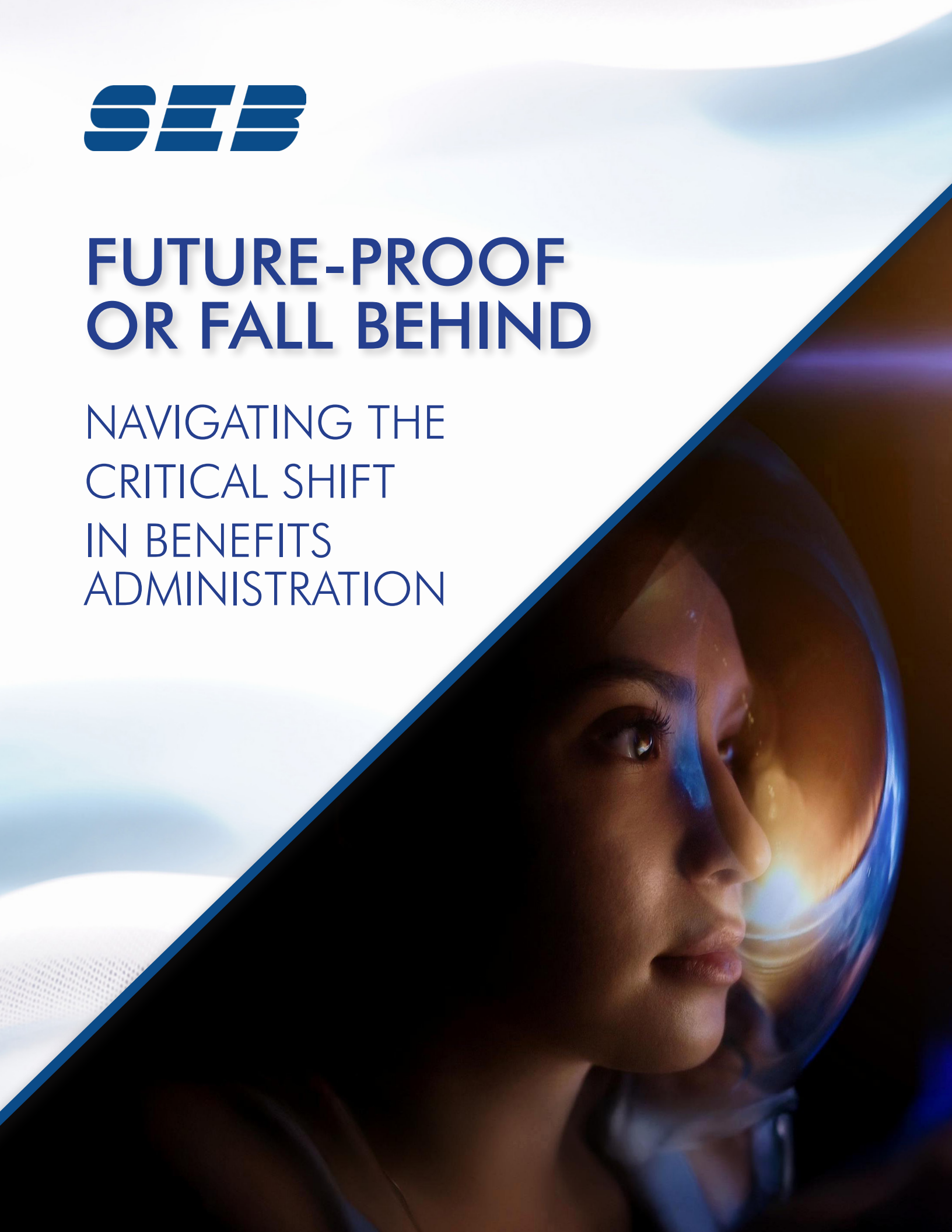# FUTURE-PROOF OR FALL BEHIND

NAVIGATING THE CRITICAL SHIFT IN BENEFITS ADMINISTRATION

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This paper explores the latest trends in benefits administration and emerging technologies that are transforming the industry—helping organizations future-proof their systems for efficiency, accuracy, and a better employee experience.

Why Future-Proofing Matters

Employee benefits are a critical investment for companies, enhancing employee well-being and serving as a competitive advantage for talent acquisition and retention. However, outdated benefits administration and billing systems often hinder both plan sponsors and employees. These legacy platforms lack user-friendly designs, making it difficult to fully understand, choose, and use benefits. Without modernization, these systems diminish the value of benefits programs and reduce competitiveness.

