OneSpan

CASE STUDY

Business Objectives
- Improve customer experience by completing application paperwork immediately at the time of purchase
- Reduce the cost of acquiring new customers

The Problem
- Average time to complete application paperwork was 45 days
- Unreturned forms led to premium hikes or policy cancellations

The Solution
- Equipped call center, agents, and web channels with e-signatures

The Results
- Streamlined the process: 52 days to 10 minutes
- 1 million e-signed documents per year
- 75% adoption to-date in call center channel
- 92% adoption on the web
- 50% adoption in the captive agent channel
- E-Signatures save $10 per transaction
- $200,000 in hard cost savings from paper handling and postage in just five months
- Saved $500,000 in labor costs

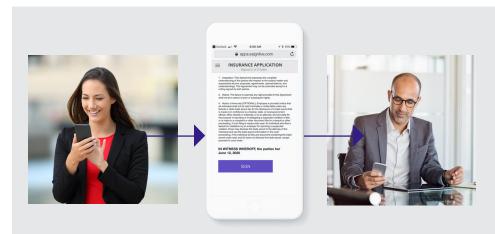# LEADING P&C INSURER USES E-SIGNATURES TO ISSUE DIGITAL POLICIES IN MINUTES

Saves an annually recurring $2.5 - $5 million

Since 2008, one leading P&C insurance carrier has been setting the pace in the property and casualty insurance industry with regard to electronic signatures. The company recognized early on that offering e-signatures to customers online was a competitive differentiator and a pathway to profitability. This carrier became one of the first insurers to implement an enterprise e-signature solution for all their personal home and auto insurance lines of business.

The company strategically managed the deployment of e-signatures across all transactions and channels by first rolling out to their call center and web channels. Building on the rapid e-sign adoption – 75 percent in their call centers and 92 percent online in under a year – they subsequently deployed to their captive agents, where more than half of the field sales force is currently using electronic signatures.

The company is currently in its 10th year using electronic signature technology. In the first few months using the OneSpan Sign solution, 500 customers e-signed their insurance applications. Today, more than one million documents are e-signed each year with this carrier.

By enabling straight-through processing, electronic signatures have netted the company a cost savings of $10 per transaction and offset millions of dollars of paper-related expenses. More importantly, the carrier now closes business within minutes – not weeks or months.

Agents provide documents to customers over the web within 20 seconds of the customer's agreement to purchase, and transactions are closed immediately over the phone.

The Challenge

The insurer's former sales process relied on wet ink signatures – a process that was operationally inefficient and costly. Upon completion and binding of a policy application online or through a call center, paperwork was sent out by mail or courier to the customer for review and signing. The completed forms were then returned along with a number of trailing documents and forms, including state mandated coverage selection forms. Too often these documents, including Un/Under-Insured Motorist option forms, were not returned and required persistent follow up by the carrier. Unreturned forms would result in an increase in policy premiums, causing customer satisfaction issues and even lost business.

The paper-based process also presented significant risk to the insurer. The new business application process involved greater risk, because it was often difficult for the carrier to reliably demonstrate the process the insured went through during the application. Incomplete or missing paper forms made it a challenge to present comprehensive legal evidence in court. Also, the time between policy binding and return of the signed application package represented a period of exposure for the insurer as the carrier is responsible for coverage during the time they are waiting for the paperwork to be returned.

According to Gartner Research, "Business management determined that, to better facilitate signature compliance, it needed to devise new internal systems and processes that would assist customers in signing the forms properly (that is, in the correct field and in a timely manner) and move the company from hard copies to an electronic format."

The Solution

The migration away from paper processes to electronic signatures and straight-through processing was a significant undertaking for this insurer, requiring a fundamental shift in strategy as well as in the operations and technical infrastructure of the business. The carrier undertook a renovation of its business processes, adopting an e-commerce and e-app strategy, consolidating applications and user front-ends, and upgrading its infrastructure to provide web-based services.

This infrastructure investment put the insurer in the position to begin offering clients more cost-effective and speedier transaction processing. It also laid the necessary groundwork for the introduction of electronic signatures and digital business processes across all channels, including online self-service.

