

How COVID-19 is Shaping 2021 Trends for Insurers and How to Prepare



With the global pandemic still raging and 2021 looming, all thoughts are focused on operating in the “new normal.” For property and casualty (P&C) and health insurers, the pandemic is accelerating the need for technology-driven solutions that meet the rapidly changing expectations of consumers for convenience and safety. Chief among those is the drive toward digitalization. While consumer demand for digital-everything has been steadily rising for years now, COVID-19 has accelerated the shift—but insurers have been traditionally slower to respond than other industries. The time has come, however, to delay no further. Insurers who fail to meet the demand for electronic bill pay and presentment (EBPP), digital disbursements, and 24/7 online support risk being left out of the decision-making process of consumers.

THE GLOBAL PANDEMIC IS SHAPING 2021 TRENDS

Digital Delivery

The world has been on the fast-track to digital everything for years now, driven by consumer expectations for 24/7/365 access and convenience – and the pandemic has only highlighted the criticality of digital delivery for industries that have been slower to adopt it. Propelled forward by social distancing and demand for contactless-everything, no industry can afford to delay the implementation of technology that allows consumers to browse, shop, pay, and receive service anywhere, anytime they want it – and insurance is no exception.

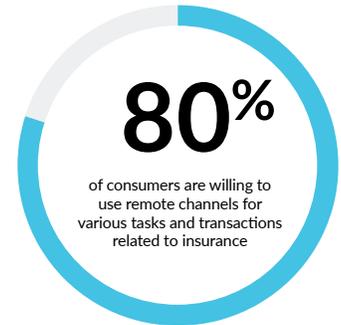
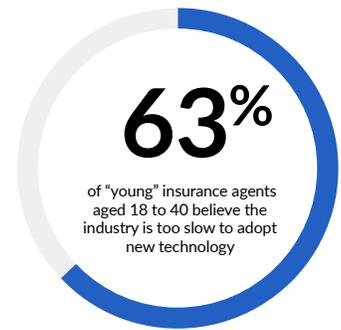
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Insurers have done a good job developing products that meet the on-the-go needs of modern consumers, allowing them increasing flexibility to insure a wide array of personal property and events, but if consumers are unable to shop and insure on-the-fly, they are likely to pass on your coverage in favor of a company that offers end-to-end self-service and convenience.

Consumers and the industry are increasingly demanding a more digital-first approach. According to [Statista](#), just over 63 percent of “young” insurance agents aged 18 to 40 believe the industry is too slow to adopt new technology, and 80 percent of consumers are willing to use remote channels for various tasks and transactions related to insurance, according to [EY Americas](#).

Shopping and paying for insurance are two obvious use cases for digital transformation for the industry. Making and managing claims is another that presents a serious competitive advantage for insurers. For example, some tech-forward insurers are replacing the first notice of loss (FNOL) with drones.

In addition to meeting consumer demand and gaining competitive advantage, digital delivery also reduces operating costs—a necessity at a time when policy volumes are likely to decline.



Electronic Bill Presentment and Payment (EBPP)

Especially in the aftermath of the pandemic, digital payments—both receiving them and making them—are no longer just a “nice-to-have.” Sending consumers electronic bills and allowing consumers to pay premiums online or through a mobile app is a necessity for improving the customer experience (CX), increasing engagement, and remaining competitive.

In addition to meeting on-the-go consumer demands, [EBPP](#) offers several benefits to insurers as well—a win-win for insurers and consumers.

Aside from getting paid faster, EBPP provides numerous operational efficiencies that can positively impact the bottom-line. For example, many systems offer integrated payment processing and settlement to accounts receivables (AR), freeing up AR staff for more strategic functions or reducing the need to increase AR staffing. EBPP can also make the collections process simpler by eliminating the need to follow paper trails and wait out information voids because of the lag-time of moving check payments.

And while many insurers understand the need for—and may already offer—EBPP, fewer may be considering the importance of dispatching speedy payments to consumers. According to [PYMTS.com](#), just over 52 percent of insurance claim disbursements were still made by check.

Especially during the pandemic, with many consumers working remotely—and some business locations shuttered altogether—insisting customers collect paper checks from physical locations further reduces the speed of disbursements to consumers and businesses, increasing friction along the customer journey and resulting in customer dissatisfaction.



The good news is partnering with a technology company can get insurance companies quickly enabled with EBPP with out-of-the-box functionality or with customized implementations for greater flexibility. EBPP offers these benefits:

- Reduced costs
- Accelerated cash flow
- Increased customer satisfaction and retention
- Improved operational efficiency, and more

24/7/365 Service

The pandemic has also hastened consumer demand for answers and information whenever they need it over the channels they prefer – and since those preferred channels are increasingly digital, chatbots powered by artificial intelligence (AI) can help.

[Chatbots](#) allow you to deliver real-time, personalized, and context-aware interactions through consumers' preferred digital channels. And today's chatbots can do much more than provide predefined answers to common questions and concerns – they can also complete transactions like premium payments as well as provide reminders and notifications.

Such chatbots can be integrated with digital assistants like Amazon Alexa or Google Assistant, making it easy for consumers to initiate interactions without the need to log in to the insurer's site.

Prepare Now to Navigate the “New Normal”

If digitalization wasn't already a priority for the industry, the global pandemic has made it critical for insurers to hasten their technology investment in digital transformation. This investment will, however, be one that pays dividends for years to come. Savings in operating costs combined with increased efficiency and improved CX will allow insurers to remain relevant and competitive throughout what promises to be a challenging 2021.

Insurers who meet consumer demands for speed, convenience, and safety will be well-positioned to not only survive but to thrive in the “new normal.”

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To find out how Orbipay EBPP and Digital Disbursements can reduce costs and accelerate receivables while improving your policyholder experience, [contact us](#) at (908) 791-2916 or info@alacriti.com.