

The Digital Mutual

Episode 4,
Securian Financial (USA)



5 December 2019, 3:00 pm GMT

The Digital Mutual: Securian Financial (USA)

Moderator: Ben Telfer, Vice-President, Business Intelligence, ICMIF

Adam Taylor

Director, Institutional Market
External Facing Platform



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Digital learnings and transformation

The Benefit Scout™ Product

Adam Taylor

Director, Institutional Market External Facing Platform

December 5, 2019





Agenda

- Securian Financial background & digital transformation strategy
- Our feature experience: Benefit Scout™
- Exploration of the customer need through design thinking
- A new approach to building a business case and product
- Current state and future plans
- Broader learnings impact within the firm
- Q&A



Introductions: Adam Taylor

- Responsible for external web applications and services supporting products distributed through Employers (Group Insurance & Retirement) and Financial Institutions.
- 16 years with the firm split between marketing, technology, and engineering leadership.
- Currently lead over 40 associates focused on engineering and product.





Background and digital transformation



By the numbers

\$5.7B

Domestic statutory benefits paid in 2018

\$4.8B

Equity

\$78.5B

Assets under management

5,600

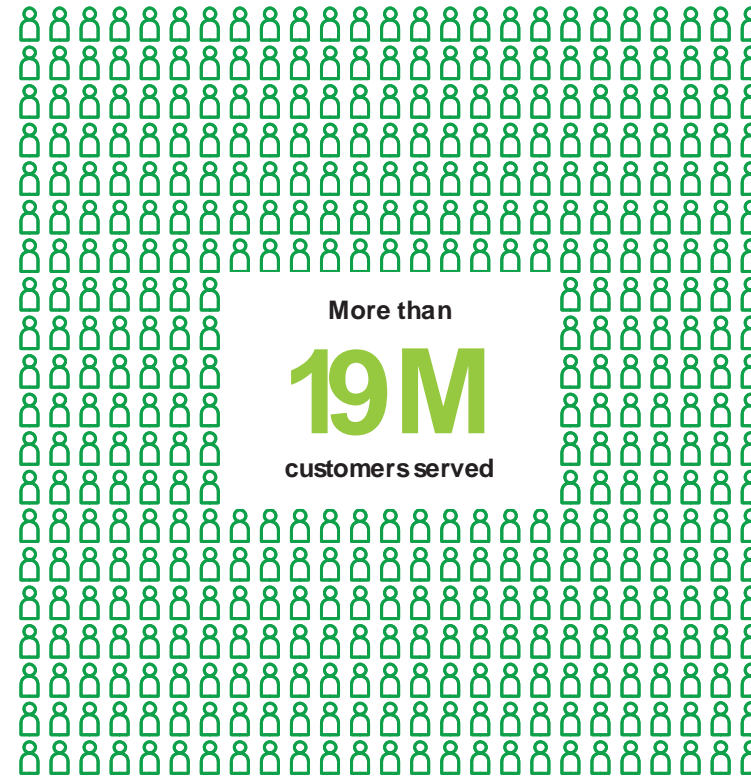
Employees and representatives worldwide

\$1.2T

Domestic life insurance in force

\$5.5B

2018 GAAP revenue



All statistics as of December 31, 2018.



Markets we serve



Individuals and families

SERVING

Individuals, families, executives and business owners



Employers and employees

SERVING

Private and public employers, employees and their families



Financial institutions and their customers

SERVING

Banks, credit unions, finance companies, mortgage lenders, other affinity groups and customers of financial institutions



Institutional investors

SERVING

Corporations, endowments and foundations, insurance companies, mutual fund companies, pension plans, variable insurance providers, 401(k) and related separate account platforms



MARKETS WE SERVE

Employers and employees

	PRIMARY CUSTOMERS	PRODUCTS AND SERVICES	DISTRIBUTION RELATIONSHIPS
Group insurance	Fortune 1000-size organizations	Group term, universal and variable universal life insurance Group critical illness, accident and hospital indemnity insurance Accidental death and dismemberment insurance Business travel accident insurance	Benefit consultants and brokers
Retirement solutions	Employer plans with assets up to \$200 million Large defined benefit pension plans	Recordkeeping solutions Defined contribution and defined benefit plans Fully bundled and TPA-serviced plans Non-registered group variable annuities and custodial accounts Longevity solutions Pension risk transfer Defined contribution income solutions Institutional solutions Guaranteed investment contracts Fixed group annuity contracts	Financial advisors and registered representatives Benefit consultants and brokers



Living our purpose

We're driven by our purpose:
helping our customers build secure
tomorrows. We do what we do to
enable you to celebrate family, every
day, no matter how you define it.



Vision 2020: Our strategic plan



“Vision 2020 focuses on engaging our customers and channel partners and providing them with exceptional experiences.”

Christopher M. Hilger
Chairman, President and Chief Executive Officer
Securian Financial





