

The Five Myths of Online Enrollment

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HR professionals are inundated with reports of new services and technologies that promise to eliminate paperwork, save time, and simplify processes. The challenge is to differentiate the facts from the fiction. The fiction is promulgated by five common myths that confuse the future technology promise with the reality of today's online enrollment capabilities.

Understanding the five myths will help you define expectations for your upcoming online service initiatives.

Myth 1: On-Line Enrollment is Completely Paperless.

Not true... On-Line Enrollment ultimately *will be* paperless, but today, few insurance carriers have the infrastructure to receive the enrollment data electronically. The good news is that more carriers are moving toward acceptance of electronic transmission of data, and every day, online enrollment vendors are working with carriers to establish the missing technical link. Some carriers have already established the links but others need coercion from brokers/agents and their clients to get on the bandwagon.

HR professionals interested in true online enrollment should direct their business to carriers who accept electronic data. Nothing will get the carriers' attention faster than lost business.

Myth 2: Employees can use electronic signatures to enroll online.

Not true... One of the significant hurdles to online enrollment, even with the recent passage of the digital signature law in June, is the requirement of an actual signature on the enrollment form. Some legal departments of insurance carriers will still require signed forms from employees for some lines of coverage.

Furthermore, there is no foolproof method of electronic signature that is suitable for wide public adoption. Even the president signed the bill into law the old-fashion way with a pen. You should expect that at the end of a typical enrollment process employees will be required to print out the completed forms, sign and send them to HR to keep on record. While not completely paperless, all the data is already input into the computer and can be sent the carriers and HRIS systems, so significant efficiencies will be realized through the utilization of this technology.

Myth 3: Technology supports real-time connections to Carriers.

Even the carriers who accept data electronically are not processing the data in real time. While some can import the data directly, others print the electronic forms and re-type the data. This process is hardly real time – it can take anywhere from two days to two weeks.

The carriers' legacy systems are not employing the latest technology and require significant coordination with the online enrollment vendors to establish the initial connection. Not there yet, but moving in the right direction.

Myth 4: All On-Line Enrollment vendors offer the same services.

No way. Make sure you peel the onion. There are many online enrollment vendors, and there is no substitute for doing a proper due diligence analysis of your potential technology partners. Make sure the technology partners you select have the services that are right for your needs.

Some vendors offer sophisticated enrollment systems that identify users, fill-in many of the data fields, and "know" when information entered is incorrect. Other systems merely provide an online version of the carrier form with little or no validation. The right system will depend on your needs and budget. Some enrollment vendors offer additional services such as reconciliation reports, payroll updates, and flex credit management.

Be sure you are partnering with companies that can provide the solutions you need today. These technologies are in a constant state of development, so ask what can be provided today and avoid buying vaporware or services they will provide with the "next release."

Myth 5: On-Line Enrollment is a total solution.

Online enrollment can reduce paperwork at enrollment time, however, a successful adoption by employees requires educational support system to walk employees through the benefits selection process and help them make informed choices.

Further, employees information needs are year-round. A robust information system can reduce the HR workload by answering employee questions around the clock. Employees need a complete self-service resource center that combines enrollment with benefits plan information, forms, handbook, policies, and educationally guides. These resources must be intuitive so employees can easily answer their own questions.

Online enrollment is not the solution to all of HR needs, however, when approached with the proper expectations, it can be a big step in the right direction. Online enrollment coupled with a robust self-service center will reduce workloads and improve the service that HR provides to employees. Remember the five myths, and you will be prepared to select a technology and vendor that is right for you.

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