

INITIATIVE	PRT Annuitant Benefit Modeling and Retirement Transformation
AWARD	Celent Model Insurer 2025 for Customer Experience
EXECUTIVE SUMMARY	<p>One of the hottest areas of insurance over the last few years is pension risk transfers (PRTs). One of the biggest challenges on the balance sheet of major employers is the uncertainty of their pension risk. It continues to grow, even as companies close their plans. A PRT allows that company to transfer the risk of their future pensions to an annuity insurer. Effectively, the balance of the pension account is used as <i>premium</i> to fund a group annuity covering the pensioners. The number of people in the plan, their ages, and more are used to calculate the premium, which is effectively the <i>bid</i> of the insurer on the PRT. Since each bid is bespoke, it is a balance between profitability and a winning bid price.</p> <p>In this model insurer submission, Prudential Financial shares the technology implemented to digitize and automate the retirement benefit quotation process, a key experience for pre-retirees, reducing manual effort while improving annuitant ease of doing business. It could be transformative to a very competitive industry.</p>
TIMELINE	<p>April 2023 Minimally Viable (MVP) - Benefit modeling</p> <p>September 2024 MVP - Retirement Capabilities</p> <p>February 2025 Live</p>
KEY BENEFITS	<ul style="list-style-type: none"> • Reduction in paper used in the process: over 877,000 printed pages eliminated. • Reduction in service team time spent on lower-value activities: nearly 2,216 hours of time automated. • Significant improvements in cycle time (weeks to minutes): customers saved 37,980 days of waiting for manual benefit estimates to be processed and mailed. • Significant improvements in quality (automated calculations vs. manual handling): 100% quality rate without requiring peer review. • Significant improvements in good order rates (error-prone forms to digital forms with built-in screening): a good order rate of 100%, reducing additional customer friction with resolving paperwork in bad order.
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