Themes that guide our enterprise strategy



**Customer
centricity**

Better respond to customer needs and experience expectations



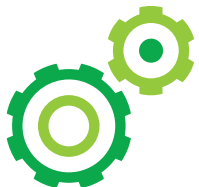
**Optionality and
agility**

Enhance execution flexibility and responsiveness



Innovation

Elevate commitment to innovation and continuous improvement

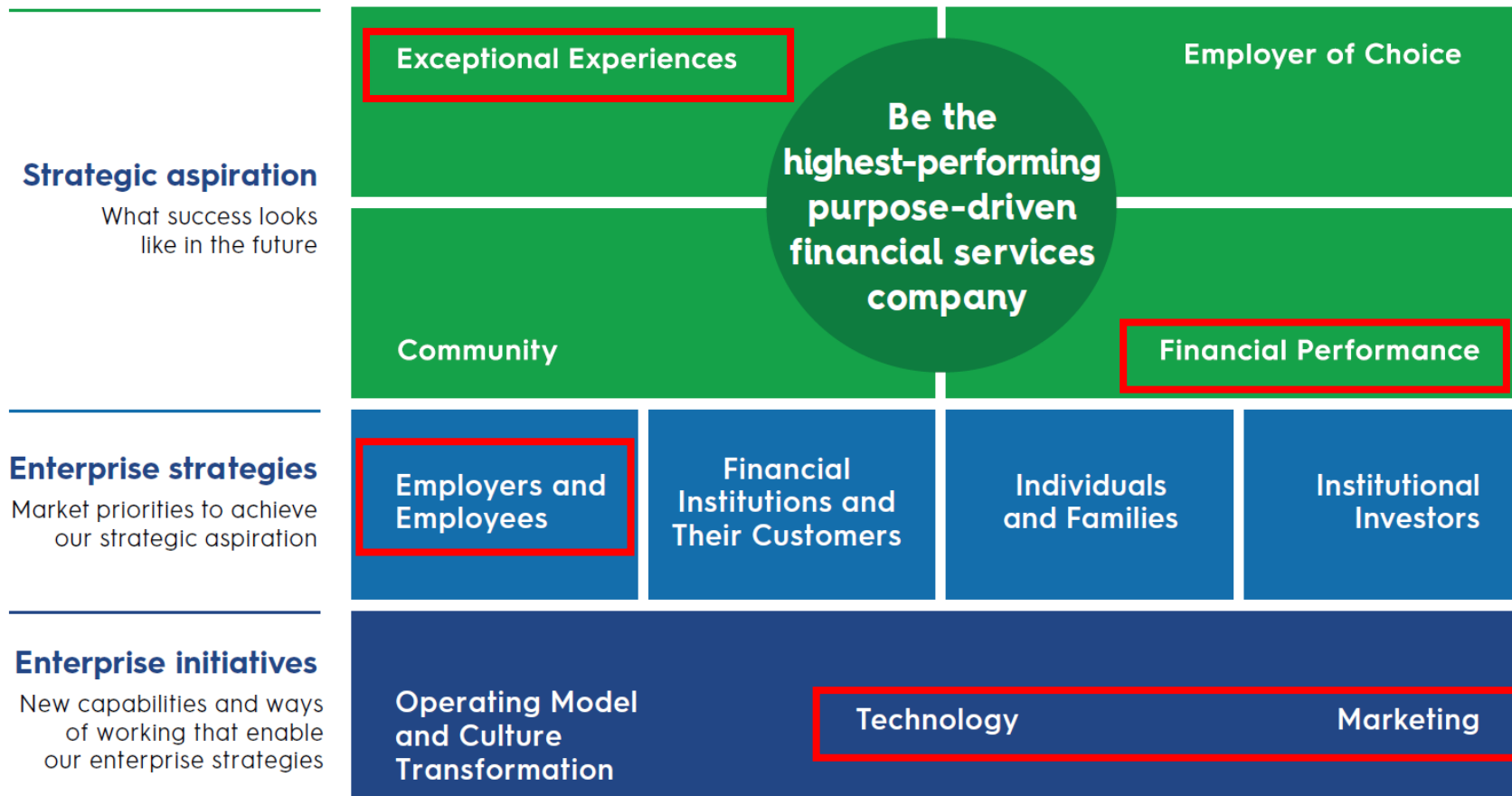


**Enterprise
perspective**

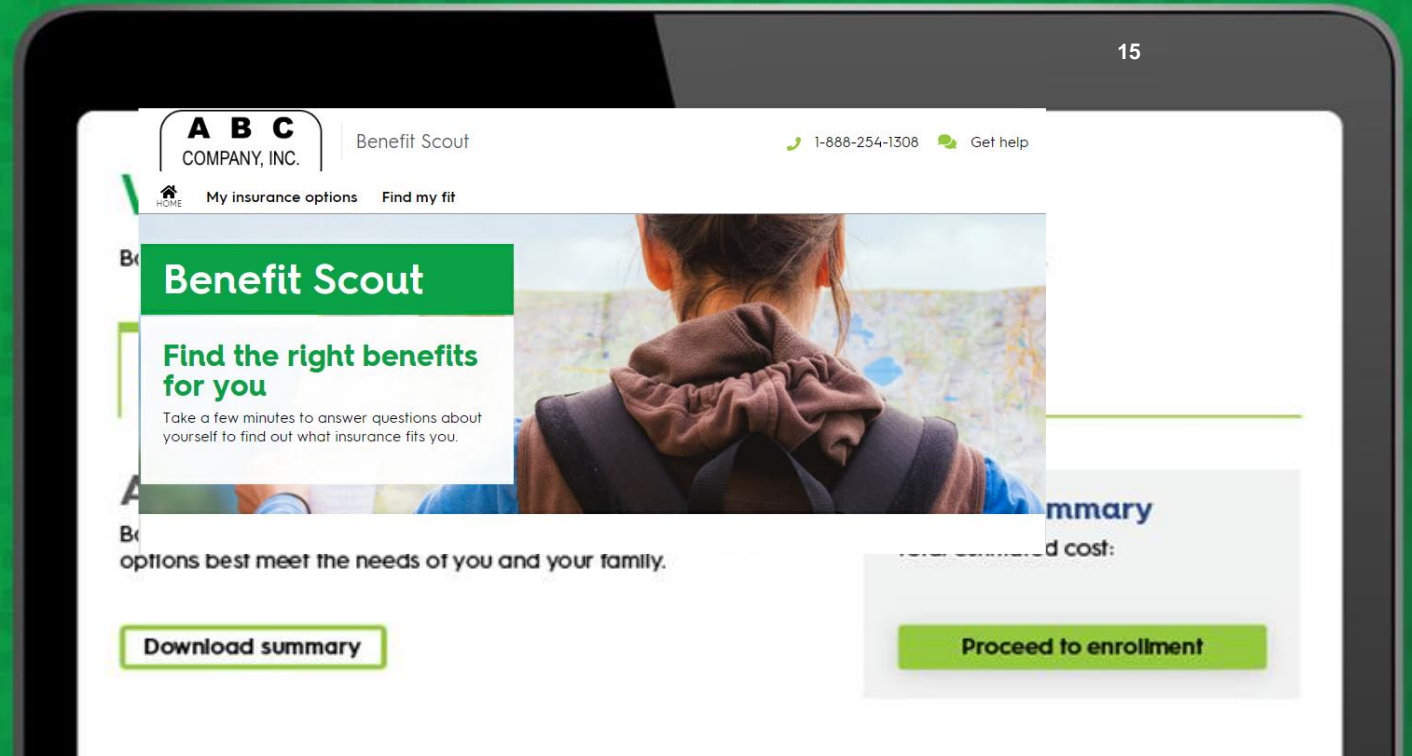
Leverage capabilities across business to promote enterprise growth and improve operating scale



