely manner, there must be auditability at a granular level. What changes are made, when they are made, and who makes them are some of the key activities that must be tracked. Reporting and drill-down features are required to investigate change activity and support audits by regulators.

Migration and Conversion

Conversion and migration of older documents to modern formats is essential. Many insurers extensively leverage templates and forms that were custom built using Microsoft Word or built using a variety of legacy document design and generation software solutions. It is not uncommon for insurers to have tens of thousands of forms that need to be converted. This is typically a herculean effort requiring significant manpower over a period of months. This is unacceptable in today's environment where speed to market is a decisive competitive advantage.

This leads to a technology requirement for automated, rapid extraction and conversion of legacy forms. However, rapid conversion capabilities are only useful if the original attributes and business rules are preserved.
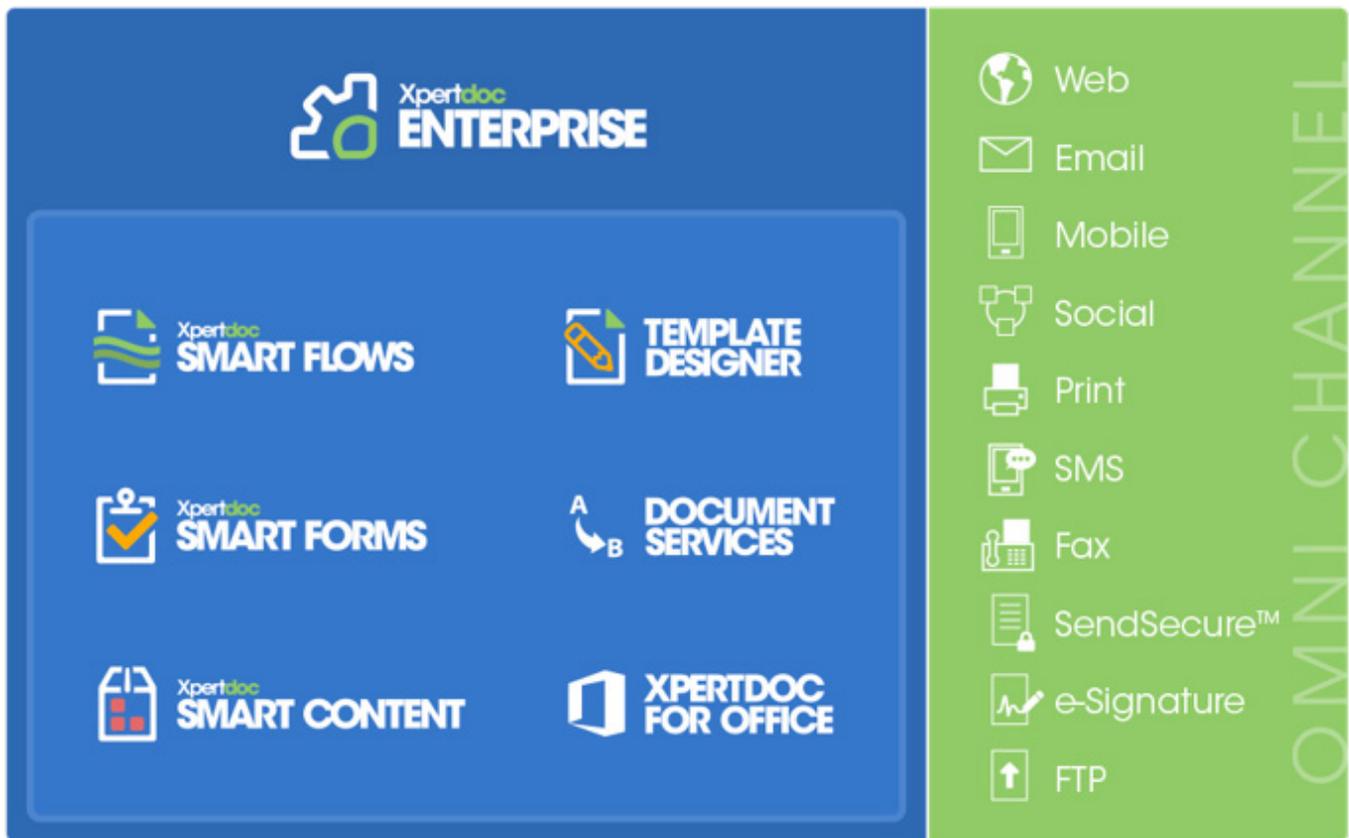
XPERTDOC

Company Overview

Xpertdoc Technologies Inc. is a global software company that provides industry-leading document automation and customer communications management (CCM) solutions. Xpertdoc drives improved customer engagement and growth by streamlining web and mobile self-service intake as well as document creation and management processes throughout every customer touch point. The company is a Microsoft Gold Partner and certified ISO/IEC 27001:2013 compliant for information security.

