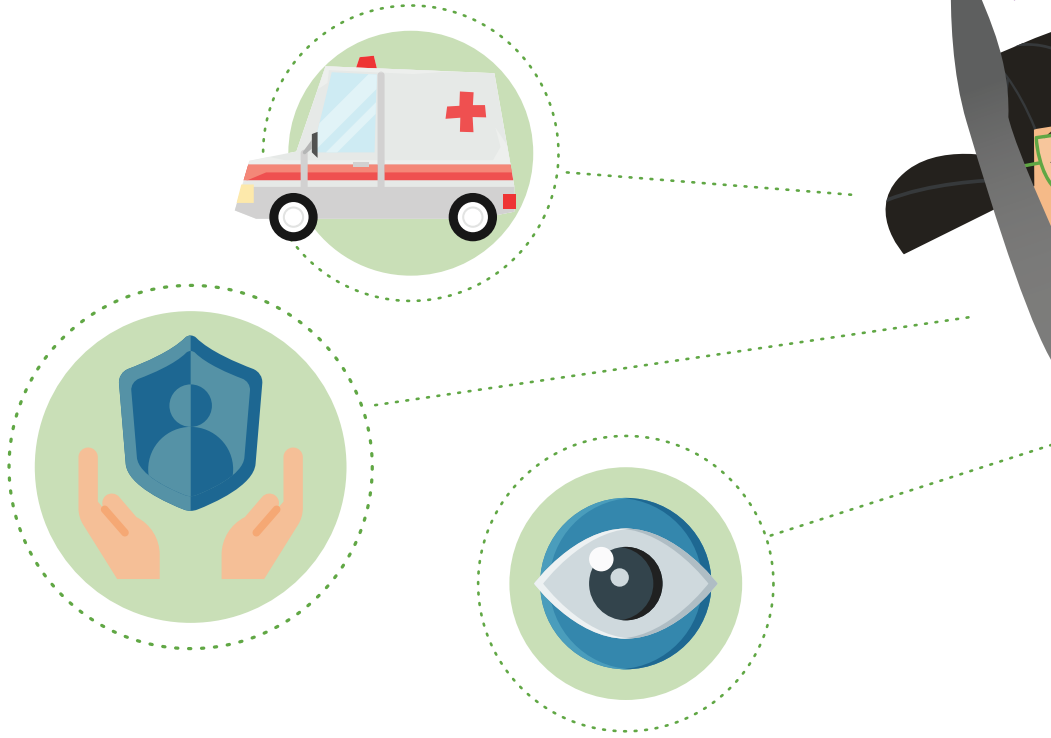


**BENEFITS
INSURERS**



When Insurtech Meets Coretech, the **Customer Wins**

There's something new happening in the group and voluntary employee benefits industry. Benefits insurers now are focusing on technology that makes it easier for clients and group members to do business with them.

Consumer technology, in all its forms, is shaping peoples' expectations for when and how they communicate and do business. These evolving expectations are prompting benefits insurers to reconsider their business models as well as their technology investments. You can see insurers adopt this outside-in perspective as they consider how to engage their client and members, as they launch new lines of business, and join digital insurance ecosystems.

Top three influences on broker's recommendation of a carrier when price and coverage options are the same:

59% Technology

57% Financial Rating

36% Claims Submission Process

- Wellfleet and EIS' 2021 Workplace Benefits Broker Survey



Health Insurance



Vision Insurance



Disability



“ Insurers are no longer selling products. They're selling experiences. Consistent touchpoints and experiences are becoming more important because success, increasingly, is about gaining customer loyalty. ”

