



9 Ways Insurers Can Accelerate Their Digital Transformation with PayPal





Efficient technology.

New technology has enabled businesses to evolve and streamline internal processes to optimize the digital buyer experience. To keep pace with other sectors, the insurance industry needs to shift its focus to ever-evolving consumer expectations.

While profitability continues to be an industry-wide challenge, US insurers are facing a particular need to drive digitization, which is putting pressure on firms to invest in new technologies. Intensifying regulatory standards have led to higher costs and complexities, too, potentially leading firms to look to offset these costs by finding efficiencies elsewhere.

A renewed tech focus will simplify, automate, and drive efficiencies. Without such steps, it will be more challenging to manage the exposure to risk and retain customers as Insuretech moves more confidently into the market.

With a suite of solutions delivering high online conversion rates and consumer trust and loyalty, as well as backend efficiencies and operational and reporting excellence, PayPal can help insurers transform while staying competitive.

Accelerate your transformation journey with PayPal.

For too long, payments have been considered the endpoint in the customer journey — the last consideration in digital transformation. However, a payments strategy is a key differentiator in providing new products, services, and business processes.

The PayPal end-to-end commerce solution can help insurers with customer retention. It also helps simplify compliance with the strongest local privacy regulations.

PayPal enterprise solutions help insurers accelerate their digital transformation, allowing them to capture more opportunities across channels, devices, and audiences.

The use of a renewed technology strategy will simplify, automate and drive efficiency.



“PayPal gave Seguros Caracas the trust needed amidst the particular conditions of the market.”

Nelly Rivas
Chief Financial Officer
Seguros Caracas
www.seguroscaracas.com





Customer experience.

With one of the world's largest data sets, PayPal helps insurers understand customer behaviors, the key to capturing more opportunities. Our insights allow you to better tailor marketing and promotional activities to help attract new customers, encourage loyalty with existing ones and enter new markets and industries.

1

Create frictionless consumer experiences.

When deciding on an insurance provider, customers want to be able to switch from one channel or device to another without interruption. The customer may drop off for a myriad of reasons and return on different devices at varying times. But by leveraging PayPal, insurers and brokers can offer their customers the ability to carry on where they left off by retrieving their quote, making purchasing insurance a simple and painless process.

With a focus on digital experiences rather than channel strategies, PayPal can help you maintain digital touchpoints across customer experiences online. Seamless integrations with apps and websites provide more opportunities to enhance purchasing and self-service, reducing demand on customer service teams.

Whether it's enabling seamless checkout experiences or easy claim and in-app payouts, PayPal helps make it easy for customers by providing contactless, friction-free experiences.

To increase conversion, and renewal, insurance firms must invest in building stronger relationships and elevating payment processes for customers. By automating the claims process, insurers can reduce manual work by 80%.¹

1. WorkFusion, Article—Top Use Cases for Automation in the Insurance Industry, October 2021.



2

Drive conversion and retention.

PayPal's checkout architecture enables you to brand, design and optimize your checkout while taking advantage of our 20+ years of experience.

Businesses that accept PayPal see conversion rates increase by 2.8x at checkout and PayPal's millions of US customers are 28% more likely to convert wherever PayPal is visible.²

As digital insurance becomes the norm, the playing field is leveled, and insurers must find new ways of standing out. They will have to compete more on customer experience, trust, loyalty, and personalized products and less so on price. Therefore, with PayPal making it so convenient to renew, insurers can retain customers beyond their first year of coverage.

With a wide choice of payment methods available to consumers, including credit and debit cards, digital wallets and local payment methods, it's the easy way to ensure customers can always pay how they want to.

2. Checkout conversion measured from the point at which the customers starts to pay. Nielsen, Commissioned by PayPal, July 2020 to September 2020 of 15,144 US consumers to understand and measure the impact that PayPal has for US-based LE merchants across different verticals.





3

Customer lifetime value.

Subscriptions and recurring payment options can be easily enabled to automatically capture monthly or annual membership fees. And with the choice to pay from multiple cards and bank accounts along with our proprietary intelligence, we can help reduce your decline rate, enabling you to maintain customer relationships for longer.

What's more, you can incentivize customers and reward loyalty with bespoke programs that prompt repeat purchases and help increase overall customer lifetime value.

42% of customers surveyed do not trust the insurance industry.³



3. IBM Institute for Business Value consumer surveys 2007 to 2020.



Enhanced operations.

Insurers are facing ongoing pressure to reduce their operational costs and improve efficiency. PayPal can help you with both by orchestrating your entire payment ecosystem from pay-ins to payouts, servicing and support. Once integrated, our payment architecture helps futureproof your business with automatic access to new features and optimizations.

