

MINNESOTA LIFE



*The promise to pay*  
The team behind 100%  
claims satisfaction

**Group Insurance**

January 2014

*"We are normal people helping normal people, not machines going through the motions of simply processing claims."*

*- Annie Blados, examiner,  
Group Claims at Minnesota Life*

**Service is compassion.** In the most recent client satisfaction survey<sup>1</sup> Minnesota Life's claims team earned a 100% satisfied rating.

Learn in this white paper how our claims, medical and technology teams come together to fulfill the promise to pay.

## ***The promise to pay***

### **The team behind 100% claims satisfaction**

The people and technologies that stand behind a group life insurance contract touch lives in a powerful way. Meet the Minnesota Life team who interacts daily with employees and their family members to fulfill the promise to pay – and makes employers’ lives easier in the process.

*Employers can really make a difference by putting a process in place to regularly remind employees of the importance of updating their beneficiary information as life events and changes happen.*

### **Keeping beneficiary designations current**

A smooth claims process starts with accurate beneficiary information. Encouraging employees to name a beneficiary – and keep the designation current – can be just as important as providing the group life insurance benefit itself. After all, it may be years or even decades before the proceeds of a policy are paid out.

Ross Stedman, manager of Group Claims for Minnesota Life, sees firsthand the importance of an up-to-date beneficiary designation. “When it’s not up-to-date and an employee’s situation has changed before they pass away, we may have the challenge of determining the rightful beneficiary,” he says, “a task made more difficult because the source of the information is no longer living.”

“An insured may designate a beneficiary and never give it another thought,” adds Stedman. But over time, with life changes such as marriage, divorce, birth or adoption, designations can become outdated and not match an employee’s wishes at death. “As a result, we may end up with multiple parties competing for benefits at claim time.”

On the flip side, when a beneficiary designation is clear and up-to-date, the claims process is very straightforward. “When an employee passes away and the beneficiary information is up-to-date, we’re able to exchange the appropriate information and pay the claim easily and quickly,” explains Stedman. Employers can really make a difference by putting a process in place to regularly remind employees of the importance of updating their beneficiary information as life events and changes happen.

### **Making the process easy**

Because of the importance of accurate beneficiary information, Minnesota Life has developed an approach to fully support clients’ goals for storing and accessing these vital records.

“At implementation, we bring together a team of experts to fully understand the beneficiary management situation at the client level,” says Adam Taylor, manager, client technology, Minnesota Life. The team begins by exploring the variety and location of designations that exist. “There may be active employee and retiree groups to consider. Information may be on paper, on fiche, or literally stuffed in a box. We’ve seen every combination,” says Taylor.

A key decision is whether an employer is happy with the information as they have it or if they want to start fresh. If beneficiary records are in good shape, they can be transferred over to Minnesota Life, saving the employer time and dollars.

“If the goal is to improve beneficiary management overall, we may recommend a full beneficiary re-solicitation among employees,” Taylor explains. “The re-solicitation is a great solution when records are outdated, inaccessible or stored in multiple locations.

The solicitation can be tied to Open Enrollment or sent out separately. “Typical results are pretty high,” explains Mindy Rutzick, a client technology specialist on Taylor’s team. “Clients are pleasantly surprised to learn of employees’ response. The main value is making it easy to designate a beneficiary through a very simple online process,” she adds.

Online beneficiary management is a win-win for employees and employers alike. “By moving the information online, employees can view and change their designations when needed,” says Taylor. “And, instead of being on the front line answering questions, Human Resources staff members are freed up to provide value to employees in other ways.”

Minnesota Life now manages more than three million designations online – a win for the carrier as well. “Beneficiary information is going to be needed when it comes time to pay a claim,” says Rutzick. “It makes great sense to have it readily available.”

## Delivering more than a claims check

With accurate beneficiary designations in hand, the claims process can proceed smoothly. Claims can come at the time of death or as a payment of living benefits.

With that first call to report a claim, the claims team not only kicks processes into high gear, but also offers real support to a grieving family. Minnesota Life’s distinctive claims model is based on experience, collaboration, dedication, compassion and care.

“People don’t know what to expect when they call in to file a group life insurance death claim,” says Annie Blados, examiner, Group Claims, Minnesota Life. “We are open, answer questions, explain next steps, reassure people, and provide a compassionate ear and voice.”

“We really take the time to add a personal touch, to be ourselves when the phone rings,” Blados continues. Annie, and others on the group life team, are there in person every day for beneficiaries. “We are normal people helping normal people, not machines going through the motions of simply processing claims.”

Technology and fast claims processing is part of the promise, yet it’s often the kind word or status update that a beneficiary remembers.

