



**INSURANCE BROKERS  
ASSOCIATION OF ONTARIO**

# **GOING PAPERLESS: BEST PRACTICES**

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## **Table of Contents**

GOING PAPERLESS: GETTING IT RIGHT FOR CONSUMERS .....	4
DOCUMENT OVERVIEW .....	5
HOW DO WE DEFINE PAPERLESS?.....	6
PAPERLESS DISTRIBUTION MODELS .....	7
1.    Broker-Led Distribution Model .....	7
2.    Carrier-Led Distribution Model .....	8
3.    Hybrid Distribution Model .....	9
BEST PRACTICES: OVERALL .....	10
1.    Which documents should be able to be provided electronically today? .....	10
2.    What considerations must be given to lead-time prior to Paperless launch? .....	11
3.    Are there optimal times of year to prepare and launch a Paperless offering?.....	11
BEST PRACTICES: BROKER-LED PAPERLESS SOLUTIONS.....	12
1.    Allow for broker-level configuration .....	12
2.    Provide brokers with all required documents in electronic format .....	13
3.    Download the customer's paperless preference to brokers via CSIO EDI .....	14
BEST PRACTICES: CARRIER-LED PAPERLESS SOLUTIONS .....	15
1.    Enable Brokers to Submit Bulk Customer Paperless Preference Details.....	15
2.    Preferred electronic document distribution methods.....	16
3.    Enable complete broker co-branding .....	16
4.    Ensure broker consent prior to any additional marketing to customers.....	17
GOING PAPERLESS: CARRIER PLANNING CHECKLIST .....	18

Review History

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## Going Paperless: Getting it Right for Consumers

The IBAO is bringing together representatives from the industry to discuss Going Paperless: Getting it Right for Consumers. The intent is to put a clear framework around the discussion, quickly delve into the realities of the choice of paperless for all, jointly document Guiding Principles, and work towards achieving process improvements that are clear, and mutually beneficial.

Over the past year, the Going Paperless initiative has involved numerous working group meetings as both individual stakeholder groups and as an entire working team including all stakeholders. These stakeholders include brokers, broker channel carriers, broker technology vendors, brokers associations, and industry data standards organizations.

Throughout these working meetings, key best practices with regards to providing effective and efficient paperless servicing for customers have been discussed and captured along the way.

The Best Practices document has been prepared to capture agreed-to best practices for the broker channel in moving towards enabling customers to be able to choose paperless servicing, and how best the various broker channel stakeholders can support one another to achieve an optimal outcome for all.

## Document Overview

The Going Paperless: Best Practices document is divided into three main sections.

[How do we Define Paperless?](#) – defining the term paperless within the context of this Going Paperless industry initiative, this section provides the basis upon which the following recommendations and best practices are founded.

[Paperless Distribution Models](#) – within the Canadian insurance broker distribution channel, there are multiple paperless distribution models that can exist. This section aims to define the common, high-level paperless distribution models, which are referred to in the best practices recommendations that follow.

[Best Practices: Overall](#) – this section outlines the best practices that apply to any paperless insurance initiative, regardless whether the paperless offering is being distributed by the carrier or broker.

[Best Practices: Broker-Led Paperless Offerings](#) – this section highlights key items of support that carriers can provide to optimally enable brokers and their technology solutions for to provide efficient and effective paperless customer servicing to their clients.

[Best Practices: Carrier-Led Paperless Offerings](#) – this section addresses best practices that have been identified which relate specifically to carrier-led paperless offerings.

## How do we define Paperless?

For the purposes of this initiative, and to achieve a consistent outcome, Going Paperless is defined as:

“The ability to service a customer in a paperless fashion if the customer so chooses, providing insurance documents in electronic format, including all applicable insurance documents which may be provided in paper format today.”

There are numerous key components of this definition. Obviously, this begins with the ability to provide consenting customers with electronic versions of their applicable insurance documents. The specific method of providing electronic documents will be up to each broker or carrier that is providing the documents. Some considerations on these methods are provided further along in this document, and many factors may affect a provider's choice of delivery method including level of security, customer push vs pull, cost to implement, customer accessibility, etc.

