
Whitepaper:

on Edelivery

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IBAC

Choice is an essential insurance need for consumers.

Of course, choice means alternatives among insurance providers and products. It also encompasses, however, the manner in which purchasers may elect to receive services and information from their advisor.

While in the past, customer interactions largely occurred in person, on the telephone, or via traditional mail, now the menu of access points has expanded so that the delivery of documents and information is no longer tied to the physical transfer of printed pages, and may include one or a combination of traditional methods, email (secure or otherwise), or various forms of portals or digital repositories.

Customization

Brokers are uniquely positioned to supply delivery options to insurance consumers. By definition, brokers provide a selection of coverage and Insurer options for consumers; that dedication to customization extends to operational levels to enable freedom of choice in how customers can interact with their advisors.

In an ideal service model, customers' own preferences determine the method of delivering information. At any given time, of course, a consumer may wish to switch media, or use a combination thereof. Within brokerages, even with defined workflows, each transaction or interaction is customer-based, and can follow individual preferences. Each brokerage must determine how to best meet the needs of their own unique group of clients.

Another key element in customizing information for individual consumers, is the broker's ability to add relevant, objective content to enrich information being delivered. Only communications delivered by the broker can include the full scope of available options, objective advice, and access to advocacy. Now, brokers can deliver these unique services by digital means.

Digitalization

Many brokers are rapidly implementing an ever-growing selection of tools which allow digital delivery. BMS' like Applied Systems' EPIC or Keal Technology's SigXP, or web applications like SharpMobile and ClientDesk are examples of products that give brokers the ability to electronically package information to meet clients' individually-specified preferences.

The use of electronic delivery mechanisms creates some far-reaching benefits. Reducing the consumption of paper, and the resources to print and move that paper around, drives Insurer and broker costs down, and ultimately benefits the consumer. Efficient processes which eliminate the physical handling of documents leave more time for meaningful work on behalf of customers. More environmentally-friendly processes serve the overall public interest.

Privacy

Of course, protection of consumers' privacy is as important as convenience. The recent amendments to federal privacy legislation place increasing focus on the security of consumers' information. While traditional mail and faxes certainly can have security vulnerabilities, online portals with individual logins and secure email applications can offer greater certainty of privacy. Even traditional email, when both sending and receiving parties are protected by TLS protocols, can provide protection against unauthorized viewing of messages. The need for increased security is one factor driving brokers' increased use of digital delivery methods, despite the risk of electronic intrusions.

Looking Ahead

Brokers are ready to meet the full spectrum of consumers' expectations: delivery of choice, advice and advocacy, as well as the service convenience, security and immediacy they experience in other business environments. In the near future, expected developments will be:

- Greater customer call for paperless delivery options, while preserving full access to advice and advocacy
- Interest among some customers to have documents and records stored digitally by their broker
- Increasing numbers of broker on-line portals and mobile app's with access to client documents and records

- Greater use of secure email delivery through expanded footprint of TLS protection and/or dedicated secure email applications.
- Expanded capability of BMS and Insurer systems to produce and efficiently receive electronic versions of commercial documents (both broker and customer copies)
- Expanded use of CSIO Edocs to deliver electronic customer copies to brokers (in addition to current broker copies), for both personal and commercial lines
- Increasingly common expansion of brokerage workflows to include digital delivery options as individual defaults and capacity for multi-channel communications
- Integration of email tools with BMS systems for efficient bundling of policy documents with other broker-generated material for digital delivery
- Increasing acceptance by regulators and law enforcement of electronic auto id cards

Principles

In anticipation of these trends, the Insurance Brokers Association of Canada (IBAC) articulated the following key principles that brokers believe are essential for the protection of consumers' best interests, for any form of document and information delivery:

- Consumers must have choice regarding how they receive communications and documents from their selected professional advisor.
- Regardless of the avenue(s) of communication they choose, consumers must be assured of the on-going privacy and security of their personal information.
- Consumers must not be burdened by additional costs nor onerous, unique, or proprietary processes in order to receive communications. Documents must be provided in standard, commonly-used formats to ensure long-term accessibility.
- Insurers must respect broker-consumer relationships and, other than in claims situations, communicate directly with a consumer only when specific consent has been provided by that consumer's broker.

Insurer Challenge

As brokerages move quickly to add digital options for their customers, it is important that Insurers partnering with them support the technological development. Brokers need the option of efficiently accessing customer policy documents and other related information in digital formats, to facilitate electronic communication with clients. Insurers could at the same time look to save significant expense in printing and transportation.

IBAC encourages Insurers who elect brokers as a preferred means of distribution to consider the principles articulated above. IBAC further looks to Insurers to support and facilitate processes which reinforce the customer's identification with the broker, and facilitate the broker's ability to choose and customize the manner and content of communications to fit each client's needs. Giving brokers the option to efficiently receive customer copies of policies in electronic format, just as broker copies are now delivered as E-docs, is one means of supporting those capabilities. The more documents and information that brokers can obtain digitally, the more effectively they can give consumers the advice, choice and advocacy they deserve.

Brokers will continue to fulfill their responsibility of looking after consumers' best interests when offering new delivery options. No doubt new alternatives will continue to arise and there will be additional choices to incorporate and offer to customers, along with many opportunities for brokers and Insurers to work together. IBAC would welcome the opportunity to discuss planned development on a confidential basis with any Insurer.