



Payment Delinquencies Reduction Roadmap:

Overcoming Roadblocks
to Timely Premium Payments
from Policyholders



Challenges Caused by Delinquent Premium Payments

Delinquent premium payments are the root of countless issues for insurance carriers. Besides interrupting cash flow, staff time and organizational resources are wasted by manually printing and mailing late payment notices. Not to mention, continuous delinquencies have long-lasting impacts, like costly policy cancellations, reinstatements, complications when claims are filed during a lapse in coverage, and churn.



Let's look at some of the most common reasons for missed premium payments and tactical ways organizations like yours can get policyholders back on track.



Policyholders are Unaware Payment is Due

One of the biggest challenges insurance companies contend with is prompting payments from policyholders who aren't aware payment is due. Whether it's forgetfulness or some other circumstance that's keeping customers in the dark, communication is critical.



Keep Policyholders Informed with Detailed Payment Reminders

Payment reminders are key to encouraging regular, timely payments. Ideally, reminders should be branded so it's clear which organization they're from and include important information like the amount due and how customers can immediately pay their balance. InvoiceCloud data shows customers respond best to second and third notifications. Enabling multiple reminders increases your chances of receiving payment before the due date.





Customers aren't Responding to Current Notifications

Your organization has established a consistent notification cadence — great! But if policyholders are still unresponsive to first, second, and third payment reminders, it's time to take your customer communications to the next level.



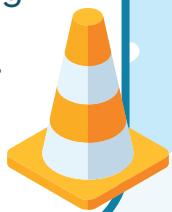
Enable Outbound Campaigns

If policyholders aren't responding to traditional payment notifications, launch more personalized communications to encourage the desired actions.

InvoiceCloud's Outbound Campaigns can remind policyholders of due payments and communicate other critical information. Leverage existing information about your customers, such as geographical location and preferred communication channels, to provide personalized bill reminders and late payment notices, as well as communications about special discounts, coverage recommendations, and company updates. Customized messages, tailored to an individual, are more impactful than standard payment reminders.

IC FEATURE:

Outbound Campaigns leverages customer information to send targeted messages, enabling billers to send personalized payment reminders or other service communications via email, phone, or text.





97%
own mobile phones



IC FEATURES:

- Mobile wallets
- Online portals with optimal smartphone experience
- Automated phone payments (also known as IVR)



Customers Cannot Access Computers for Online Bill Payments

Using computers for bill payment is not an accessible option for all people. More than [14 million households](#) across the U.S. don't have internet and [research](#) has found that populations like non-English speakers and the unbanked have limited access to computers.



Offer Mobile Payment Options to Compensate

The [PEW Research Center](#) found 97% of Americans have mobile phones, including the unbanked population. To cater to policyholders who prefer using a mobile device for bill payment, carriers should promote mobile wallets, use online portals configured for an optimal smartphone experience, and offer automated phone payments (also known as IVR).



Despite Notifications, Policyholders are Still Forgetting to Make Payments

If you're still not making headway with multiple notifications, it's worth encouraging a "set it and forget it" route that allows payments to be made regularly without the policyholder having to lift a finger.



Set Up Automatic or Scheduled Payments

Automatic or scheduled payment options ensure consistent payments that don't require customer intervention. To drive more policyholders to these payment routes, the InvoiceCloud platform is designed to motivate automatic payment (AutoPay) enrollment throughout the entire online experience. You can also give policyholders the flexibility to self-serve and easily change their payment method without calling and tying up valuable resources.



IC FEATURE:

Drive AutoPay enrollment throughout the payment experience.





Checks for Premium Payment are Late or Stolen in Mail

Traditional mail is not the most reliable option for sensitive communications, like bills or their corresponding payments. Besides the slow pace of this delivery method, the [U.S. Treasury](#) reports check fraud has increased nationwide by 385% since the pandemic.



Educate on Fraud and Push for Digital Payments

To avoid the dangers of late or stolen payments by mail, it's important to educate customers on the risks of using checks for payment. Promote digital payment options in myriad ways, including on paper bills and envelopes, to encourage online adoption. [Research](#) shows those who prefer writing checks are largely open to using self-service payments like automated phone options (also known as IVR) and mobile wallets, but carriers must actively promote these digital choices to successfully discourage check use.

* Bureau of the Fiscal Service (2023). Enhanced fraud detection process using machine learning recovers \$375M in fiscal year 2023. <https://paymentintegrity.treasury.gov/paymentintegrity/custom/fraud-detection/>



Customers Historically Lose Paper Bills

Receiving paper bills is not ideal for all customers, especially those who tend to lose physical invoices. While notifications can be helpful in this circumstance, paper reminders are just as likely to be misplaced as the bills that came before them.



