



How to Accelerate Innovation in Life Insurance

PART ONE

Your Introduction to Life Design Sprints

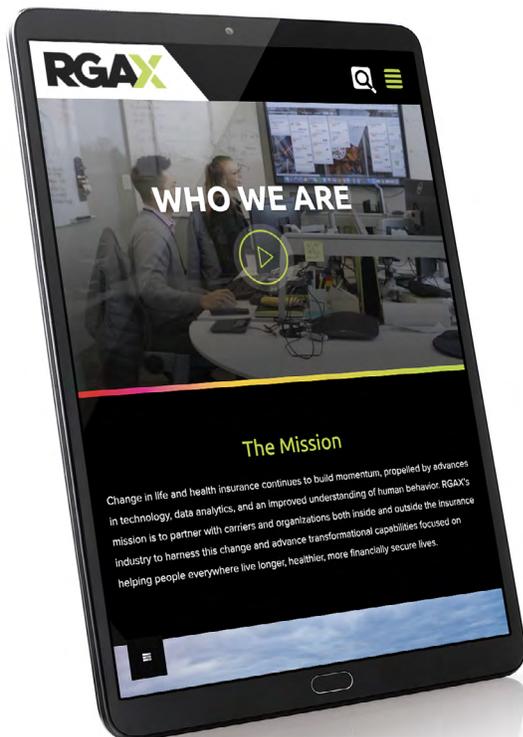
Meet RGAX

RGAX is the life and health insurance industry transformation partner. We dig deep to better understand the core causes and ultimate effects of the most pressing challenges life insurance carriers are facing. Change in life and health insurance continues to build momentum and is constantly being propelled by technology and data analytics.

Having established an industry-leading combination of talent, technologies and best practices, RGAX helps carriers, distributors and technology companies find and test solutions to improve longevity, increase the health span of people around the world, and make significant strides to closing the global insurance coverage gap.

RGAX was established as the “transformation engine” of Reinsurance Group of America (RGA) and is an extension of RGA’s decades-long commitment to innovation in building the future of life and health insurance.

To learn more, [watch our \(3-minute\) Brandumentary](#) to better understand who we are and what we do.



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If we can have a role in helping people live longer, healthier lives, then we’ll have fulfilled one of our moon shots.

– Dennis Barnes, CEO, RGAX



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Life Insurance Is Like Sprouts?

Life insurance delivers good, socially useful products, yet there's a large mortality protection gap. In other words, people are under-protected. RGAX is in the insurance business because we want to help people live better, healthier, more financially secure lives. To get more people covered, we need to tackle the right problems together.

To find the right problems to solve, take a moment to think about Brussels sprouts. That's right, sprouts! Many believe sales friction is the biggest cause of the coverage gap. Ultimately, selling life insurance is much more like selling sprouts than selling sweets.

Sweets are an impulse purchase, so reducing sales friction by making them easy to buy at the checkout should result in increased sales.

Selling sprouts requires persuasion. Like life insurance, sprouts are good for us, but they are also deeply unexciting: few shoppers will pick up sprouts on impulse. Making them easy to buy isn't enough.



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To get people to buy Brussels sprouts (and life insurance), you'll need to do more than make the journey easy – you'll need to add persuasion.

*– Jonathan Hughes,
an RGAX Sprint Master*

APPLY SPROUTS STRATEGIES TO INSURTECH

The following digital insurance companies provide examples of innovations that reduce sales friction and use persuasion to promote the sale of life insurance. They apply similar strategies parents use to get their kids to eat sprouts:

Serve sprouts with a nice meal.

[Yu life](#) gamifies life insurance to help users feel good while being good – consuming life insurance.

Focus on what sprouts do for you, not what they are.

[Drinkaware](#) found more success focusing on the effect alcohol has on appearance than on health.

Know what motivates them to consume sprouts.

[TrueRisk Life](#) provides data-driven tools to help enrich an insurer's understanding of potential customers.