— Robert McIsaac, Head of Life Insurance, Annuities, and Benefits, Aite Novarica



Life Insurance

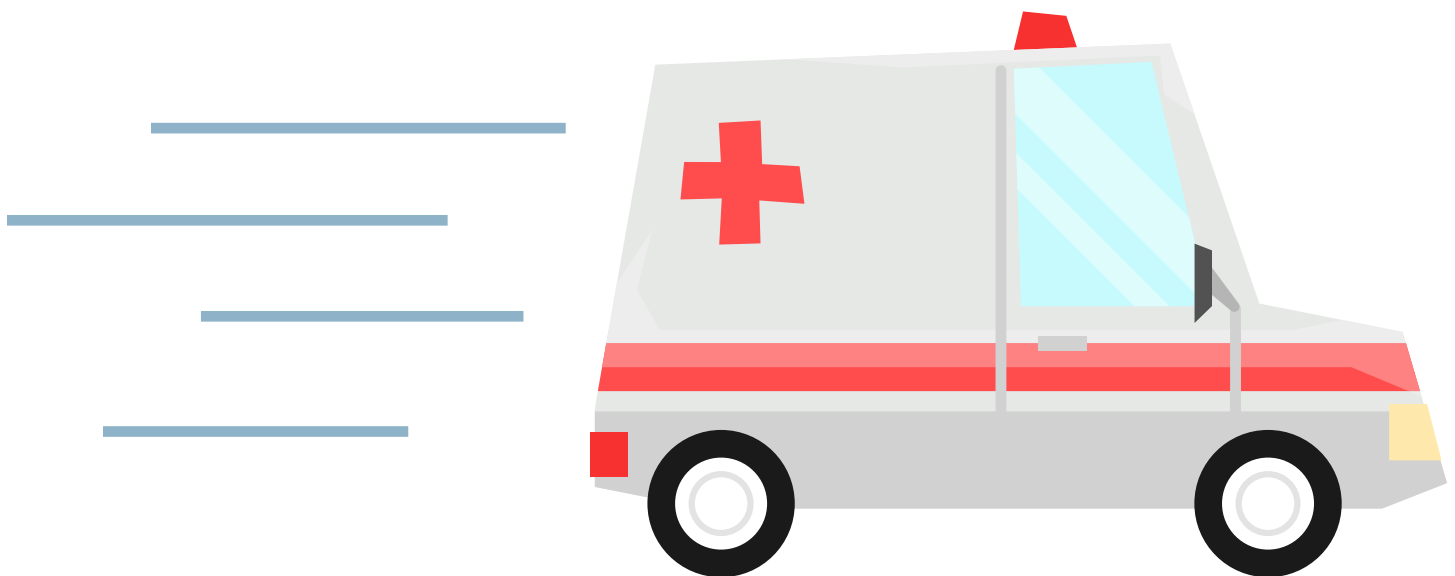


Dental Insurance

Customer Centricity vs. Insurtech and its Dependencies

Insurers have benefited greatly from their digitalization efforts, McKinsey & Co. says. Process efficiency increases are as high as 50% with 3-to-5% increases in underwriting and claims effectiveness. All of which was necessary, but foundational, to delivering on the increasingly sophisticated expectations of your clients and their employees.

Now, benefits insurers need to create even richer and more meaningful customer experiences that support their clients' changing needs. This requires the AI-enhanced customer knowledge along with intuitive context-aware workflows that characterize insurtech.



Indeed, the promise of insurtech is that it will support innovation through contemporary customer experiences and emerging business models, which is a driving factor behind the insurtech startup phenomena.

Insurtech Can't Go At It Alone

The truth, however, is that few insurtechs are legitimately standalone. An insurtech is just one part of a diverse insurance ecosystem, and they rely on integrations to benefits insurer core systems to fulfill their potential.

But it's not that easy.

Customer Centricity and the Integrations Challenge

Benefits insurance core systems are limited in their ability to connect to insurtechs and digital insurance ecosystems. Consider that the “beating heart” of most benefits insurers’ core platforms, including modern legacy solutions, is policy administration—not the client, their group members or the associated records—and that, historically, customer relationships largely were initiated, owned, and maintained by external brokers, and that those interactions were designed to be infrequent.

Consequently, benefits insurers’ ability to become customer-centric is limited by the very architecture of their insurance core systems. While it’s true that customer experiences have benefited somewhat from digitalization, portals, and mobile, the focus has been on internal efficiencies and reducing operational costs.

Can you have core strength and insurtech innovation?