The insurer launched the e-sign project by assembling a cross-functional team representing legal/compliance, underwriting, claims, sales, services, business analysts, and IT. This team developed a list of business and technical requirements, focusing on compliance, ease of use, workflow, process management, and ROI. After conducting a "build

The P&C insurance industry is a commoditized and highly competitive market. Customers choose auto and home insurance primarily based on price, which means that capturing their business immediately and in a cost-effective manner is critical.

The digital channel is faster and costs less, making online customers more profitable sooner. By offering e-signatures through their website, this carrier has the ability to bind and issue the policy online and as a result, convert web visitors into customers on the spot.

versus buy" analysis and evaluating vendors, the evaluation team identified that the market offered a ready supply of expertise around electronic signatures backed by mature commercial software offerings, eliminating the need to build.

From there, the decision to take an enterprise approach to e-signatures was fast-tracked, and after a rigorous evaluation and selection process, the project team chose OneSpan Sign Enterprise Plan.

The Results

Today, the P&C insurer has a straight-through process that is integrated into the company's shared services architecture, web-based applications, publishing, and document management systems. As a result, the carrier has:

Improved Customer Experience

Prior to e-signatures, it took up to 52 days to complete the carrier's manual, paper process. Now, most forms are completed within 10 minutes. (In the past, without e-signatures, only 50% of applications generated online were ever completed and returned.)

Cut Costs

E-Signatures save this carrier $10 per transaction from service ($6), paper ($2), and scanning ($2). This amounts to millions of dollars in savings each year.

Strengthened Legal and Compliance Position

One of the highest risk processes for this carrier was in their auto insurance line of business. It was absolutely crucial that the insured correctly reject or accept the Un/Under-Insured Motorist coverage and make very clear choices with all the required initials and signatures, prior to the effective date of

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> The insurer chose OneSpan technology, because its e-signature system fit best with the insurer's business model. The insurer wanted to make the customer experience as easy as possible and didn't want a vendor that required a software download. The company also wanted a quick deployment – 30 to 60 days – to build a prototype and roll out the technology. OneSpan's ability to achieve both of these goals was a key differentiator."
>
> **- Gartner**

the policy. Even in this high-risk process, paperwork errors still occurred. Once returned, the insurance package then had to be reviewed by the carrier to ensure that it had been properly completed. If not, the documents were sent back to customers for re-processing. By automating and enforcing business, legal, and regulatory rules, OneSpan ensures documents cannot be submitted for processing if they are missing signatures, initials, or data.

The carrier also uses OneSpan Sign Enterprise Edition to quickly update and push out across its entire operations any changes that affect insurance application processing, such as regulatory requirements, business rules, and product terms and conditions.

Achieved High Adoption Rates

According to the carrier's director of call center operations, coaching and statistical reviews were key to winning over hesitant call center representatives. During coaching sessions, the company showed each representative how much of his or her book of business was closed with e-signatures and how many customers dropped out of the process. According to the director, the coaching is not about improving e-sign results. Rather, he views the benefits of increasing a representative's e-sign percentage in terms of improving customer satisfaction and retention.

The carrier also invested additional efforts in gaining adoption among agents. The company undertook a holistic redesign of their e-sign processes. After executing a series of usability improvements to enhance the customer's experience, as well as offering more training and carrying out an internal communications campaign, agents became more engaged. In fact, agent adoption has since risen to 50 percent.

Finally, other benefits of electronic signatures include an increase in net promoter scores and a decrease in unmet claim endorsement volumes – as well as opportunities for cross-selling new e-services as they come online.

OneSpan

OneSpan enables financial institutions and other organizations to succeed by making bold advances in their digital transformation. We do this by establishing trust in people's identities, the devices they use, and the transactions that shape their lives. We believe that this is the foundation of enhanced business enablement and growth. More than 10,000 customers, including over half of the top 100 global banks, rely on OneSpan solutions to protect their most important relationships and business processes. From digital onboarding to fraud mitigation to workflow management, OneSpan's unified, open platform reduces costs, accelerates customer acquisition, and increases customer satisfaction.

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