

Public Cloud, Member Self-Service & Information Security Are Priorities for Pension Providers

The pension industry has experienced significant change in recent years, with major technology shifts, increased member service expectations, and a challenging regulatory and work environment. At Vitech's recent customer advisory board meeting, public pension and Taft Hartley funds discussed their current highest priorities, and how Vitech and V3locity can support these initiatives. High priorities include member self-service, increased information security, and migrating front, middle, and back office systems to the public cloud.

Pension providers cite "keep the lights on" initiatives as their highest overall business and technology priorities – investment returns to fund pension liabilities, plan design changes to meet legislative and regulatory requirements, and information security initiatives to protect plan members' information. After plan design administration changes and information security, the highest-ranking technology priorities include member self-service, e-signatures, and data analytics. Most want the advanced information security capabilities that the public cloud provides, and the advantages associated with not owning and managing their own data centers.

Pension funds that lack robust member self-service rank it as a top technology priority. The industry sees member self-service as increasing member satisfaction, driving efficiency, supporting the transition to more remote, paperless operations during and after the pandemic, and bolstering information security. With more people working at home, pension funds need to minimize or eliminate paper documents in employees' homes – particularly those documents that contain sensitive member information.

Pension funds that have rolled out online self-service capabilities see results indicating 90% of members enrolling for both self-service and paperless processing, which significantly enables pension funds' migration to remote operations. To transition to true paperless processing, pension funds now want their members to use e-signatures instead of wet signatures. The legal and regulatory barriers are accepted as manageable. Methods such as multi-factor authentication have been adopted to make legal staff more comfortable with e-signatures. Other solutions are being used to eliminate notary requirements, such as gaining regulatory approval to have notarizations occur via Zoom, using the phone for checking eligibility or other processes that require sensitive personal information, and also using Zoom to answer questions so that members feel comfortable signing electronically.

Vitech sees data analytics as a high technology priority for pension funds that already have relatively robust member self-service and have made progress with paperless processing. With more member and other data centralized and available in a useful electronic format after Vitech implementations, some pension funds have already experienced significant benefits from better reporting and analytics and want

even more. These benefits include fraud reduction, the ability to better target their member communications, and locating and addressing operational bottlenecks to increase efficiency. The improved data access and associated data analytics provided by Vitech's platform has transformed operations at the pension funds, with all departments now using updated reporting dashboards to help manage their operations with meaningful, positive impact, particularly related to claims processing.

Beyond member self-service and related initiatives, the pandemic has also further accelerated existing plans for moving various front, middle, and back office systems to the public cloud, with some pension funds expressing an interest in becoming completely serverless. With the public cloud, funds want to increase their information security capabilities, avoid the hassle of managing data centers and hosted environments, and access world class IT talent that they may find difficult to afford. There is also a shared belief that public cloud-based approach should lead to fewer customizations and an easier ability to accomplish new things faster, like improved member self-service offerings. While pension funds often view the move to the public cloud as a way to increase information security for the data on servers, they want to further harden information security in the areas that they more directly control –using multi-factor authentication for transactions like password changes and high-risk transactions that involve sensitive member information.

CONCLUSION

In summary, Vitech sees a strong, combined interest by public and Taft-Hartley pension funds in meeting critical, immediate needs like mandated plan changes while also transitioning to a more paperless, serverless operating environment. Most pension funds have been able to adapt well to remote operations during the pandemic and most place a high priority on robust member self-service, e-signatures to enable full paperless processing, data analytics to optimize their operations continuously, and upgrading to Vitech's V3locity public cloud-based benefit administration platform. There is a recognition that moving to the public cloud enhances security while driving down infrastructure costs and increasing operational efficiencies at the same time.

ABOUT VITECH

Vitech is a global provider of cloud-based benefit and investment administration software. We help our clients expand their offerings and capabilities, streamline their operations, gain analytical insights, and transform their engagement models. Vitech employs over 1,200 professionals serving over 100 of the world's most successful insurance, retirement and investment organizations. Our market-leading platform V3locity, is a transformative suite of complementary applications that offer full life cycle business functionality and robust enterprise capabilities. An innovator and visionary, Vitech has been recognized by Celent as a three-time XCelent award winner. For more information, please visit our website at www.vitechinc.com.