Strategic plan alignment



Benefit Scout™ decision support



Benefit Scout helps educate employees when they need it most – at new hire, annual enrollment and eligible events.



It works to reduce the uninsured and underinsured, reducing the coverage gap.



Benefit Scout can also reduce the amount of time employers spend answering questions, while improving employee engagement.



A video introduction

The screenshot shows a video player displaying a webpage for Securian Financial's Benefit Scout tool. The webpage has a white header with the Securian Financial logo on the left, the text "Benefit Scout" in the center, and the phone number "1-888-254-1308" and a "Get help" link on the right. Below the header are two navigation links: "My insurance options" and "Find my fit". The main content area features a large image of a person from behind, looking at a map. Overlaid on this image is a green box with the text "Benefit Scout" and a white box with the text "Find the right benefits for you" and a sub-headline "Take a few minutes to answer questions about yourself to find out what insurance fits you." Below the image is a large play button icon. The webpage content continues with a section titled "Did you know you have benefit options in addition to major medical insurance" followed by a paragraph of text and a link "Get an estimate >". To the right of this section is another box titled "Ready for a cost estimate?" with a sub-headline "Know how much insurance you need?" and a link "Get an estimate >". The video player controls at the bottom show a play button, a progress bar, the time "0:02 / 1:31", a closed captions icon, a volume icon, and a full screen icon.



Benefit Scout experience vision

A unified experience that provides information and tools to help employees understand and make decisions about their benefits, leading to increased enrollment and improved participation.

With helpful plan information and coaching, online cost calculators, or on-demand benefits counselors, this multi-channel, differentiated customer experience guides employees to make confident choices when it comes to their voluntary benefits.





Benefit Scout creates an engaging decision journey



Marketing engages employees with a 3 touchpoint campaign, inviting them to check out Benefit Scout.



Employees visit Benefit Scout, optimized for all devices!



Right away, simple and clear education helps employees learn what these benefits do for them.



Employees find their fit as Benefit Scout guides them through questions, helping to compare options and provide cost estimates.



Benefit Scout provides a custom product/coverage fit result.



Employees are supported along the way by omni-channel coaches and an automated chat assistant, Scout!

Our steps in the journey



2017

Enterprise
ideation

2018

MVP & pilot

2019

Scale

2020+

Innovate &
iterate



Exploration of customer need through design thinking

Enterprise ideation

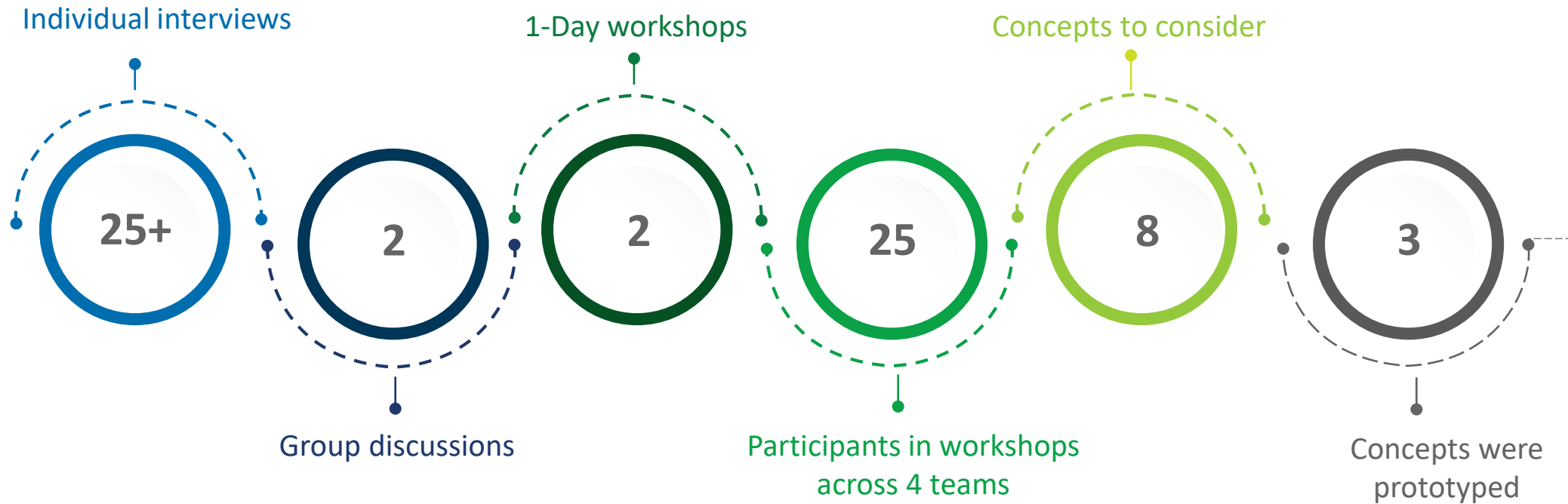
Digital Strategy office charged with exploring ways to disrupt or support existing businesses with digital applications

