

SEB's "Insurtech" Group Launches SaaS "Voluntary Benefits Ecosystem"

written by Raj Shah | July 23, 2018

✘ July 23, 2018 ([Source](#)) – Smart Employee Benefits Inc. (TSXV:SEB) is pleased to announce its "Insurtech" group will launch its digital "Voluntary Benefits Ecosystem" (the "Ecosystem") in August 2018. The launch will initially be in Canada with 3 insurance products in partnership with the Insurers who created the products. The Ecosystem will first be made available to SEB Administrative Services Inc. ("SEB Admin") existing Benefits Administration clients representing over 330,000 plan members and over \$1 Billion of group benefit premiums. This Ecosystem is first launched as a module ("Flex Plus Exchange") in SEB Admin's Flex Plus Benefits Processing solutions environment. SEB's Flex Plus is an integrated component of the global Ecosystem.

SEB's digital Ecosystem integrates with the Insurers marketing and underwriting environments and manages the end to end business processes, including "education, enrolment, application, underwriting, approval, policy issuance, premium collection, premium distribution, commission distribution and claims administration". It allows the purchase of a Voluntary Benefit in minutes, versus days and weeks typical to purchasing an insurance product.

The SEB Ecosystem initially targets Voluntary Benefits sales to SEB Admin's group benefit clients, but is easily adaptable to on-line sales of insurance products directly to stand alone individual clients. The Ecosystem can also be "white labeled" as a SaaS Insurtech Solution for Insurers, Third Party

Administrators, Insurance Brokerage organizations, Benefits Consultants, Payroll/HRIS solutions providers, etc.

Voluntary Benefits are benefit options for employers to consider for their employees at no extra cost. The benefit for employees is lower cost premiums. They are offered to employees over and above the core employee benefit with the costs often shared between the employer and the employee. Such benefits can include extra coverage for short and long-term disability, health & dental care, life insurance solutions, critical illness, accidental death and dismemberment, long term or elder care, travel, and non-health or life solutions such as: contents, pet insurance, identity theft, auto and home, etc. As part of an "employee group plan", the employee can typically purchase such products at a discount to individual pricing.

In a 2014 LIMRA report, 71% of employers said they believe Voluntary Benefits improve worker morale and satisfaction. Similarly, industry reports from 2016 say employers are increasingly using Voluntary Benefits as part of their solution to give employees the opportunity to personalize and make their own decisions as to their reward and benefit packages. Sanofi Canada's 2015 healthcare survey indicated 91% of employees surveyed say they place a high value on customizable flexible benefit plans. Other industry studies noted 73% of employees surveyed said access to flexible benefits was an attractive option, even a deciding factor when job hunting. The launch of SEB's Ecosystem allows SEB to be a leader in supplying digital solutions to the high growth Voluntary Benefits market segment, both domestic and global.

States John McKimm, President/CEO of SEB, "In 2017, SEB generated over \$20.0 Million of revenue in supplying IT solutions and services to Insurers in Canada and the U.S. through its Insurtech Group. We have extensive expertise in

understanding and implementing processing solutions to Insurer environments. This “Voluntary Benefits Ecosystem” being launched in SEB’s Benefits Division and supported within SEB’s Insurtech Group, has been in development for almost two years and is the first of several “Insurtech” market-ready solutions already developed by SEB, which will be launched in the next 6 to 12 months (initially through SEB’s Benefits Division). All SEB “Insurtech” solutions have global application. All solutions drive annuity revenue models and are delivered on a SaaS business model.

SEB is in discussions today with multiple insurers to launch multiple “Voluntary Benefits” by the end of Fiscal 2019, in Canada, the U.S.A. and globally. Our “Voluntary Benefits Ecosystem” is hosted in the Microsoft Azure, as per our July 16, 2018 news release, and can be made available in 54 Countries wherever there is an Azure environment. Our “Go-To-Market” business is to partner with “Insurers and Re-Insurers”, who create the insurance solutions. SEB manages the complete business processes between the Insurer and the end client (typically employer and employee). Insurance companies in North America and abroad view “Voluntary Benefits” as a huge multi-billion-dollar market opportunity to give employees and employers unique, cost-effective, easily customizable and flexible insurance solutions”.

