Electronic signature technology from eSignSystems enables one of the first and most comprehensive online application portals for Medicare Supplement insurance.

eSignatures Speed At-Home Medicare Supplement Insurance Applications

Industry
Insurance

Benefits Summary

- Allow Medicare Supplement insurance candidates to apply online at home, and often receive an approved policy within minutes

- Enable an online process that eliminates application errors, thus minimizing costly follow-up by insurance agents

- Seamlessly integrate the electronic signature application with IAS's branded online application portal, allowing it to keep proprietary applications and customer data in-house

Each day, more than 10,000 Americans become qualified Medicare candidates, and over a quarter of these candidates will purchase supplemental insurance – both to gain additional benefits not covered by Medicare and to limit out-of-pocket expenses. These new applications for Medicare supplements already shower agents and carriers with daily paperwork. But the industry is bracing for a storm of new applicants as the first of the Baby Boomers become eligible for the federal program in 2011.

The silver lining to this cloud is that the Baby Boomer generation accepts – and even expects – to purchase products online. So, in anticipation of these tech-savvy candidates for Medicare Supplement coverage, Insurance Administrative Solutions sought to build an online platform for insurance carriers that could process new customer applications quickly, accurately and from the comfort of their home. In order for its platform to work, however, agents needed to ensure new policies generated online were every bit as legitimate and binding as those created with paper and ink.

After considering several vendors, the company chose to license the electronic signature technology of eSignSystems, a division of Wave Systems Corp.

THE CHALLENGE:
Build a proprietary online platform enabling a new generation of tech-savvy Medicare Supplement insurance candidates to apply from the comfort of their home, and receive an approved and fully legitimate policy within minutes.

A leading provider of third party administrative solutions, Insurance Administrative Solutions (IAS) offers back-office support functions typically performed in the home offices of clients in the life, health, and Medicare Supplement insurance industries. The company processes 5 – 6 million claims annually (with better than 98% accuracy). Based on the number of lives under administration, if it were an actual insurance company, IAS would rank among the top 10% of Medicare Supplement carriers in the U.S.

The value that IAS provides clients is, in a word, efficiency – the sort of efficiency that derives from lower operating costs, increased productivity and greater precision in the processing and fulfilment of claims. A key enabler to its value is IAS's forward-looking industry expertise, and its ability to innovate custom-built platforms that help clients to stay ahead of the curve.

Thus, even before the first Baby Boomers reached retirement age, the company began searching for technologies that could help its clients streamline what was frequently — under the best conditions — a three-day enrolment process to apply and receive approval for Medicare Supplement insurance.

"There weren't any customers specifically requesting a solution to the problem," said Mark Postove, IAS's Senior VP and Director of IT. "But our President, Randy Samples, felt we needed to take a leadership role and develop a solution before the requests started."

"It was a learning process," Postove continued. "We started by contacting a number of vendors to learn how electronic signatures worked, and whether the technology could apply to our process. We developed a sense of what worked, and what didn't; and, out of this, we developed a set of criteria for what an eventual solution might look like."

Since IAS already represented a third-party middleman between its clients and their customers, it didn't want its online application process to introduce additional parties into the mix. That led to two very important criteria in its search for a solution. First, the prospective electronic signature solution would need to be a licensed technology that IAS could integrate seamlessly into its proprietary online application portal. Secondly, it was essential that all electronically signed documents submitted would be stored on IAS's in-house servers.

"Most electronic signature solutions that we considered didn't integrate well with our technology, or they were outsourced platforms," said Postove. "Of the handful of options that remained, eSignSystems' SmartSAFE™ solution stood out as the best-in-class electronic signature technology."

THE SOLUTION:

Licensing eSignSystems' SmartSAFE and SignatureServer technology for seamless integration into IAS's existing online application portal.

SignatureServer is a username/password-based electronic signature application designed for all types of forms or documents that require legal signatures. SmartSAFE provides compliant, electronic document management. It automatically time-stamps documents, checks expiration dates and numerous other data points to provide important transaction history for complete audit trail.

More importantly, it can be licensed. Licensing SmartSAFE allowed IAS to load it onto its in-house servers, and customize the eSigning experience to seamlessly blend with its proprietary online application portal.

"We built a new domain with dedicated servers to house the SmartSAFE," Postove said. "But our technical support staff got the job done quickly. That really stood out. It was easy to install and use the technology."

Once installed, SignatureServer was ready to authenticate documents and signatures submitted through IAS's portal, and store them securely in eSignSystems' SmartSAFE.

Securely maintaining an electronically signed record is essential to establishing it as a legally binding document or contract. Medicare Supplement applications filed through IAS's portal are verified throughout the process to ensure that the user and password are authentic and the documents free from tampering. SmartSAFE also enables applicants to access and print certified copies of their submitted documents, while the archived, signed document remains untouched, meeting legal and compliance requirements.

THE BENEFITS:

Streamlined costs for providers of Medicare Supplement insurance, faster approval for applicants, and demonstrable industry leadership for IAS.

IAS's online application portal, enabled by eSignSystems' technology, provided benefits along the entire value chain. It helped introduce a safe, convenient way for Medicare Supplement insurance candidates to navigate the application process from the comfort of their own home. Sales agents can still play a helpful role, as the technology offers applicants the option of working with agents where needed.

So far, customers have responded positively to the service. One IAS client mailed postcards offering Medicare Supplement applicants the choice of dialing a number to speak with an agent, or logging on to the IAS website powered by SmartSAFE technology. About 30% of those who responded chose to apply directly through the website, and just under 50% of all of those who completed an application either directly through the website or through a call center were willing to eSign the application and complete the process online so that no paper was involved. That number continues to increase as more of IAS's insurance carriers offer the eSignature option to the Internet-savvy Baby Boomers, who represent more and more applications.

Perhaps more importantly, electronic signature technology significantly helped accelerate customer approval. "With eSignSystems' technology, we've shortened the approval process from several days to fifteen minutes," said Victor Castellanos, IAS's Senior Vice President and Chief Marketing Officer. "Once applicants complete and sign their applications online, they often receive a decision within minutes; and those who are approved can download or print their policy instantly."

"Anytime you shave time and extra steps off a process, you're saving costs," Castellanos said, adding, "The application portal also helps level the playing field for smaller insurance carriers by letting them offer customers the same high-value resource that larger carriers offer."

Licensing eSignSystems' technology helped IAS launch one of the industry's first and most comprehensive online application platforms for Medicare Supplement insurance.

"We try to keep our value-added services in-house, but we recognize there are certain things we're not the experts in," said Postove. "In those cases we want to partner with the people who are the experts, and eSignSystems has helped set the standards for electronic signature technology."

In partnering with eSignSystems, IAS gained the market advantage of a decade's leadership and experience in the electronic signature marketplace, where eSignSystems has helped pave the way for the industry. "By licensing eSignSystems' technology, we can out-compete companies that would try to build a similar solution in-house," added Castellanos.

esignsystems
INNOVATION SIMPLIFIED™