Encourage Paperless Billing Enrollment

For policyholders who are regularly delinquent due to misplaced paper statements, paperless billing delivers important information promptly and digitally. Reaching 100% paperless adoption is most carriers' ideal state, as this initiative saves costs, creates efficiencies for insurance companies, and encourages timely payments among this forgetful cohort. The InvoiceCloud platform is designed to drive customers to enroll in paperless billing throughout the payment experience and allows you to enroll customers in paperless billing on their behalf (with permission).

IC FEATURE:

Motivate paperless billing enrollment throughout the payment experience.





Customers Find Paying Digitally Too Difficult

Ultimately, the best way to keep bill payments on time is driving policyholders to adopt your digital payment options. But if customers find online options too challenging to find, use, or enroll in, you can be certain they won't use them.



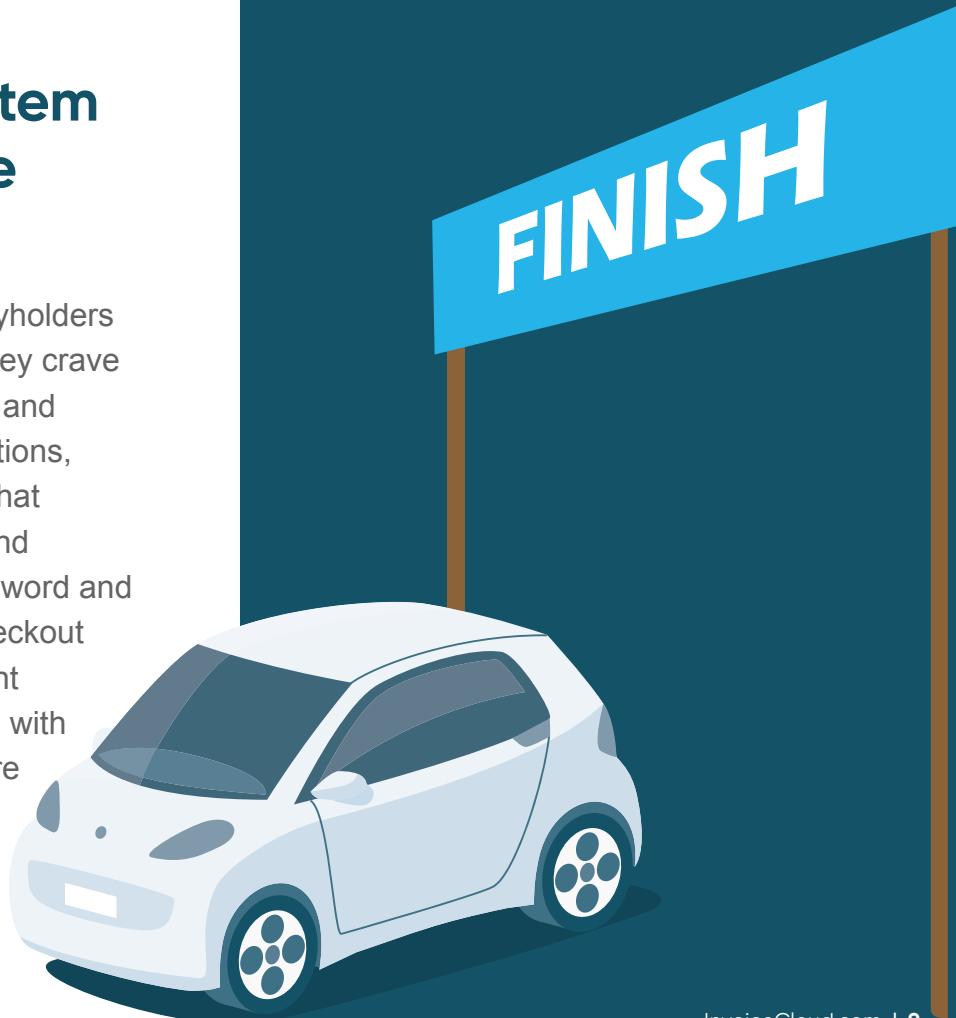
Choose a Billing and Payment System Designed for Ease of Use

Online routes offer modern policyholders the flexibility and convenience they crave — but only if they're easy to find and use. With the right payment solutions, carriers can remove login walls that require policyholders to create and remember a username and password and instead offer optimized guest checkout routes. If your billing and payment system isn't providing customers with quick, intuitive ways to pay, you're causing more roadblocks to payment than you're solving.

InvoiceCloud is a billing, payment, and engagement platform designed to eliminate barriers to timely premium payments.

Interested in learning more about how our industry-leading solution can help your insurance company reduce delinquencies?

[SCHEDULE SOME TIME TO TALK WITH OUR TEAM](#)





InvoiceCloud®

InvoiceCloud provides trusted, secure digital payments and the highest-adopting Electronic Bill Presentment and Payment solutions.

To learn more, visit
www.InvoiceCloud.com

