

Deliver Compliant Communications Every Time

A Positive Impact on Insurance

Insurance is one of the most regimented and regulated industries in business. From the enforcement of internal company guidelines to federal and state mandates, the scope of compliance is vast. The past several years have seen an unprecedented number of new regulations aimed at protecting customers and shareholders of insurance carriers. As a result, an insurer's compliance function, its compliance activities and all associated technologies it deploys in the process will need to evolve as regulations and oversight continue to change.

While compliance is not new, the energy and action that insurers are devoting to this area has reached new levels. While most insurers have a central compliance function that has the responsibility to track key compliance events, such as market conduct exams, regulatory inquiries and fines and sanctions, more and more insurers are strengthening the compliance role at the business-unit level. More organizational changes are designed to increase the focus on compliance, and more IT projects are tied directly to improving compliance.

So, the obvious question is: Where should you focus efforts to gain the most out of your compliance aspirations?

Unlike other industries that manufacture and deliver physical products, the value experienced by an insurance customer is a result of the interaction they have with the insurer and the perception of how well the insurer has delivered on the promise of the insurance contract. For insurers, customer communications play a key role in shaping that value. The quality of customer communications can make or break relationships. Communications that are consistent, informative and accurate across multiple channels are the linchpins of exemplary customer service and equally as important, compliance. But, misconceptions about the best technologies and processes to deliver customer communications that are effective and compliant abound.

Traditional Communication Technologies and the Compliance Issues They Create

Insurance communications are subject to a large number of regulations. Everything from legal language and the timing of communications to the fonts and layouts must be checked for compliance. In addition to federal regulations, every insurer must understand and comply with regulations for each and every state where they do business, for every type of coverage they write and for every type of customer document they deliver. And, there

is a steady stream of changes to these regulations, numbering in the thousands per year, for the average insurer.

If you are currently using Microsoft® Word, an internally developed system or an existing software module within your core administration suite to generate communications, chances are you are struggling to ensure that each communication meets compliance requirements. Simply stated, these traditional approaches are putting your business at significant risk. Plagued with document templates stored on end-users' hard drives scattered across the organization, manual "cutting and pasting" of data into communications and lack of automated data synchronization makes ensuring compliance with these technologies almost impossible. But despite the warning signs, many insurers remain tethered to their legacy systems. Once at the forefront of technology, these legacy communications systems are unable to keep pace today and leave insurers vulnerable.

How Modern Customer Communications Solutions Can Help You Achieve Your Aspirations

Sending non-compliant communications to customers may result in fines, additional rework and even customer-satisfaction issues. Newer customer communications applications can play a major role in helping insurers address these issues. A modern customer communications solution typically has the following capabilities that directly assist in managing compliance, resulting in less manual work and fewer fines for non-compliance:

1. **Role-based authorizations:** Multiple departments and individuals may be involved in creating and producing forms, document templates and individual customer communications. In order to ensure compliance, it is vital that only authorized individuals create or change elements that are subject to compliance rules. A modern customer communications application will allow for the definitions of specific roles that are assigned to specific individuals. For example, only certain named individuals may be able to change language related to a coverage in a given state. Roles-based authorization capabilities within the customer communications application "lock down" this language so that others cannot revise or delete it.
2. **Version control:** The pace of changes is accelerating in insurance, and the resulting flow of business drives frequent changes to customer documents or the creation of new ones. For example, when a new product is introduced, a new state is entered or a new regulation is issued, existing templates must be revised to create the corresponding new document versions. Tracking the different versions of documents that need to be used in

each situation is very complex. Modern customer communications solutions can automate the tracking of multiple versions more effectively than traditional systems.

3. **Audit trails:** When the role-based authorization capability is combined with version control and reporting capabilities, insurers are able to audit changes. It is critical that audit trails for document changes are available. A modern customer communications solution provides this capability, allowing diagnostics to determine what version of a document was used at a particular point in time and who made the changes to it.
4. **Rules-based logic:** Individuals (or traditional communications applications) creating and assembling customer documents cannot possibly know all the rules on when and where to include the right regulatory language for every situation. Modern customer communications applications can assist in this regard. Rules-based logic built directly into templates can identify when text paragraphs or other regulated components must be inserted or attached, based on the context of the data used in creating the document.

All of these capabilities for the creation and delivery of customer documents allow your compliance team to support other groups creating communications (such as Policy Servicing or Claims) and reduce regulatory fines, manual operations and associated rework. The automated capabilities of a modern customer communications application enables compliance professionals to capitalize on their regulatory expertise while improving customer communications efficiency and effectiveness to deliver real value, build trust and expand customer relationships.

To learn more, visit cincom.com/cds, or give us a call at **800.2CINCOM**.

About Cincom

Cincom delivers the most intuitive, customer communications solution in the industry. By streamlining the design, deployment, delivery and management of high-volume, highly personalized communications, Cincom helps insurers:

- Acquire, strengthen and expand customer relationships
- Minimize compliance and regulatory risks
- Reduce operating costs
- Accelerate time-to-market for all their customer communications

Cincom leads the industry in providing customer communications solutions that are easy to integrate, easy to use and deliver a rapid and continuous return on investment.



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FORM CDSUS1702013-4PC 1/17