INSURANCE PLAYBOOK
Your Guide to Sales Success in the Insurance Market
Table of Contents

3    SWOT analysis
5    Major trends in the insurance field
9    Market overview charts
11   Typical buying process
12   Personas
18   Sales enablement
22   Sales tools
SWOT Analysis
Market Overview | SWOT

**Strengths**

**Time savings:**
Adjusters spend 40-50% of their day creating documents. By improving the efficiency of this process, Dragon NaturallySpeaking will save insurance claims agents one of their most valuable commodities: Time.

**Timely claims response:**
Recognizing that rapid response is essential to their business, insurance companies are extremely concerned about the speed with which they can respond to customer claims. Dragon makes it easier for agents to respond to claims quickly and efficiently.

**Thoroughness:**
As every agent knows, their value is dependent on the accuracy and quality of their insurance report. Because Dragon can make the process of reporting faster and easier, claims agents can spend more time ensuring the quality and thoroughness of their reports. Using a digital voice recorder will help capture all details while in the field.

**Improved employee retention:**
By using Dragon to simplify the administrative work that comes with the job, field adjusters can spend more time focused on the more important tasks and better manage the volume of their claims work at the same time. This in turn will positively affect employee morale and recruitment.

**Weaknesses**

**Low awareness:**
Most claims agents use other forms of speech technology in their everyday lives, such as GPS systems and cell phones while on the road, but have never considered speech recognition to expedite document creation.

**Negative perceptions:**
Claims managers who have first-hand knowledge of older versions of voice recognition software have concerns about ease of use, accuracy and performance.

**Opportunities**

**Available budgets:**
Large insurance companies have significant technology budgets and are in good financial standing. If Dragon can prove business results, budgets will be allocated.

**An untapped market:**
Dragon has already been accepted within legal and claims departments at some insurance companies — but significant opportunities remain.

**Job satisfaction:**
Dragon will help to reduce the amount of time often required to work at home in order get the job done, making a happier employee.

**Threats**

**Resistance to change:**
Many claims agents are older and may be resistant to any change in their daily work habits.

**Bureaucracy:**
Large insurance companies move toward change slowly and new initiatives frequently require cross-functional committees to make decisions. Sales cycles are traditionally slower than other industries.
CULTURE

The claims group (claims adjusters, examiners and investigators) within an insurance company is responsible for quickly and accurately assessing a claim, determining if the claim is covered by the customer’s policy, estimating and confirming payment, and when necessary, investigating the circumstances surrounding the claim.

Many in the industry feel that a company’s reputation is solely based on how it handles claims. The quicker and easier the claims process appears to the consumer, the more likely he or she will stay with the company and spread positive messages to friends and family. Why is this important? Because an insurance company makes most of its profits from investments. More customers mean more money to invest.

The claims workforce is aging. Insurance companies are having difficulty recruiting younger professionals who are uninterested in the clerical demands of the job. Field adjusters can spend as much as 50% of their time on documentation. Similar to public safety, proper documentation is essential and focused on presenting the facts so that key decisions can be made. It is also used for future reference when legal action is taken.

Field adjusters spend most if not all of their time on the road or in their home office. Many use a laptop and printer in their vehicle. Managers are typically former claims adjusters now responsible for the supervision of adjusters, as well as the review and approval of claims. They are judged on the accuracy and the completeness of claims, the number of claims handled and the speed of the resolution. In order to succeed at their jobs they need to be highly detail-oriented.

KEY FACTS

50% of claim adjusters do not have a college degree.∗

The estimated number of employees responsible for generating claims is more than 209,000.∗

∗ Bureau of Labor Statistics

QUOTE:

“I only see most of my claims guys about once a month, when they come in for the monthly status meeting.”

-Claims director, large insurance company.
Insurance companies continue to invest billions on technology efforts. In fact, the largest three percent of insurance companies spend between $500 million and $1 billion on IT each year, according to Gartner.

The claims department accounts for 13% of the typical insurance IT budget, the second most funded in the company. Much of that budget is spent on maintaining cumbersome legacy back-end systems. Other investments include data standardization efforts, along with business rules engines and middleware to bring customer information to the Web. Projects focused on improving the claims process are based on software or Web services that enable shared information quickly across multiple departments. These types of projects take up most of the mindshare and wallets of an IT department. Budgets for discretionary or strategic projects (i.e. Dragon) are funded but are much smaller relative to the investments required for the large infrastructure projects.

The claims department accounts for 13% of the typical insurance IT budget.