States Mohamad El Chayah, President of SEB Administrative Services Inc., “Voluntary Benefits are a huge growth opportunity for SEB. In a Beta launch of one Voluntary Insurance Benefit solution in early 2018, SEB Admin had over 39% penetration in the first enrolment. Anecdotal reports in the U.S.A. suggest employee’s uptake of optional Voluntary Benefits has been less than 10%, while participation sales using an active enrolment model (like the SEB Ecosystem) can increase enrolment to 30% or more. Voluntary Benefits contribute to the customization of

Benefit Plans being demanded by both employers and employees today, making the technology to manage such flexible benefit plans an increasingly critical factor for clients, brokers and consultants when they select an administration solution environment for their benefit plans. SEB's Flex Plus administration environment has among the most advanced, cost-effective and customizable "Flex" capability in the Canadian market, with 16 integrated modules, including the above noted "Voluntary Benefits Ecosystem", which can be deployed standalone or in "One Processing Environment".

Mr. El Chayah goes on to say, "SEB's objective is to give our clients, corporate and government, the most cost-effective and flexible benefit choices in the marketplace, providing the most user-friendly and robust digital platform for our clients and accelerated customer acquisition for our Insurer Channel Partners. SEB's "Flex Plus" environment has global applicability, including Canada, U.S.A. and the Middle East, where active partnerships are currently in negotiation. The premiums for the voluntary insurance benefit launched in the early 2018 Beta were typically in the \$100 to \$200 per annum range. SEB's revenue model is administration/commission and driven off premium. The Voluntary Benefits market is fairly underdeveloped in Canada (some say less than 5%), largely because of the cumbersome application and approval processes. SEB's digital Ecosystem allows a plan member to buy a guaranteed issue insurance solution in minutes, not days and weeks. In the U.S.A. and other markets, Voluntary Benefits have been available for more than 15 years and are growing in popularity. The key to increasing employee interest in Voluntary Benefits is to make the education, enrolment and purchase easy and simple. SEB's Voluntary Benefits Ecosystem does just this. SEB looks at Voluntary Benefits as a massive growth opportunity in 2019 and beyond, for both itself and its Ecosystem Channel Partners."

ABOUT SEB

SEB's business is "IT Managed Services" focused on Business Process Automation and Outsourcing providing software, solutions and services to a national and global client base on multi-year contracts. SEB has a specialty growth focus in cloud enabled SaaS processing solutions for managing employer and government sponsored benefit plans on a BPO (Business Processing Outsourcing) business model. SEB's market opportunity is global.

SEB currently serves corporate and government clients across Canada and internationally. Over 80% of SEB's revenues derive from government, insurance and healthcare organizations. SEB's technology infrastructure of over 800 multi-certified technical professionals, in 11 offices across Canada and globally, is a critical competitive advantage in supporting the implementation and management of SEB's Benefits Processing Solutions into client environments. SEB's "One Processing Environment" Benefits Processing Solutions can be game changing for SEB's Clients and Channel Partners.

The core expertise of SEB is automating business processes utilizing SEB's proprietary software solutions combined with solutions of third parties through joint ventures and partnerships. SEB's client acquisition model in benefits processing is "Channel Partnerships", where SEB processing solutions both improve cost structures for clients and enable new revenue models for Channel Sales Partners. All SEB solutions are cloud enabled and can be delivered on a SaaS platform. SEB solutions turn cost centers to profit centers for our Benefits Processing Channel Partners. For our Clients, SEB solutions provide highly cost-effective processing environments with better analytics, reduced error and fraud rates and optimum flexibility.

For further information about SEB, please visit www.seb-inc.com.

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