4

Optimize payment handling and reconciliations.

With all your transactions in one optimized control panel, your team can easily track, manage and settle payments. Our robust reporting system helps you stay on top of trends and improve decision-making.

Our proprietary risk systems can help improve authorization rates which means fewer declines.

5

Adopt the future.

Old payment infrastructure makes it hard for insurers to balance reducing payment complexity and improving the customer experience. Modernizing with cloud technology allows insurers the flexibility to add new functionality without the need for new infrastructure.

PayPal's extended capabilities can help you bridge the tech gap, enhance the customer experience, and contribute to overall financial performance. With custom actions, you have direct access to PayPal's global roadmap so you can fast track improvements that align with your priorities.

Simplify and streamline payments in and claims out.

Enjoy easy reconciliation and reporting with one dashboard.



Simple payouts and claims.

Typically, insurance payout processes are manual and require lots of paperwork but with the help of PayPal you can make sending rebates, issuing claims, disbursing commissions, and paying out royalties easy.

6

Modernize claim payment processes.

When customers need to make a claim, you can payout to almost anyone, anywhere, whether they are consumers or businesses. Our integrated payout solutions enable payments direct to a low-cost local bank accounts, account with PayPal, and more — in more than 28 currencies.

To enable self-service claims, you can embed payout capabilities in your website or app and use fully automated APIs to pay customers in real-time or batches.

Digitized claim disbursement solutions speed up the payment process and provide today's digital claimants with increased visibility and transparency into the payment disbursement. With tools like transaction monitoring, recipient verification, and compliance screening, PayPal can help you manage payment and compliance regulations across multiple markets and geographies.

By automating the claims process, companies are able to improve accuracy and reduce the usual time required to process claims by 50%.⁴

4. WorkFusion, Article—Top Use Cases for Automation in the Insurance Industry, October 2021.





Fraud and risk protection.

As fraud continues to evolve, different types of data are required to build effective machine learning models for different fraud use cases. The PayPal integrated, adaptive, machine-learning solution helps detect ever-changing fraud threats.

7

Fend off fraudulent activity.

Tap into our proprietary mix of data, models and tools to optimize fraud mitigation. Our fast-learning predictive risk algorithms ingest trillions of data points from across our network to identify patterns and help mitigate risk in real-time.

At the same time, dynamic routing, re-tries and granular data analysis help support transaction approvals.

You can test and deploy new risk rules in real-time to adapt to evolving fraud patterns without friction at checkout or increasing the risk of false declines.

You can easily and securely connect with third-party security services partners to optimize your risk and security profile.

PayPal can help you apply successful compliance and security strategies to navigate the complex regulatory environment of insurance.



8

Balance risk and conversion.

Conversions always come to mind when thinking about what drives revenue, and insurance is no different. You most likely think about front-end elements of your business such as your website, mobile experience, shopping cart and product pages. Often, large enterprises forget about the backend, which has a huge impact. Declines and slow approval speeds often have major, yet invisible, detrimental effects on your business.

In fact, authorization rates have become increasingly important not only to merchants, but to players all along the payments value chain, including acquirers, payment networks and even card issuers, all of which could benefit from higher authorization rates and reduced fraud. Consumers also benefit from authorization optimization when a transaction is processed without disruption.

PayPal's enterprise solutions can drive authorization rates and reduce declines by leveraging its global infrastructure which includes global bank relationships and deep integrations with a wide range of payment related players, including Visa, Mastercard, American Express and other international card networks.



Insurance customers surveyed categorized their trust in 8 out of 12 insurance providers as "weak." ⁵

Partnerships and diversification.

PayPal's extended eCommerce capabilities help open new opportunities for strategic partnerships. Our integrations help to make technically difficult experiences easy allowing you to go-to-market fast.

9

Expand strategic partnerships.

From adding optional insurance opt-ins on third-party events or tourism sites, to enabling partnerships for customer rewards, PayPal helps to make things easy. Transaction handling is taken care of for you, with funds auto routed to the appropriate party for each transaction in real-time.

Partnerships with other brands under your parent company are easily optimized with the ability to share payment data without exposure to risk.





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About PayPal.

PayPal has remained at the forefront of digital transformations and online payments for more than 20 years. Our insights and innovation have helped drive growth for our merchants, with convenience, choice, and trust at our core.

To tap into the power of PayPal and find out more about how we can accelerate your digital transformation, visit [PayPal.com/US/Enterprise/Insurance](https://www.paypal.com/US/Enterprise/Insurance)