Of note, the definition also reflects the concept of customer's choice which must be considered with any paperless initiative. Statistics show that there is still a segment of the population that does not have sufficient access to internet service, as well as a segment that does not have the technology required or the appetite for paperless service. The recent Going Paperless Consumer Survey conducted by the IBAO indicated that 51% of consumers felt it necessary to receive their insurance documents in paper format, and approximately 14% of all survey respondents indicated that they did not have sufficient internet access or technology to be able to receive and utilize electronic insurance documents. It should be noted that the survey was distributed only to customers who have already shared their email address with their brokers, so the segment of the population preferring paper format documentation is likely even higher than survey results indicate. This is consistent with other national surveys with respect to the portion of the general population that does have consistent internet access. As such, support for customers' preferences need to be addressed in any paperless initiative, ensuring that consumers can receive documents in a format suitable for them.

This definition also references the need to be able to provide all relevant insurance documents in electronic format. Clearly, it is not ideal for a customer to receive some of their documents electronically, while receiving others in paper format (with the exception of liability slips which must be provided in paper format in some jurisdictions). The Going Paperless: Best Practices document looks to clarify this by defining the minimum set of documents which should be provided electronically to those customers who opt for paperless.

There are many details remaining to be defined outside of this definition, mainly on the “how” part of the going paperless equation. While it is impossible to ensure that paperless servicing is achieved through exactly the same means by all carriers, vendors and brokers within the broker channel, this document reflects the best practices that if adopted can help guide all parties towards an outcome that is optimal and consistent for customers.

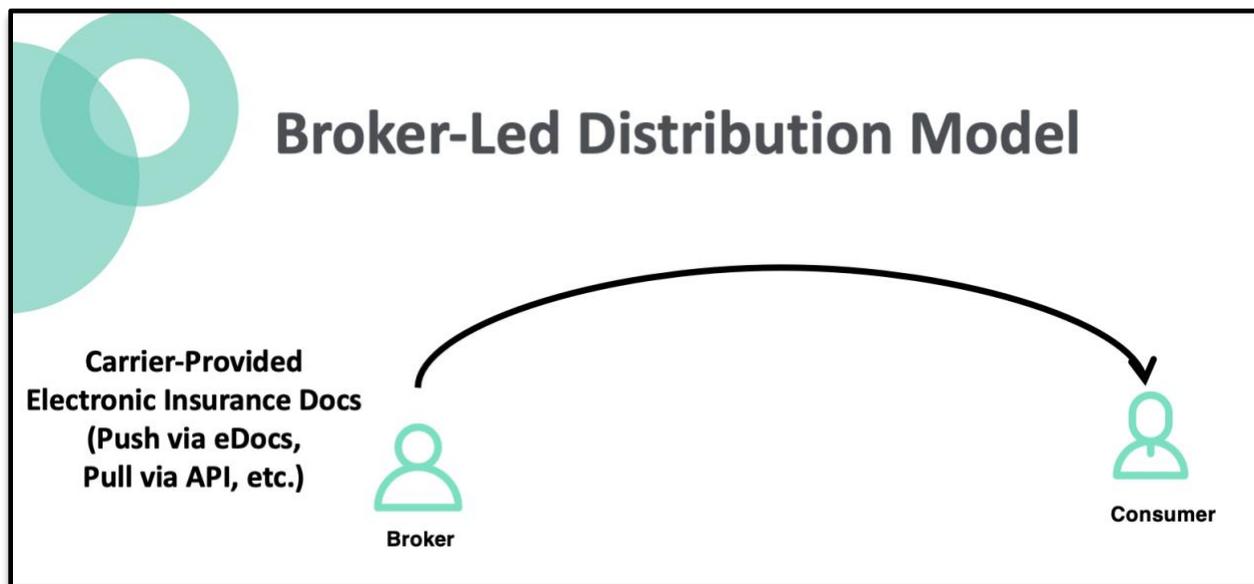
## Paperless Distribution Models

Paperless servicing and document distribution can be achieved in multiple ways, within the broker distribution channel. Early paperless initiatives by carriers have utilized a carrier-led distribution model, in which the carrier manages the customer's choice of documentation format in their policy administration system and distributes the electronic documents directly to customers who select the paperless option.

