Digital Transformation in Workplace Benefits

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About the Research

➢ Survey of U.S. workplace benefits carriers

➢ Data collected in October/November 2023

➢ 32 participants
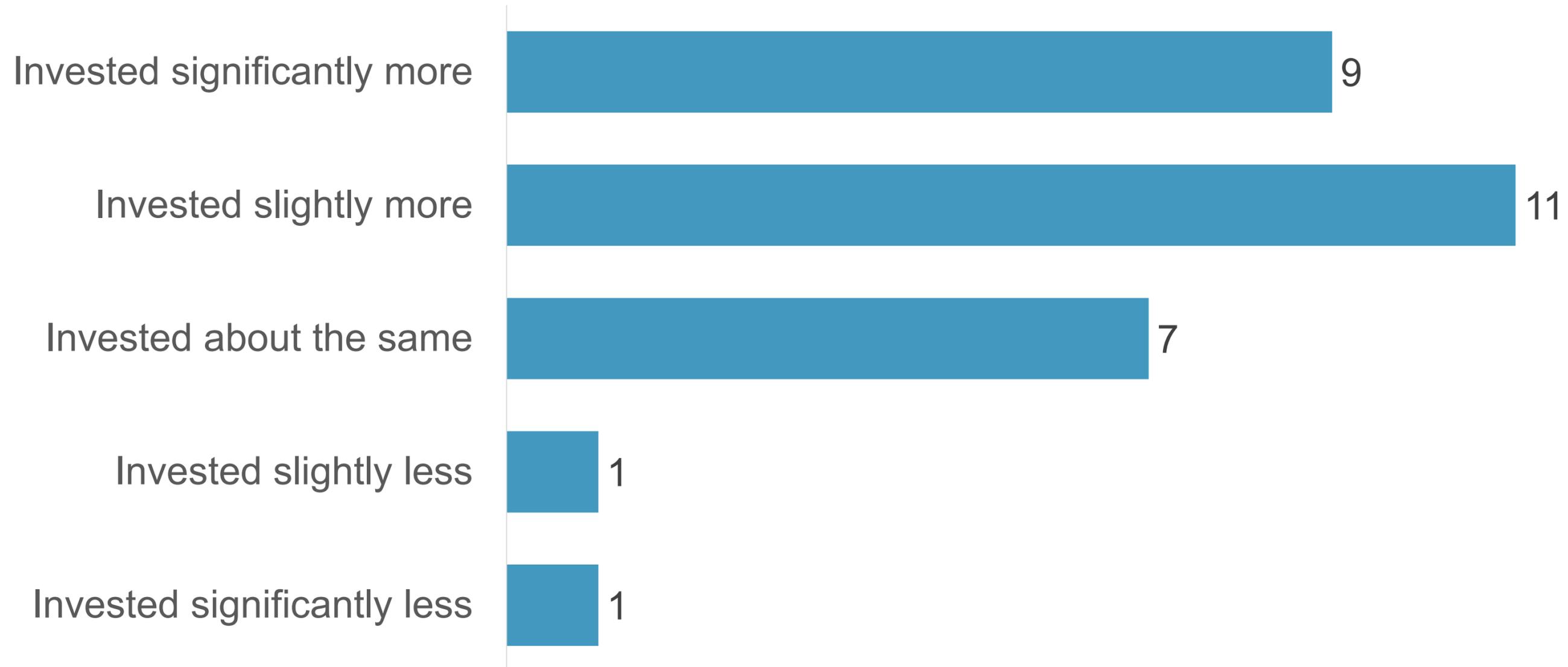
➢ 16 of the top 20 writers

➢ Update to a 2020 survey
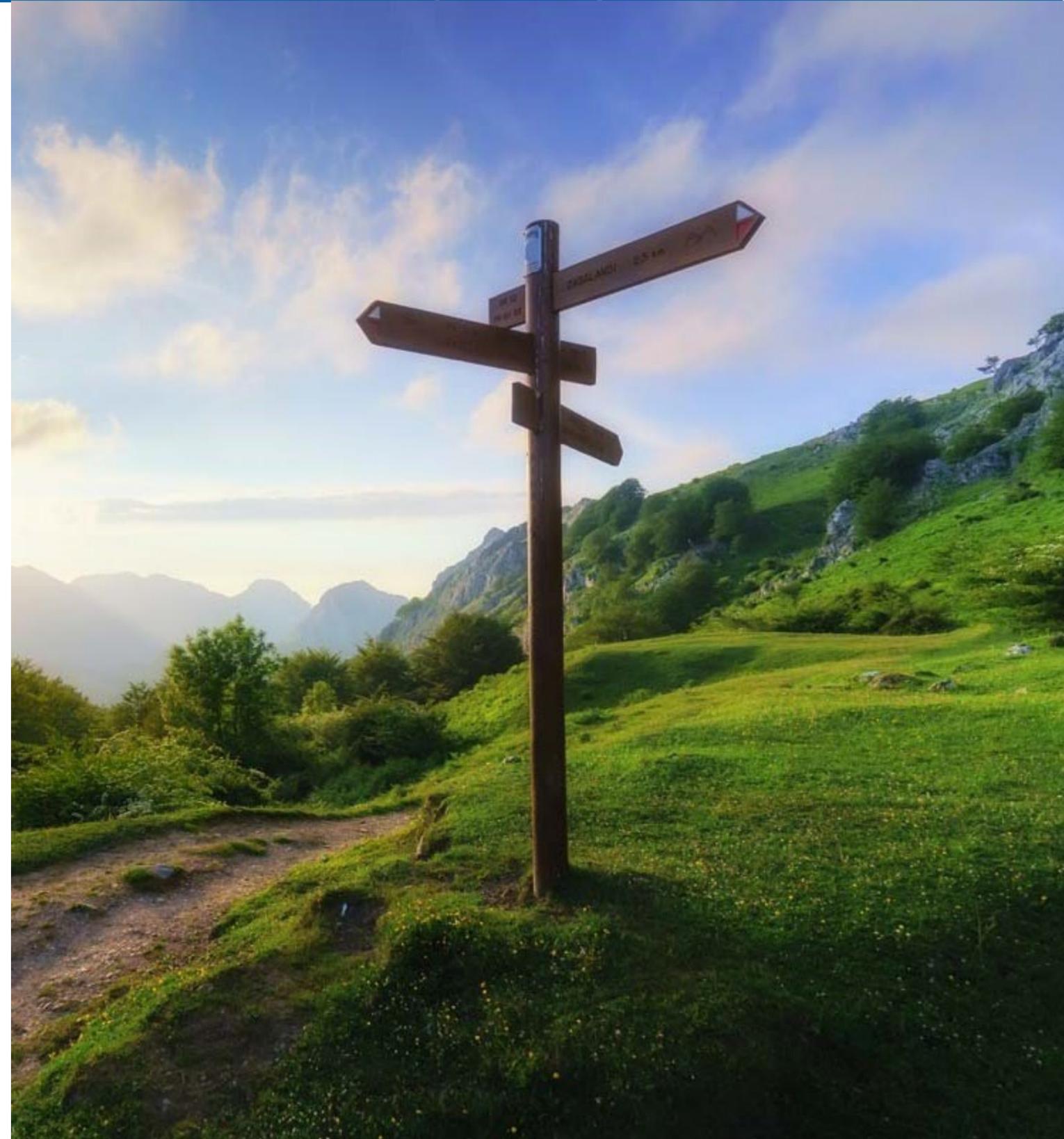
Digital Strategy

Digital Investment in the Next 3 Years

Will your investment in digital initiatives increase or decrease over the next 3 years?

Increase significantly	13
Increase slightly	10
Stay about the same	6
Decrease slightly	1
Decrease significantly	1

Based on 31 companies. (1 company did not answer this question.)

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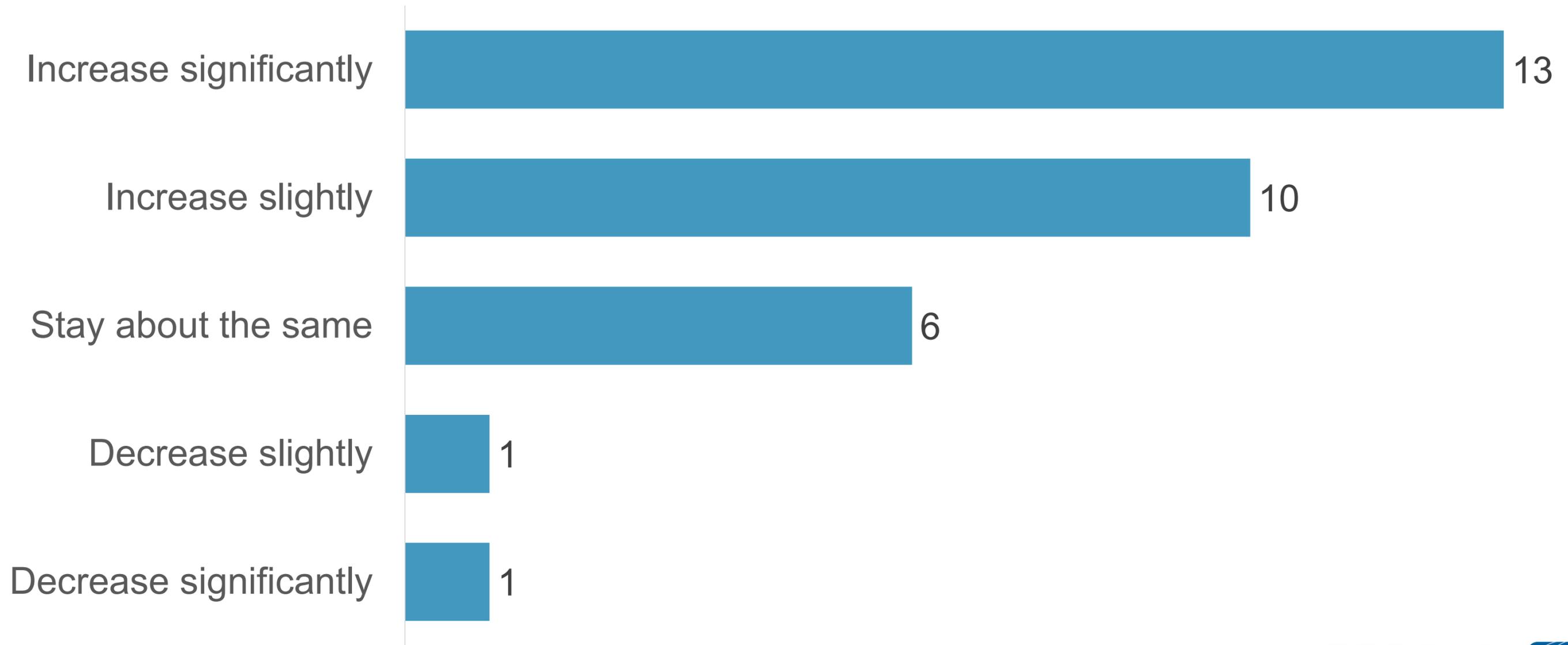
How to Prioritize Digital Investments