Cross-market and cross-function team created to explore and draft at least three potential opportunities

This work also overlapped with an emerging business imperative to support new product launches within the employer market



Interviews, group discussions, workshops and rapid prototype concepts





Where to focus?

Given workshop findings and an emerging business imperative, the Group Voluntary Education concept was prioritized for further development

IDEA 2

Group Voluntary Education/Recommendation Engine

Primary Audience: **Employees**

1. Organizations not yet using Ellie
2. Ellie customers (500K+ potential lives)



Securian recommends voluntary products that fill the gaps in a person's protection, educating them throughout the experience.

With a general understanding of a person's needs (based on inputs from them or their employer), Securian identifies where a healthcare plan might leave them exposed to being **under covered**. Whether at a benefits fair or via a link from their HR department, this recommendation engine prepares a guide that an employee uses to complete their benefits package. It includes the best products for them, but just as important, it includes the "why" behind the **personalized recommendation**.

Depending on our relationship with an employer or TPA, employees could either enroll directly or receive an email with the recommended package to use during open enrollment.

Key Pain Points and Quotes:

- A large percentage of people are underinsured, yet many "feel covered enough"
- There is a lapse in employee engagement between benefits fairs and enrollment
- Customers can find the volume and variety of products confusing and overwhelming
- "People spend 95% of their time choosing healthcare and only 5% on the other benefits"
- It is difficult to find FAQs or get information from many websites slalom.com

Customer benefits:

- Tailored recommendations put the customer's needs first and are based on other benefit choices she may have already made
- Voluntary products through an employer have affordable rates without lots of approval hurdles
- Helps address "confusing" terms like critical illness, hospital indemnity, premium, etc.

Securian benefits:

- Increase participation in voluntary benefits
- Aggregated data from people using the tool could uncover other products for Securian to consider and design
- Can become the differentiator that wins, and retains more group accounts
- Aligns with **Vision2020 Employee Benefits Strategy**
- Replaces Ellie





Deep dive into employer benefits



Leaning into the new way of working

- While a foundation of research and insights existed, more was needed in order to develop a business case and consistent team vision
- Maintaining focus on customer need vs. sales objective guided additional research and a co-creation event which included:
 - ✓ Securian core team members
 - ✓ HR/Benefits representatives from current and prospect employers
 - ✓ Recruited consumers from “look-alike” employers



Workshop recap



Workshop held 7/26 at CHS field in the Securian club. Audience of employers & employees supplemented with third party research firm recruits. This team-based activity generated ideas to consider for concept test

EMPATHIZE DEFINE
What is? IDEATE
What if? PROTOTYPE
What wows? TEST



Pre-work: 25+ Interviews and Group Discussions

Gathered input and feedback from key stakeholders across the organization as well as key TPA relationship.

Design Thinking Workshop

Conducted 1-day workshop involving 30 participants. The Design Thinking methodology enabled more ideas in a compressed timeframe.

5 Concepts Considered 2 Concepts Tested

The two most promising concepts are in digital storyboards, which we are testing to validate if a concept is desirable and solves a real problem.

Concepts created

- Personalization
- Integration
- Holistic plan view
- Additional support
- Enterprise growth potential
- Must align with legal & compliance
- Context aware

Benefits counsellor on-demand

- Facilitates 1:1 connection with a human
- Qualified advisors
- Actionable advice

Multi-channel assistant

- Proactive Artificial Intelligence-driven resource
- Aggregates data to make recommendations
- Works in context shifted to user/message

Recommendation and cost calculator

- Prioritize recommendations
- Interactive cost-calculation

Enrolment wizard

- Comparative enrolment experience
- User adjustable “bundled” options

Education hub

- Single source education portal
- Variety of materials, tailored to user preference



Concept selection

Moving from co-creation to planning and development brought unexpected challenges

Many concepts had overlapping themes, but unique differentiators or interaction patterns

Beyond the vision and internal team feedback, additional feedback was gathered to prioritize features and guide the creation of an MVP and roadmap



MVP and first roadmap

0.1 Minimum Viable Product (MVP)

Spring 2018

Clients: **1-3**

Products: **Term Life, AD&D**

- Primary focus is explicit coaching and guidance within the employee experience
- Decision support features: calculators, specific plan information, product bundle options or option generator, family status change call to actions, social norming, and prominent cost information
- Speak or live chat with a certified benefits counselor



0.5 MVP Expansion

Fall 2018

Clients: **3-5**

New Products: **CI, HI & AI**

- Builds on pilot findings
- Improved access to customer data
- Experience refinement with additional content and interactive capabilities
- Major feature: Specific emphasis on CI, HI, Accident expanded content, i.e. support what-if scenarios and how it is paid



1.0 Full Release

2019

Clients: **45**

New Products: **GUL**

- Builds on MVP findings
- Expanded counselor experience
- Systems integration
- Automated reporting
- SMS reminders
- Claims estimator and modeler
- Artificial Intelligence integration and guidance