Meanwhile, many brokers would prefer to provide this paperless servicing directly in a broker-led distribution model, but are dependent on carriers to do so, as document generation is carried out on the carrier side. These dependencies have been one area of focus of the Going Paperless initiative, and recommendations identified to solve for these areas.

A third and likely optimal target state for our industry sits with a hybrid distribution model, ensuring that brokers who are enabled to do so can provide paperless service to their customers, and that carriers can provide that paperless servicing for any customers whose broker is not yet enabled to do so.

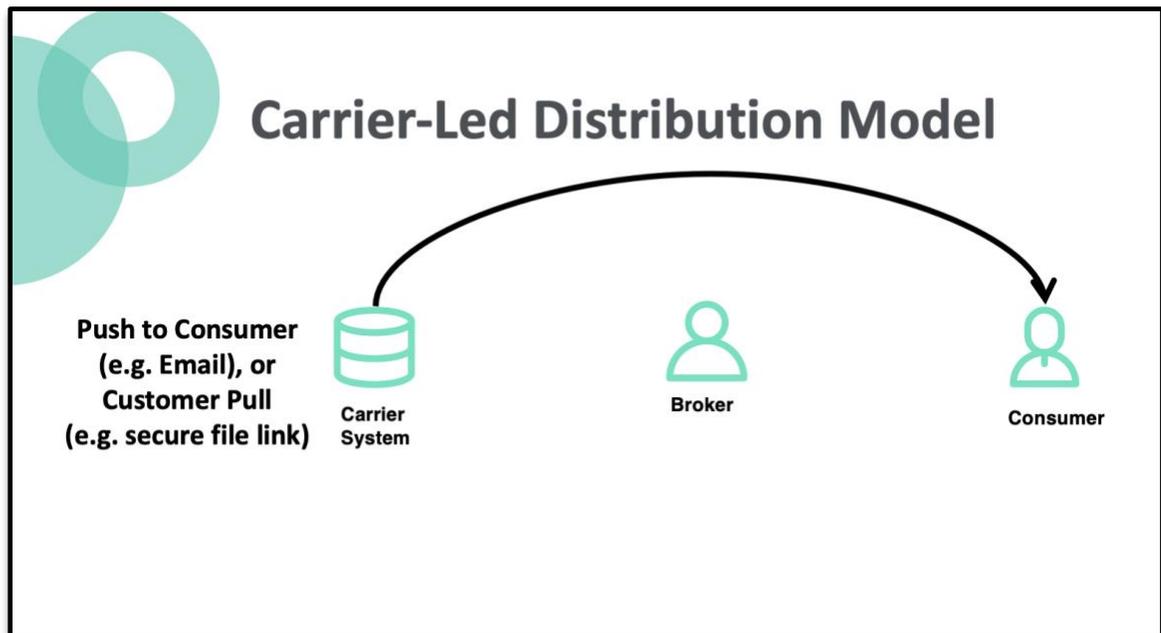
### 1. Broker-Led Distribution Model



The approach preferred by brokers, is a broker-led distribution model in which the broker captures the customer's document format preference in their own system and distributes electronic documents directly to those customers who have selected paperless servicing. This model enables brokers to leverage the digital tools that many have invested in, precisely for this purpose. It also continues the broker's role as the trusted advisor to their customers and allows for customers to receive a consistent service experience from their broker regardless of the carrier(s) they are insured with.

There are dependencies on carriers that brokers must rely on to be able to provide this electronic document distribution, mainly surrounding the need for carriers to provide to brokers electronic versions of the relevant insurance documents in a consistent, automated manner. This is discussed in further detail within the [Best Practices: Broker-Led Paperless Solutions](#) section of this document.