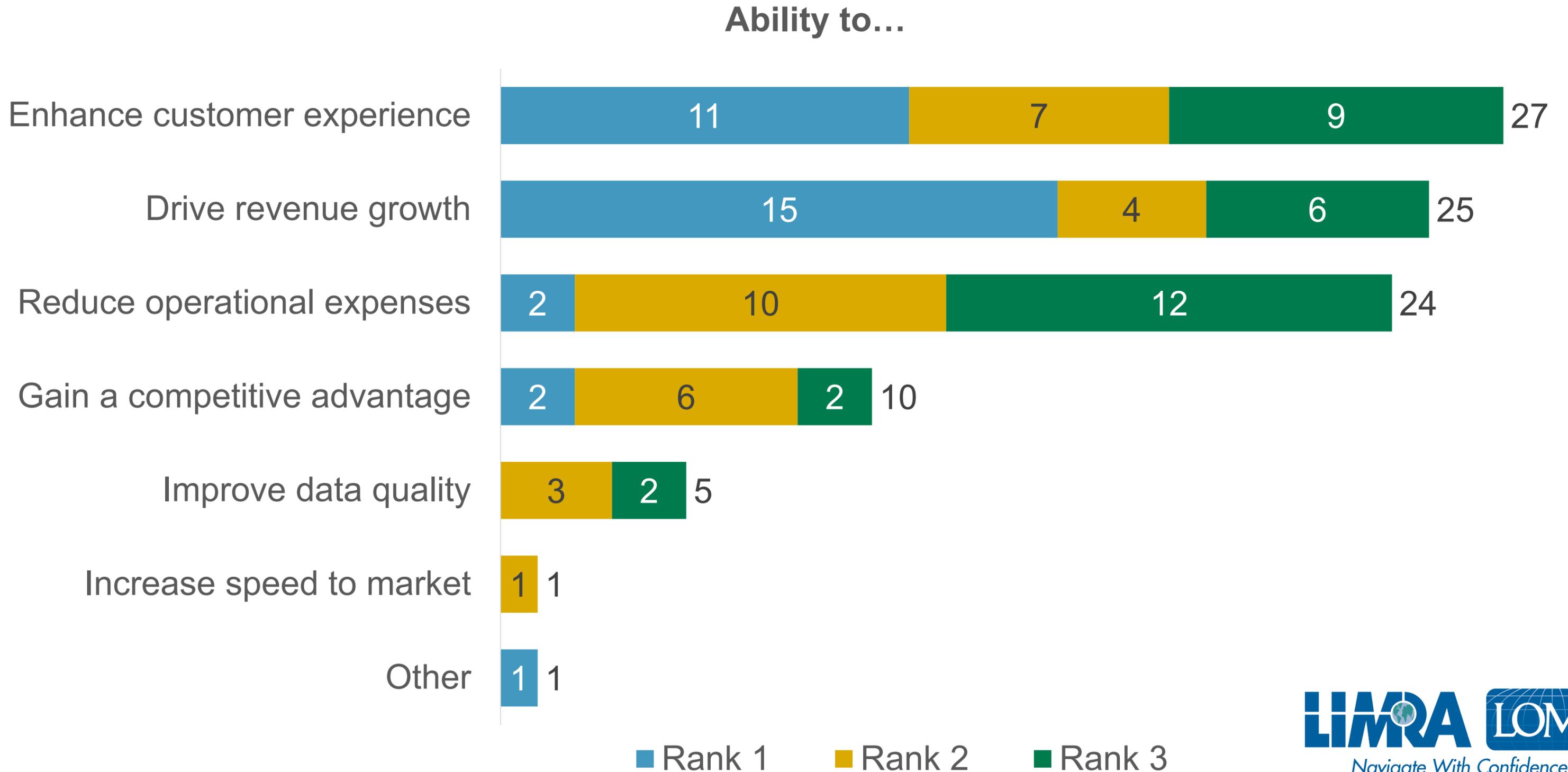**Ability to…**

Ability to…	Rank 1	Rank 2	Rank 3	Total
Enhance customer experience	11	7	9	27
Drive revenue growth	15	4	6	25
Reduce operational expenses	2	10	12	24
Gain a competitive advantage	2	6	2	10
Improve data quality		3	2	5
Increase speed to market		1		1
Other	1			1

■ Rank 1   ■ Rank 2   ■ Rank 3

Based on 31 companies. (1 company did not answer this question.)

What is carriers' highest priority for digital investment?

APIs and integration with platforms

0%

Artificial intelligence

0%

Customer data initiatives

0%

Customer-facing digital capabilities

0%

Internal process automation

0%

Upgrading internal systems

0%

Highest Priorities

Priority	Value
APIs and integrations with platforms	23
Customer-facing digital capabilities	18
Upgrading/replacing internal systems	15
Internal process automation	15
Artificial intelligence	8
Customer data initiatives	8
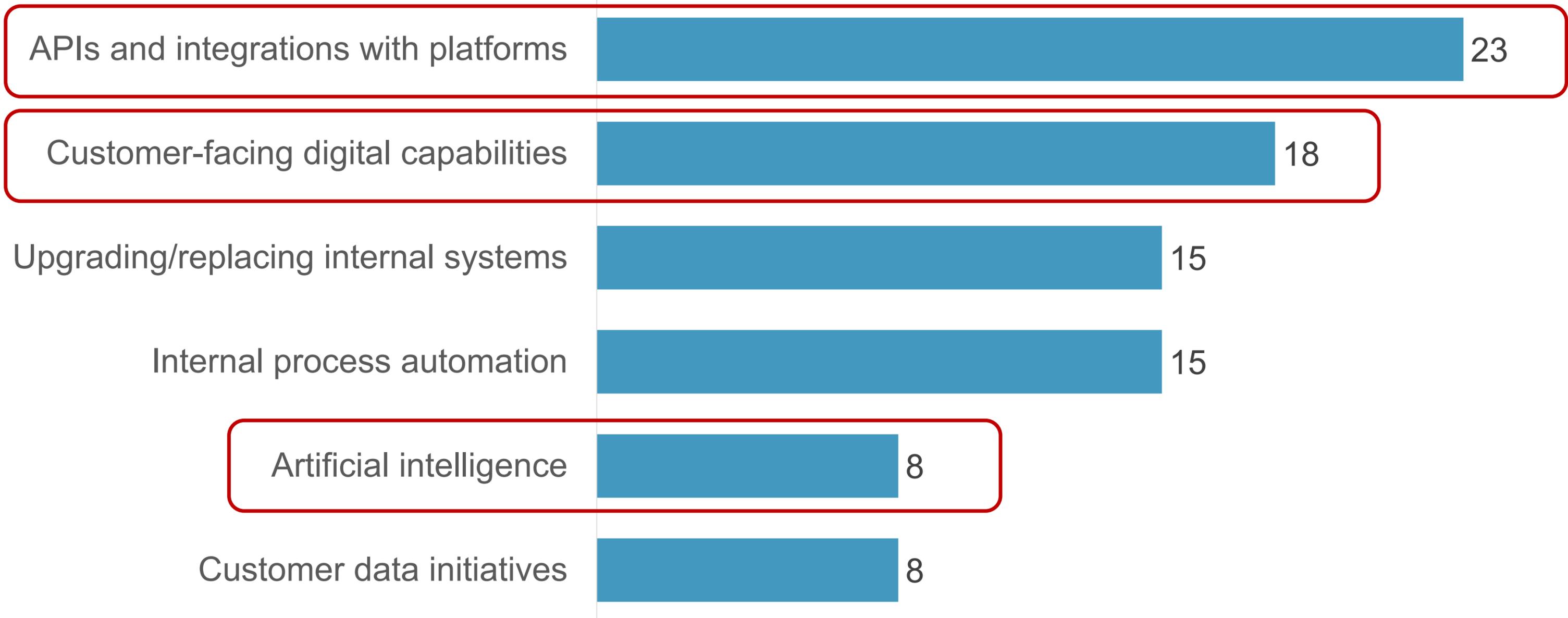
Up to 3 responses allowed.
Based on 32 companies.

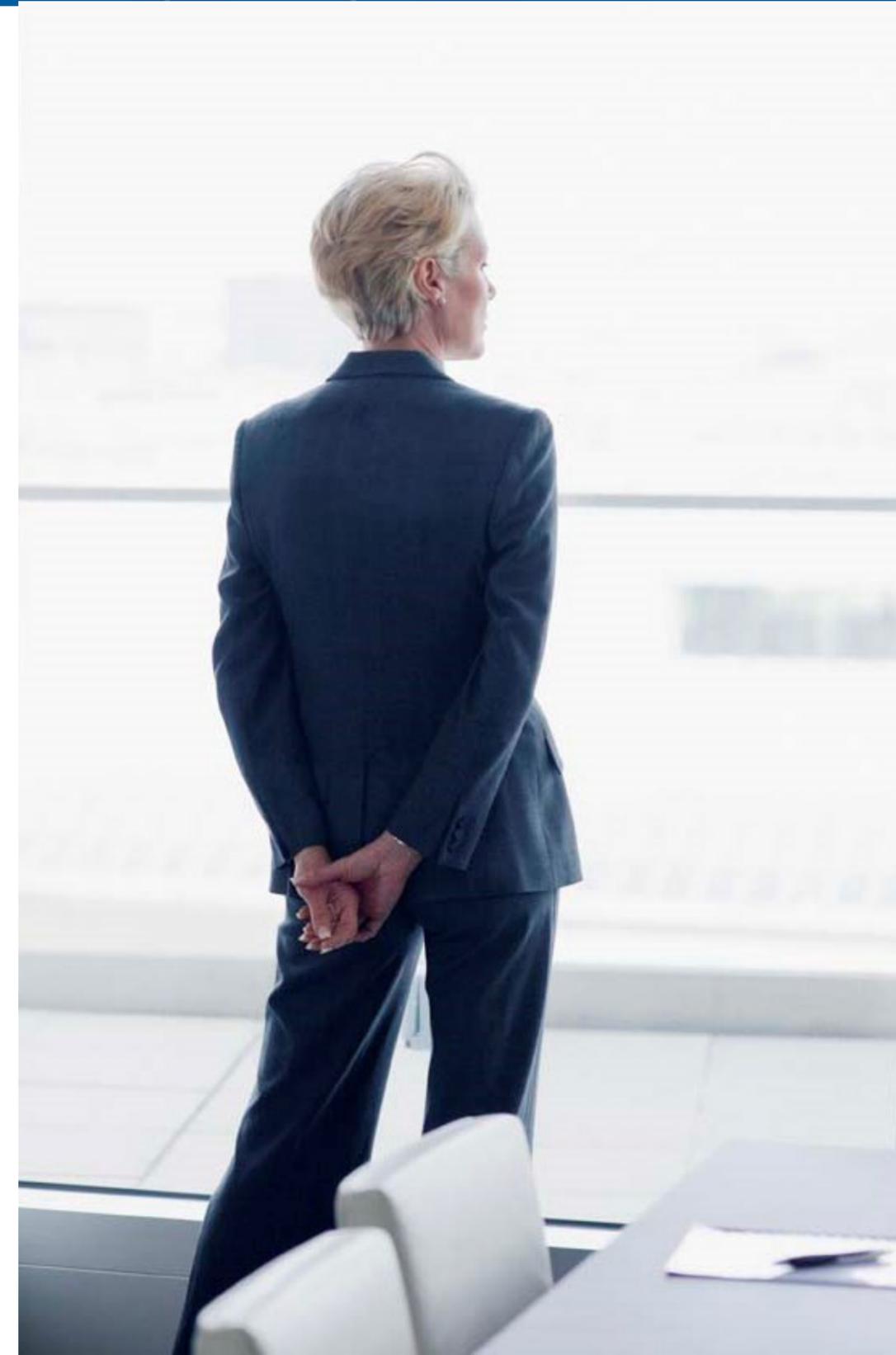API Adoption

Employer Perspective

61% of employers say APIs are being used in relation to their current benefits.
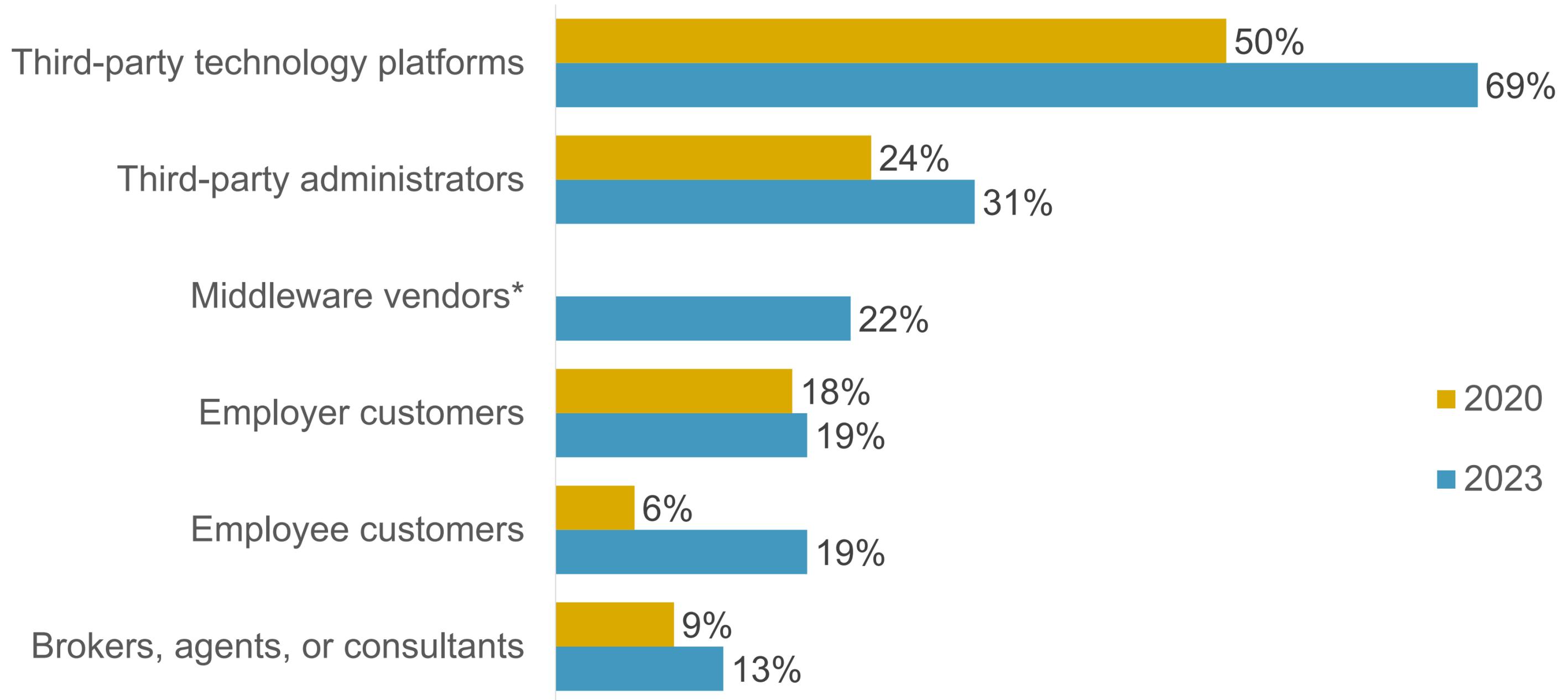
27% of employers say they <u>don't</u> currently have APIs, but <u>want</u> them.