While reducing sales friction alone won't create more sales, persuasion can help. These three companies uncovered their customers' needs and motivations to buy insurance. Let's look at how you can innovate products and services that motivate people to buy more insurance.



drinkaware

TrueRisk



Life Design Sprints Defined

Uncovering the needs and motivations of consumers in a changing marketplace requires creativity. Unfortunately, the first tool many people think of to promote creativity is brainstorming. Like many organizations, you've likely used and been disappointed with brainstorming.

RGAX has developed a better way to create innovative insurance solutions that's **repeatable, reliable, and efficient**. It's called Life Design Sprints. Let's unpack the name:

LIFE | Focuses exclusively on the life and health insurance industry

DESIGN | Employs an iterative process of design thinking to develop and test innovative solutions, so there is a proven likelihood of the solution succeeding in market

SPRINTS | Utilizes a technique adapted from the tech industry to accelerate and maximize output called 'sprints' (short, time-boxed periods to complete tasks)



Putting the pieces together: **Life Design Sprints** are focused sessions, lasting around five days, in which a diverse group develops solutions together to address the toughest challenges; identifies the ones most likely to work; designs and builds prototypes; tests; and learns from the results with real customers.

A Life Design Sprint produces a concrete, tested output to a well-defined customer problem – in days rather than the weeks or months typical for product testing.

By borrowing from and adapting techniques used in other industries, MetLife partners and RGAX worked together to create solutions for the life and health insurance industries. Let's look at the characteristics of the type of problem that can offer a consistent source of market opportunity: Wicked problems.

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We definitely got a new perspective after completing the Life Design Sprint! It increased focus on an identified problem, enhanced the range of potential solutions, and gave us the opportunity to look at it from different perspectives and generate more “out of the box” ideas. The sprint also helped us fix a list of quick implementations and bring them together with long-term actions.

– Oscar Herencia, Vice-President for South of Europe and General Manager for Spain and Portugal, MetLife

