

E-SIGNATURE SUCCESS IN INSURANCE: THE DONEGAL STORY

EXECUTIVE SUMMARY

Business Objectives

- Integrate e-signature capability with the agent portal to make it easier for independent agents to do business with Donegal

The Problem

- Paper applications require time-consuming manual follow-up due to NIGO errors

The Solution

- OneSpan Sign Enterprise Plan embedded in the agent portal

The Results

- Saves time for agents and policyholders
- Improves productivity and frees up internal resources - less manual follow-up, fewer document re-works
- Accelerates processing cycles
- Better digital experience - yet still includes the flexibility to accommodate paper if the customer prefers
- Expedites resolutions when assisting agents - greater visibility into the process and transaction status

No insurer needs to be reminded that the industry is deeply dependent on documentation, and that the pursuit of signatures for this paperwork can be expensive, time-consuming, and frustrating. In the “document or die” world of insurance, the advantages of electronic over traditional or “wet” signatures, in terms of time saved and errors prevented, may be obvious.

But while the “why” is well understood, the “how” remains elusive. In an environment that involves a complex mix of customer segments, distribution channels, and legacy systems and processes, how can insurers put electronic signatures to work?

This article answers the question by examining the story of the Donegal Insurance Group, a mid-sized insurer that offers personal, commercial, and farm policies in 22 states, through affiliations with approximately 2,500 independent agents (IAs).

Like other insurers, Donegal has been eager to eliminate paper from its new business processes. Electronic workflows reduce the risk of missing or incomplete documents. Digital platforms increase efficiency, reducing time spent chasing trailing documents – an important advantage to busy IAs. By creating a digital portal, Donegal reduced friction at the point of sale, placing itself top of mind among its agents.

For Donegal, adding e-signatures to the agent portal made sense. But to implement e-signatures, they had to address four key questions about ownership, requirements, rollout, and adoption. Their answers provide insights that can help any insurer looking to deliver a better experience for customers and IAs.



“OneSpan has industry knowledge as well as an openness and flexibility to work with us. Every company has unique needs. They worked closely with us to seamlessly integrate e-signatures into our system.”

Brian Donovan
Agency Automation, Donegal

1. Who Should Take the Lead and “Own” the E-Signature Solution?

Brian Donovan, manager of agency automation at Donegal, recognized the power of e-signatures early on. “We were heavily involved with the use of technology, and we automated many processes that were traditionally manual,” he says. “We saw e-signatures as another opportunity to free up internal resources and give the agent and the customer a better experience when they choose Donegal.”

But who should assume the responsibility for implementation, the IAs or the insurer? Independent agents value their independence. Yet, Donegal chose to take a leadership position on the issue, confident that IAs would see the new convenience as a welcome alternative to the current way of doing business. By taking the lead, Donegal would be taking control of its digital destiny, ultimately accelerating the adoption of e-signatures—an adoption that would be delayed if left to each individual IA.

In addition, by owning the e-signature platform, Donegal gained visibility and control over the workflow and the documentation of their new business. By selecting and adopting a single e-signature solution, Donegal also avoided the need to conduct due diligence on the many e-signature technologies their agents might have chosen.

Once committed to taking command, Donegal faced another decision. Should they implement OneSpan Sign, in the cloud or on-premises? The cloud option would not require any additional IT hardware or software burden on the firm; responsibility for security would have shifted to the cloud provider. However, Donegal had compelling reasons for choosing an on-premise implementation. They wanted maximum control over customer data and the systems that run the company’s critical business processes. Sanjay Pandey, Donegal CIO, put it succinctly, “We have cautious underwriters and attorneys who want to control their own destiny.”

2. What Requirements Should You Consider When Adopting E-Signatures?

There are a bewildering number of e-signature options available. At Donegal, close collaboration with its vendor helped it successfully address and resolve a number of critical issues. “We worked with the OneSpan people as far as how the technology would come together,” Donovan says. “We spent time from the legal perspective to be comfortable with the legality of it all and took a hard look at the audit and review functionality that OneSpan Sign offered.”

For insurance companies considering e-signatures, the most important requirements include:

Branding: Can You Customize the User Interface?

Everything that faces customers and agents should reflect the insurer’s brand, not the e-sign vendor’s. Donegal chose a solution that allowed it to brand every touch point; the underlying e-signature technology is completely transparent.

Connectivity: What Will the Integration Look Like?

Signatures are just one part, albeit an important part, of larger business processes. E-Signatures need to fit within a broader technology context, such as a policy admin, agency management, or document generation system. Not only did Donegal have a portal to consider, they had an established document generation platform, OpenText Exstream, for producing electronic documents. Fortunately, pre-existing connectors between OneSpan Sign and OpenText Exstream made that integration tight and easy.

