

# Here's what insurers need to know about communicating with their clients

By [Ross Sibbald](#)

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In the traditional world of insurance, customers were only likely to hear from their insurers was after they'd filed a claim, or if it was time to renew their policy.



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But now that customers are used to being placed at the centre of their experience by other sectors, that's no longer viable. If established insurers want to avoid being usurped by new, disruptive players, they need to embrace customer communication.

Importantly, that messaging needs to be highly personalised and tailored to each customer. Fortunately, technology means that it's possible to provide that kind of personalisation in a way that's automated and, more importantly, effective.

## The need for improvement

The insurance industry's issues with customer communication aren't just related to the infrequency.

[Stats show](#) that more than 90% of insurers worldwide do not communicate with their customers even once a year and that 20-40% of their customer base will not receive a single communication all year.

Even when insurers send an appropriate amount of communication, they often send out the wrong kind of messaging.

According to Oliver Börner, principal business solutions manager for global customer intelligence at SAS, “The typical insurer’s customer communications are 90-99% sales-focused and 1-10% service-focused, but the goal should be 70% of communications directed at serving the customer and building trust and only 30% aimed at sales.”

With new, disruptive players, who understand the need for customer communication, entering the insurance space, business as usual simply isn’t an option for traditional insurers.

## **The power of personalisation**

The most important step insurers can take when it comes to improving customer communication is using the considerable data at their disposal to ensure that messages are as personalised as possible.

That doesn’t just mean knowing a customer’s name, or what products are best suited to their needs. It also means being able to communicate with them on the channels they’re most comfortable with and which they can access at any time.

Insurance customers want to interact at a time and via a channel of their preference. They require real value from the interactions they have with their insurers. They expect both marketing and services to be highly personalised, from content to pricing. Communication must be seamlessly cross-channel, consistent and delivered in real-time.

## **Embracing automation**

Of course, this kind of personalised communication wouldn’t be viable if it had to be done manually.

Automation, enhanced by artificial intelligence (AI) and machine learning (ML) allows even the biggest insurers to provide their customers with personalised, relevant communication.

This combination of automation and personalisation has the chance to fundamentally change the way insurance works.

It’s already possible, for example, to have an automated buying experience, using chatbots that can pull on customers’ geographic and social data for personalised interactions.

Carriers will also allow users to customise coverage for specific items and events (known as on-demand insurance).

According to McKinsey, [automated customer service apps](#) that handle most policyholder interactions through voice and text will ensure that claims are resolved in minutes rather than days.

## **People-centred insurance**

Ultimately, combining personalisation with automation results in insurers that aren’t just customer-centric, but people-centric.

Insurers who embrace this approach must, however, commit themselves to a cycle of continuous interaction with constant adaptation.

Those who get it right stand the chance to realise serious benefits, turning customer experience into a significant competitive advantage.

## **ABOUT THE AUTHOR**

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