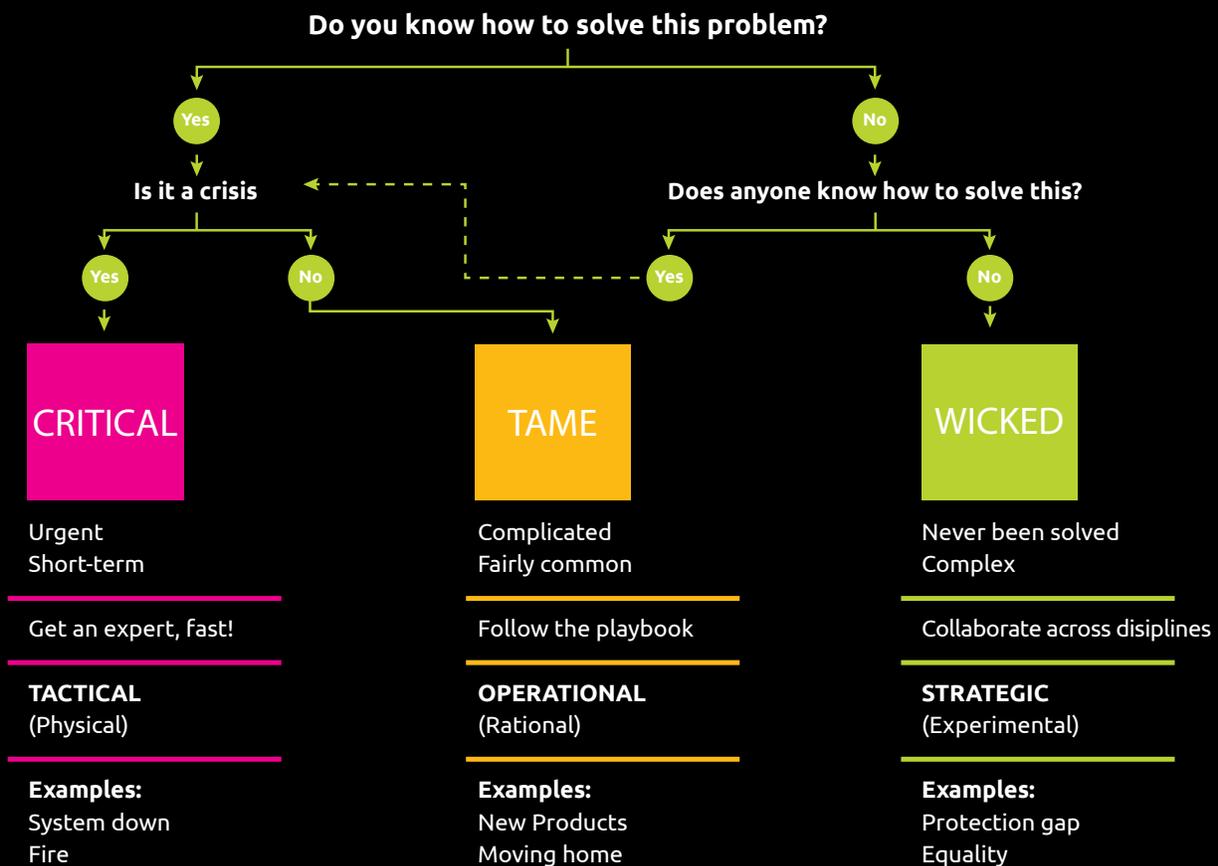
An Approach to Wicked Problems

You don't have to solve a big problem completely to deliver measurable value. Solving even a piece of it can champion transformation. No one knows how to solve impactful problems fully, and because they're so large and complex, no playbook is available to help. These difficult or only partially solvable problems are called Wicked problems.

Solutions to Wicked problems will transform the insurance industry. We invite your company to work with us to uncover the opportunities, expand the life insurance ecosystem, and create solutions and services that inspire customer engagement.

GOT A PROBLEM?

Follow this chart to diagnose the nature of the problem and identify the best approach to solving it.



LEADERS SHOULD SPEND MORE TIME ON WICKED PROBLEMS

Many leaders in insurance companies are not comfortable with Wicked problems. You may be used to having answers presented to you or having all the answers yourself, instead of needing to explore with questions such as “what if?”

Critical and Tame problems monopolize most insurance executives’ time, but many of these problems can be managed by others, allowing leaders to focus on

highly influential Wicked problems – the ones that can transform your business and your industry.

Wicked problems are unique beats. They require strategic leadership, diverse input, and a collaborative approach. The right mindset, invitation list, and exercises to extract insight provide a best-practice formula – so your group can find and articulate quick wins and long-term solutions efficiently and reliably.



Identifying why people aren't buying life insurance (the problem) better equips you to develop strategies that persuade them.

A Formula for Success

The Life Design Sprint approach helps you avoid common mistakes to collaborate successfully on innovative solutions. Failure happens though, and if your organization must fail, fail fast.

