

# Customer Experience in the Age of Digital Insurance

Vivek Gujral, *Chief Technology Officer*



---

# Customer Experience in the Age of Digital Insurance

**There are four relevant trends that help to drive the nature of customer experience in digital insurance:**

**FIRST**, the broad-based digitalization of our society. Being connected all the time, typically via smartphones, is the norm. And we've moved from making phone calls to preferring chat (whether text or video) and now increasing in popularity are voice-based interfaces with a human, or likely a chatbot or robotic advisor.

**SECOND**, thanks to other industries whether music or media, travel or more recently banking, the expectation from customers is that they want to be in control of the information they seek, the product they desire or the service they want and they want 'it' now. Whether it is a piece of music, approval for a credit card, an airline ticket, or because, their neighbor got robbed yesterday, renter's insurance.

**THIRD**, the increasing use of smart and connected devices - whether safety-conscious cars (a recent car rental feature irritated me by notifying me whenever I changed lanes; I wondered if it notified the car rental company as well?) to multifarious sensors in homes and commercial establishments.

**FOURTH**, the increasing use of analytics and artificial intelligence (to automate and therefore render real-time decisions and processes that were hitherto manual). This is not visible to the customer, but is essential if an insurer wants to give the customer what she wants.

Let's discuss what it means to deliver a world class digital experience by 'talking' to the customer through any channel, in a tailored and personalized manner – being aware of who he is, what he wants, what he likes or dislikes:

1. Being able to keep the context of conversations from one interaction to another.
2. Talking in one voice.
3. Making the most of each interaction.
4. Keeping the message simple.
5. Keeping the process simple.
6. Using existing information and supplement with third-party sources to make interactions highly customized.
7. Finding ways of connecting that add value to the customer, are not intrusive and ideally are the consequence of the customer making a conscious opt-in.