63% of employers are very/extremely satisfied with their APIs.

Use of APIs to Connect With…

Category	2020	2023
Third-party technology platforms	50%	69%
Third-party administrators	24%	31%
Middleware vendors*		22%
Employer customers	18%	19%
Employee customers	6%	19%
Brokers, agents, or consultants	9%	13%

*Not asked in 2020.
2023 data based on 32 companies. 2020 data based on 34 companies.

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Current Uses of Inbound APIs

Evidence of insurability — 2020: 29%, 2023: 41%
Enrollment — 2020: 18%, 2023: 38%
Ongoing eligibility, changes, or terminations — 2020: 12%, 2023: 31%
Census processing — 2020: 9%, 2023: 19%
Leave management — 2020: 9%, 2023: 19%
Claims — 2020: 9%, 2023: 16%
Case setup/implementation — 2020: 12%, 2023: 16%
Quoting — 2020: 0%, 2023: 13%
Billing — 2020: 12%, 2023: 9%
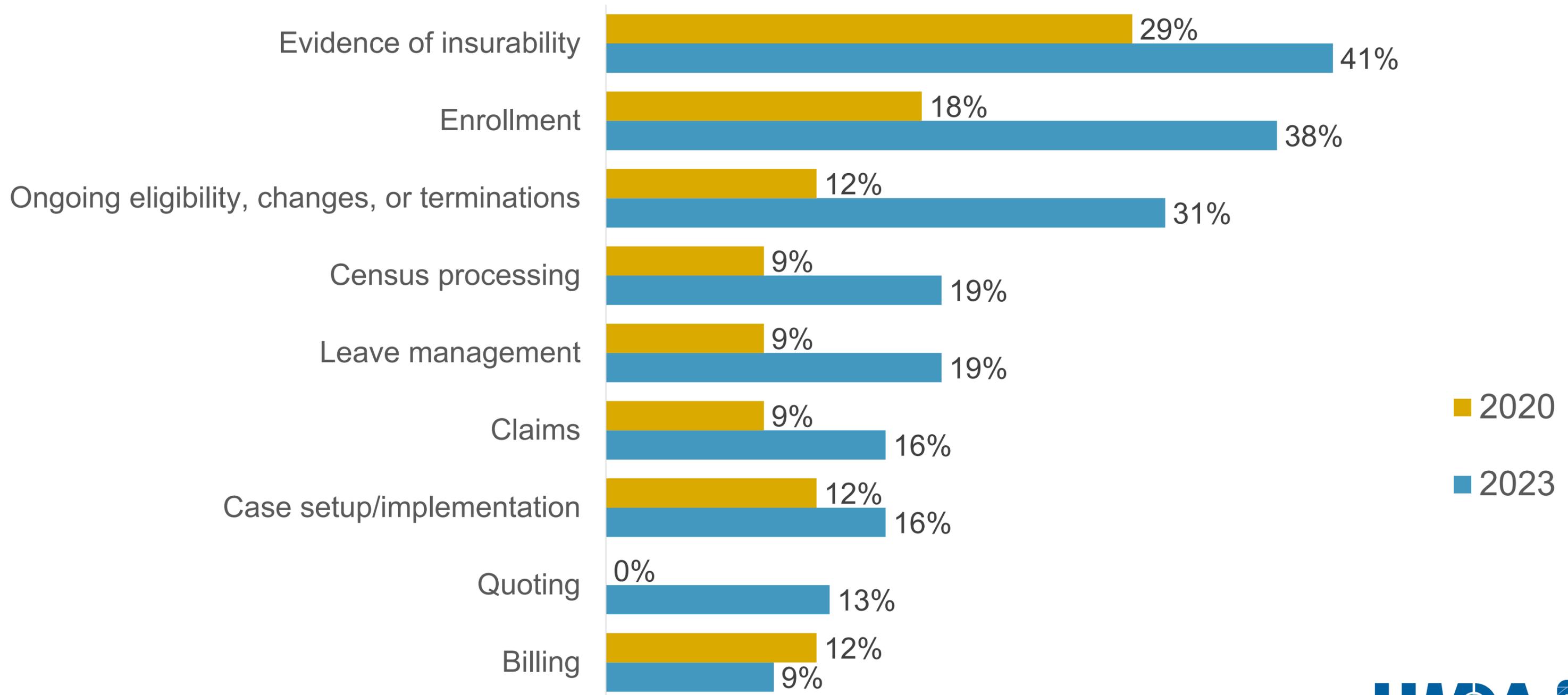
■ 2020
■ 2023

2023 data based on 32 companies. 2020 data based on 34 companies.

Plans for Inbound APIs

Category	Currently using APIs	APIs in development	Planning to develop	No plans
Evidence of insurability	13	2	7	10
Enrollment	12	7	10	3
Ongoing eligibility, changes, or terminations	10	7	10	5
Census processing	6	2	12	12
Leave management	6	3	3	20
Claims	5	2	8	17
Case setup/implementation	5	5	12	10
Quoting	4		14	14
Billing	3		11	18

■ Currently using APIs   ■ APIs in development   ■ Planning to develop   ■ No plans

Based on 32 companies.

Plans for Outbound APIs
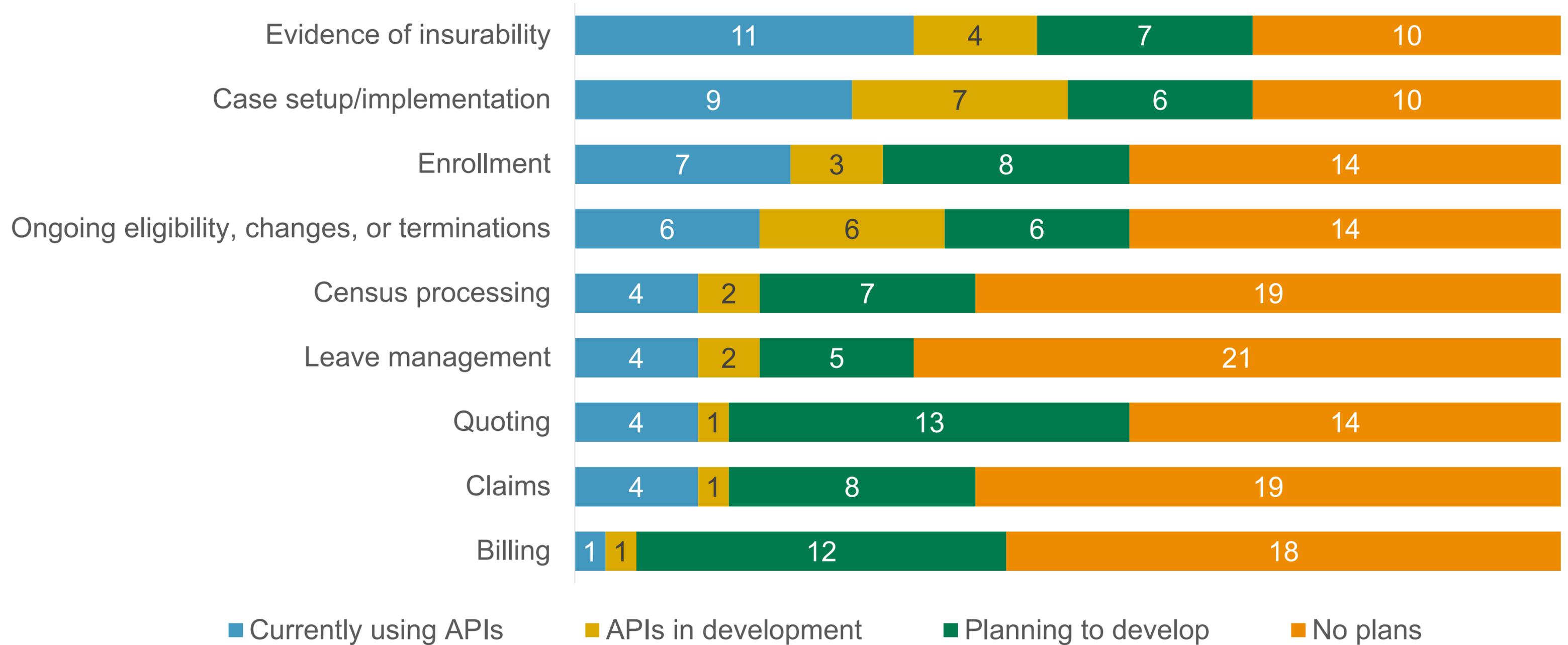
Category	Currently using APIs	APIs in development	Planning to develop	No plans
Evidence of insurability	11	4	7	10
Case setup/implementation	9	7	6	10
Enrollment	7	3	8	14
Ongoing eligibility, changes, or terminations	6	6	6	14
Census processing	4	2	7	19
Leave management	4	2	5	21
Quoting	4	1	13	14
Claims	4	1	8	19
Billing	1	1	12	18

■ Currently using APIs   ■ APIs in development   ■ Planning to develop   ■ No plans
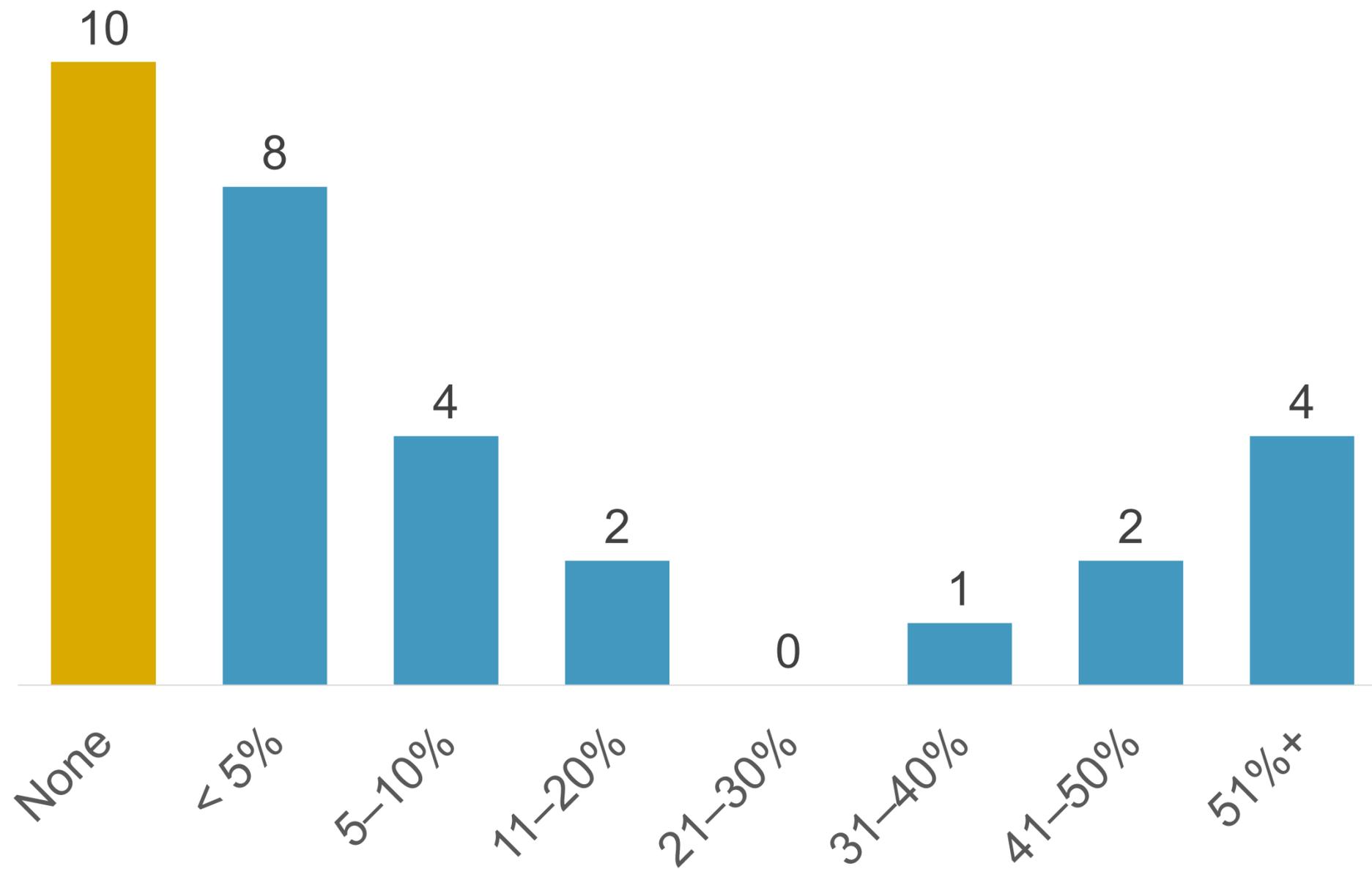
Based on 32 companies.