In 2022 and beyond, determining where to invest their technology budgets presents a conundrum for many benefits insurers. Should you shore up your incumbent core systems with expensive upgrades, or invest in insurtechs? Either decision entails a commitment to creating and maintaining a growing number of complex integrations to systems and data in order to maximize the value of those investments.

THE PROMISE OF INSURTECH

is that it will support innovation through contemporary customer experiences and emerging business models



INSURTECH CLOSURES

MORE THAN
456

recorded in the last 4 years but the number could be much higher.

- Willis Towers Watson 2020

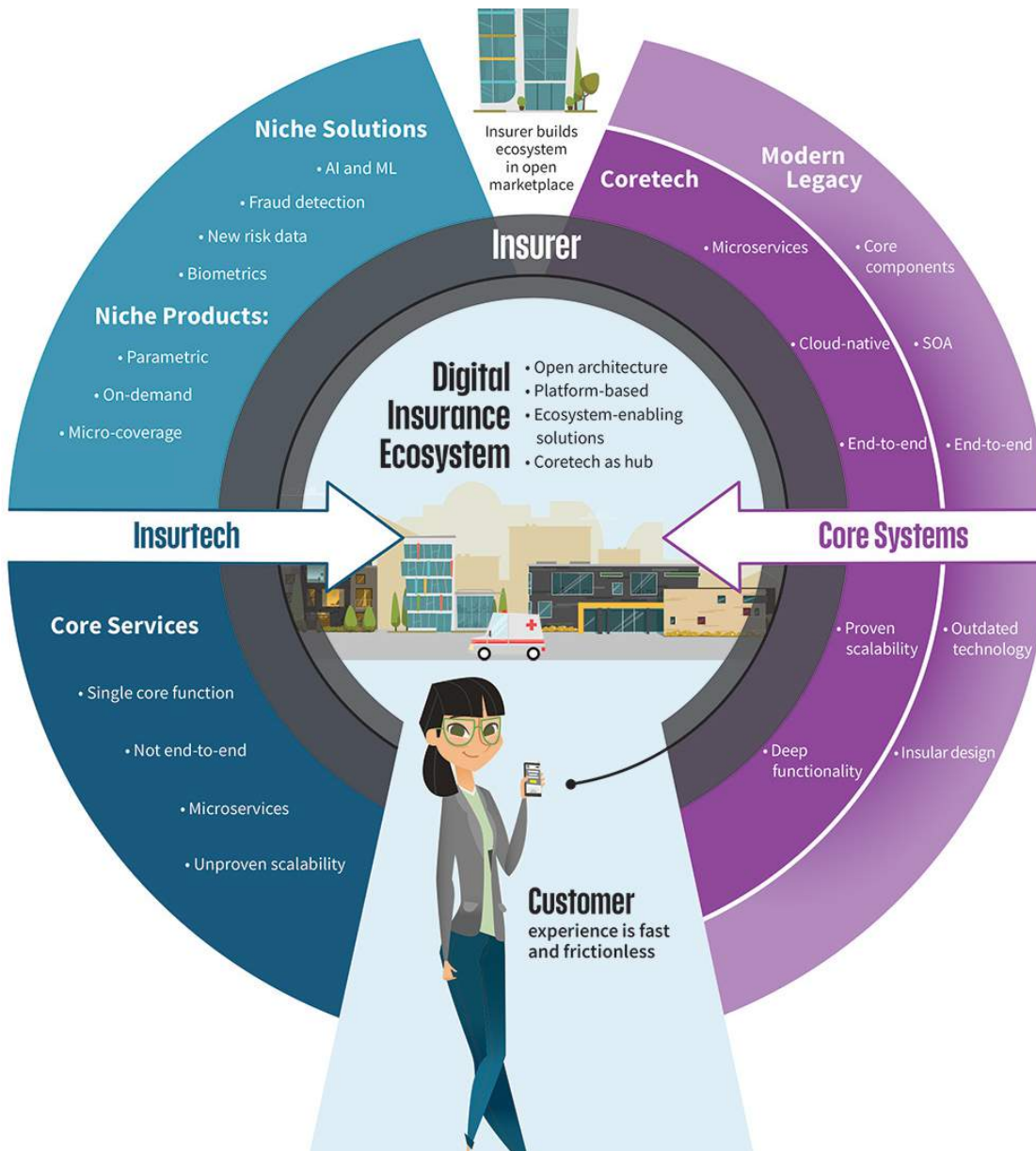
But for insurers looking to achieve customer-centricity and keep their options open as they determine their place in emerging insurance and adjacent ecosystems—the solution is coretech.