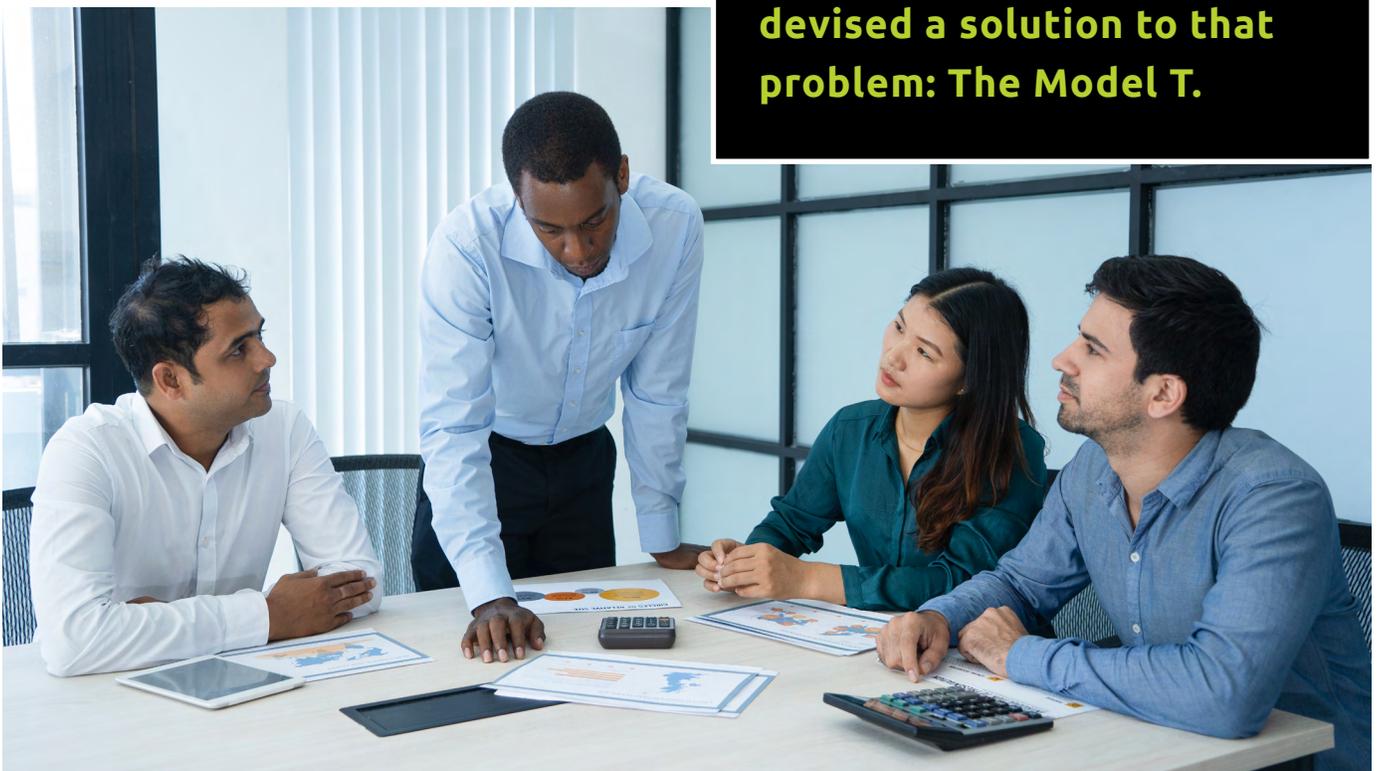
MINIMIZE FAILURE BY EMPATHIZING WITH THE CUSTOMER

From the Ford Edsel to a facial mask delivering electric shocks, Sweden's Museum of Failure offers hundreds of tangible, often amusing reminders that the path to success is littered with countless botched product launches.

Innovation is a tricky business. Insurers can take away an important lesson from failed launches to reduce the risk of innovation. In nearly every case the creators made one classic mistake: they fell in love with their solution before understanding their customers' problems.

Assuming what customers want too quickly is an easy trap to fall into. What's harder is stepping back and understanding the root causes of customer behavior by clearly defining not only what customers need, but also what they don't.

Henry Ford once said, "If I had asked people what they wanted, they would have said faster horses." Rather than jumping to a solution, Ford placed himself in his customers' shoes and fully empathized with their frustrations over slow transportation. He then devised a solution to that problem: The Model T.



THE PURCHASING PROCESS IS AN EMOTIONAL JOURNEY

The journey of a life or health insurance customer is a deeply emotional experience – from the time an individual first considers purchasing insurance to the moment a policyholder navigates the claims process. While the insurance industry must ensure risks are properly priced, it must also consider the human aspects of product, channel, and process design.

The customer journey is a trip full of considerations, distractions, and off-ramps. Keeping the customer focused and invested requires reexamining products and processes through the applicant's or claimant's lens.

Focusing on the customer can be transformative, but it can be difficult as well. Too often, actuarial needs or compliance requirements rather than customer preferences have driven product development. However, only when the policyholder's problems are fully understood can the team devise a solution.



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One of my strategies when facilitating a Life Design Sprint is to ask, ‘Why do you think this is a problem?’ I ask this question frequently because I find that it often leads to a group going from observing a situation to identifying a problem in less than ten minutes.

*– Emmanuel Djengue, an
RGAX Sprint Master*



3 KEY ELEMENTS FOR SUCCESSFUL INSURANCE INNOVATION



Adopt a customer mindset

In a dynamic market, a from-scratch design approach will help the team identify a current problem, learn about the people experiencing that problem, and create a business opportunity drawing upon the current strengths and expertise of your organization.