75% of insurance companies have invested in document management technology projects.*

*I Gartner

“I would need to demonstrate a positive 3 year ROI to get funding for the pilot.”

-Claims director, large insurance company
WORKFLOW

A claim is born when an insured customer contacts the insurance company’s call center or goes online to alert a representative of the claim against their policy. A claim can range from the theft of a boat to a worker’s compensation claim. Once initial details are entered into the system, the claim is routed to the claims department. (See workflow diagram on next page.)

Many claims require a claims adjuster to go to the site and inspect the damage. (Some claims also require a claims investigator to determine if fraud is involved.) The adjuster examines the claim, determines the insurer’s liability and creates a very detailed document that includes large sections of notes. These are typically done on a laptop in the car. The documents will include descriptive summaries and notes regarding the findings from the claims adjuster, company and customer information, status reports and log notes, correspondence, estimates and other financial documentation, statements from customers, diagrams, photos and other scanned documents.

Once the form is complete, the adjuster sends the document to the claims manager who then inspects the form for completeness and accuracy and then either approves or rejects the claim. The document then goes to the back office for processing and for payment. The claims adjuster might drive to the claimant’s residence to deliver the check or the check might be mailed to the address. It’s estimated that adjusters spend as much as half of their day creating documents.

KEY FACTS

Claims adjusters spend 40% to 50% of their time preparing written documentation.*

The resolution of a claim can take from 5 days to several months.*

* Nuance primary research, October 2008

QUOTE:

“It can be a challenge to keep up with the number of claims we need to process every month, especially when a disaster hits an area.”

-Claims manager, large insurance company
Initial claim is reported and details are entered into the system.

Adjuster goes to the site to inspect the damage. Claim adjuster documents facts manually.

Claim examination details are entered into the claim processing system.

Form is reviewed by claims manager. If rejected, goes back to adjuster for additional detail; if accepted goes to office for processing/payment.

Adjuster delivers or mails check to claimant.

**With Dragon**

Preparing reports with Dragon is three times faster than typing, saving each claims agent several hours per day. Claims are processed faster so adjusters can handle more claims with higher quality.
The number of claims workers is significant and projected to grow...

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims adjusters, appraisers and investigators.</td>
<td>319,000</td>
<td>347,000</td>
<td>29,000</td>
</tr>
<tr>
<td>Claims adjusters, examiners and investigators.</td>
<td>305,000</td>
<td>332,000</td>
<td>27,000</td>
</tr>
<tr>
<td>Insurance appraisers, auto damage.</td>
<td>13,000</td>
<td>15,000</td>
<td>1,700</td>
</tr>
</tbody>
</table>

Customer Satisfaction Ratings: Insurance companies’ reputations are directly linked to claims speed and effectiveness. The ability to quickly and correctly handle a claim has significant impact on customer retention.

<table>
<thead>
<tr>
<th>Scale 1-5 (1 is low 5 is high)</th>
<th>Overall Experience</th>
<th>Claims Settlement</th>
<th>Claims Representative</th>
<th>Claims Process and Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amica</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>AIG</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Allstate</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Geico</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>MetLife</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Nationwide</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Progressive</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Safeco</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>State Farm</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>The Hartford</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: J.D. Power and Associate
Market Overview | Customers

**Preferred**
11 insurance companies currently use Dragon Preferred and only 3 have more than 50 licenses

- Liberty Mutual: 1,142 licenses
- TRAVELERS: 510 licenses
- FARMERS: 275 licenses
- STATE FARM: 323 licenses
- CNA: 140 licenses
- CHUBB: 218 licenses
- ALLAMERICA: 85 licenses
- ALLSTATE: 75 licenses
- Michigan Millers Mutual Insurance Company: 55 licenses

**Professional**
29 insurance companies currently use Dragon Professional but only 5 have more than 50 licenses

- (1,142 licenses)
Although an insurance company’s internal IT group is responsible for many of the large-scale projects, the adoption of Dragon NaturallySpeaking will need to be championed by the claims management team. Once the claims manager or director decides that this could help the department, he either has to determine whether he has the budget to spend on a pilot or whether he needs to approach senior management to obtain funding.

An IT resource will be asked to evaluate the software and to search for alternatives. The manager might form a project team to evaluate the software and to manage the pilot. After the pilot period is over, the team evaluates the success of the project and then goes to senior management to make the case for wider adoption across the company.
Prospect Insights

What is a Persona?