## 10 mistakes in naming life insurance beneficiaries

1. *Naming a minor child*
2. *Naming a special needs dependent, making them ineligible for government benefits*
3. *Overlooking your spouse in a community property state (CA, ID, LA, NV, NM, TX, WA WI)*
4. *Structuring proceeds in a way that could make them taxable*
5. *Assuming your will trumps the policy*
6. *Forgetting to update designations*
7. *Neglecting details. Provide beneficiary and distribution specifics.*
8. *Not telling a beneficiary of your wishes*
9. *Giving money with no strings attached*
10. *Naming only a primary beneficiary. Without a living beneficiary, benefits typically go into the deceased’s estate and are subject to probate.*

Source: Insure.com, May 16, 2013

“We ask ourselves how we would want to be treated if in their shoes,” says Blados. “This allows us to better relate to those we are here to help.”

“Management empowers us each day to be who we are with our claimants,” states Connie Schwartz, senior examiner, Group Claims, Minnesota Life. This mentality and culture provides beneficiaries with more than a manual driven response to their needs. “I get to come to work each day, be myself, and provide real person-to-person service.”

## A model of experience

Years of experience and a true collaborative culture are good points to have on your checklist when reviewing a provider’s claims department. “We are a leader in claims because of our team’s extensive experience and the model we have built to grow team members,” explains Ross Stedman, manager, group claims, Minnesota Life.

“I have been in claims for over 40 years,” explains Schwartz. This tenure gives Schwartz – and her teammates with similar longevity in the job – significant experience in reviewing and understanding the needs of claimants. That includes developing natural empathy skills and strength to share with people when they need it most.

“The complexity of claims processing has changed over the years, yet when your team’s tenure averages 16-17 years, you are better prepared to address plan changes smoothly and quickly,” explains Stedman. Hands-on training across teams, with upper management support, allows knowledge to spread out in all directions. “As new examiners come on board, they have the advantage of being trained by those with experience.”

## That feeling of satisfaction

“It’s a great feeling at the end of the day to know you are relieving someone of a financial burden and some of the stress involved with losing a loved one,” states Blados. “You can hear the relief in the person’s voice.” Satisfaction also comes from keeping things simple and efficient. “We do everything in our control to provide compassionate services in a smooth and timely manner,” explains Blados.

For many beneficiaries, concerns extend beyond receipt of the claims proceeds. “We always share information on the availability of Beneficiary Financial Counseling services from PricewaterhouseCoopers (PwC)<sup>2</sup>,” explains Stedman. The value added financial counseling services are available at no additional cost to the beneficiaries of employees insured under Minnesota Life/Securian Life group life insurance plans. “We work hard to make sure people know they have a place to turn for support and resources,” states Stedman.

*“I get to come to work each day, be myself, and provide real person-to-person service.”*

– Connie Schwartz, senior examiner, Group Claims, 40 years of service

*Along with professional, compassionate claims service, Minnesota Life delivers payments faster to group life beneficiaries*

**99.1%**

*of death claims were paid within 10 calendar days of receiving proof.*

**4.72**

**calendar days**

*The average time between receiving proof and making payment.*

Source: Minnesota Life, 2013

“Our beneficiary financial counseling services are specifically designed to assist with the difficult financial decisions survivors often face after the death of a loved one,” explains Kent Allison, partner, PwC. “We provide them with independent and objective guidance at a time when they really need someone they can trust.” Survivors can access a wide range of self-help articles and planning tools on the PwC eAdvisor website.

In addition, for those in need of a financial check-up, PwC’s Financial Fitness Assessment provides a quick analysis of their financial situation. “The assessment can play a key role in providing action steps beneficiaries can take to improve their financial well-being,” says Allison.

### Living benefits of group life insurance

In addition to offering a benefit at death, many group life insurance policies have provisions that support employees while they are alive. Two of them, the Accelerated Death Benefit feature and Waiver of (life) Premium rider, assist employees facing a terminal illness or long-term disability.

Often, employees do not even know these options exist. Benefits producers and employers can serve employees by making sure these features of a group life program are communicated, and by pointing out the difference a caring, experienced and knowledgeable carrier team makes in delivering them.

*Beneficiary Financial Counseling services from PricewaterhouseCoopers (PwC) are available at no additional cost to the beneficiaries of employees insured under Minnesota Life/Securian Life group life insurance plans.<sup>2</sup>*

### Definitions

**Accelerated Death Benefit:** A life insurance contract feature providing for the accelerated payment of the death benefit if the insured has a terminal condition as defined in the policy. Different plans can specify different life expectancy terms for eligibility. Minnesota Life offers one of the most generous provisions in the industry – a 100 percent payout.

**Waiver of Premium:** A life insurance contract rider that provides for the waiving of group life premiums if the insured, while under an age specified in the contract, suffers “total and permanent” disability while the agreement is in force. Insurance under the group policy continues while the insured is totally and permanently disabled, subject to certain provisions. Minnesota Life provides coordination of Waiver of Premium between the life policy and a client’s disability carrier.

Source: [www.lifebenefits.com](http://www.lifebenefits.com)

## A specialized approach

The review of a living benefit claim is not the same as the review of a death claim. “Medical information is unique, and at times complex,” explains Carmel Benzine, manager, group disability and individual claims, Group Insurance, Minnesota Life Insurance Company, an affiliate of Securian Financial Group. “This makes the Accelerated Death and Waiver of Premium claims review process very different from a life claim.”