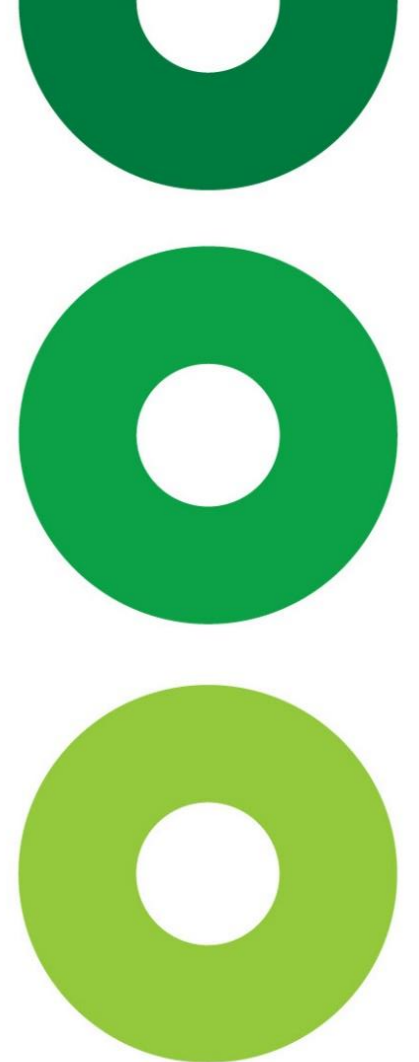


**A new approach to building a
business case and product**



Moving from customer-focused experience, to viable business case

- While the vision for the customer was clear, KPIs and expected business were needed
- This was a major learning for the team in how to reconcile and incorporate customer and channel partner needs into leading and lagging business measures, which would justify the financial investment
- These KPIs became critical to product funding and feature priority



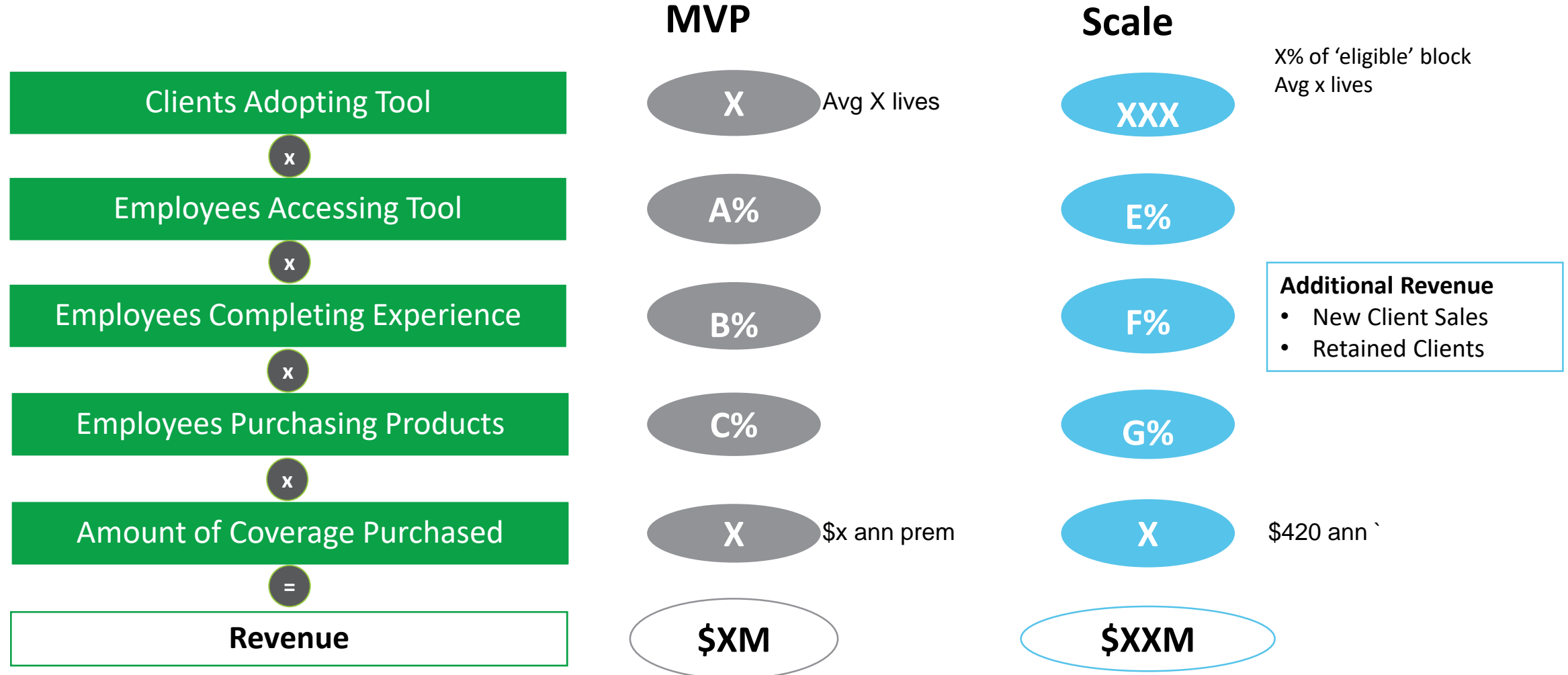


MVP business learning objectives

	<u>Questions</u>	<u>Indicators</u>
Client	<ul style="list-style-type: none">• Does the client see value in the tool?• What features are essential to the employer experience to launch?	<ul style="list-style-type: none">• Client acceptance rate• Client feedback/surveys• Degree of access to employees
Employee	<ul style="list-style-type: none">• Can we attract and engage employees to complete the experience?• Does the experience provide value to the employee?	<ul style="list-style-type: none">• Platform awareness engagement with experience• Dropout rates• Utilization of capabilities (chat, email, etc.)• Employee feedback/survey
Sales	<ul style="list-style-type: none">• Does the experience drive employees to purchase coverage?• What products and coverage levels will employees purchase?	<ul style="list-style-type: none">• Participation rate impact and analysis (product, volume, lives, etc.)