What percent of in force business is currently using API connections? *(based on number of employers)*

1. Less than 5%
2. 5 – 10%
3. 11 – 20%
4. 21 – 30%
5. 31 – 40%
6. 41 – 50%
7. 51% or more

What percent of in force business is currently using API connections? (based on number of employers)

Less than 5%

0%

5 – 10%

0%

11 – 20%

0%

21 – 30%
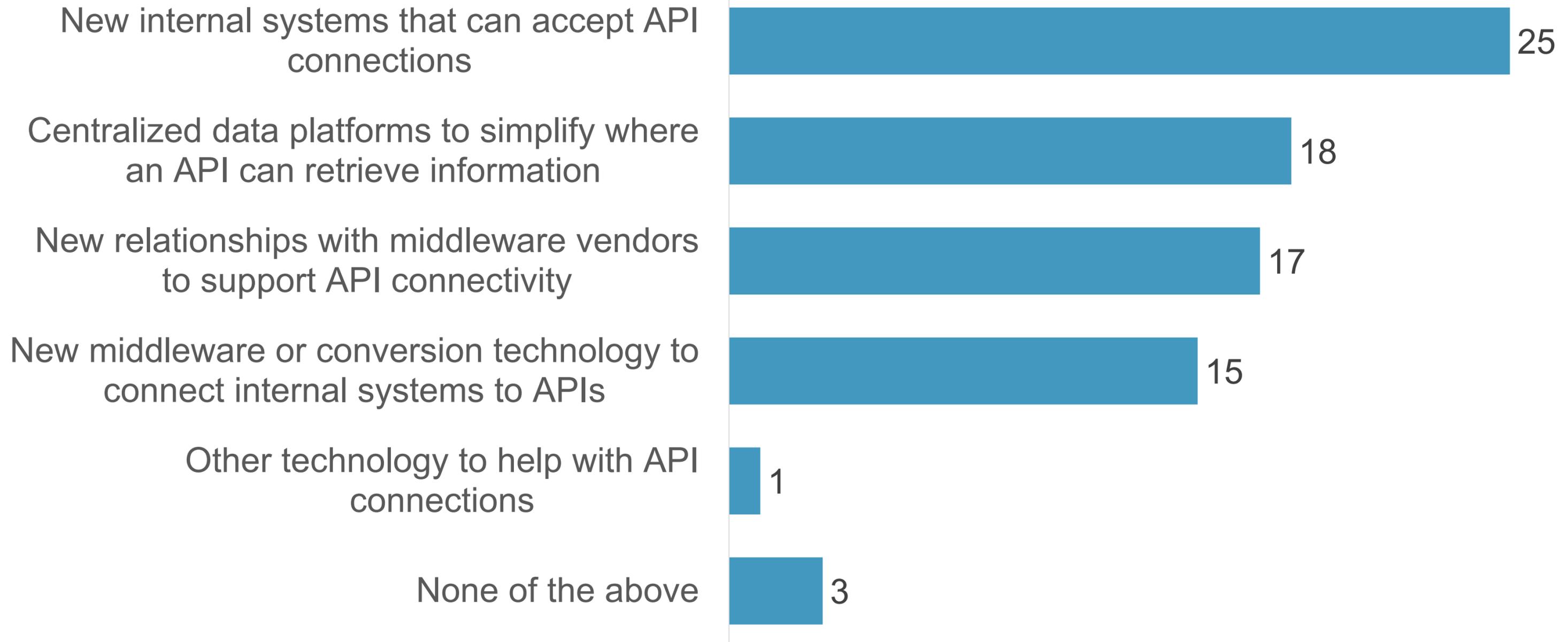
0%

31 – 40%

0%

41 – 50%

0%

51% or more

0%
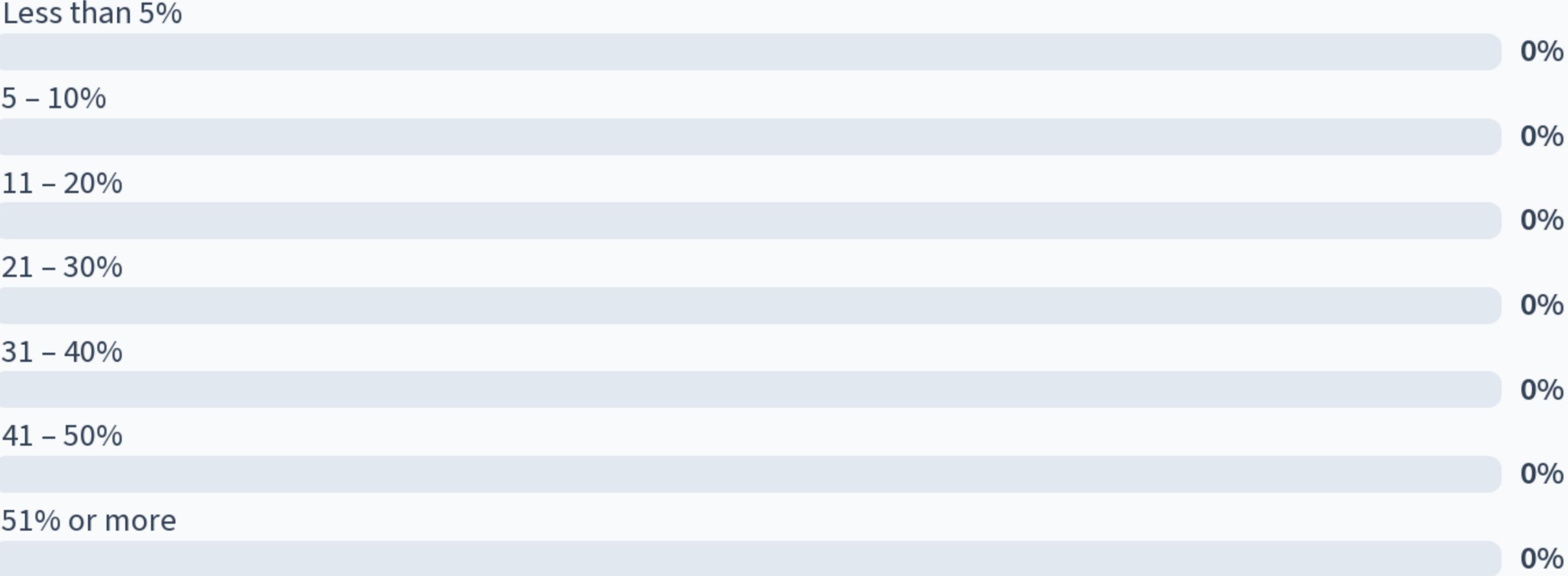
Percent of In Force Business Using APIs

Based on 31 companies. (1 company did not answer this question.)

API-related Investments in the Next 5 Years

New internal systems that can accept API connections — 25

Centralized data platforms to simplify where an API can retrieve information — 18

New relationships with middleware vendors to support API connectivity — 17

New middleware or conversion technology to connect internal systems to APIs — 15

Other technology to help with API connections — 1

None of the above — 3

Based on 32 companies.

Digital Customer Experience

Claims Submission – Customer Perspective

Employees

- 57% say online claim submission is very important
- 36% say it's somewhat important

Employers

- 75% say online claim submission is available
- 21% don't have but want
- 57% satisfied with online claim capabilities

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Claim Submission Methods

Method	2020	2023
Paper	100%	100%
Digital claim form	74%	72%
Email	38%	56%
Telephone	62%	47%
Mobile app*		16%
Online chat	0%	3%
Text message	0%	0%
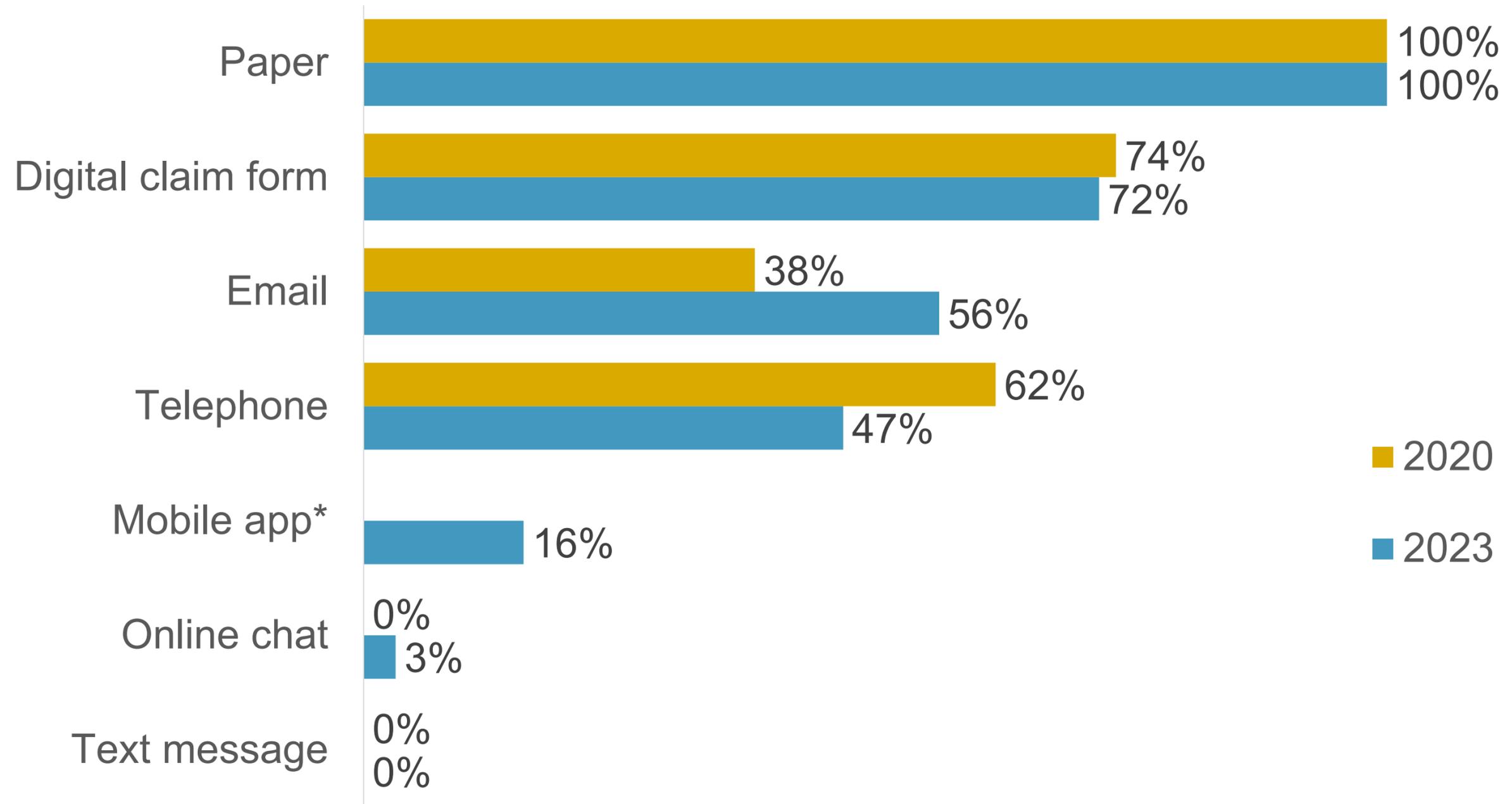
*Not asked in 2020.
2023 data based on 32 companies. 2020 data based on 34 companies.