## 2. Carrier-Led Distribution Model



The carrier-led distribution model involves direct distribution of electronic documents by the carrier to the insured. While not optimal as it removes the broker from the customer communication, there is value to this approach for customers whose broker is not enabled to provide such paperless service.

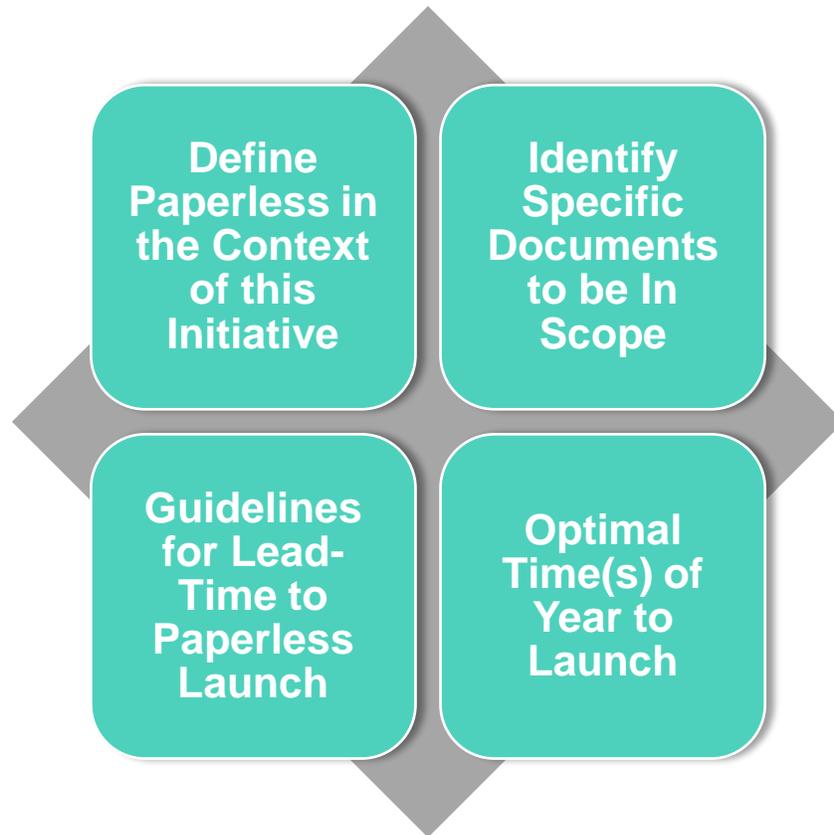
While the broker is not involved in the customer communication within this model, there is still considerable involvement and effort on the brokers' part, especially regarding the collection of customer consent and paperless preference and updating of carrier systems with this information. These relevant areas will be outlined in the [Carrier-Led Distribution Model](#) section below.

### 3. Hybrid Distribution Model

The last paperless distribution model leverages both of the above models to ensure the widest coverage of paperless capabilities for consumer. In this hybrid distribution model, the carrier would enable brokers to provide paperless documents to customers directly, while also enabling themselves to provide paperless documents to customers for any brokers who were unable to do so themselves.

This hybrid approach would achieve the greatest coverage of customers wishing to receive paperless insurance documents. It also has the benefit of enabling brokers to continue as the main point of contact and trusted advisor for insureds, while also ensuring that insureds of brokers who do not have the means to distribute paperless documents, can still opt for paperless servicing.

## Best Practices: Overall



### 1. Which documents should be able to be provided electronically today?

The initial focus of this initiative is personal lines auto and property documents, due mainly to the fact that the underlying data and document exchange infrastructure is largely in place and in use by the majority of the broker channel today. Similar goals should apply to commercial lines paperless servicing, but the reality is that this will require some additional connectivity and electronic document provisioning before it is widely feasible.

For the initial focus of achieving paperless servicing of insurance customers, the following documents are considered to be in scope as the minimum requirements of documents that should be available to customers electronically.