Key test metrics





Where and how to build

- For a technology focused event, this is the first about technology!
- The Benefit Scout project presented Securian an opportunity to leverage new technology to meet the expected customer demands:
 - ✓ Hybrid cloud deployment
 - ✓ Modern Single-page web application
 - ✓ Talent acquisition and development opportunity



MVP technical learning objectives

Objectives

Indicators

Cloud

- Implement a cloud hybrid application architecture

- Maturity around the management and structure of Securian's [Cloud] accounts
- Implementation of [Cloud] Services to support Product
- Automated deployments and management of [Cloud] Services

Front End

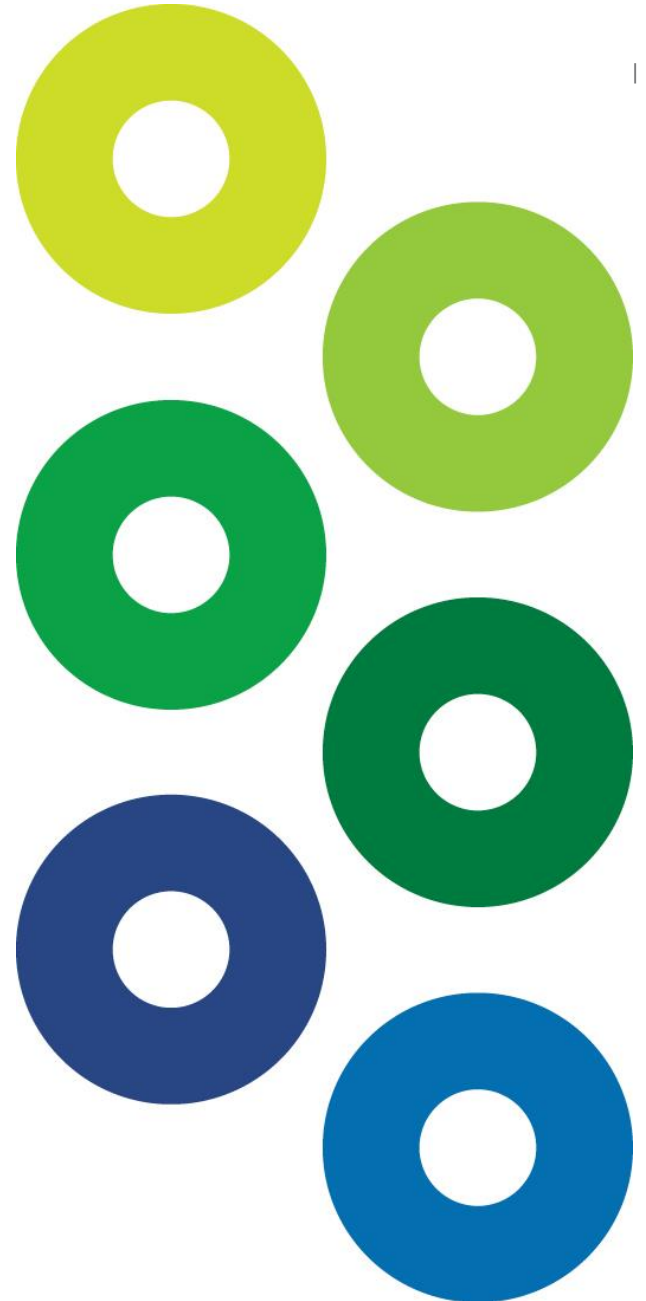
- Implement a responsive, accessible single page web application using React

- Internal skill development for JavaScript and browser applications
- Implementation of JavaScript build/test/deploy pipeline on Securian DevOps tool



Emergent technology opportunities

- Test automation built into the team definition of done
- Sauce Labs leveraged for browser testing
- Migration to all JavaScript for front-end and API





Learnings and results

Learnings and results: MVP



Launched

- Launched MVP with 3 employers



Learnings

- There is no substitute for actual customer usage
- Leading KPIs, tied directly into financial expectations empowered team
- Data made pivoting on features much less controversial
- Modern app and hybrid cloud deployment model yielded benefits



Results

- Significantly underperformed in attraction KPI, near goal in engagement and above goal in purchase



MVP applied to KPIs and reporting

Summary		Totals as of 07/14			Insights	
		Employer	Employer	Employer		
Employee	Employees reached 6,457	5,266	1,126	65	Employer : 126 new hires, 77 follow ups 5,140 special enrollment, 5,133 follow ups special enrollment 1126 new hires, 249 follow ups : 65 new hires, 21 follow ups	
	Employee access rate 30.00% Goal 11.24% Current	11.47%	9.95%	9.23%	<ul style="list-style-type: none"> Continuing to A/B test communication as well as the logo placement. Conducted a marketing and design workshop with aimme team to brainstorm ideas to improve employee access rate. 	
	Employee completing experience 60.00% Goal 39.94% Current	41.23%	36.61%	0.00%	<ul style="list-style-type: none"> Conducted a marketing and design workshop with aimme team to brainstorm ideas to improve employee completion rate. 	
	Benefits Counselor Interactions 10 Chat 8 Phone	16	2	0	<ul style="list-style-type: none"> For the week ending on 7/14, we received 1 call from Employer Overall, we've seen a higher number of interactions when the client is in enrollment versus new hire. 	
Sales	Employees purchasing products 35% Goal 30.12% Current	30.12%	NA	NA	As of 7/14, <ul style="list-style-type: none"> 74 new applications or coverage changes occurred during Employer s open enrollment 1 new hire enrolled for coverage 	
	Amount of coverage purchased 1X Goal NA Current	NA	NA	NA	Needing more report data before calculating the amount of coverage purchased.	