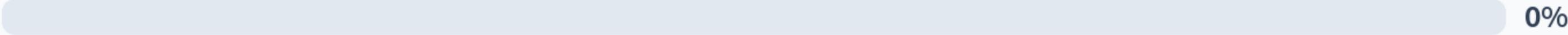# What percent of claims are currently being submitted through digital methods?
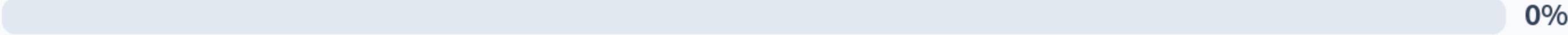
Less than 10%

0%

11 – 25%

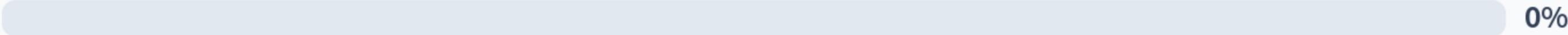0%

26 – 50%

0%

51 – 75%

0%

76 – 90%

0%
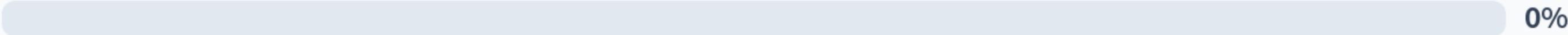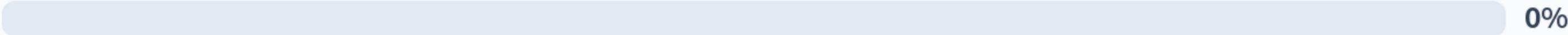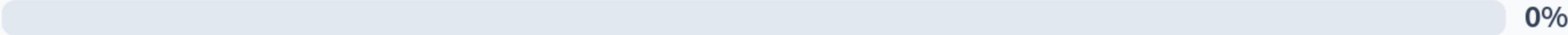
91 – 100%

0%

Percent of Claims Submitted Digitally

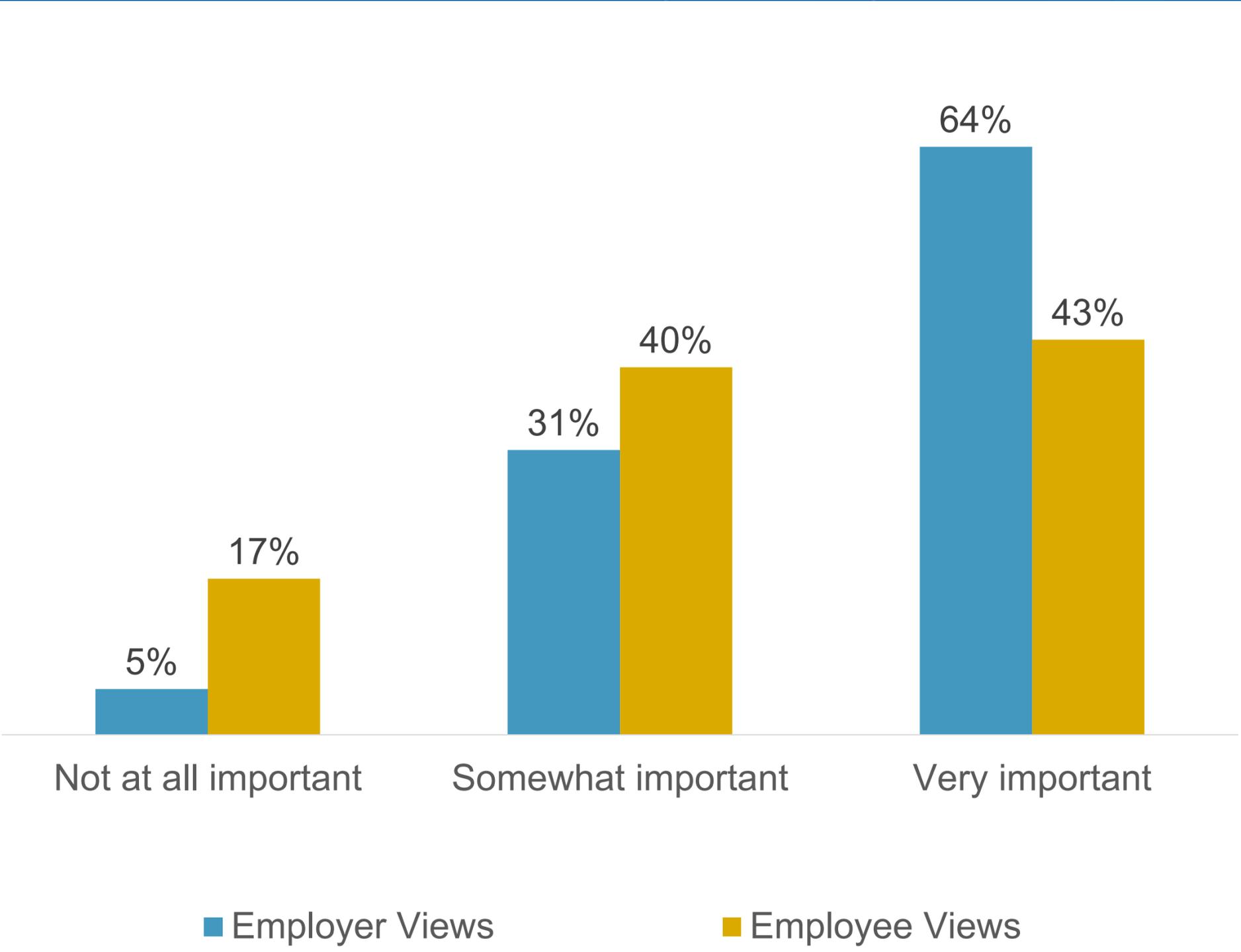| Category	Count
None	5
1–10%	1
11–25%	3
26–50%	4
51–75%	4
76–90%	6
91–100%	2
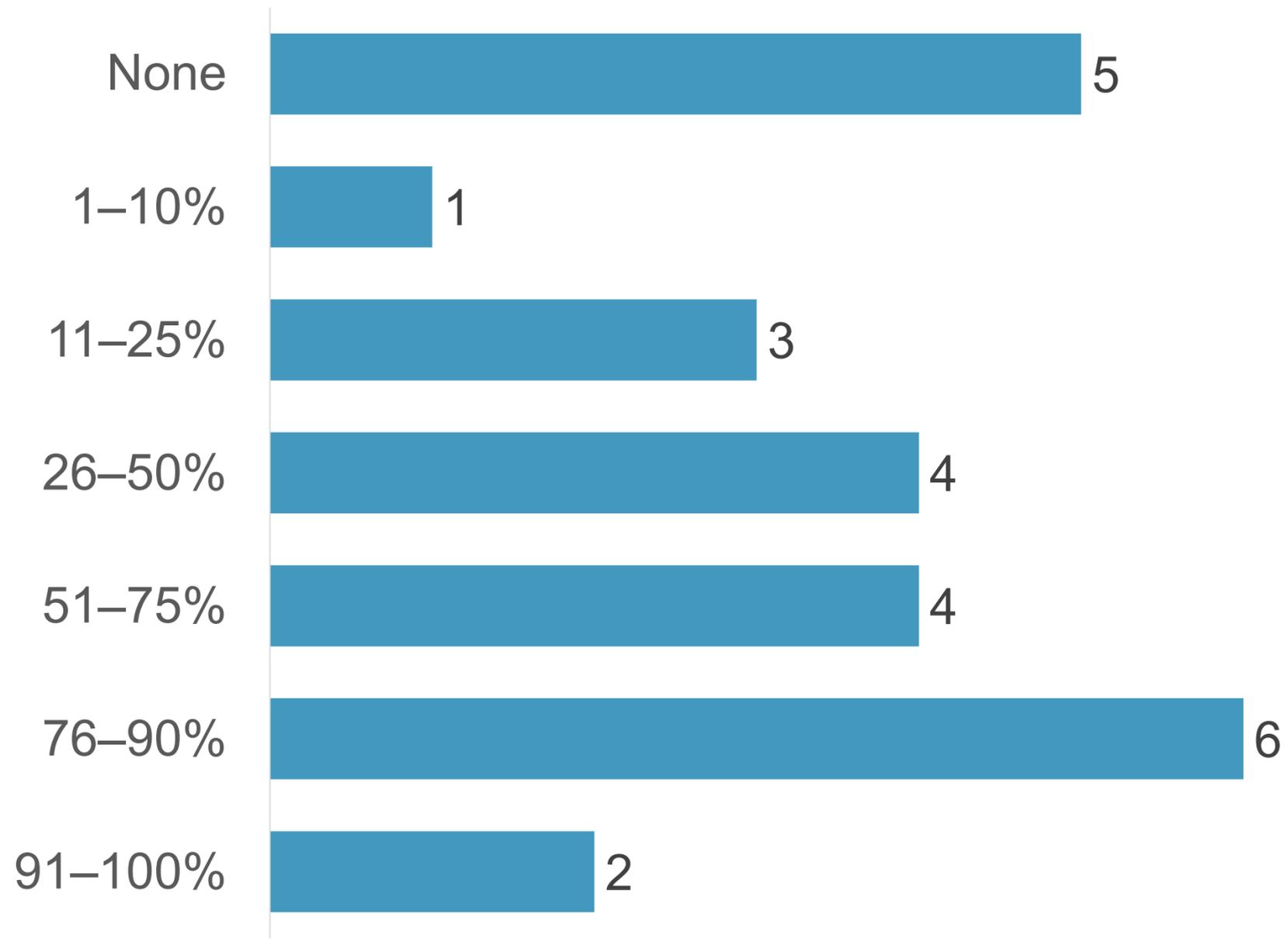
Based on 25 companies. (7 companies did not answer this question.)

Customer Perspective – Importance of Mobile Capabilities

Bar chart comparing Employer Views and Employee Views:

- Not at all important: Employer Views 5%, Employee Views 17%
- Somewhat important: Employer Views 31%, Employee Views 40%
- Very important: Employer Views 64%, Employee Views 43%

Legend: ■ Employer Views   ■ Employee Views

Employee Perspective – Mobile App vs. Website

Which would you prefer?
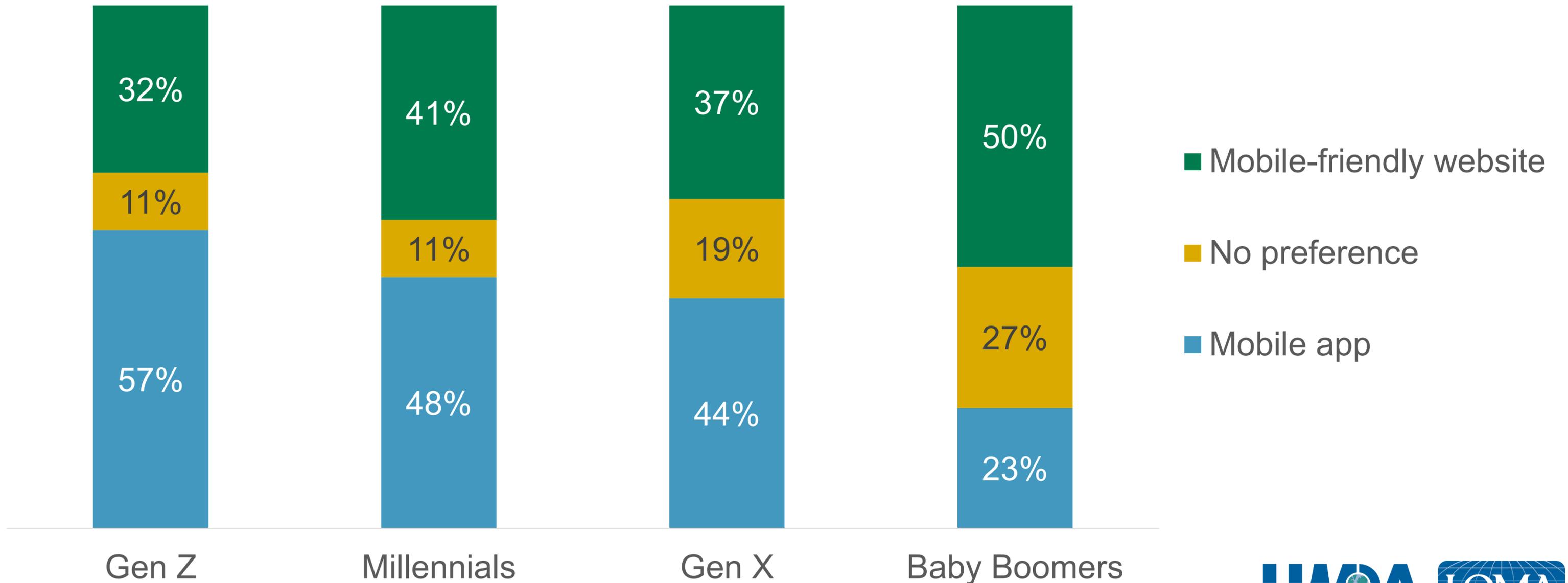
Carriers' Mobile Capabilities