- **Declaration Page (including policy wordings when applicable)**
- **Billing Statement/Schedule**
- **Automobile Liability Slip (where jurisdictional legislation permits)**

*Note: Legislative differences across different provinces may result in different requirements regarding electronic documentation for customers. This is currently being analyzed and the document will be updated to reflect these differences accordingly.*

## 2. What considerations must be given to lead-time prior to Paperless launch?

A key planning component for any broker or carrier planning to implement paperless document distribution is deciding on how much lead time is required to effectively prepare for a paperless launch. Regardless of whether the plan is for a carrier to directly distribute electronic documents to customers, for brokers to provide this distribution, or a combination of both, the customers' document format preference, consent, and email address, is collected and updated in the necessary system(s) by brokers. Based on learnings from initial Paperless launches, brokers have provided feedback and metrics on the significant time and manual effort that is required to complete this task for all insureds of a given carrier within each brokerage.

Due to this effort required, and with the goal of being as prepared as reasonably possible prior to a paperless launch, the recommended optimal lead time is 3-6 months prior to renewal documents being sent to the initial customers being offered paperless servicing. Once this process begins, the expectation should be to collect customer preference and distribute documents electronically to those who so choose, over the following 12-14 months renewal cycle. With this lead time, brokers will be able to prepare their staff along with any necessary campaign to collect and update all customers' paperless preference and consent, as well as their email address for those opting for paperless, during standard renewal processes. At the completion of the renewal cycle, all customers' information would have been collected and entered into the necessary system(s) allowing the paperless launch to kick off with all required information.

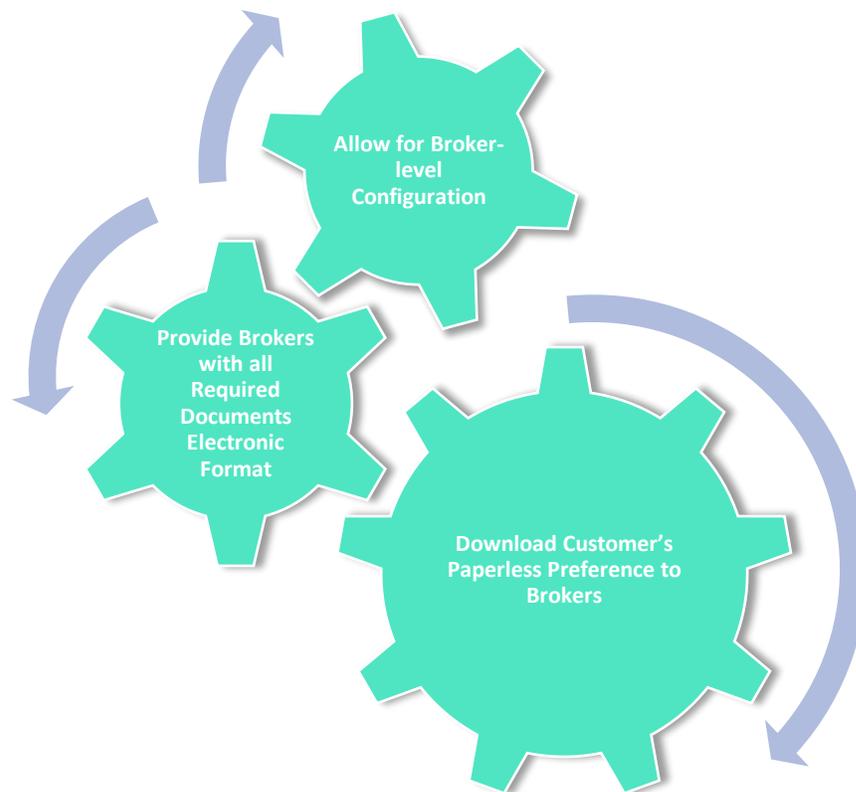
## 3. Are there optimal times of year to prepare and launch a Paperless offering?

As previously noted, the optimal lead time for launching a paperless initiative is 3-6 months prior to renewal documents being sent to customers. Additionally, consideration should be given to the time of year when launching a paperless offering, considering the effort that will be required by brokers who are requested to collect and provide the necessary customer preference and contact details.