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Challenges with Legacy Systems

Legacy benefits administration and billing platforms were designed for basic tasks and lack the flexibility, personalization, and data integration that modern users expect. Key challenges include:

- **Complex User Interfaces and Limited Accessibility:** Outdated, non-intuitive designs make it hard for users to navigate and understand their options, leading to frustration and underutilized benefits.

- **Limited Decision Support:** With the rise of flexible benefits plans, decision-support tools are crucial. Legacy systems often lack these tools, leaving users without guidance to select benefits that are tailored to their needs.

- **Lack of Data Integration and Reporting:** Many legacy platforms don't integrate with data analytics tools, depriving plan sponsors and benefits consultants of insights needed to manage benefits plans effectively.

- **Inadequate Communication and Personalization:** Legacy systems fail to deliver personalized, automated communication that users have come to expect. This may place an administrative burden to create communications for members to ensure that they are aware of actions they need to take, or changes in their plan participation.

- **Limited Billing Solutions:** Complex billing processes create administrative burdens and delays, particularly for retirees or part-time employees who need to provide funds to cover their benefits off payroll. Without an automated member direct billing process, members can face delays or errors when trying to access benefits, which in turn creates a drain on administrators to resolve these issues.

Impact on Plan Sponsors and Employees

The disconnect between legacy systems and modern user expectations has significant consequences:

- **Frustrated Employees and Underutilized Benefits:** Lack of access to easy to use, online platforms results in employees missing relevant benefits options and reduces program effectiveness.

- **Increased Administrative Burden on HR Teams:** HR teams spend excessive time managing complex workflows, addressing employee inquiries, and troubleshooting system issues. This detracts from strategic initiatives, increases HR costs and contributes to burnout.

- **Decreased Competitiveness for Plan Sponsors:** Inefficient systems hinder an organization's ability to attract and retain talent, especially when competitors offer modern platforms.

- **Missed Opportunities for Data-Driven Benefits Management:** Without robust analytics, plan sponsors lack insights into employee preferences and usage, leading to a misaligned benefits offering and inefficient resource allocation.

The Risks of Modernizing Without Future-Proofing

While piecemeal upgrades to benefits platforms may address some issues; true modernization requires a shift to future-proof systems built for adaptability and growth. However, transitioning to such platforms is challenging, especially if they are not designed for scalability and adaptability. It is equally important to select a technology partner committed to enhancing their products. Key obstacles include:

- **Technical Debt and Legacy Infrastructure:** Older systems operating on outdated programming languages and hardware are difficult to integrate with new technologies, making modernization time consuming and costly.

- **User Adoption:** Transitioning to a new platform may face resistance without proper training and support, even if the new system is well-designed. Comprehensive user support tools such as online help and integrated chat are essential to ensure a smooth transition.

- **Security and Compliance Risks:** Benefits systems store sensitive personal information making security a top priority. Legacy platforms may not meet current data privacy standards, such as GDPR or HIPAA, increasing the risk of data breaches.

- **Cost and Resource Allocation:** While building a future-proof platform may require significant upfront investment, maintaining outdated systems often incurs greater long-term costs.

Advantages of Future-Proof Benefits Platforms

Future-proofing ensures benefits platforms remain adaptable and relevant. Key advantages include:

- **Long-Term Cost Saving:** Although modernizing and future-proofing may require upfront investment, it ultimately reduces costs associated with maintaining and troubleshooting outdated systems. Efficient automation and streamlined processes reduce operational expenses, allowing HR teams to focus on strategic priorities.

- **Scalability and Adaptability:** Future-proof platforms can evolve alongside technological advances, seamlessly integrating new features such as AI-driven personalization, machine learning for predictive insights, and real-time analytics. Scalability ensures that the platform can adapt to workforce changes and easily accommodate fluctuating user volumes.

- **Enhanced User Experience:** Platforms designed with a user-focused approach, decision-support tools, and personalized communications enable employees to effortlessly access and comprehend their benefits, boosting satisfaction and engagement.

- **Data-Driven Decision-Making:** Modernized systems equipped with robust data analytics capabilities provide insights into employee needs, enabling plan sponsors to align benefits offerings with actual demand, maximizing the value of the organization's investment.

- **Competitive Advantage:** Modern systems position organizations as forward-thinking employers, attracting and retaining top talent with a compelling benefits program.