Mobile-friendly portal/website — 15

Mobile app — 1

Both an app and a mobile-friendly website — 10

Neither but working on developing this — 3

Neither and no plans — 3
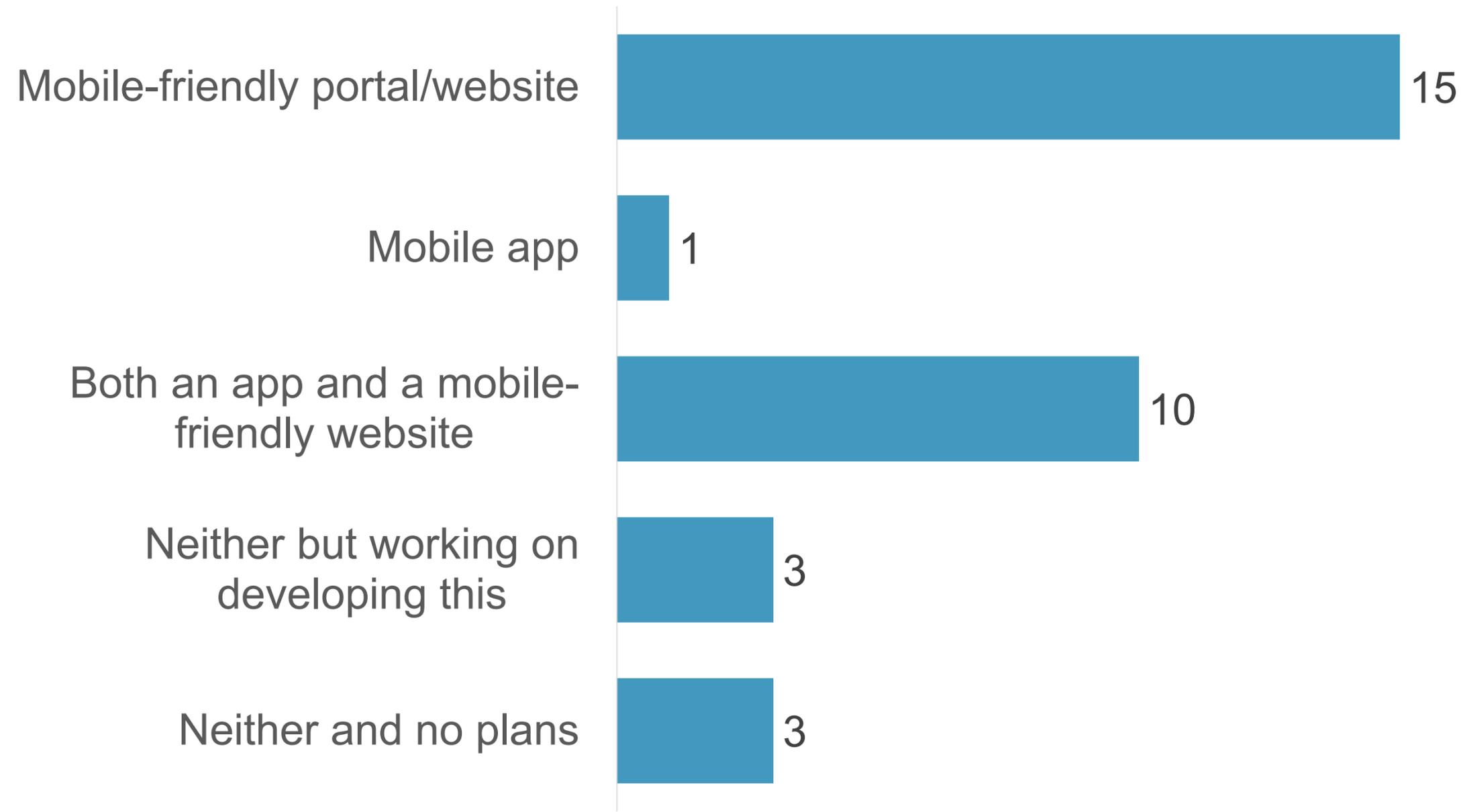
Based on 32 companies.
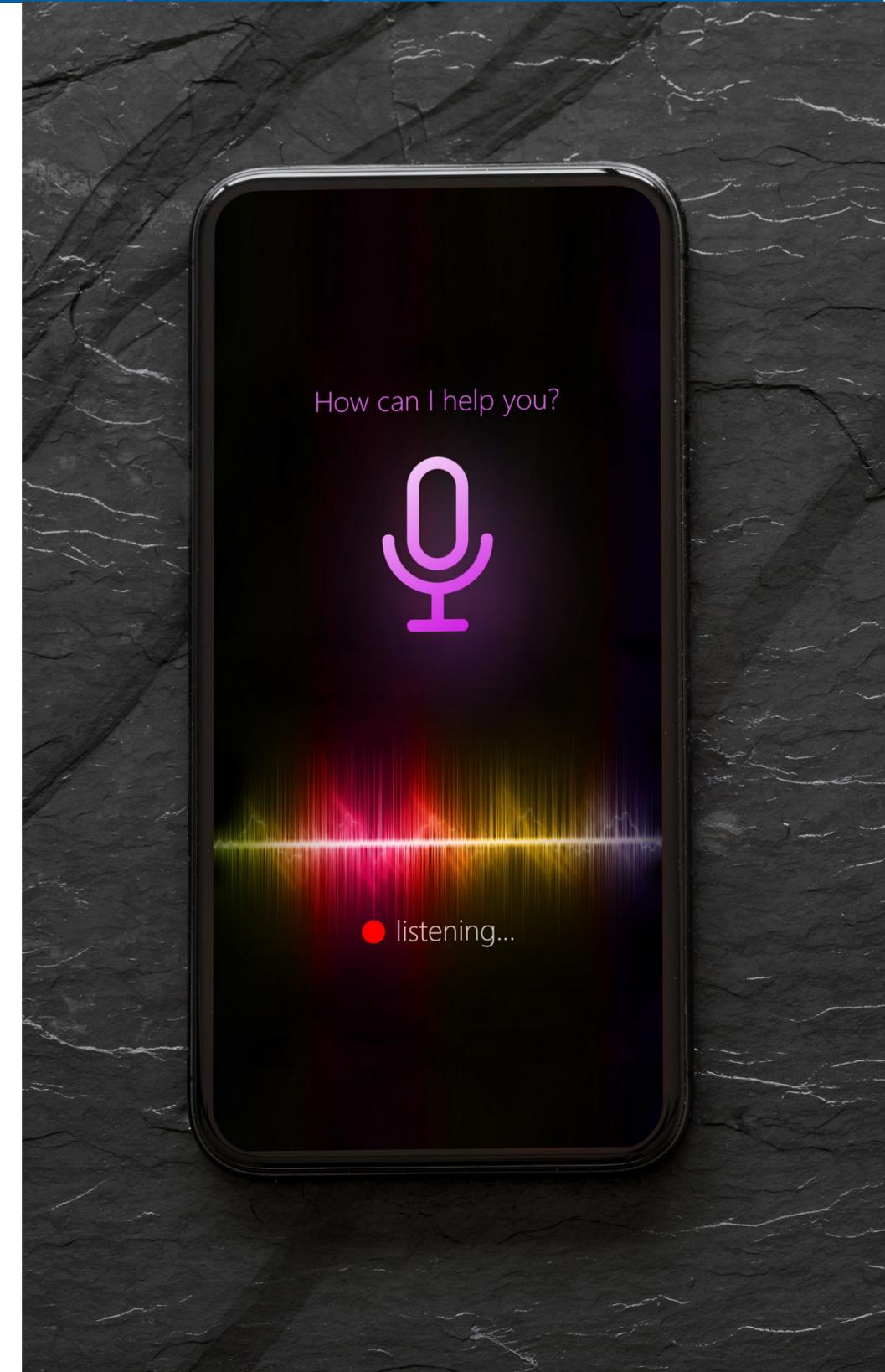
Services Offered on Mobile

Service	Count
Plan information	19
Claims	19
Ongoing service	14
ID cards	11
Enrollment	8
Other	2
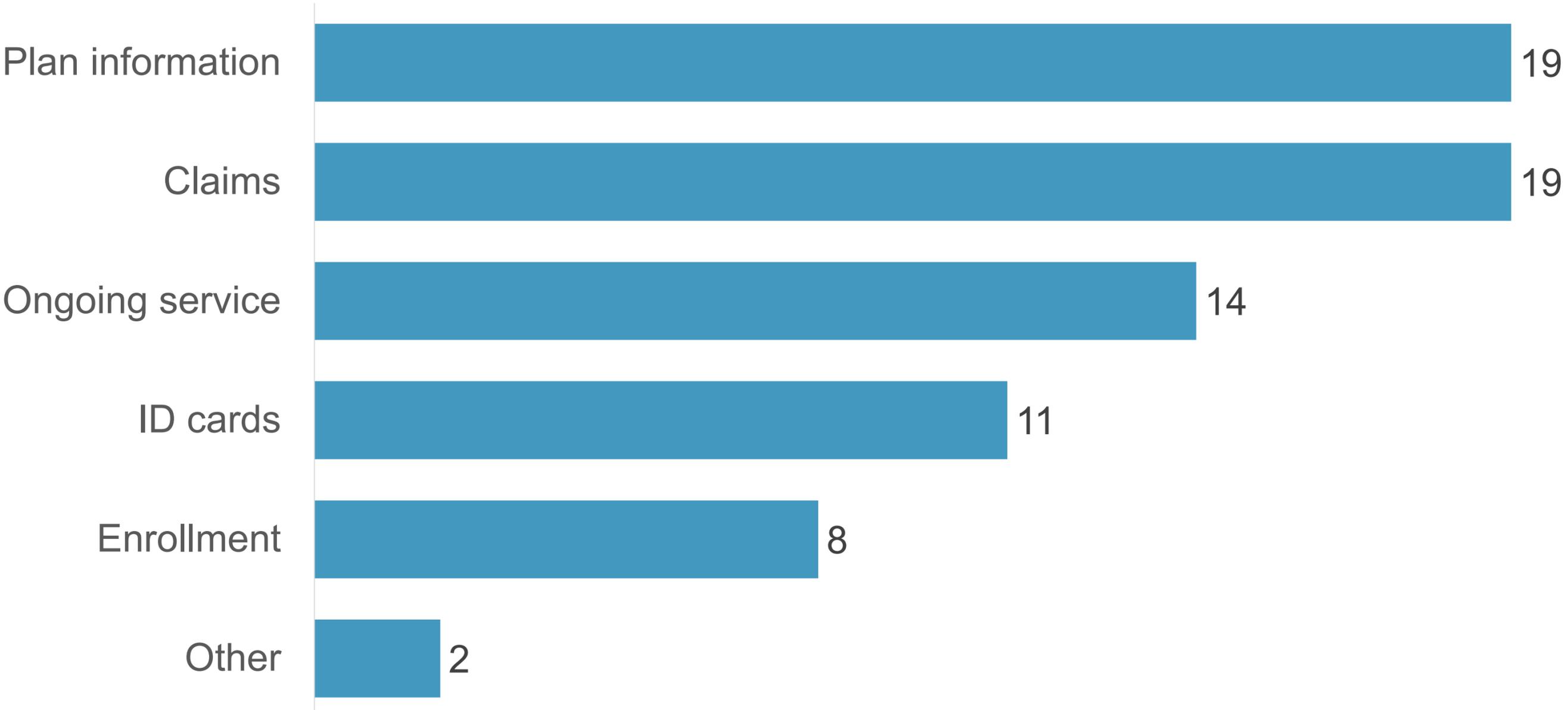
Based on 26 companies with mobile capabilities.