This process on the brokers side includes communicating to all customers, explaining the paperless offerings, collecting their preference and consent, and updating carrier systems accordingly. This is a laborious process that requires much manual effort from brokerages. As such, to ensure the most complete results possible, it can help to consider the brokerage workload during typical annual cycles. For example, December-February tends to be a relatively less busy time than May-September which is a common peak busy time for brokerages.

Planning for paperless offering preparation phases during less busy times of the year is an optimal approach to ensure an optimal paperless program launch.

# Best Practices: Broker-Led Paperless Solutions



## 1. Allow for broker-level configuration

Current carrier paperless programs have provided the necessary ability to indicate the customer's documented choice of paper or electronic format within the carrier's system. Looking ahead, as many brokers have enabled themselves to distribute electronic documents to customers who prefer this format, there needs to be a method for carriers to capture the broker's choice of who will provide this electronic document distribution, the broker or the carrier.

Each carrier may solve for this differently. Some possible solution approaches may include:

- a) Carrier system contains a broker-level parameter used to indicate whether the broker or carrier will distribute electronic documents for all customers of that given broker who choose paperless documentation
- b) The customer's paperless preference field in the carrier's system could be configured to contain separate options for paperless (provided by broker) and paperless (provided by carrier)

These sample solution approaches are not intended to represent the only ways in which this requirement can be solved for, but are likely, common approaches to this and should provide some guidance as to the intent of the broker-level configuration need.

It should be noted that consumer choice remains paramount, and it is unlikely that a brokerage will have consumers who all select paperless, or who all select paper as a requirement. As such, when enabling carrier systems to identify brokers who opt to provide electronic document distribution, carriers should take into account those brokers' customers who do opt for paper and ensure that they can continue to receive paper format documents through existing processes. Optimally, the carrier system will have separate broker-level parameters: one indicating whether the broker opts to provide electronic document distribution for customers who so choose, and a second, separate parameter indicating whether the broker opts to handle the print and paper format document distribution to such customers.

Each thoughtful paperless program will work to ensure that choice by individual consumer is included in their program to avoid an "all or nothing" approach.

## 2. Provide brokers with all required documents in electronic format

One significant prerequisite for brokers to provide paperless servicing directly to their customers, is that the electronic versions of all applicable customer documents are provided by carriers. The most common method of achieving this currently is by utilizing the CSIO eDocs download, to download electronic documents to brokers automatically when new documents are generated.

The Going Paperless initiative has identified, and recommended solutions for, a number of current inefficiencies within the carrier eDocs download process today. By carriers implementing these recommendations, and broker technology vendors implementing the corresponding changes on their end, this goal of providing brokers with all customer documents in electronic format in an automated manner becomes achievable. The key Quick Wins Phase I recommendations from the Going Paperless initiative include:

- a) Include the DocumentCopyTypeCd field when downloading documents via CSIO eDocs. This field indicates to the receiver the intended recipient of the document (broker, customer, etc.) and should be used by receiving systems to automate workflows, especially those related to servicing customers.
- b) Send each document separately when downloading electronic documents via CSIO eDocs. This enables brokers' and their systems to automatically attach specific, individual documents to customers where applicable for automated customer service and even customer self-service.
- c) Ensure that the full customer version of insurance documents is provided to brokers. Currently, some electronic documents provided to brokers, such as policy declaration pages, are sent as the broker version or as a summarized customer version. Only by providing the brokers with the full customer version, will brokers have the ability to distribute electronic documents directly to their customers.