SEB's FlexPlus:
The Benefits
Platform Built for
What's Next
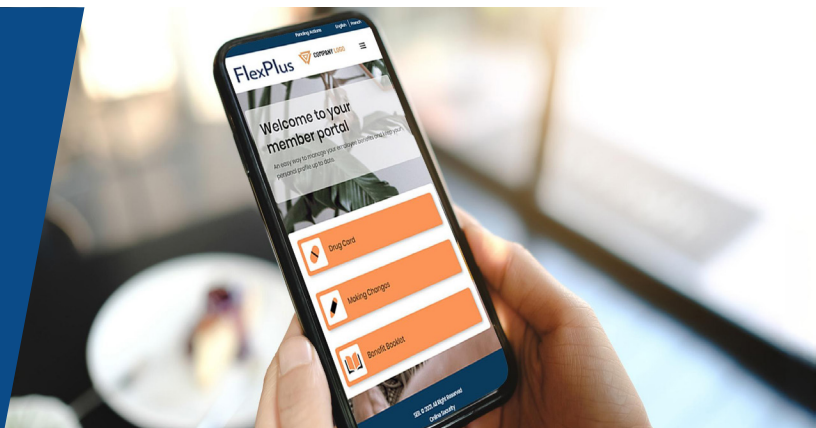
FlexPlus® Leading the Way with Artificial Intelligence (AI) and Machine Learning (ML)

SEB is at the forefront of modernizing benefits platforms, integrating AI and ML to enhance administration and billing systems. These technologies will streamline administrative tasks, create opportunities to improve user engagement and will significantly enhance the speed, efficiency, and personalization of these services.

A More Approachable Platform

The evolution of FlexPlus through AI and ML isn't just about backend efficiency—it also offers users a more accessible, responsive, and user-centric experience. These technologies streamline tasks and improve user engagement through:

- **24/7 Virtual Assistance:** AI chatbots provide instant support, handling common benefit inquiries, guiding users through common tasks and escalating complex cases to human representatives as needed.

- **Mobile-Friendly Interfaces:** Employees are accessing benefits with mobile devices. AI optimizes mobile experiences, ensuring compatibility and responsiveness across devices and can and personalize mobile experiences based on user behaviour, improving accessibility and satisfaction.

- **Self-Service Portals with Guided Assistance:** ML and AI-driven portals help employees manage benefits independently. For example, ML-based systems can suggest options during open enrollment based on past choices, similar actors or member financial obligations, guiding users through the decision-making process.

AI and ML in the FlexPlus Product Roadmap

SEB is integrating AI and ML into FlexPlus to address evolving user expectations and operational needs:

- **Meeting User Expectations:** AI-driven personalization creates seamless, intuitive experiences that anticipate user needs.

- **Operational Efficiency:** Automating routine administrative tasks reduces costs and frees up resources for complex work.

- **Enhanced Security:** Machine learning models detect anomalies that could indicate security threats, protecting sensitive personal data from security breaches.

- **Scalability:** As an organization's workforce changes, AI-driven systems adapt to fluctuations in user volumes or demand, maintaining stable performance during peak periods such as open enrollment.

- **Data-Driven Decision-Making:** Advanced analytics identify trends and predict user needs, enabling proactive adjustments and optimized benefits offerings.
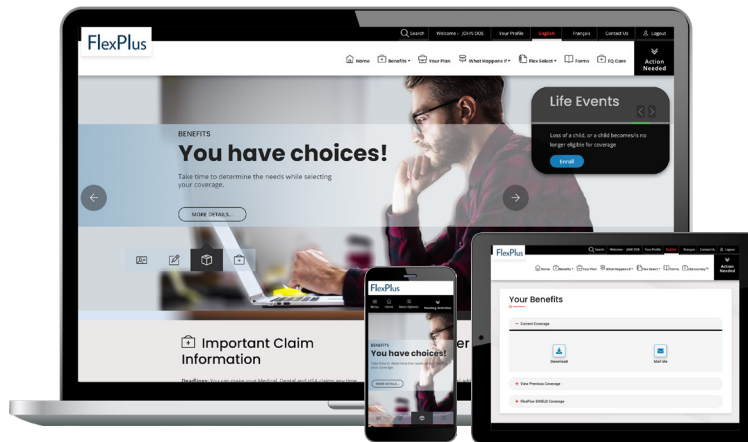
Commitment to Cyber-Safe and Inclusive Solutions

FlexPlus is built with robust security, privacy, and inclusivity standards. It supports diverse user needs, offers transparent data usage policies, and ensures continuous improvement to stay relevant. By prioritizing accessibility and ethical AI practices, SEB fosters trust and aligns with evolving workforce demands and reflects our commitment to values-driven innovation and responsibility.

In Summary

Outdated benefits platforms hinder engagement, competitiveness, and operational efficiency. Future-proofing is essential to maximize the value of employee benefits programs, enhance the user experience, and stay competitive in a rapidly evolving landscape. SEB's FlexPlus exemplifies the future of benefits administration, leveraging AI and ML to deliver scalable, secure, and user-centric solutions that meet the needs of today and tomorrow.

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