

## EXECUTIVE SUMMARY

**Business Objectives**

- Process life insurance applications faster and more efficiently
- Make it easier for customers and representatives to do business

**The Problem**

- Manual processing of applications led to write-backs and delays
- Applications returned with missing documents, data, and signatures

**The Solution**

- Keep the application process electronic from start to finish
- Equip 2,200 representatives with web-based e-signature solution and e-signing pads

**The Results**

- High adoption by both carriers and customers
- 95% of agents are now using the e-app, with 75% of applications being e-signed

# E-SIGNATURE ADOPTION BY INSURANCE CARRIER'S AGENTS SURGES TO 75% IN TWO YEARS

This Fortune 1000 company provides insurance and financial products to more than one million households and businesses throughout the United States. Client satisfaction has long been a top priority for this OneSpan customer, and the company strives to provide its financial representatives with the tools they need to deliver exceptional, convenient service.

Toward that end, the company first began by equipping financial representatives and clients with the ability to complete, sign, and submit life insurance applications electronically. Two years later, the company has now enabled e-signatures for all of its term, universal, and whole life insurance applications, as well as disability insurance, Medicare supplement plans, and annuity policies.

This insurer has also seen a dramatic surge in the adoption of e-signatures. "What we've found is that, with most of our financial representatives, if we can get them to try it once, they continue to use it," says the carrier's SVP of life/health operations.

In fact, 95% of their 2,200 financial representatives are using OneSpan Sign, and they are e-signing 75% of applications – a complete transformation that rates well ahead of the carrier's expectations.

"Change management is not something we've taken lightly," says the carrier's SVP of life/health operations. "We've said all along that if we built the greatest system in the world and nobody used it, then it wouldn't have any value."

## The Problem with Manual, Paper-Based Processing

Prior to the availability of electronic applications and signatures, the company's financial representatives had to keep all necessary forms on hand at all times when meeting with clients. Based on individual client needs, the representatives determined which forms had to be filled out and signed. Once the application packet was completed, the financial representative was responsible for verifying and mailing or faxing it to the home office for processing. If the packet was found to be in good order, underwriting could begin.



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**SVP of life/health operations**

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Incomplete packets, or write-backs as they are known in the industry, then needed to be returned to the financial representative for correction with the client. This process was costly, time consuming, and inconvenient for the home office, financial representative, and client. Write-backs were cited as the most common cause for delays, elongating the process. The result was impaired productivity.

### E-Signature Solution Requirements

The company recognized that many of the write-backs could be avoided by making the life insurance application process electronic. Several years back, the carrier had launched an e-application initiative that demonstrated to the company the potential benefits of straight-through processing. However, the initiative fell short of expectations, because the solution did not include e-signatures. Application data was entered electronically but still fell

to paper every time a signature was required, resulting in many of the same delays and inefficiencies as before.

By 2008, the company was determined to move to end-to-end electronic processing of life applications in its financial representative channel, and it knew e-signatures were absolutely essential to ensure a successful project. The scope was ambitious: provide enterprise e-signature and e-application capabilities to financial representatives in

life and disability, and then expand the process improvements to annuities, long term care, home and auto insurance, and other financial products.

### Solution

The company chose OneSpan Sign Enterprise Plan for its functionality, flexibility, and scalability. OneSpan Sign handles all aspects of the execution and signing ceremony from document presentation and signature capture to the storing of electronic evidence and distribution of fully executed documents. As a web-based solution, it also saves the insurer the hassle of distributing and supporting software updates on more than 2,000 financial representative desktops.

The electronic signature capability had to integrate seamlessly with their electronic application built in LifeSuite, a StoneRiver system. In the new automated process, the financial representative guides the client through the application interview in-person just as before. However, the data is entered electronically. Built-in business rules greatly reduce the likelihood of errors. The ability to search for medical providers and choose from a pre-defined drop down list of prescription medications further streamlines and simplifies the process.

When the application is completed and the illustration generated, the financial representative initiates a signing ceremony. Documents can be reviewed either on screen or on paper.

To begin, ESIGN consent disclosure text is presented and electronically signed. The company chose to use signature tablets to capture signers' intent on forms and documents. The client and financial representative can then e-sign using a Topaz signature tablet, indicating their intent at each signature line in the application packet. The scripted signature images become part of the electronic audit trail that is securely embedded within the executed PDF documents. Finally, the packet is submitted to the home office without delay.

The electronic application and signing process presumes the financial representative has web connectivity at the time of execution. Wireless internet cards provided financial representatives with access when they were out of their offices.

### Rollout and Change Management

The company knew that even the best designed system would not deliver the expected results if it was not adopted by users. Financial representatives are sometimes reluctant to adopt new processes and technology. Despite the foreseeable challenges, the company set ambitious adoption goals for the project, backed by an aggressive rollout and adoption plan.

From the outset, the company involved participation from the financial representative community to solicit feedback on system requirements and help with vendor selection. In February 2009, once the design phase was complete, the insurer carefully selected a couple hundred financial representatives to participate in a five-month pilot. A number of enhancements, such as improving system response time, were made based on the experience of the pilot participants. In June 2009, the company began rolling out the new e-app and e-signing capability to all 2,200 financial representatives.

A comprehensive training program was used to support the rollout across the different regions where financial representatives had the opportunity to practice using the system in front of an instructor. Ongoing computer-based training is available to all financial representatives, while internal communication campaigns continue to raise awareness, address common concerns, and promote adoption.

These efforts have clearly paid off with adoption rates surging from 40% in the first six months to 75% two years after deployment. The company has seen faster adoption by those agencies whose managers have embraced the new way of doing business.

To continue driving adoption, the company is offering incentives to financial representatives for using the system. In an effort to ensure they make it past the initial learning curve, incentives only kick in after they have submitted six electronically completed applications.

## CASE STUDY | LIFE INSURANCE COMPANY

Then as feedback from the growing user community comes in, the home office operations team continues to make improvements to the process, interface, and performance of the system.

According to the carrier's SVP of life/health operations, the new electronic process has significantly reduced write-backs. The web-based system ensures that all necessary questions are answered. If one answer prompts a request for additional information, the system automatically adds a new line of questioning to the process. The company has already seen 15 - 20% improvements in cycle times, depending on case complexity. They expect those numbers to increase.

The company enjoys greater control over the process, which results in higher quality applications and less risk. Extensive electronic evidence captured by OneSpan Sign during the execution of documents also helps strengthen the company's compliance and legal position.



Efforts have clearly paid off with adoption by agents almost doubling in two years. In addition, 75% of all e-signature enabled transactions are completed electronically, including all term, universal and whole life insurance applications, as well as disability insurance, Medicare supplement plans and annuity policies."

## Results

Many of this insurer's core business transactions and processes are now electronically enabled from beginning to end, and the benefits are shared by everyone involved in the process: the company, its financial representatives, and its clients.

Electronic applications and e-signatures have eliminated the need to print, manage, mail, and store paper, which has resulted in significant time and cost savings.

## Conclusion

Deploying new technology is always a challenge, especially when accompanied by changes to the business process. Many straight-through-processing and electronic application initiatives in the life insurance industry have failed to meet expectations in the past, because the financial representative community has simply not adopted the new way of doing business. The company's e-application and signature project demonstrates that by choosing a solution that addresses user requirements and by coordinating a comprehensive roll-out, training, and incentive plan, adoption goals can quickly be met and even surpassed.



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