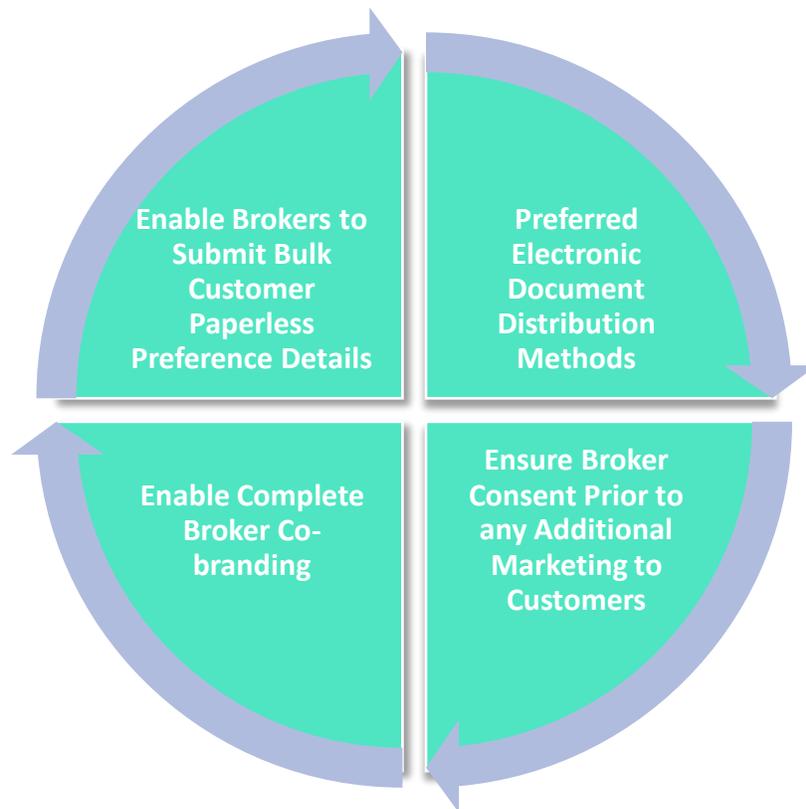
### 3. Download the customer's paperless preference to brokers via CSIO EDI

The standard process of brokers collecting customers' paperless preference and consent has been covered in detail within this document. While brokers may opt to capture this information in their systems initially, as well as providing this to carriers as needed, it is important to keep these systems in sync, much as the industry does for other key policy related information. To do so, the current CSIO EDI infrastructure should be leveraged as this is a relatively small change to make for carriers who are not already downloading this field to brokers.

The CSIO EDI field to utilize for communicating this information is the 5BPI37 field, Electronic Document Code. This is a coded field which indicates the customer's document format preference (e.g. paper, electronic, etc.) for the applicable policy. By downloading this field, it provides the minimum level of automated information communication regarding customers' paperless preference.

Similarly, as brokers and carriers implement more efficient paperless programs in the future, brokers should look to their BMS vendors to include the corresponding customer's paperless preference field in their CSIO XML upload messages. This is captured in the CSIO XML field InsuredRequestsPrintedDocumentsInd, which is a Y/N field indicating whether the customer prefers to receive paper format documents (Y) or electronic format documents (N).

# Best Practices: Carrier-Led Paperless Solutions



## 1. Enable Brokers to Submit Bulk Customer Paperless Preference Details

The process of obtaining a customer's paperless servicing preference is executed by their broker, and typically results in a stored selection within their brokerage technology infrastructure.

When a carrier looks to commence a paperless project, a request would be made to the brokers to share their customers' paperless servicing preference. This process must not rely on a strictly manual process whereby a brokerage staff member must update preference customer by customer in a carrier portal. The acceptance of a bulk upload (such as through the sharing of an Excel workbook) of preference should be included in the carrier paperless approach.

Ongoing, brokers will need to be able to update this preference and information individually within a carrier's portal or system, for transactions which are not handled via automated BMS-to-Carrier communication.

## 2. Preferred electronic document distribution methods

Electronic document distribution can be provided through many different methods, with various benefits and drawbacks related to each. Through broker and consumer surveys, as well as collaborative working team recommendations including stakeholders from all parts of the broker channel ecosystem, the following electronic distribution methods were identified in the listed order or preference:

- 1) Secure Website / File Transfer – the most secure distribution method and one that addresses the concerns of those customers who highly prioritize privacy and security in their digital interaction with service providers. This approach involves a link to the secure file being sent to the customer (by email, for example) and clicking on the link brings the customer to a secure file download protected by user credentials.
- 2) Email – a very common distribution method that tends to be relatively easy to implement, but consumer survey results indicate some aversion to email as a method to receive personal insurance documents.
- 3) Carrier Consumer Portal – this approach provides a customer portal (website) for customers to access and log into with their own credentials, enabling them to then view any policy information provided and/or view and download electronic insurance documents. While this provides a secure distribution method, it can create multiple digital service points and confusion for a customer who may already have digital servicing options from their broker, such as a self-service portal or mobile app.