Breadth of Functionality

The Xpertdoc Enterprise solution provides a comprehensive document generation and automation platform that covers a wide range of capabilities to design, generate, deliver, manage, convert, and migrate forms and documents. The components of the platform are illustrated in the diagram below.

> *Xpertdoc provides a comprehensive document generation and automation platform that covers a wide range of capabilities to design, generate, deliver, manage, convert, and migrate forms and documents.*

Figure 5. Xpertdoc Document Generation and Automation Platform

Source: Xpertdoc 2018

Smart Flows

Smart Flows enables the IT user to leverage an extensive API library and web services to integrate document generation and output flow capabilities with existing applications, such as policy, billing, claims, CRM, and ECM systems. A control panel is used to manage flows, templates, data, connectors, and users. Business users can then visually model and configure document flows using the Smart Flow Builder tool. Data can be pulled from many sources into a single template.

Smart Forms

This solution enables insurers to design and deploy forms for data capture. Smart Forms is driven by a rules engine that optimizes the question path for the user, asking only the relevant questions for that individual and automatically populating fields where data is already known. Insurers can define the forms, business rules, and user flows via a drag and drop interface. Compliance with branding standards and industry regulations is supported and central to the solution. Responsive design is used, facilitating deployment to any channel (see the right-hand section of Figure 5), with omni-channel principles supported so that data re-entry is not required. Pre-built integrations with common e-signature solutions are also included in the platform.

Smart Content

Smart Content is a secure document repository for all digital assets, supporting all types of digital assets that might be included in documents and forms, including PDFs, e-signatures, logos, graphic images, text blocks, and more. The digital assets may either be in final form or in process. Search is facilitated via metadata associated with each content object.

Document Services

The Document Services component of Xpertdoc Enterprise provides essential "workhorse capabilities" to support the management of documents after the original document is created. These functions include server-side document assembly, PDF conversion, transformation and concatenation of multiple Microsoft Office documents, email or SMS delivery, and storage in Microsoft SharePoint.

Xpertdoc for Office

XpertDoc is a Microsoft Gold Partner and provides the ability to leverage features of the Xpertdoc Portal directly within Microsoft Office products including MS Word, Excel, Outlook, and PowerPoint. For example, a user could search for a document stored in Xpertdoc Content Manager and insert the content in the current document or compare labeled sections between the current document and a remote document. Various features enable the searching and integration of content into Outlook, Excel, or PowerPoint documents.

All of these services are offered via cloud or on-premises environments. One indication of Xpertdoc's world class technology is in the granting of a patent for document migration technology. Xpertdoc also won an SMA Innovation in Action Award for the use of this technology with an insurer for high-volume, rapid migration of legacy forms and documents.

For more information about Xpertdoc, please visit **www.xpertdoc.com**.

STRATEGY MEETS ACTION COMMENTARY

Document generation and automation in insurance have always been important and often been complex. In an era where insurers are striving to become more customer centric, these capabilities take on even more importance. The need for speed, efficiency, delivery flexibility, and compliance are driving many insurers to upgrade to a modern platform. Couple those basic needs with the power of personalization, and many are finding a compelling case to raise the priority of technology solutions in this space.

Even so, the decision on a platform to address these business and technology requirements should be done with great care. Consideration should be given to every aspect outlined in this SMA Perspective, including integration capabilities, migration solutions, and management of insurance industry content.

The technology platform and solutions from Xpertdoc align well with the business and technology requirements outlined in this SMA Perspective. Any insurer considering a new document generation and automation solution should have Xpertdoc on their short list for evaluation.

ABOUT STRATEGY MEETS ACTION

Strategy Meets Action (SMA), is a strategic advisory firm delivering advice, consulting services, and published research to insurers, solution providers, and InsurTech startups. We provide insights and guidance to help our clients bridge today's business strategies, plans, and technology investments to the new world of customer experience, digital transformation, emerging technologies, and InsurTech. Exclusively servicing the insurance industry, our mission is to help our clients excel today and position for tomorrow with the right technology decisions as unprecedented changes take place in our industry.

This perspective is based on SMA's experience, research, and insights. Xpertdoc has purchased the distribution rights to this research and perspective. This is not paid-for research.

Additional information on SMA can be found at **www.strategymeetsaction.com**.

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