What is Coretech?

Coretech is a new category of insurance software that is designed to support a workforce benefits insurance future that is customer-focused. It has all the characteristics of insurtech, but with more end-to-end capability and ability to scale than off-the-shelf insurtech applications. Unlike modern legacy systems, coretech is functionally rich. But because of its open, cloud-native architecture, coretech is frequently updated and laden with the microservices and open APIs (application programming interfaces) necessary to readily consume internal and external data, as well as connect with insurtechs.

Most importantly, with the customer record at its center, coretech is designed—from the ground up—to serve as the hub for digital insurance ecosystems and deliver excellent customer experiences, even as customer expectations continue to evolve. Coretech allows insurers to take greater advantage of insurtech and data partners to deliver value to employer clients, their employees, and prospective employees.

A New Digital Insurance Ecosystem



Insurtech and Coretech Solutions Move to the Center to Create New Digital Benefits Insurance Ecosystems

The evolution of benefits insurance technology toward a next-generation, open and flexible architecture is well underway. From one direction, insurtech in its many forms—from niche to core functionality—is providing microservices-based solutions. From the other, some core system platform vendors are breaking free of the limitations of modern legacy solutions and recomposing their offerings as microservices-based solutions—a new category we call coretech. The two mirror each other, different only—at this evolutionary stage—in the ability of coretech to provide proven scalability and deep functionality in contrast to the less complete functionality and scalability of insurtech solutions.

Customer Experience Depends on Knowing the Customer and Acting Like it

Customer knowledge is key to the customer experience challenge. Magnifying the challenge is that many aspects of the customer experience are new for benefits insurers. Not long ago, the idea that the insured would use the internet to access and update their own customer information was implausible. To do it on a mobile device was radical. For multi-line carriers, it's not unusual for a single customer's data to be spread across multiple policy administration systems, adding to the difficulty.

Consequently, many benefits insurers don't know their clients. Many are not able to act on the customer data that they do have, and so they add CRM—and more integrations and layers—into the mix.

And yet, there's a real opportunity for benefits insurers. Customers with connected devices interact with their insurers 19 times per year—more than four times the frequency of customers who don't use connected devices. And they tend to be more loyal and own more insurance products, including the products they purchase outside of their group benefits due to positive experiences with their group plans.

Getting real about real-time

To shorten sales cycles, increase their share of client and member spending, and make it easier for customers to buy and self-service, benefits insurers need access to systems and data, which means integrations. But to fulfill customer expectations for informed, personalized, and fast interactions, means real-time integrations.

That can raise the urgency and importance of the “omnichannel,” “non-linear,” or “multi-modal” customer experiences by orders of magnitude. Because, across generations, research shows customers prefer combinations of human and automated interactions, and batch processing won't suffice.

That means benefits insurers are racing to convert historical customer and product data into actionable and accessible customer knowledge. There's a lot riding on it.

Until insurers get it right, undifferentiated customers are enduring undifferentiated customer experiences. That is until employers shop for a better experience elsewhere.

Truly open cloud-native systems offer the only reasonable response to this challenge.



Re-architecting Modern Legacy Systems

To be sure, re-architecting legacy core systems to support contemporary employer/employee experiences is proving to be difficult, expensive, and time-consuming for many vendors and benefits insurers. Simply put, they designed and implemented systems that perfectly reflected the insurance industry of yesterday: product-centric; focused on specific internal processing efficiencies; and siloed.