Audit Trail: Do You Have What You Need for Security and Evidence?

The ESIGN Act of 2000 was established by the US Congress to facilitate electronic records and e-signatures for interstate and foreign commerce. While the law is important, insurance companies may feel that compliance with ESIGN is not entirely sufficient, given potential challenges in the courts. One of the reasons Donegal chose OneSpan Sign was because its comprehensive audit trail, which track who signed, in what order, when, and where with strong identity assurance. OneSpan Sign provides a more robust way of addressing legal risks and demonstrating compliance.

“The ability to track what happened in each signing is important. The audit trail doesn’t leave much up for debate: they can bring it up with agents, see what happened, and figure out what needs to be fixed and what docs need to be signed,” says Donovan.

Industry Experience: Can the Solution Handle the Volume and Complexity of Insurance Workflows?

Donegal wanted to get to market quickly with e-signatures. That’s why it was important for them to work with a vendor that had deep industry experience and could offer best practices for workflow customization, change management, and customization.

3. How Should You Roll Out Your E-Signature Solution?

Selecting the right technology is just the beginning; building a workable rollout strategy will help you minimize potential “hiccups,” target areas for improvement, and encourage adoption. In an industry where regulations vary considerably state by state, a staged rollout is essential for smooth implementation. Donegal’s rollout process included:

Pilot Program

Success cascades from success. Together, Donegal and OneSpan executed a small pilot program in Pennsylvania, Donegal’s home state that involved a half-dozen independent agencies to ensure that portal/e-signature integration would be seamless. Lessons learned informed the subsequent rollout.

Forms Redesign Effort

For Donegal, as with most insurers, the effort to customize and integrate the e-signature platform was relatively quick and easy. The bigger effort has been the forms redesign that has come along with the rollout. Donegal recognized that rather than simply e-sign enabling existing paper forms, it made more sense to take the opportunity to redesign their existing forms for the new digital realm.

State by State Rollout

Given regulatory variations and the need to ensure forms continued to meet compliance requirements, it made sense to launch the solution state by state. This staggered approach enabled Donegal to start reaping benefits immediately while taking the time needed to migrate forms properly.

4. How Will You Encourage Adoption?

If you just build it, will they come? The short answer is no. Frankly, moving off of paper and onto e-signatures represents a significant change for many IAs. To encourage adoption, carriers need a comprehensive change management strategy that directly involves IAs and incorporates their feedback in the design, pilot, and rollout phases of the implementation.

Reflecting on Donegal’s plan, Donovan says, “Our independent agency force has an open line of communication. They tell us what they like and don’t like, and we value their opinions. While implementing our e-signature solution, we had territory sales managers and regional vice presidents working with agents, visiting their offices, and walking them through the first time using the system.”

Donegal learned the following lessons about adoption:

Make It Easy

With Donegal, e-signatures are built into the portal itself, part of an uninterrupted workflow that doesn’t require opening another program or application.

Education Is Critical

Donegal designed a training program that includes on-demand webinars, web content, and printed promotional materials, and presentations at annual, regional meetings of IAs. They also prepared its help desk to support IAs as they put e-signatures into action.

As a consequence of its training investments, Donegal is seeing adoption growing steadily. For every percentage increase in adoption, the insurer has experienced major benefits. “We’re freeing up a lot of underwriting resources, the amount of hours they can redirect to other tasks,” says Donovan.

Are You Ready for E-Signatures?

In the insurance industry, the question of e-signatures is not why, nor even how, but when. The technology offers too many clear advantages to be ignored. By addressing the four key challenges of ownership, requirements, rollout, and adoption, your company, like Donegal’s, can take advantage of e-signatures to make workflows more efficient, compliance more verifiable, and IA relationships more rewarding.

ADDITIONAL RESOURCES

Webcast: E-Signature Implementation Options for Insurance Companies

Hear directly from Donegal Insurance Group. Sanjay Pandey, Senior Vice President and Chief Information Officer at Donegal, explains the approach the carrier has taken with their 2,250 independent agents in 11 states and counting. Keenly focused on making Donegal easy to do business with, this carrier responded to agent demand for e-signature in 2014. They integrated OneSpan Sign with their agent portal and have seen a positive response from agents and growing adoption based on the easier experience and time savings due to in-good-order documentation. Includes before-and-after e-signature workflows, information about policyholder authentication, signing method, and more.

Watch Now



ITAPro Article: Opportunity for Innovation

Learn more about how Donegal Insurance adopted e-signature technology to save time for agents, policy holders, and underwriters.

Read Now



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