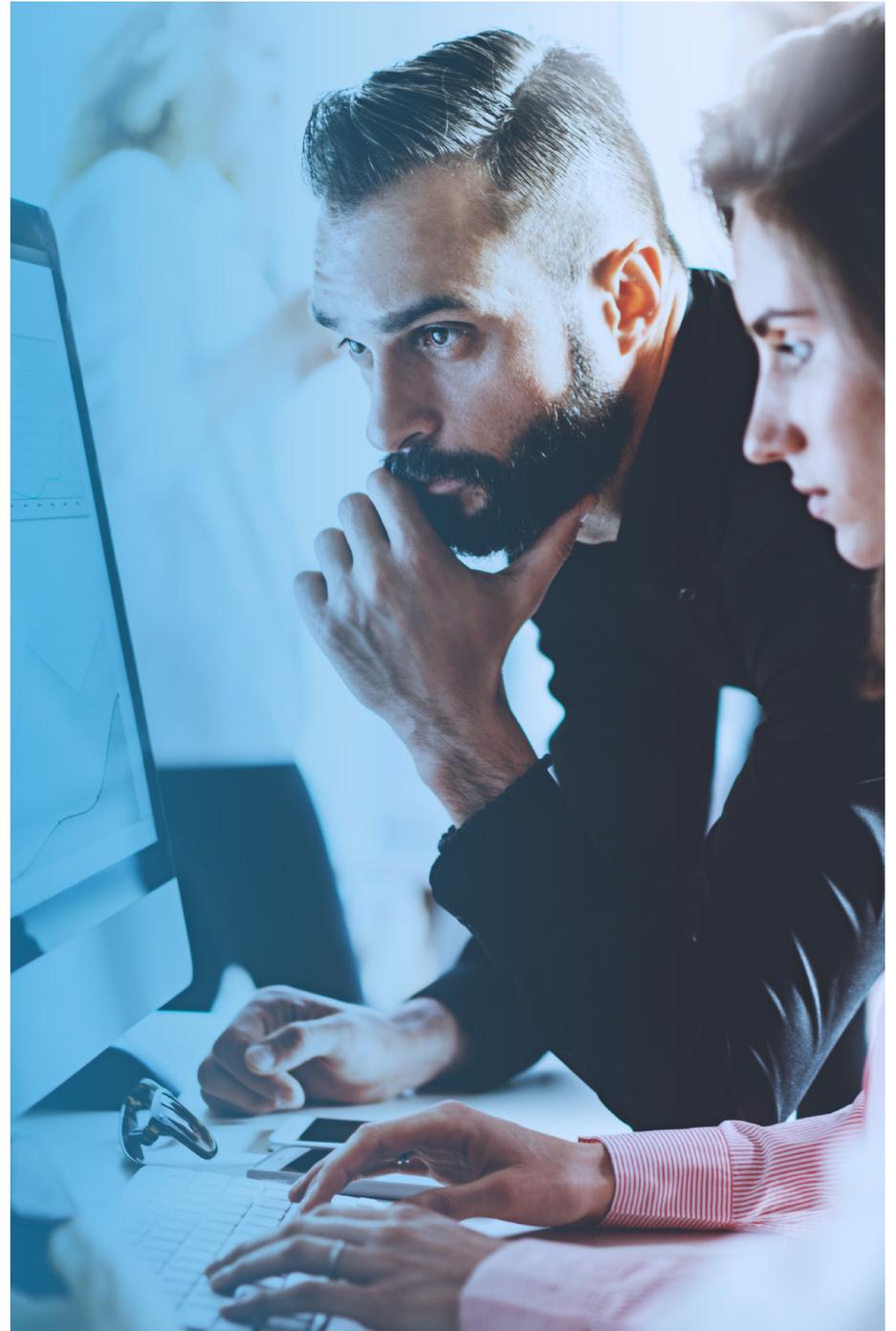


## Let's consider these individually.

The technology that allows a multi-channel dialog isn't difficult – what is difficult is keeping these conversations consistent, and to remember the context of the previous conversations. The most common instance of the lack of continuity is the need to have the customer provide the same information more than once via various touchpoints, whether by voice, chat, app or website. These types of repetitive queries could irk the customer enough that she will begin to question the quality of the core service the insurer provides. This requirement, though simple to state, has profound implications on the architecture of insurance core systems – think coherent, tightly integrated and individual-centric.

Talking in one voice is about ensuring that all interactions with the customer speak with one voice. The billing interaction should be cognizant of what's going on in underwriting and claims, as well as the other way around. This avoids the duplication of communication, and the feeling of dealing with a bureaucracy. To effectively manage streamlined communication, this has both technology and significant organizational implications at both the back end and client facing roles. For example, modern insurers are questioning the role of distinct CSRs for billing/claims/underwriting and whether having underwriter's and a claims adjuster rotate through each other's roles will help to create a single voice of the organization.

Keeping context and being consistent has a very natural outcome that should not be neglected – namely, making the most of each transaction. If a customer interacts with an insurer for some reason, this is a good time to tell him about what he owes, and what the insurer can offer him – whether advice about his driving if he's getting too many tickets (or too many warnings on his car's safety system) or an additional product that is timely i.e. vacation coverage if he's about to take a road-trip. Typically, the last thing a customer wants to be doing is dealing with his insurance company so maximizing on client engagements when the opportunity arises is advantageous.



InsureTechs spend significant time addressing 'keeping it simple' with both process and message. At origination, they present their value proposition in terms of what the customer needs, NOT what insurance provides. They view simplifying insurance as part of their secret sauce. The word "coverage" isn't used, "line of business" is forbidden. This focus on speaking the customer's language extends to what a customer wants to do when interacting – which is very little. Therefore, the processes of quoting and binding, payments and claims are kept very fat-free.

Getting to simplicity isn't easy. It requires unfettered access to everything that the insurer has gathered about the customer. In addition, there are a variety of services that offer structured and unstructured information about individuals that needs to be acquired and merged with in-house information. It needs all this information, a lot of analysis to achieve the end goal of having a personalized dialog with customer ... a person speaking to a person. Given enough volume, one gets a bonus – one not only knows more about the individual with whom they're dealing, they can also get data scientists to give insight about behavior of people who resemble them ... leading to highly customized interactions.

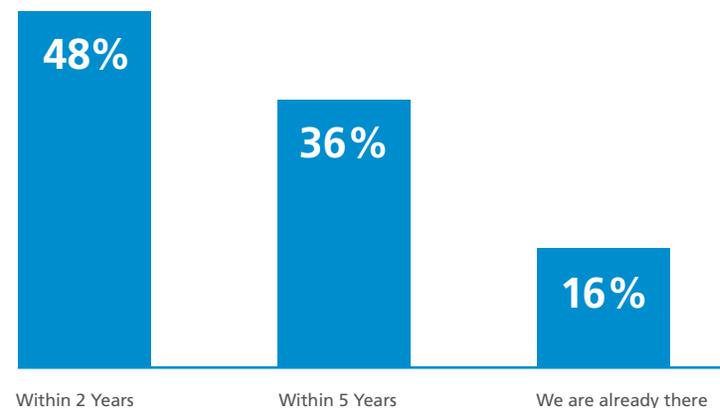


### The Medium-Term Journey to As-a-Service & A Digital Future

The move to PAS As-a-Service is imminent for P&C carriers. We are entering an age where the market demands are driving carriers to seek transformation with a greater level of openness than before. Simultaneously, a new breed of technological capabilities is being brought to bear by disruptive technology vendors.