Text Messaging

Yes, currently
- 2020: 32%
- 2023: 47%

No but working on developing this
- 2020: 29%
- 2023: 31%

No and no plans
- 2020: 38%
- 2023: 22%
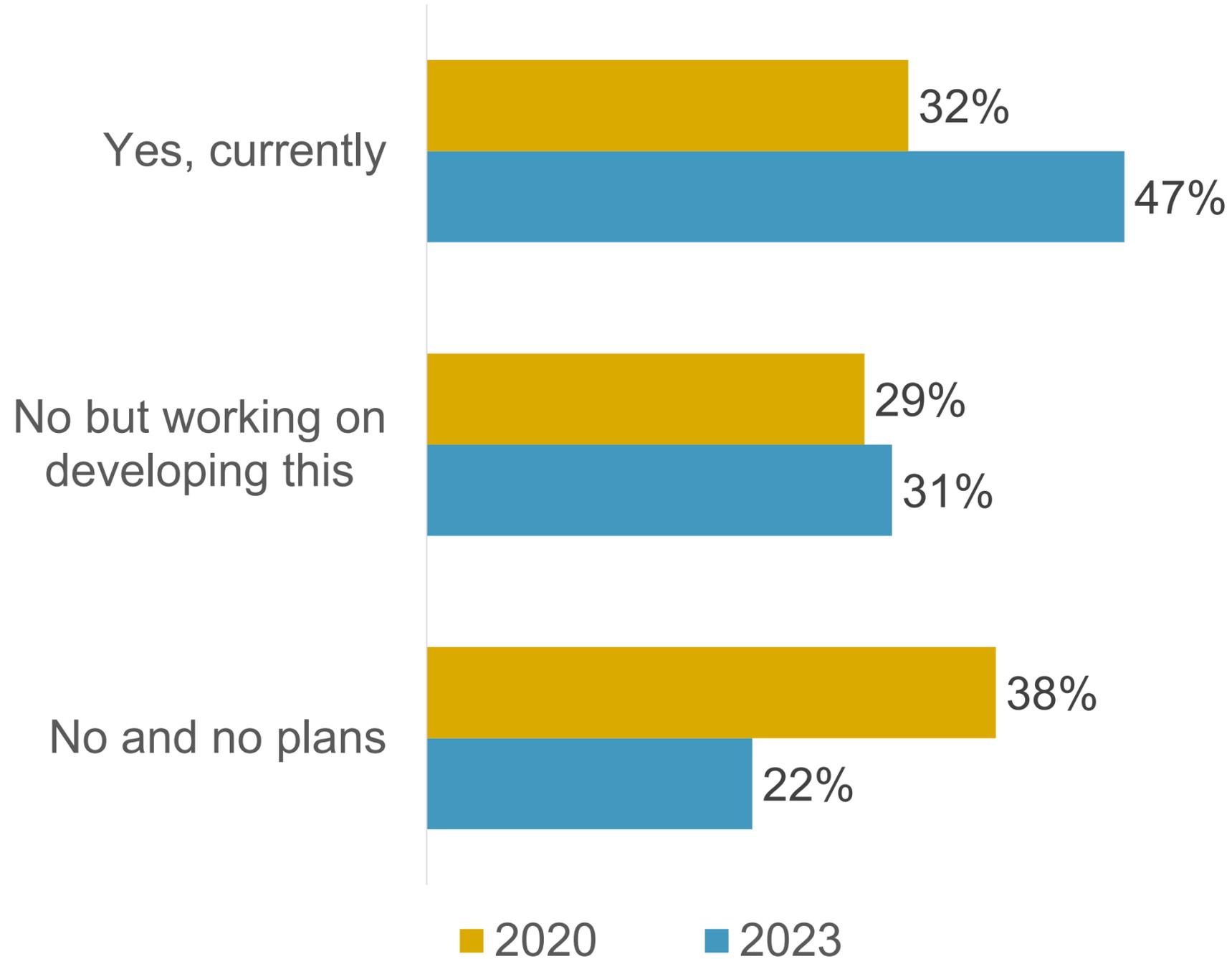
■ 2020   ■ 2023

2023 data based on 32 companies. 2020 data based on 34 companies.

Text Messaging Functions

Based on 15 companies with text messaging capabilities.
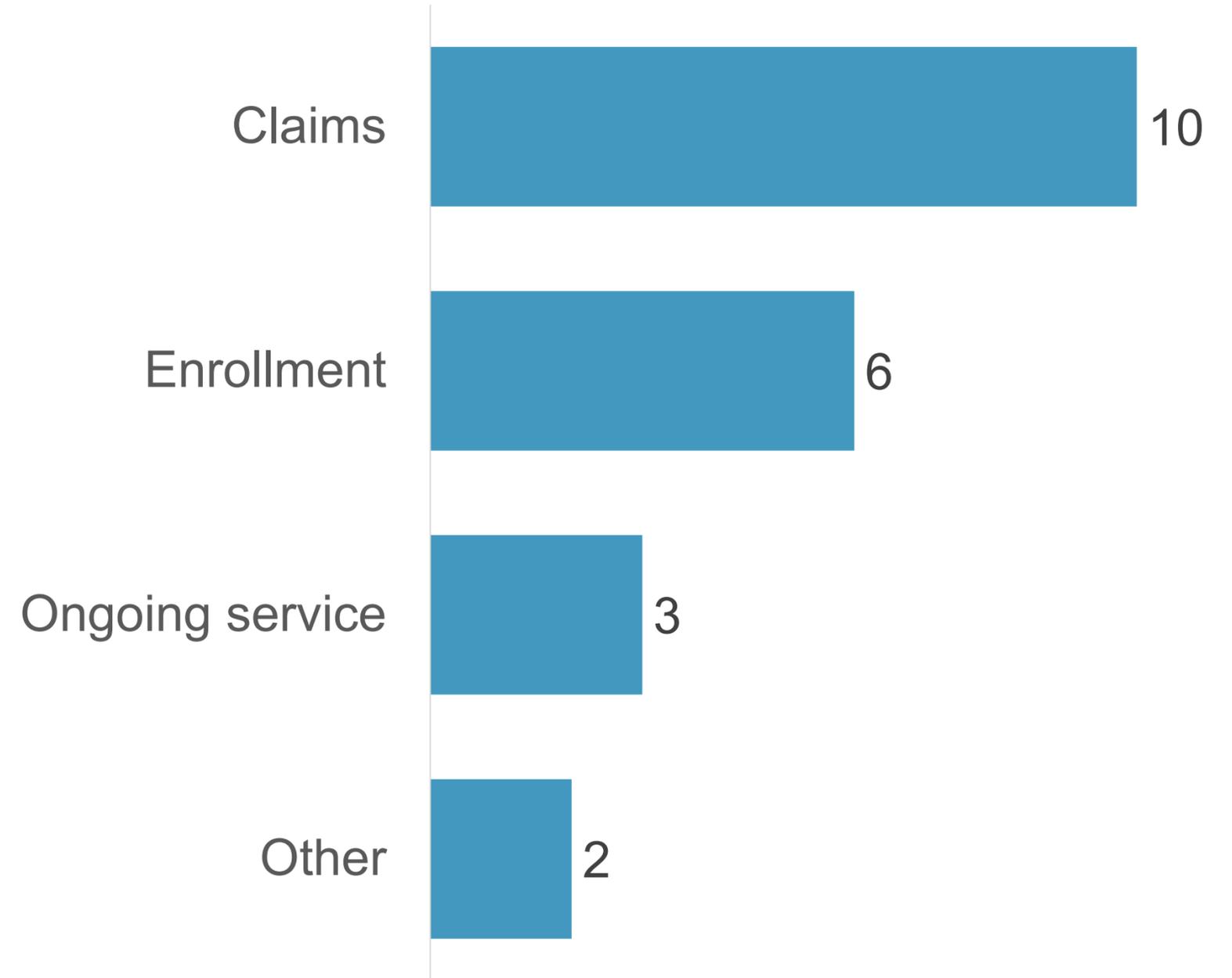
Artificial Intelligence

What is the <u>most promising</u> potential use for AI in workplace benefits?

1. Analyzing customer feedback
2. Chat bots
3. Claims
4. Decision support for customers
5. Group underwriting
6. Individual underwriting/EOI
7. RFP generation/quoting
8. Support for contact center reps

What is the most promising potential use for AI in workplace benefits?