Because of the difference, living benefit claims examiners need unique training. “In addition to broad claims and sensitivity training, our accelerated death and waiver of premium examiners go through disability and medical terminology training,” explains Benzine. In other words, they become specialists, yet know when to seek help with more complex cases.

Having easy access to a medical team that also understands the business side of insurance claims is invaluable – and not the norm in the group insurance industry. “We rely on our internal medical doctors for complex case review,” states Benzine. “They traverse the medical and claims worlds every day and understand the relationship between them.”

Examining accelerated death and disability claims is both a science and art, states Benzine. “The claims examiner brings the art of review, compassion, and a desire to do what’s right, while the medical team provides the science of medical expertise required to get the job done.”

“Our medical department spends significant time with the latest medical research to be able to approve claims based on updated diagnoses and prognosis results,” says Dr. George Battis, vice president and chief medical officer, Securian Financial Group.

The Securian medical staff represents a range of specialties, also adding value to the claims process. “We are clinical doctors, with active medical licenses in our areas of specialty,” explains Battis. “Board certified in our areas of practice – family, internal and geriatric medicine – we can step in to help with complex cases by applying our medical background alongside the research.”

In addition to individual areas of specialty, Securian’s medical directors must also be board certified in insurance medicine. Battis adds that board certification is another norm not seen in the group insurance industry. “It takes at least five years to accomplish the certification – on top of maintaining an active medical license,” he explains.

Battis and his team are seeing an increase in accelerated death benefit claims. “People are working longer now,” he says. “Our expertise with geriatric medicine, combined with the latest medical research, helps us keep pace with an aging workforce.” In turn, the

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medical team updates internal claims guides to educate examiners on what to look for in trending claims.

“Working together over the years, our claims and medical staff has sharpened collaborative efforts. We continue to do what is right for the insured – quickly and well,” says Battis.

## **Maintaining and delivering benefits**

“The best part about working with the Waiver of Premium feature is knowing you are helping people maintain their life coverage,” explains Benzine. “Making sure the life benefits stay in place, and that beneficiaries are taken care of, that’s what Waiver of Premium is all about.”

To determine if employees are utilizing the waiver feature, producers can assist by comparing clients’ long-term disability claims with waiver of premium claims. Employers, in turn, can reach out to employees to let them know about living benefits that may be available to them.

## **The right team with the right resources**

When selecting a group life insurance provider, looking for the financial strength and stability to back up promises is a given. But the search shouldn’t stop there. The claims, medical and technology teams that stand behind the promise also are a critical consideration.

*For more information about the ways our claims and technology services can make the process easier for you and your employees, contact your Minnesota Life/Securian Life regional group sales manager or client relationship advisor.*

*Connie Schwartz, senior examiner, Minnesota Life, shares one of her experiences from her 15 years in working with accelerated death benefit claims.*

*“By the time an employee calls to submit a living benefits claim, they are ill and likely dying,” says Schwartz. “I do everything humanly possible to determine if those calls can result in a payable claim.*

*“One of my first accelerated death benefit claims came from a woman in her fifties; she really wanted to take her family on a dream vacation before passing away,” explains Schwartz. After reviewing the claim, we were able to pay the living benefit claim and help the woman fulfill her dream. “This is why we are here,” asserts Schwartz.*

<sup>1</sup> Minnesota Life/Securian Life Client Satisfaction Survey, Gestalt, Inc., 2013

<sup>2</sup> Services provided by PricewaterhouseCoopers LLP are the service provider's sole responsibility. They are not affiliated with Minnesota Life, Securian Life, or their group contracts and may be discontinued at any time.

### Sources:

- Kent Allison, PricewaterhouseCoopers, Inc., interview on August 30, 2013, pwc.com
- Dr. George Battis, Minnesota Life, interview on September 26, 2013
- Carmel Benzine, Minnesota Life, interview on September 25, 2013
- Annie Blados, Minnesota Life, interview on August 28, 2013
- Mindy Rutzick, Minnesota Life, interview on November 11, 2013
- Connie Schwartz, Minnesota Life, interviews on August 27 and September 25, 2013
- Ross Stedman, Minnesota Life, interviews on August 29 and November 13, 2013
- Adam Taylor, Minnesota Life, interview on November 15, 2013

### Resources:

- [www.legacyplanningservices.com](http://www.legacyplanningservices.com), a Minnesota Life website offering end-of-life information for insureds, beneficiaries and the general public.

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A Securian Company

**Securian Life Insurance Company**  
A New York authorized insurer

**Group Insurance**  
[www.LifeBenefits.com](http://www.LifeBenefits.com)

Insurance products are issued by Minnesota Life Insurance Company in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Both companies are headquartered in Saint Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.  
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F62382-33 1-2014  
A00362-0114