Learnings and results: pilot



Added

- Three clients added to platform, and support for fall annual enrollment



Learnings

- Team-managed A/B testing drove meaningful improvements to KPIs
- Employee access and experience positioning had the largest impact on overall results
- Core features from MVP were able to meet customer need
- Hybrid cloud architecture performed well under load



Results

- Improvements in 2 of the 3 KPIs, with one KPI flat
- Positive qualitative feedback



KPI reporting matured, but not yet scaled

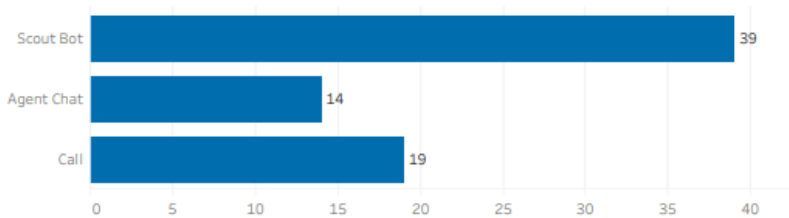
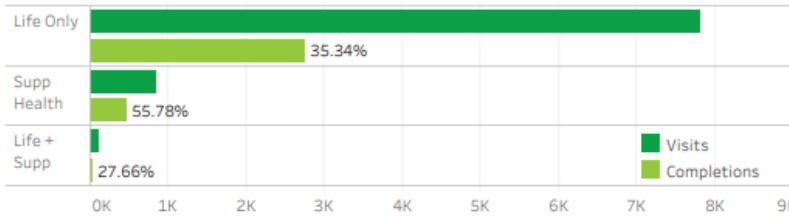
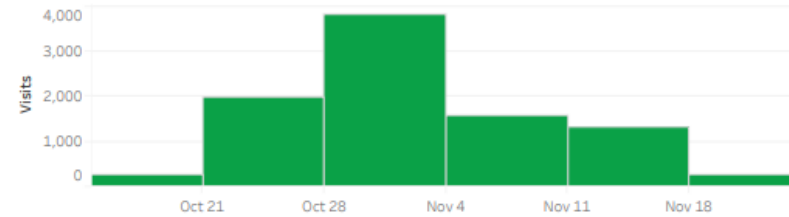
UNIQUE IMPRESSIONS 55,096 Change from Last Week +0.15%	Employer 73 0.00%	Employer 100 0.00%	Employer 4,655 0.00%
	Employer 40,326 +0.20%	Employer 1,638 0.00%	Employer 8,304 0.00%

VISIT RATE 15.77% Change from Last Week +0.36 percentage points MVP Goal: 30%	Employer 28.95% +0.88pts	Employer 44.00% +1.00pt	Employer 7.41% +0.09pts
	Employer 18.20% +0.46pts	Employer 51.22% +0.31pts	Employer 1.13% +0.02pts

COMPLETION RATE 37.20% Change from Last Week -0.41 percentage points MVP Goal: 60%	Employer 42.42% +1.80pts	Employer 13.64% -0.32pts	Employer 19.60% -0.23pts
	Employer 36.18% -0.44pts	Employer 55.78% -0.09pts	Employer 27.66% -0.60pts

VISITS WITH CHAT 0.47% Change from Last Week 0.02 percentage points MVP Goal: 5%
--

CHATS W/O TRANSFER 64.10% Change from Last Week -0.76 percentage points MVP Goal: 20%



Sales information lags this reporting period and will be added in a subsequent report.



Current state and future plans

Learnings and results: scale



Added

- Deployed to over 50 employers and fall enrollment results are still pending



Learnings

- Customers did exceptionally well when the recommendation and enrollment were integrated
- “Find my fit” can support additional content and retain customers
- Benefit Counselor support is of high value, but to very few customers