Core systems, even those deployed recently, are being replaced. They simply were not designed to be easily upgradeable, flexible, or support emerging business models. Nor do they have the APIs necessary to support quick and easy integration with third-party services providers in the cloud and participate in digital ecosystems.

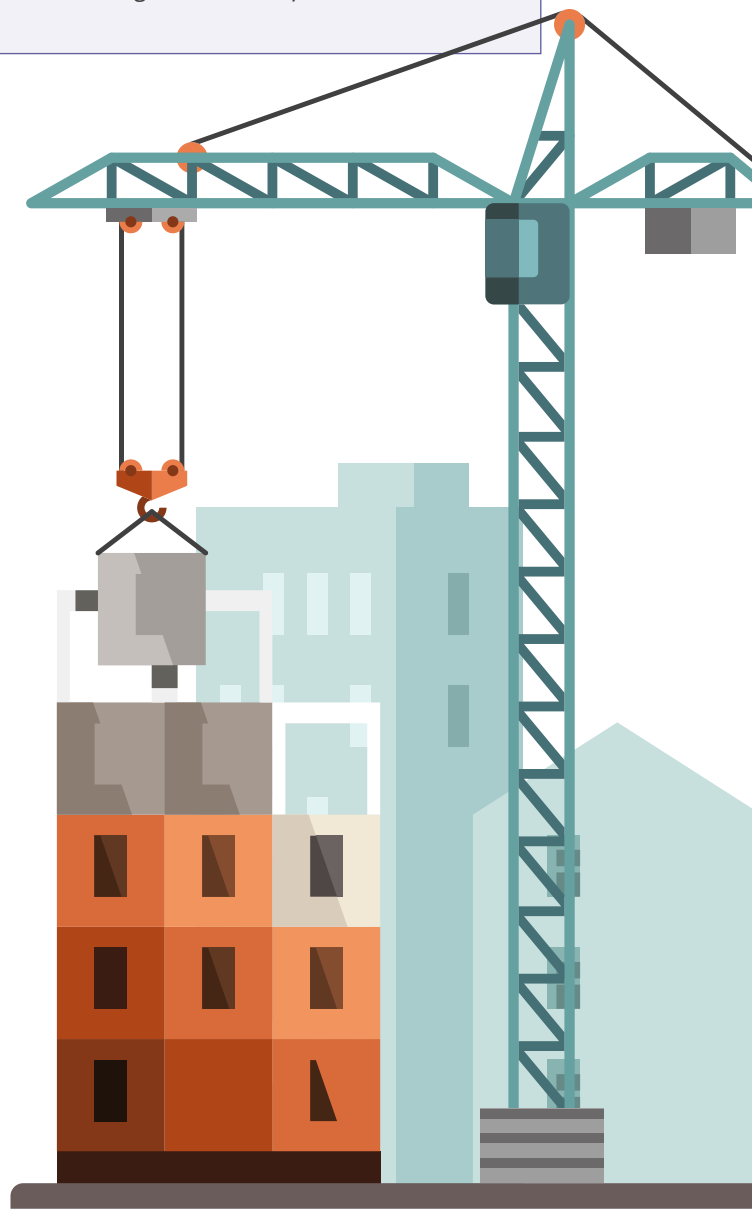
API: An application program interface (API) is a set of routines, protocols, and tools for building software applications. An API specifies how software components should interact. Additionally, APIs are used when programming graphical user interface (GUI) components. A good API makes it easier to develop a program by providing all the building blocks. A programmer then puts the blocks together. ~ *Webopedia*

Open architecture or limited marketplaces?

For vendors of workforce benefits insurance core systems, the path to insurance ecosystems and customer-centricity has been to market their insurtech partnerships and libraries of pre-integration while they re-architect their core systems.

But that approach is short-sighted, given the limited number of partners that those core systems vendors can effectively manage.

This marketplace approach simply is too restrictive given the pace of change and the ever-growing number of channels, vendors, possibilities, and, most important: emerging competitors.