Personas help us give a “face” to our target customers. The persona descriptions listed here represent a fictional depiction of the typical prospect that we are targeting with our sales and marketing activity. These characters are based upon extensive interviews with actual prospects and customers and attempt to bring some of the key aspects of the target to life. The actual prospects will vary in their attitudes and demographics but most will share some aspects of the descriptions that follow.
Prospect Insights | Summary of Prospects

Large Full Line Insurance Company/Claims Manager

Most claims managers have worked their way up from the claims adjuster position. They are very detail-oriented and recognize that it’s their duty to make sure that the right decisions are made regarding coverage. Having been in the field, they realize how important it is to quickly get money to the insured — much of their day is spent making sure this happens.

Their day-to-day work is assigning claims to adjusters and managing the approval of the claims. They also spend time working with others at corporate in implementing new workflows and technologies. They meet with the department head every quarter to review performance. Performance includes meeting their numbers, as well as improving customer satisfaction surveys.

Why Dragon?
By using Dragon, the time required to create the reports and documents associated with a claim could be cut in half, saving the typical claims department thousands of hours per year. Claims agents can handle more claims per day and be more thorough and timely with the documentation tasks. Dragon is being used by many large insurance companies and has a proven ROI.

Large Full Line Insurance Company/IT Director

The IT director at an insurance company is a stable position. There is more work than can be done and the need to upgrade systems is crucial to the future success of the company. That said, it’s not a “glory” tech job and most of the projects bring with them the stress of looming deadlines. Most IT workers feel that they could do their job better if the business unit would just get out of their way. They are skeptical by nature and have heard too many promises by the vendor sales people that turned out to be false.

Why Dragon?
Dragon will make a real difference in how claims agents do their job. By quickly and accurately transforming speech to text, documents and reports are created up to three times faster than typing. Dragon works seamlessly with all Microsoft Office products and can integrate with custom applications. Dragon’s engineers have designed the product so that it is simple to deploy, install and maintain. Training is available for all end-users.
Claims Manager/ Mike Winston

OVERVIEW

Mike is 43 years old and has been in the claims business since he graduated from state college. Mike is married and has two kids, 12 and 16. He lives in a community of mostly blue-collar workers who make a decent living.

Mike moved his way up from claims adjuster to claims examiner in his first five years. Meeting new people and examining new situations made the work exciting. He took the “corporate” job as manager five years ago, since the claims examiner job required that he work nights and weekends, and he might need to leave home for weeks at a time if a major catastrophe hit the South East.

Mike is on the BPM (Business Process Management) improvement team along with another claims manager, a senior project manager and two technology directors.

Workflow

Much of Mike’s day is spent assigning, reviewing and authorizing claims. He is judged on the accuracy and completeness of claims, number of claims handled, and the speed of the resolution.

He relies heavily on five talented claims adjusters to help him meet his department’s goals. Several of his adjusters take longer than others and are unable to file more than four claims a day. Some of Mike’s adjusters use a digital dictation device in the car to record notes.
Role in purchase decisions

Mike has discretion over the department budget and can make financial decisions up to $10,000. He is involved in major technology decisions that impact his department in that he is part of the sub-committee that makes recommendations to senior management.

Attitude towards technology

Mike is all for using technology to improve his and his team’s workday. At home Mike usually waits for new technology to be out for a few years before he considers buying it for himself. His kids are technology whizzes and for the life of him he can’t figure out why they spend so much time on Facebook. He remembers a time when writing reports was simpler and realizes that technology can probably help. He just wants things to be uncomplicated.

Attitude towards Dragon NaturallySpeaking

Mike has seen a few lawyers at his company use voice recognition software and thought it was pretty cool. But he also remembers hearing that it can be inaccurate and requires a lot of revisions. Mike has never considered it for his own group because he has no idea how it could help his department.
Director of IT/Amin Rammal

OVERVIEW

Amin has been with the insurance company for three years. This is his fifth job in the last 12 years. Amin came to the US from Pakistan for college in 1992 and stayed because the pay is better in the US.

Amin has a stressful job. He is responsible for several multi-million-dollar technology projects and never seems to have enough time in his day. Like many IT professionals he feels under-appreciated and is constantly managing the expectations of his business unit colleagues. Amin loves technology and what it can do to make life better. He has all the latest gadgets and has been an active blogger on a developer site for the last five years.
Job summary

Amin manages a team of 15 developers. Some of the developers are programmers who are needed to maintain the insurance company’s legacy mainframe systems. Much of Amin’s time is spent in meetings with business unit managers updating them on the status of the multiple projects his department is running. Like most IT professionals, he gets frustrated with the lack of knowledge that business people have regarding the complexity of technology.