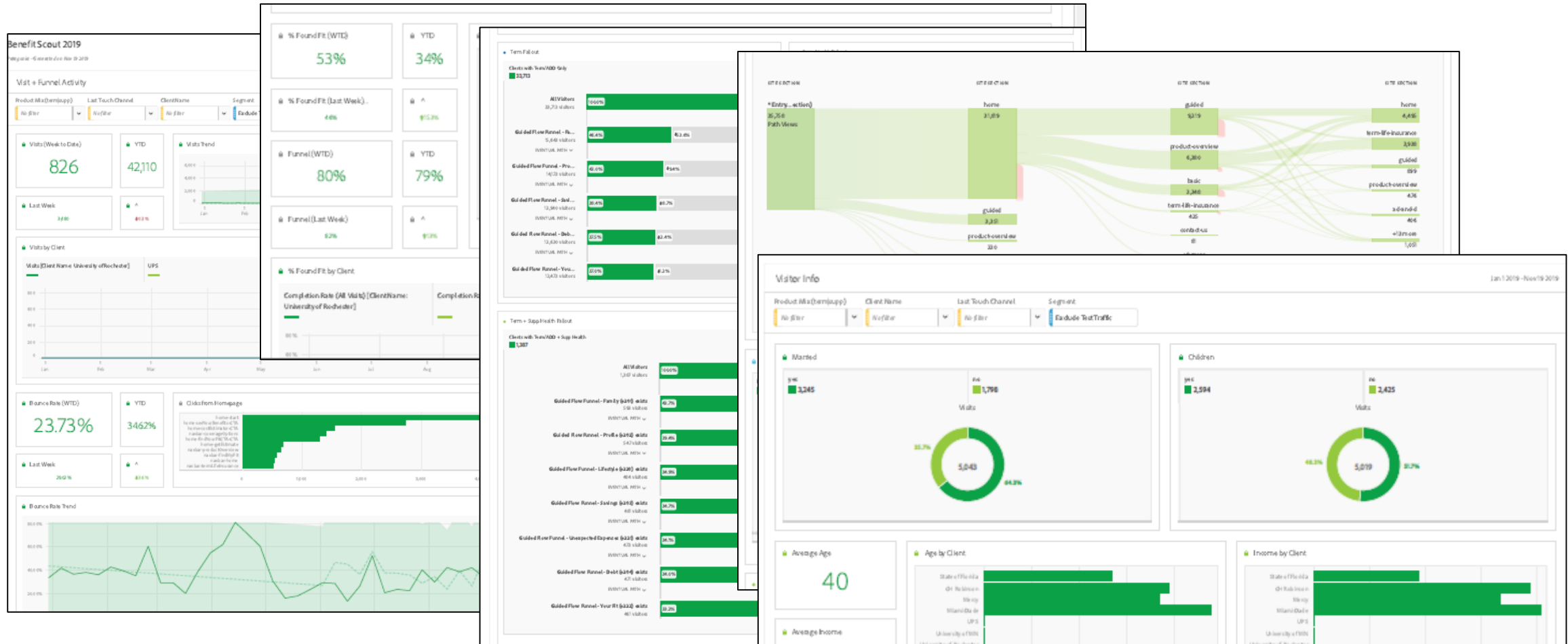


Results

- The marketing approach and enrollment channel are the most influential
- Experience can co-exist with other decision support tools



KPI reporting well established



2020 product roadmap

Product expansion

Generally, help customers feel supported and make nuanced decisions.

Partnership Expansion

Internally and externally, where can Benefit Scout bring/find additional value

Continuous Improvement

Generally, increase visits and simplify the ability to act on recommendations.

Technology Platform

Continue the history of using this as a sandbox for new technologies and approaches which benefit the customer and team



Broader application within the firm



Supports other transformation

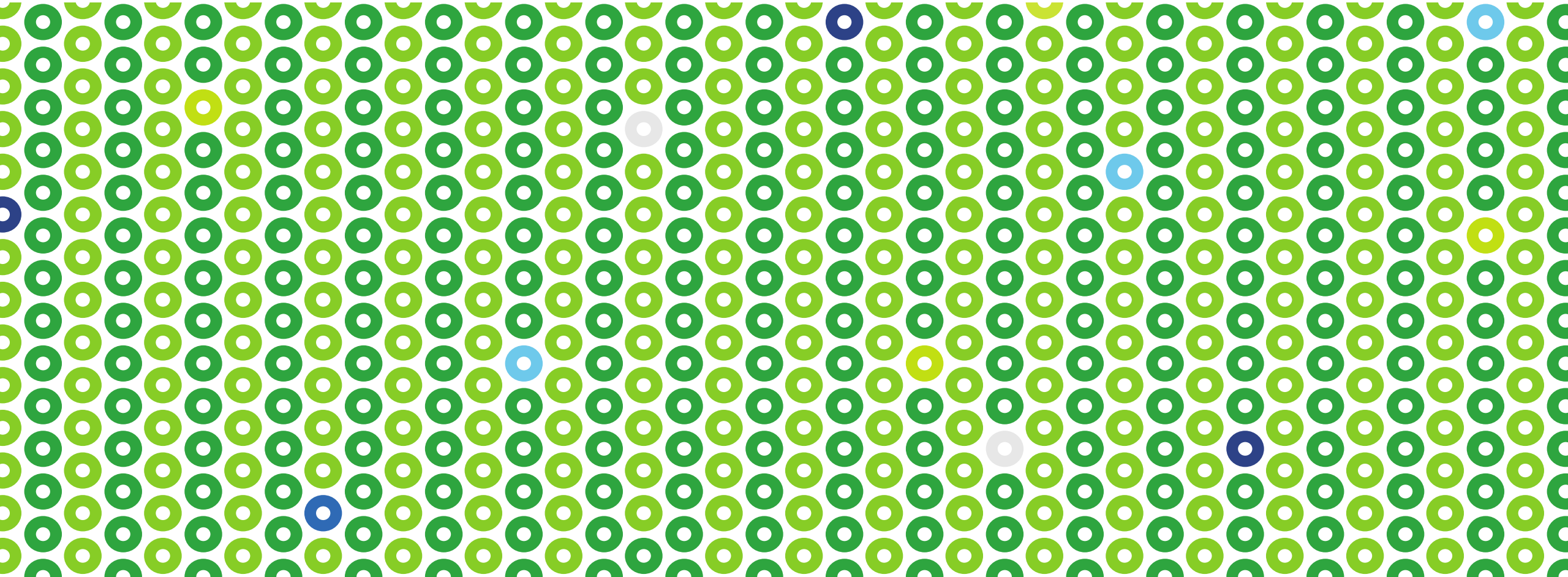
- A reference example for a new approach to “agile” with an empowered Product Owner and team
- The model and testing ground for many new cloud development tools and team techniques
- Cleared barriers leading to more dynamic partnerships between the technology team and
 - Marketing
 - Law & Compliance
 - Account Management & Sales



Q&A



Thank you!



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