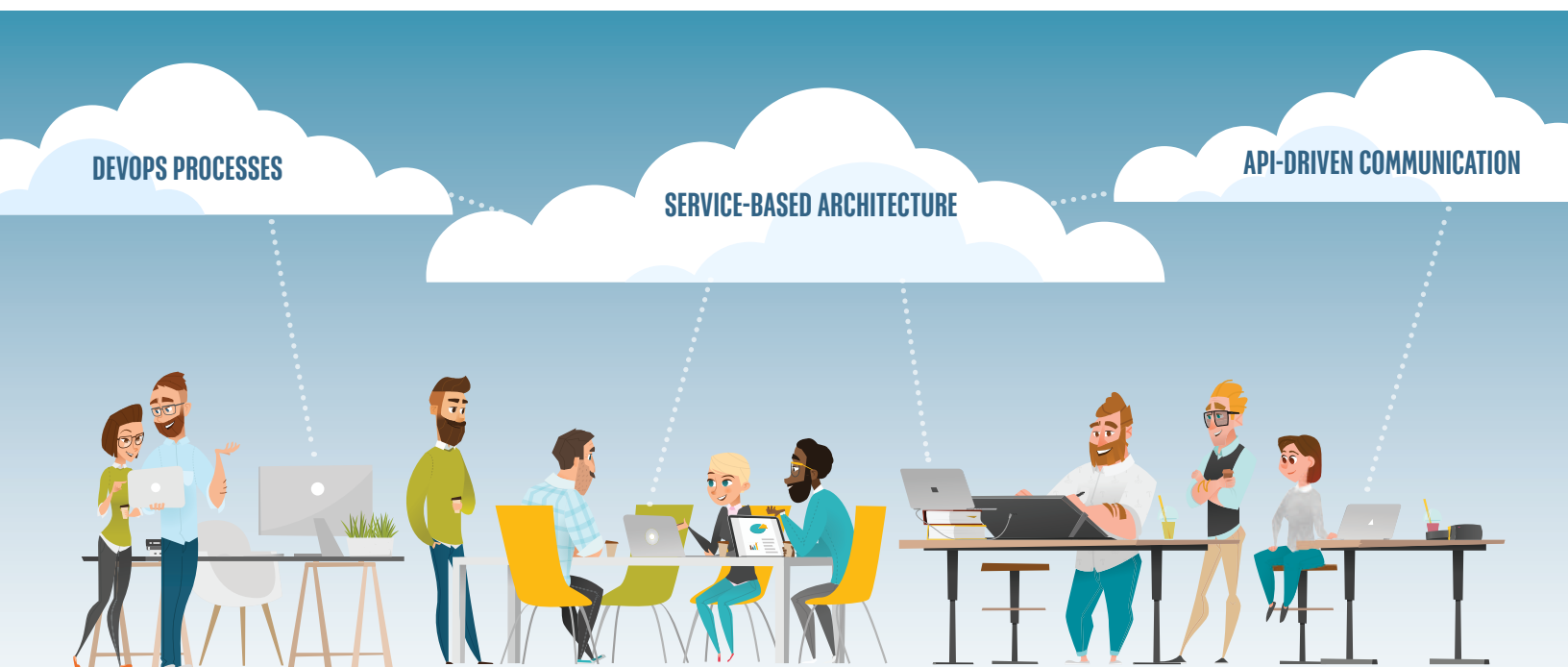
Why seek out cloud-native?

That many benefits insurance core systems now operate in the cloud is great. But that doesn't change the fact that many such systems cannot yet take full advantage of cloud-native benefits. That's unsettling for many insurers, and it should be.

Many vendors now market themselves as "SaaS solutions providers" to mask the effort required to maintain what is, in fact, a cloud-hosted modern-legacy architecture. While this approach does alleviate some of the friction of maintenance and security, it does not change the fact the carrier will still be challenged by upgrade cycles and continue to be limited by the architecture in all the ways previously described.

Why implement a system that's already falling behind? What's the roadmap and the upgrade path? And what's the cost of waiting, only to put your business on a new and unproven platform?