Attitude towards technology

Amin knows that his insurance company is well behind the times when it comes to system architecture and unlocking the data and business rules from the backend systems. He is working on several large-scale, complicated and expensive projects to change that and it takes up most of his time. He tries to keep up with the latest developments in web technologies but doesn’t consider himself an expert. Amin spends little time thinking about desktop applications other than how some of the customized apps need to integrate with the database.

Attitude towards Dragon NaturallySpeaking

Amin knows about Dragon but has never used it. If he was forced to think about Dragon he would likely find it to be pretty cool. But he currently doesn’t see how it could be relevant for the business units he supports (claims). He has heard that some members of the legal department use Dragon and that most find it helpful in their day-to-day work.
Sales Enablement
Pain Points

• It has become increasingly difficult to meet claims quotas.

• The quality and completeness of the reports could be improved.

• Turnover of claims adjusters is a problem. Many are leaving the field because of all the administrative work required. It can take up to five months to find and train a new claims adjuster.

Key Selling Messages

• Documentation time could be cut in half with Dragon with the potential to provide several hours of time-savings per day. Claims representatives can use that time to complete more claims each day.

• Dragon will improve the claims process workflow. Dragon macros will streamline and accelerate data and claims input making agents more efficient and reports more accurate.

• In addition to improving the speed of creating reports, using Dragon with digital voice recorders to capture information in the field can help improve the quality and accuracy of the descriptive information within the reports.

• By streamlining traditional workflow and alleviating the heavy need for typing, Dragon enables claims agents to spend more time with the interesting and challenging parts of their jobs.
Key objections and concerns — and how to overcome them

“I tried it before and it didn’t work.”
What if someone told you “I don’t think videos games are that good. I used an Atari 2600 and wasn’t that impressed.”? They are obviously referencing older technology and haven’t looked at the new consoles like the Wii and the Xbox 360. Likewise, speech recognition technology has advanced substantially. Hardware has also improved so that speech systems can take advantage of increased processing power and noise-canceling headsets.

“I’m not really sure how this will help out my department.”
How much time are your claims managers spending on paperwork? The details captured in reports are critical, but your staff is drowning under the documentation workload. It’s often the manual task of typing up the reports that is keeping the claims team from handling more claims. With field agents spending 3-4 hours per day — or more! — typing reports, saving time with Dragon increases the ability to handle more cases per workday. Specific benefits of Dragon usage include the following:

• Recapture lost time typing reports
• Increase ability for agents and adjusters to quickly handle more cases per workday
• Handle more calls and claims per hour
• Reduce or eliminate need for high-cost transcription services
• Shorten process time for claims
• Improve accuracy of documents and data
• Better manage overhead costs, heavy workloads and paperwork

“Most of my claims adjusters are older and resistant to new technology.”
A successful speech recognition deployment requires careful attention to user expectations, training, and customization. For a sophisticated tool, Dragon is remarkably easy to use — allowing most users to be up and running with minimal training and support costs. Additional training and clear articulation of specific user benefits leads to high adoption rates even among a non-tech savvy user population.

“We have very unique software and processes. I’m not sure Dragon can work with our systems.”
Dragon works the way you work and can “speech-enable” nearly any Windows-based application. Dragon enables users to perform the same tasks they always have — only faster. Virtually any menu item or dialog box can be controlled by voice. Users can edit and format their work, launch applications and open files, or cut-and-paste documents. In other words, speech recognition helps to speed up routine tasks on the PC. Many applications can be easier to use and more effective when deployed in conjunction with speech recognition.
Key objections and concerns — and how to overcome them (continued)

“My claims adjusters spend most of their time in the field, can Dragon work there?”
Adjusters can use their field time productively by pairing Dragon with a digital voice recorder to capture their notes in the field. This allows them to capture complete details while the material is fresh in their minds. When they’re back in the office, they can jumpstart document creation by transferring the audio files from the device to their PC.

“We don’t have much time to train the claims agents and they are widespread throughout the region.”
With training offered onsite or remotely to suit your needs, Nuance makes it easy to learn how to use Dragon to streamline claims processes and optimize efficiency. Customized training materials, including a customizable Training Workbook, teach the essential skills needed to incorporate speech into your agents’ daily work processes.
The following items will soon be at your disposal to help you obtain large license deals:

- Industry-specific slides
- BTA list development
- ROI calculator
- Case studies
- White papers
- Day in the life video
- Demo scripts
- Key contacts
- Pilot programs
- Webinars

As of December 2008, these items are in development and are slated for unveiling in the first half of 2009.