Bring together the right people

Design sprints deliberately involve a mix of participants from all departments who contribute a diverse range of thought processes, experience, and expertise. Organizational buy-in is important, so design sprints require the participation of decision makers whose opinions hold the most weight.



Use decision-making exercises

The structure of Life Design Sprints ensures the capture of every individual's contribution. A design sprint contains several exercises to avoid a common brainstorming pitfall: the voices of the loudest and most senior participants squash the valuable input of others.

BUSINESS OUTCOMES

Teams that innovate in a design sprint continue to benefit over time because Life Design Sprints.

Give groups momentum

Beautiful things happen when you have buy-in and alignment in a group after a design sprint. A design sprint allows your team to:

- Establish a shared vision and achieve buy-in at all levels
- Start development right away knowing that all relevant leaders are fully aware of the project's ambition
- Get to market faster
- Maintain resilience to personnel changes en route to market

Reduce corporate risk

Organizations reduce risk and deliver innovative insurance solutions with the help of alignment and buy-in. Each design sprint:

- Brings together the right decision makers in one room so that the project is bought into at all levels
- Puts a deep understanding of the customer at the heart of the problem
- Ensures organizations extract the individual insight of everyone in the room

RGAX sprint masters are expert facilitators who make sure participants are comfortable and productive in a Life Design Sprint, but we anticipate you may initially have to overcome some resistance from within your organization from individuals who will need persuasion. You may find the following checklist helpful in preparing your organization for a Life Design Sprint.

A group of insurers, reinsurers, and other industry players worked with us to run a design sprint in London to promote preventative solutions to the societal (and life insurance) problem of suicide in the UK.

This **Life Design Sprint highlights the responsibility insurers hold and the opportunity they have to create products and solutions that improve lives. It also demonstrates the value of alignment and buy-in because the participants continued to work as a self-organized group long after the sprint, as they were all aligned on the problem and had the buy-in and resources needed to move forward.**

CHECKLIST: PREPARE FOR INNOVATION

Innovation is universally challenging, especially when so many are expected to innovate without knowing how. This Life Design Sprints checklist includes tips and tricks on how teams can prepare to be as effective as possible when introducing a new way of thinking.

GET READY WITH PRE-SPRINT WORK

People can feel uncomfortable when they don't know what to expect. Preparation is a big part to overcoming resistance. Following these steps will get your team ready for the sprint:

□ **GATHER BACKGROUND:** Early on, work to understand the problem you hope to solve. Identify the impact the problem has on your customers and/or your business, who it affects specifically, any past attempts at solving it, and what metrics should be used to measure results.

□ **ALIGN AROUND A PURPOSE:** Agree on the mission and purpose of the design sprint. Early in the process it should be clear what everyone is getting together to solve and why.

TIP: A pre-sprint survey lets you see where everyone's head is relative to the topic. Share the information for full transparency.

□ **SET EXPECTATIONS:** Priming participants with what to expect lets people start thinking about the objective and familiarize themselves with the basics of design sprint methodology.

PROBLEM AUDIT: WHEN NOT TO SPRINT

Some types of problems are not right for a design sprint: they lack a business case; don't align with the company's mission; or stand apart from the normal flow of operations.

□ **ASK YOURSELF: IS THIS THE RIGHT PROBLEM?** Work with the sprint facilitator in advance to articulate a problem statement that reflects an unmet need in the market, something that multiple customers are experiencing and will pay your company to solve.

DECIDE WHO TO INVITE

Identifying and engaging a productively diverse group of stakeholders can be daunting. Follow these steps to help select the right participants.

□ **INVITE THE RIGHT PEOPLE:** Once you've defined the problem, you next need to identify job roles impacted by it or knowledgeable about it. The roles should be diverse and across all dimensions, including underwriting, claims, IT, administration, and digital distribution.

□ **SELECT BACKUPS:** Identify one person and a backup for each role. These people should have a strong line of sight into their business areas and they should be able to articulate how their team functions and how it would be involved in or affected by a solution.

□ **Recognize the Decision Maker:** Often this person is the ultimate project owner, the sponsor, or the champion who'll lead the project. The one who will make decisions on behalf of the business to keep the project moving following the sprint.