When surveyed, the time frame within which Insurers believe core processes will be delivered As-a-Service, the results were decisive.

### How quickly will your core PAS processes be delivered 'As-a-Service'?



Source: Hfs Research, 2017, n = 50 U.S. P&C decision makers

Finally, can an insurer keep these interactions reasonably frequent? After successfully closing a sale, it is necessary for an insurer to continue to market to, and engage with the new customer. This allows the insurer to be perceived positively in the customer's consciousness so he will buy again, and buy more. Peer-to-Peer insurance providers have a built-in advantage in this area, but others should, while sticking to their core value proposition, reach out to the customer with information and offers that are relevant, and not pushy. Keep in mind that it is better NOT to interact than to interact poorly, because the latter will destroy the existing asset-base. The conversational commerce to which we aspire does not suffer fools or stalkers.

Ultimately, giving the customer what she wants will improve the competitiveness of an insurance company, because much of what the customer wants necessitates a deep and wide restructuring of the way insurance companies operate. This will lead to lower customer acquisition costs, improve retention and lower operating costs. A major cost take-out will happen for those who are successful at this journey. For those who don't make the shift, the outcome is unlikely to be happy.

## About OneShield

OneShield Software delivers core business software solutions to the global insurance and broader financial services industry, deployed in the cloud or on-premise. Our portfolio of standalone, subscription, and cloud-based software products includes enterprise-class policy management, billing, claims, rating, product configuration, business intelligence, and analytics solutions that leverage a tools-based open architecture and single data model platform to streamline your business. OneShield Software automates and simplifies the complexities of core systems with targeted solutions, seamless upgrades, collaborative implementations and lower total cost of ownership.

With corporate headquarters in Marlborough, MA and offices in India, Canada, and Australia, OneShield has a total of 48 products in production across the P&C, life and health insurance markets.

**Ready to transform your business? It all starts with a conversation.**  
**To learn more, visit [OneShield.com](https://www.oneshield.com).**



**“FOR THOSE WHO  
DON'T MAKE THE  
SHIFT, THE OUTCOME  
IS UNLIKELY TO  
BE HAPPY.”**

---

# Thought Leadership

## Q&A:



Responses provided by -  
Vivek Gujral, *Chief Technology Officer*  
**OneShield Software**

How should insurers with highly customized legacy systems go about a digital upgrade? What benefits can they expect?

A 'digital upgrade' consists of two activities that need to happen in tandem - one is customer acquisition through digital means, and the second, and more important, is engagement with the customer through digital means. The second is more important to get right, because if one acquires a customer through a high-quality digital process, the customer will have the same expectation from the insurer for interactions going forward. And there is nothing worse for retention than unmet expectations. The 'how' to get there essentially depends on the ability to create a comprehensive and timely view of the customer from the legacy systems. This can be done either by replacing the core systems themselves, or by a combination of retooling and a CRM system with some serious insurance chops. The benefits that accrue can broadly be classified under better retention, lower operating costs and lower customer acquisition costs.

Why does integrating an insurer's underwriting, claims and policy admin systems lead to greater efficiencies and better customer service?

Quite simply because getting the information one needs for a transaction or decision becomes much more accurate, easier and cheaper. By contrast, if you're relying on downstream integration, for instance via a warehouse or ODS, it is much more painful (and expensive) to have all the information that you need where and when you need it. For instance, if an underwriter is reviewing a new policy application, it is useful for her to know that the individual's EFT payment method was recently rejected, and has a claim that got referred to the SIU. Close integration also enables one to make customer interactions more fruitful - reminding a customer that called or e-mailed about a bill that he also owes the insurer an electrical update certificate makes the customer interaction with the insurer one between two individuals, not between an individual and an entity where the left hand does not know what the right hand is doing.