The truth is that many benefits insurers face an upgrade path so onerous that wholesale replacement seems preferable, especially given that customer-experience needs and expectations continue to rapidly evolve. To capitalize on new markets and other opportunities, some benefits insurers are establishing test-and-learn environments and even new companies.



Coretech: The Ecosystem-Enabling Platform

In order to join digital insurance ecosystems and truly become customer-centric, benefits insurers need to bridge the gap not only between systems but generations of software. To do all that, insurers need something different.

They need coretech.

Coretech is an ecosystem-enabling platform. It's exceedingly open and designed to support diverse partner insurance ecosystems. It shares the DNA of insurtech with open APIs, microservices, and event-based transactions and workflows to simplify integrations and accelerate speed-to-value.

In its design and delivery, coretech is different from modern legacy core systems. It's the logical and evolutionary combination of next-generation technologies, methodologies, and benefits insurance core systems that easily connects with insurtech, data, and customers—in all their forms. It acts as a hub to digital insurance ecosystems. And it offers the rapid and continuous delivery of new business capabilities using Agile approaches and DevOps methodologies, and the on-demand, scalable, and secure infrastructure of the cloud.



Coretech helps both benefits insurers and insurtechs deliver on their promise of customer-centricity, join ecosystems, and become the benefits carrier of the future.

Delivering the Future of Workforce Benefits Insurance: Fast, Simple, and Agile

The industry is awash in stories about transformation projects dragging on for years, with cost overruns in the millions or even 10s of millions of dollars. Coretech is critical to speedy delivery and performance of new benefits insurance capabilities.

That brings us to another essential element of a successful project: the ability to deliver on both functionality and scalability.

It's no secret that creating a functional test-and-learn environment can be challenging for some vendors and benefits insurers. It takes vision, effort, strategy, and planning. And then, when your project is successful, the next logical requirement is taking it beyond the innovation group. Because, remember, the goal is eventually to run a business on it, not just a pilot, which can mean scaling up literally by orders of magnitude. But ramping up production volumes can be an issue for insurtech, as well as for services teams that don't have a track record of managing to enterprise-level requirements.



That's not an issue with coretech.

In the digital insurance ecosystem, everything — from solutions and capabilities to services and product offerings — needs to be interconnected to support the customer experience. And coretech makes that possible with speed, simplicity, and agility.

Why EIS and Coretech?

There's a lot to it. Simply put, our coretech provides a digital insurance platform that allows benefits providers to:

- Leverage cloud-native capabilities for unlimited scalability
- Understand what makes each employer and employee unique via CustomerCore™
- Act on that knowledge via rich and built-in CRM capabilities in EIS Suite™
- Deliver persona-based customer experiences via EIS DXP™—our digital experience platform
- Join new and emerging B2B and B2C ecosystems through our open architecture and thousands of APIs
- Use a hub to gather insurtech and data capabilities into new digital insurance ecosystems



- McKinsey, “Insurance beyond digital: The rise of ecosystems and platforms”

“ At EIS, our objective is simple: to help insurers operate like tech companies so they can deliver exceptional customer experiences and join digital insurance ecosystems. To solve the integration pain that insurtechs, incumbents, and vendors encounter, our coretech solutions are designed with integration in mind, and to support your needs for speed, agility, and simplicity. ”

And that's the EIS coretech manifesto.



Anthony Grosso
Head of Marketing & Communications
EIS

About EIS

EIS is an insurance software company that enables leading insurers to innovate and operate like a tech company: fast, simple, agile. Founded in 2008, EIS provides a platform for high-velocity insurance. This open, flexible platform of core systems and digital solutions liberates insurers to accelerate and scale innovation, launch products faster, deliver new revenue channels, and create insurance experiences the world will love. And with thousands of open APIs, the platform gives insurers the freedom to connect to a vast ecosystem of insurtech and emerging technologies. Headquartered in San Francisco, EIS powers premium growth for insurers in all lines of business worldwide.

For more information, visit EISGroup.com or follow [@EISGroupLtd](https://twitter.com/EISGroupLtd) on Twitter and LinkedIn.

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