## 3. Enable complete broker co-branding

A key consideration for carriers who are looking to provide paperless offerings to customers is how to include broker co-branding for any solution that is implemented. Typically, this would look to include each broker's name, logo, and contact details.

In addition to considering how the broker co-branding information will be displayed on the communication to customers, carriers should also plan the approach to collecting the required broker details needed to implement the co-branding. Providing ample lead time to collect these details will ensure an optimal paperless launch. Additionally, designing up front the approach and format for collecting these broker co-branding details can enable seamless and efficient implementation of the co-branding material within the carrier's solution.

#### 4. Ensure broker consent prior to any additional marketing to customers

As the insured's trusted advisor, brokers look to service and communicate with their customers on all pertinent matters. In the scenarios where a carrier has implemented a paperless offering and a method to distribute electronic documents to customers whose brokers are currently unable to do so, it should be noted and understood that the communication between carrier and customer should be kept to that specifically related to providing the customer with their electronic insurance documents.

Should a carrier wish to include additional communication or market in any way to the customer, explicit consent of the relevant brokerage(s) should be obtained first.

## Going Paperless: Carrier Planning Checklist

<p><b>When do you plan to launch paperless offerings?</b></p>	<ul style="list-style-type: none"> <li>• Optimally, allow for 3-6 months prior to the customer renewal documents being sent out, so that all brokers can prepare the necessary communications and processes to collect this information from customers at renewal.</li> </ul>
<p><b>Do you plan to offer a carrier-led electronic document distribution option?</b></p>	<ul style="list-style-type: none"> <li>• Secure file transfer</li> <li>• Email</li> <li>• Customer document portal</li> <li>• Other</li> </ul>
<p><b>Does your PAS currently capture a customer's document format preference (electronic vs paper), or do you have plans to add this to your PAS?</b></p>	
<p><b>How will you turn off electronic document distribution for customers whose brokers have opted to distribute electronic documents themselves, and has individual customer choice been included, versus "all or nothing?"</b></p>	<ul style="list-style-type: none"> <li>• Does your PAS/DMS still support document print and distribution for customers of such brokers who opt for paper format.</li> </ul>
<p><b>Implement CSIO Upload/Download handling changes, to ensure that necessary paperless related fields are being communicated to/from brokers and keeping systems in sync.</b></p>	<ul style="list-style-type: none"> <li>• Download each electronic document separately, when downloading documents via CSIO eDocs</li> <li>• Download the Insured version of each Declaration page, via CSIO eDocs</li> <li>• Download the DocumentCopyTypeCd in CSIO eDocs downloads</li> <li>• Download the Electronic Document Code (5BPI37) in CSIO EDI downloads</li> <li>• Process and integrate into the Carrier PAS, the InsuredRequestsPrintedDocumentsInd within CSIO XML upload messages</li> </ul>
<p><b>Communication to brokers regarding your planned paperless offering, enabling brokers to collect required customer preference and consent, and enable themselves to fully participate in the carrier's paperless offering.</b></p>	<ul style="list-style-type: none"> <li>• Launch date</li> <li>• Processes supported for brokers to provide the paperless preference of their customers (e.g. bulk list via spreadsheet, individual client or policy updates via carrier portal, etc.)</li> <li>• Broker co-branding requirements for carrier-led electronic distribution methods</li> </ul>
<p><b>How will you enable brokers to provide you with the paperless preference and associated information for each of their customers?</b></p>	<ul style="list-style-type: none"> <li>• Prior to initial paperless launch: enable brokers to submit this information in a bulk list of some format</li> <li>• Ongoing, post paperless launch: ensure that brokers can update policies/clients individually, for transactions which are not currently enabled for automated BMS-to-Carrier communication.</li> </ul>