Analyzing customer feedback

0%

Chat bots

0%

Claims

0%

Decision support for customers

0%

Group underwriting

0%

Individual underwriting/EOI

0%

RFP generation/quoting

0%

Support for contact center reps

0%

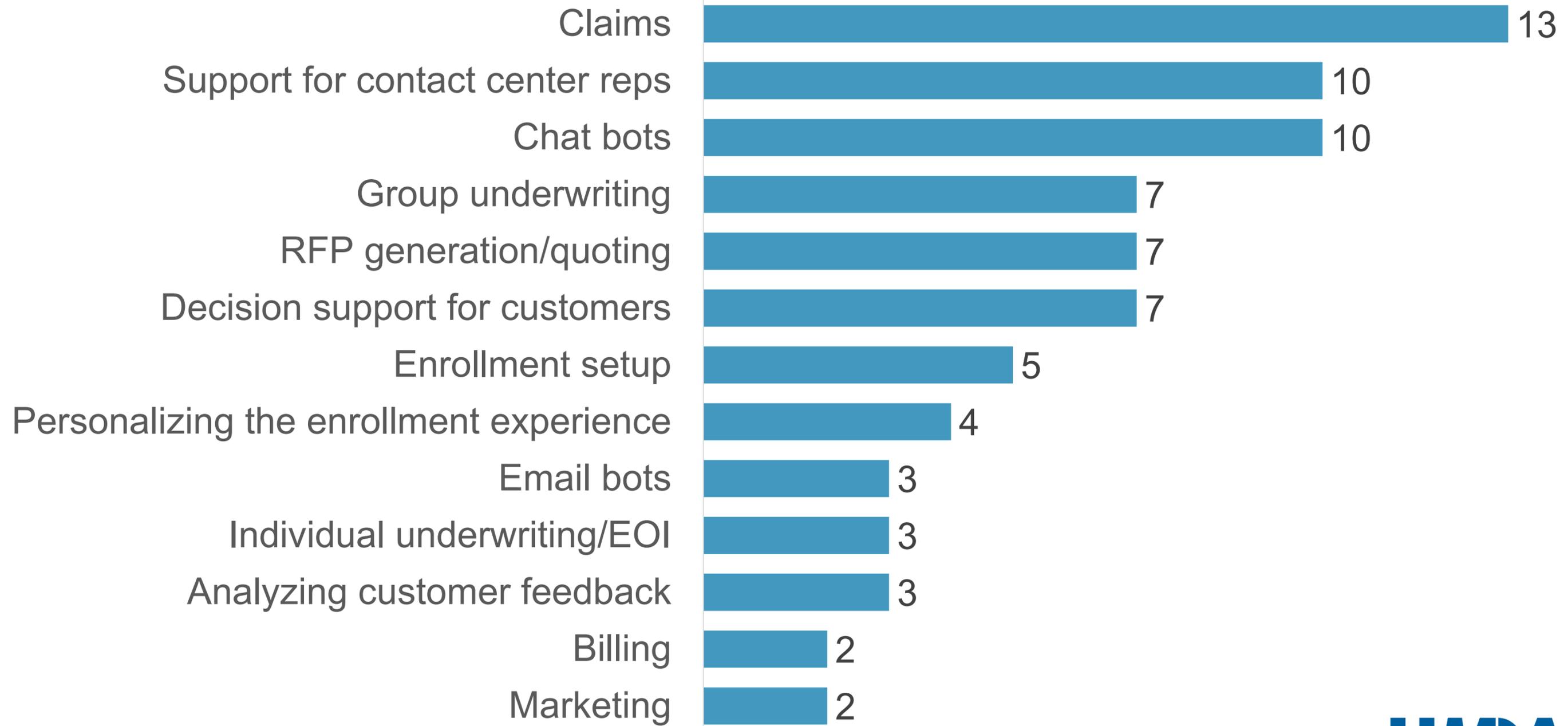# Most Promising Potential Uses of AI

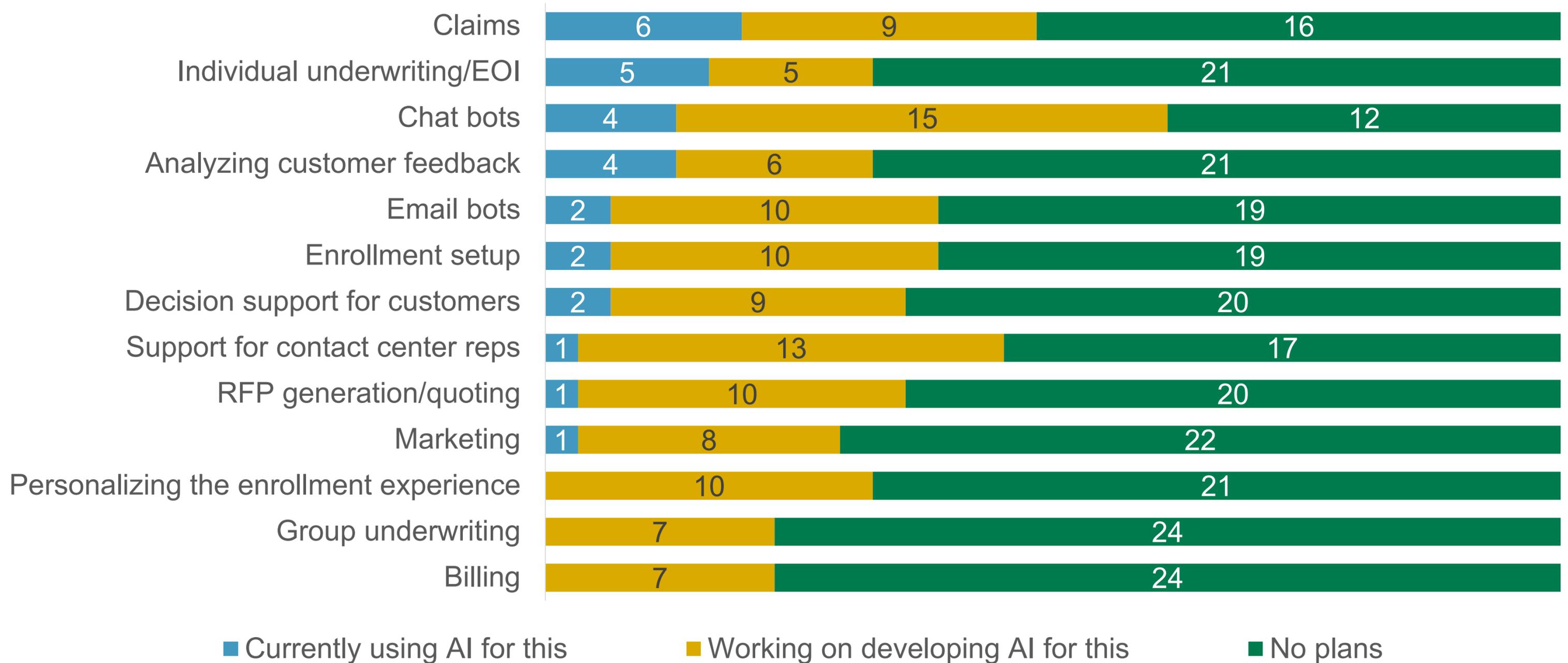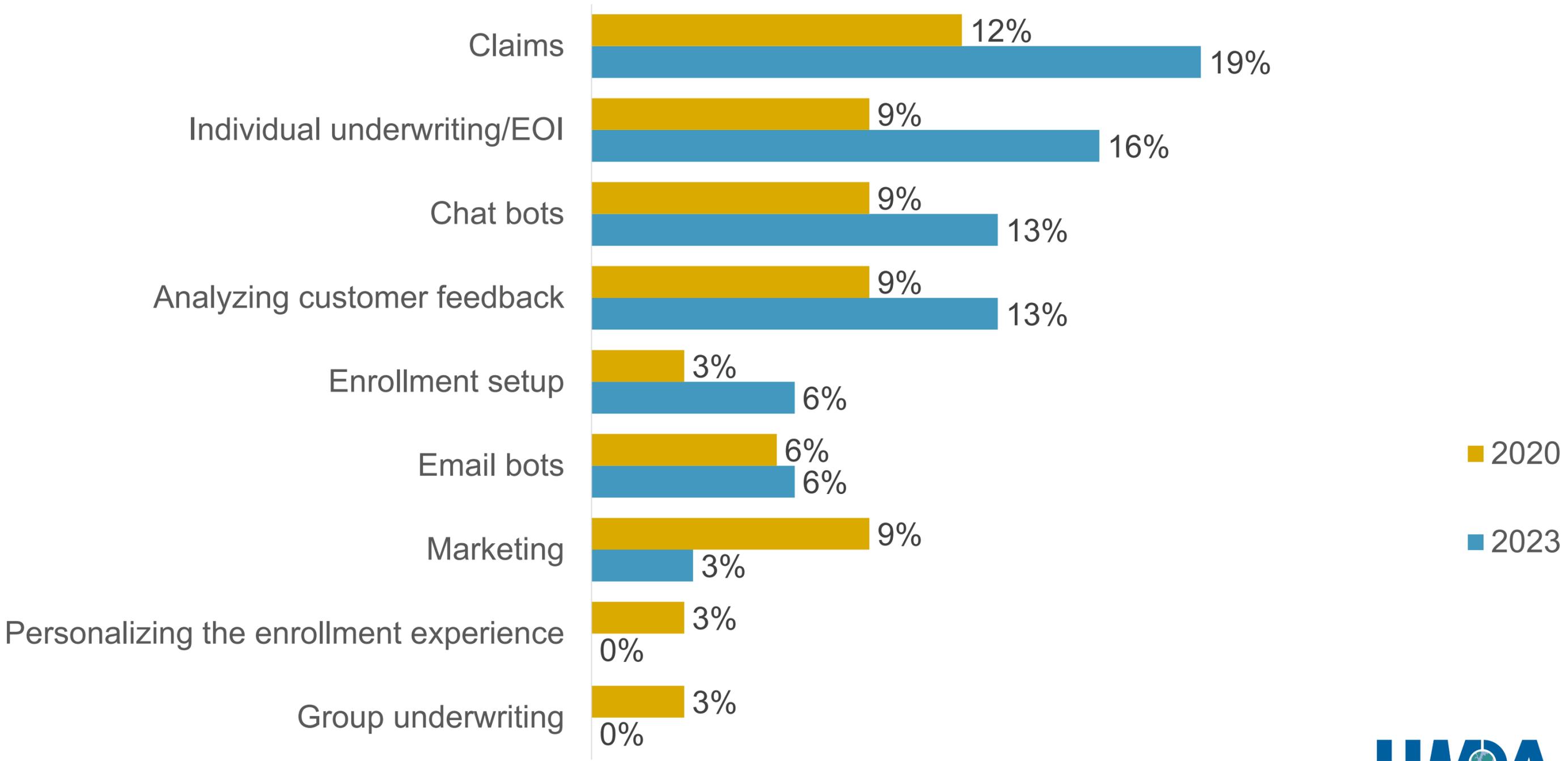| Use	Count
Claims	13
Support for contact center reps	10
Chat bots	10
Group underwriting	7
RFP generation/quoting	7
Decision support for customers	7
Enrollment setup	5
Personalizing the enrollment experience	4
Email bots	3
Individual underwriting/EOI	3
Analyzing customer feedback	3
Billing	2
Marketing	2

Up to 3 responses allowed.
Based on 28 companies (4 companies did not respond to this question).

Current Uses and Plans for AI

Category	Currently using AI for this	Working on developing AI for this	No plans
Claims	6	9	16
Individual underwriting/EOI	5	5	21
Chat bots	4	15	12
Analyzing customer feedback	4	6	21
Email bots	2	10	19
Enrollment setup	2	10	19
Decision support for customers	2	9	20
Support for contact center reps	1	13	17
RFP generation/quoting	1	10	20
Marketing	1	8	22
Personalizing the enrollment experience		10	21
Group underwriting		7	24
Billing		7	24

■ Currently using AI for this   ■ Working on developing AI for this   ■ No plans

Based on 31 companies (1 company did not respond to this question).

Current Uses of AI Over Time

Claims — 2020: 12%, 2023: 19%
Individual underwriting/EOI — 2020: 9%, 2023: 16%
Chat bots — 2020: 9%, 2023: 13%
Analyzing customer feedback — 2020: 9%, 2023: 13%
Enrollment setup — 2020: 3%, 2023: 6%
Email bots — 2020: 6%, 2023: 6%
Marketing — 2020: 9%, 2023: 3%
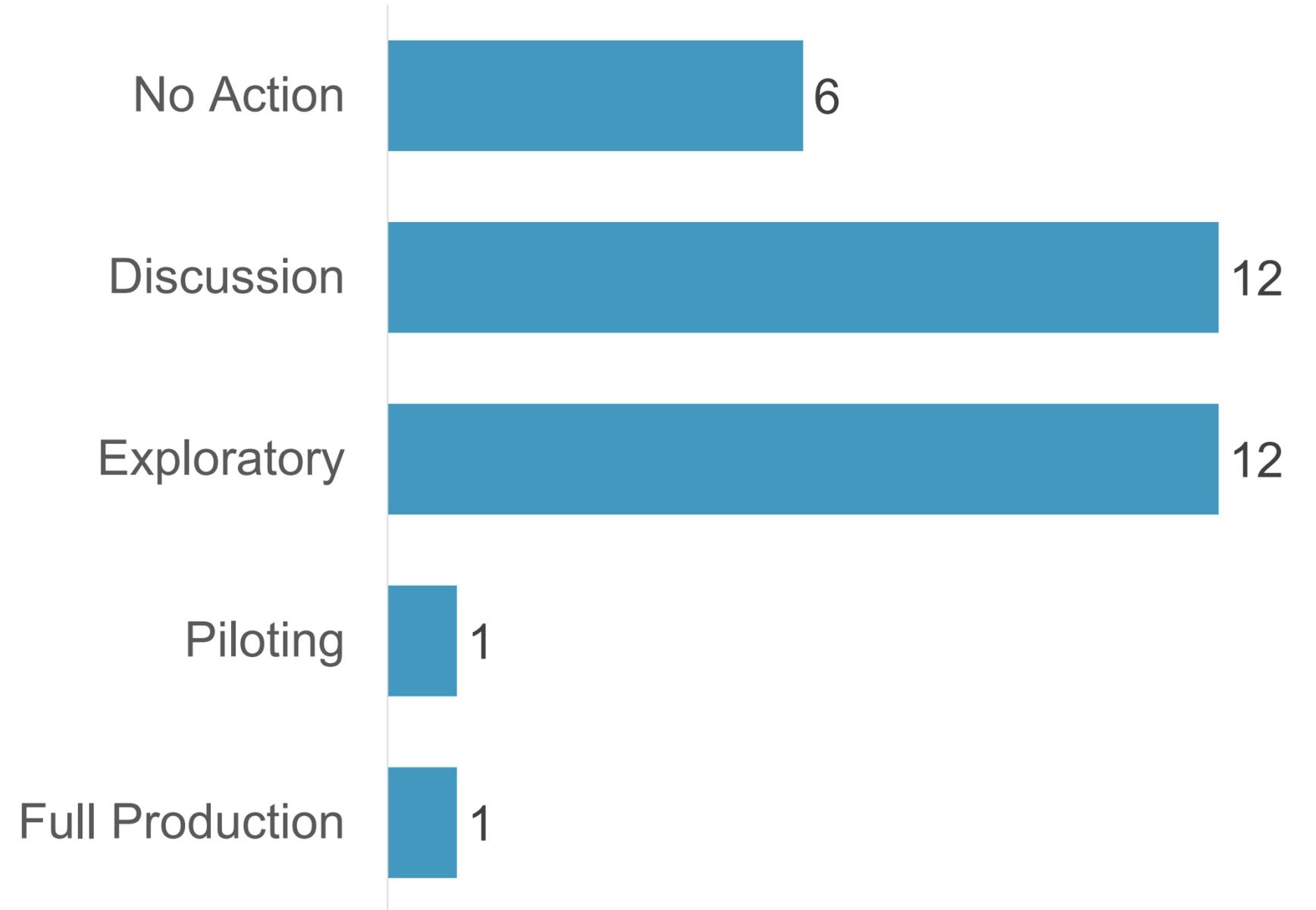Personalizing the enrollment experience — 2020: 3%, 2023: 0%
Group underwriting — 2020: 3%, 2023: 0%

2020
2023

2023 data based on 31 companies (1 company did not respond). 2020 data based on 34 companies.

Generative AI – Stage of Development

No Action — 6

Discussion — 12

Exploratory — 12

Piloting — 1

Full Production — 1

Based on 32 companies.

Thank You

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