
THE MOMENT OF TRUTH

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I am currently assisting my mother who is in her 80s through the process of working with numerous insurance and financial services companies after my father's passing. We are dealing with some of the world's largest companies and all are at least well-known in their regional geography. Despite my industry knowledge, the process has been difficult and would be impossible for my mother to navigate without assistance. Here are a few of the challenges we have encountered so far:

- A \$34 billion insurance company sent paperwork with the wrong beneficiary listed. A service representative told us to just cross out the name on the piece of paper rather than offering to correct the error.
- A \$603 billion financial services company told us that they could not tell us who the beneficiary was and we would have to wait six days for them to figure it out. The representative didn't offer to contact us; they told us to "check back with them next week."
- A \$695 billion retirement company did not have an online process to notify them. We used a general contact email and then received back numerous, potential phone numbers to call.

This leads to the thesis of the article:

The claims process is the moment of truth for the insurance company to deliver upon its promises and offers a meaningful opportunity for strategic differentiation to the companies that do this well.

This is especially true in the context of life insurance and retirement products. So, I wanted to offer a vision statement and a few considerations for the ideal process based upon this journey.



Vision Statement – A simple, respectful and responsive service where the intended beneficiary and loved ones are treated with empathy; quickly receive their proceeds in the most beneficial manner; and feel supported in caring and value-added ways throughout.



Positioning – Why is this referred to as a “claims” process where the benefits are considered losses? This terminology reminds me of pulling a ticket at the deli to “claim” my place in the queue to buy summer sausage. The beneficiaries are the rightful and intended recipients of the proceeds of insurance or financial contract. It is more akin to Benefit Services with a deliberate and planned transition from the policyholder to the loved ones they wish to financially protect.



Who is the Customer? – A customer purchases insurance for benefits in retirement and/or to protect their loved ones after death. It is possible that the intended beneficiary has little to no knowledge of the product that was purchased or of the company who provided it. The loved one is also grieving and is likely overwhelmed in trying to face off with insurance companies. Therefore, it is essential to have a simple, approachable process and to support the beneficiary throughout the journey. If this is done well, the loved ones will be eternally grateful creating a positive reputation for the company. Further, and this is true in my mother’s situation, the beneficiary may elect to become the customer and put the money in new instruments while consolidating other assets with whomever steps up during this process.



Proactive – Why wait until one of the worst times in life to ask someone to make major financial decisions? Why wait to initiate the process when a confirmed death occurs? In an ideal scenario the company would have worked with the customer and their beneficiaries to work out a plan. Further, in an ideal scenario the insurance company would proactively search records to know their customer had passed away to facilitate the process in the first place.



Process design supported by the human touch – The good news is that a simple, respectful and responsive process for Benefit Services is highly achievable in a relatively short amount of time. The design of the ideal process would be informed by accurate data, enabled by technology, and supported by a caring, human touch throughout. This includes the proper process controls and data validations needed to prevent fraudulent claims.

Serving as an essential part of the community of care during the worst of time for families is a high calling and an enduring purpose. Companies who do this well will become known as trusted, go-to organizations and have a strategic opportunity to lead the future.