MANAGE INTERPERSONAL DYNAMICS

Everyone's opinions and contributions are equal in a Life Design Sprint. The only exception is the decider has the final say. Here are four ways to handle the interpersonal dynamics you may encounter.

□ **DEFINE EVERYONE'S ROLES IN ADVANCE:** Invite each participant, including the senior leader, to fill a distinct role and contribute their expertise from the context of that role.

□ **BEWARE OF THE HIPPO (HIGHEST PAID PERSON'S OPINION):** A senior leader can provide a cross-functional perspective and crucial support for a fledgling project. In some cases though, you could miss out on opportunities to benefit from the group's collective knowledge if a HiPPO is too dominant. If concerned, reach out to your facilitator for help navigating the best approach.

□ **NO NAYSAYERS:** Understand if a naysayer's pushback against a design sprint is rational, personal, or defensive. If the individual cannot contribute to productive disagreements and constructive collaborations, you may choose to run the sprint without them.

Tip: It's best to include diverse viewpoints, provided everyone is interested in solving the problem.

□ **SET UP A SAFE ENVIRONMENT:** Recognize that individuals may feel exposed. Set expectations and work to create a safe environment in which people can both share their expertise and ask questions when they don't have the answers.

CHECKLIST: PREPARE FOR INNOVATION (CONTINUED)

FIND A TIME ON THE CALENDAR

Finding a free week on everyone's calendar can be an obstacle to scheduling a design sprint. Follow these tips to avoid cancellations.

- **RECOGNIZE THE VALUE OF FOCUS:** Giving people time to come together to dissect an important business problem without having to multitask has the potential for outsized reward. If necessary, you can work with your facilitator to shorten the sprint. Sprints are about quality over quantity.
- **COMMIT TO A QUORUM:** You'll know if the show can go on in the absence of a participant. And it doesn't work to have someone call in remotely. Everyone has to be in the room, so remember your backups!

ELIMINATE DISTRACTIONS

People showing up physically but not mentally can be an obstacle.

- **AGREE ON NORMS:** It's best if the facilitator sets norms of participation in advance and at the beginning of the sprint: no phones, no computers, no calls, and no side conversations.
- **GET UP AND COME TOGETHER:** Set expectations that participants will work in non-traditional ways, such as getting out of their chairs and working in clusters near whiteboards. The result is greater engagement.
- **COME TOGETHER AND PARTICIPATE:** Set expectations that participants will work in non-traditional ways, such as getting out of their chairs and working in clusters near whiteboards. Or if in a virtual setting, having cameras on for all participants along with using breakout rooms and whiteboards. The result is greater engagement.

ACCEPT COMPANY HISTORY

If a similar project has failed at the company, be sure to share your insight with your facilitator.

- **KNOW YOUR HISTORY:** Understand the context and depth of any negative perceptions around a business and address them head-on. This understanding will help ensure the solution coming out of the design sprint that appears similar will be given a chance based on its own merits.
- **DON'T REPEAT THE PAST:** It may be tempting to tackle a problem that's simply too charged, risky, or political. It's often best to choose a different but equally valuable problem that doesn't come with historical or emotional baggage.

OVERCOME DOUBTS

Skeptical stakeholders can be turned around by outlining the underlying purpose of a design sprint without buzzwords or unrealistic expectations.

- **EXPLAIN THE VALUE:** Bringing together a group of motivated individuals, diverse in their talents but aligned in their mission, and then having a trained facilitator lead them through a single problem delivers the most benefits and progress in the least time.
- **DON'T OVERPROMISE:** A Life Design Sprint reflects best practices from multiple fields including cognitive science, consumer-centric design, and lean methodologies. It's not magic; it's a marriage of focus and facilitation.
- **OVERCOME INERTIA:** When a project has languished due to early-stage, a Life Design Sprint can help identify what needs to be done and clarify the expected benefits, allowing people to know what to do and why they're doing it.

BRAINSTORMING FALLING SHORT?

Learn more about how Life Design Sprints structured innovation breaks down barriers for immediate impact in [Part Two of the eBook series:](#)

[Your Guide to Mastering Life Design Sprints](#)

Dive Into Part Two

