

E-Signatures for Carriers

In May 2004, *Insurance & Technology* magazine [launched](#) a three-part series of articles titled, “A Framework for Designing an Effective e-Signature Process.” A decade later, electronic signature functionality is gaining really serious traction in the insurance business. Customer expectations, advanced technology, increased mobility, and a quest for greater efficiency are driving this.

One e-signature provider counts as clients eight of the top 15 North American insurers. A quick poll of AUGIE leaders found a couple of dozen carriers accepting e-signatures. And, it failed to find any carrier prohibiting them - That’s probably because Federal laws, as well as laws in nearly every state, put electronic signatures on equal footing with pen-and-paper signatures.

E-signature solutions equip carriers to provide the best service possible, directly and through their customer and agent service centers. Here are some reasons carriers are—or should be—jumping on the e-signature bandwagon:



It saves money and increases productivity and quality. Case studies show e-signatures netting one carrier a cost savings of \$10 per transaction and an offset of millions of dollars of paper-related expenses; another boosted productivity by 61%; and another saw an 81.6% reduction in the number of document errors.



It boosts revenue. E-signatures reduce the time it takes for agents and brokers to get customers—especially those who are busy or not near an agency—to complete and sign applications. The quicker they sign, the quicker both carriers and agents can book revenue. Think about transacting business in minutes, rather than days—or worse.



It satisfies agents, brokers and customers. One carrier cites a 13.5 day—or 97%--reduction in turnaround time. Plus, e-signatures extend agency and carrier offices to the nearest computer, tablet or smartphone. Faster service means more satisfied clients—and more referrals. And that creates happier, more loyal agents and brokers.



It delivers increased security and authentication. Mailing or faxing documents carries inherent security risks. They can wind up in the wrong hands or get lost. E-signature software that adheres to the legal standard of validating Identity, Consent, Disclosure, and Audit Record characteristics provides far greater security.



The law supports it. In this *ACORD Weekly News* [article](#), an expert says, “Simply stated, yes, e-signatures are legal at all times ([E-SIGN](#) and [UETA](#) make this so), with only a handful of exceptions, one of which is wills.” Other sources support this statement, as well.

The ACT Technology Agreements Work Group is addressing e-signatures as a part of its upcoming ‘Carrier/Agent Technology Agreements Recommendations’ paper. ACORD has a working group on e-signatures. AUGIE leaders are actively supporting and promoting the work. And management system vendors are working with providers to bring e-signatures to agent and broker desktops. ACT is happy to connect you with representatives from any of these organizations. Just [email](#) us.

Also, consider reviewing ACT’s [article](#) on the topic, which references an ACORD-driven [summary](#) of the legal requirements applicable to using electronic signatures, electronic records and electronic delivery in the insurance business.