

Leveraging modern digital and robotics technology to satisfy pension obligations

Massachusetts Mutual Life Insurance Co. (MassMutual®)



At MassMutual, we believe an insurer's administrative processes and annuitant service delivery models are essential elements in satisfying their contracts' obligations successfully over the long-term.

With this belief and as part of our core mission of helping people secure their future and protect the ones they love; we're committed to providing a straightforward annuitant engagement experience through our Pension Risk Transfer (PRT) group annuity¹ business. Given the technologies available today, we continue to augment our engagement model by leveraging secure, digital services and robotics technology. In this paper, we'll share:

- Why we believe the annuitant experience is crucial in satisfying the financial obligations.
- How we satisfy obligations administratively through modern technologies.
- Key considerations when evaluating an insurer's administrative ability to satisfy pension obligations.

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Why the annuitant experience is crucial in satisfying the financial obligations

The Department of Labor (DOL) has outlined the fiduciary requirements for the selection of an annuity provider and the evaluation of a prospective PRT insurer's ability to satisfy the obligations of the group annuity contract. DOL Interpretive Bulletin 95-1 (IB 95-1) describes several factors the fiduciary must consider when evaluating the annuity provider's claims paying ability and creditworthiness. Consequently, insurer financial strength ratings, generally, are key areas of focus in the insurer review process. However, **it's important to note that the rule outlines additional considerations the fiduciary should consider such as a review of the administrative capabilities.**

To satisfy the broader fiduciary requirements, we believe it's important to fully understand what it means to have the ability to satisfy a pension obligation successfully through a group annuity solution. We believe the holistic definition is to ensure all payments to the annuitants can be financially satisfied and properly administered over the long-term.

Administering obligations through modern technologies

To properly administer payments at MassMutual, we offer "high touch" services, such as call center and account manager networks. In addition, a review of our customers' digital engagement on our website demonstrates an appetite for self-service, electronic offerings. Our digital services span the most basic features, such as ability for annuitants to look up account information or make address and bank account changes, to more complex online capabilities such as benefit estimate calculations.

While simplifying the transactions through our digital services, we recognize the sensitivity associated with life events and the impacts the events can have on a family. With this recognition, we expanded our digital service journey to include the ability to notify us of the loss of a loved one online with an efficient, easy and secure experience.

At MassMutual, we continue to review how annuitants want to engage with us and we continue to make additional capabilities available through our annuity portal as a complement to our call center. Here is a sampling of transactions available through our portal:



- Verification of Income
- Address Change
- Updates to Banking Information
- Beneficiary Updates
- Benefit Calculations
- Retirement Initiation*

Leveraging robotics for scale and efficiency

In addition to our broad range of digital offerings, we incorporate in-house robotics solutions as part of our modern PRT administration. Pairing front-end digital access with robotics-based back-office processing, we continue to evolve our processes in an efficient manner while we scale our ability to administer pension obligations successfully for the long-term.

Specifically, for example, robotics capabilities allow us to leverage technology to complete certain components of processing activities such as:



- Automatically imaging and indexing customer correspondence
- Initiating scheduled customer communications such as benefit election reminders
- Processing system transactions triggered by a customer, such as death benefit processing for certain scenarios

The benefits of leveraging robotics include increased processing efficiency and decreased risks, such as those associated with manual error. This helps ensure successful pension annuity administration and, ultimately, a smooth customer experience for PRT annuitants with MassMutual.



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Driving continuous evolution and improvement based on results

While there are many ways to measure employee satisfaction, we believe that one size does not fit all. No matter how satisfaction is measured, customer feedback is key in the continuous improvement process. A few ways we measure annuitant satisfaction include:



- Net Promoter Score (NPS) metrics
- Annuitant experience surveys
- Quality review procedures
- Point of experience surveys

In addition to these external surveys, we also monitor several metrics within our operations area and measure them against targets to evaluate our success. Some of these metrics include:



- First point of contact resolution rates
- Ease of use
- Length of time required to complete the request
- Accuracy

Through our survey tools, we ask the annuitants about their experience after they execute self-service options online. Specifically, we ask if we were able to satisfy their need quickly, easily, and accurately at the first touchpoint. Their feedback helps us ensure that the digital experience is working seamlessly and as intended during the first touchpoint. While certain transactions require multiple steps, the goal is for each step to take our customers through the journey with ease — making the process as smooth as possible. As a recent example, we implemented the ability to perform benefit estimates through our web portal. Complementing the ability to call the benefits center to request an estimate be mailed to the annuitant's home, the update improved ease of access and turn-around service delivery time by making the service available through our digital service offering.

While measuring customer satisfaction in arrears is key, knowing how to structure the engagement from the start is also essential. As a complement to our customer satisfaction survey tools, we perform focus groups to gain a deeper understanding of our customers' preferences and we consider this information as we continue to evolve our services.

As our customers continue to provide feedback and engage with us digitally, and as new technologies become available, we will continue to identify applications for digital service delivery and robotics-based administration tactics that can bolster our proprietary administration model and our ability to deliver a positive annuitant experience over the long term.

Key considerations when evaluating an insurer's ability to satisfy pension obligations

As we stated in our paper, [The Voice of the Annuitant](#), we believe it's essential that plan sponsors, together with their pension consultants, kick the tires on an insurers' administrative services in addition to reviewing insurers' financials when evaluating group annuity contract choices. In our view, it's crucial that the insurer demonstrates a commitment to satisfying its obligations to the annuitants for the long-term — including both its financial ability to satisfy the claims and its ability to administer the payments regularly for the life of the annuitants and their beneficiaries.

Here are a few key items to review when evaluating an insurer's administration model:



- Determine their commitment to serving the annuitant customer
- Learn about their annuitant engagement and service delivery model
- Inquire about the annuitant communications plan
- Ask how they define and measure success
- Find out how much they invest in technology regularly

While not a comprehensive list, getting answers to these key questions can help provide insights as to the insurers' commitment to the annuitant customer, hence their desire and ability to administer payments for the long-term. For a more thorough considerations checklist, please refer to the appendix in our [Voice of the Annuitant white paper](#).

At MassMutual, we offer plan sponsors and intermediaries confidence by helping ensure their fiduciary duties and pension obligations are satisfied financially and administratively. As a mutual company run for the benefit of its participating policyowners, we offer confidence through our enduring [financial strength](#)², our annuity solutions expertise, and our passion for helping people secure their future and protect the ones they love.

To learn more about how MassMutual can assist with your pension risk transfer needs, visit us at <https://institutional.MassMutual.com/solutions/pension-risk-transfer> or contact us at pensionrisktransfer@MassMutual.com

For more information about how MassMutual protects customer information, please visit us at www.MassMutual.com/legal/cyber-security.

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* Election paperwork mailed upon initiation

¹ Group Annuity Contracts issued by Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111-0001

² MassMutual Financial Strength Ratings can be viewed at:

<https://www.MassMutual.com/about-us/MassMutual-financial-summary>

