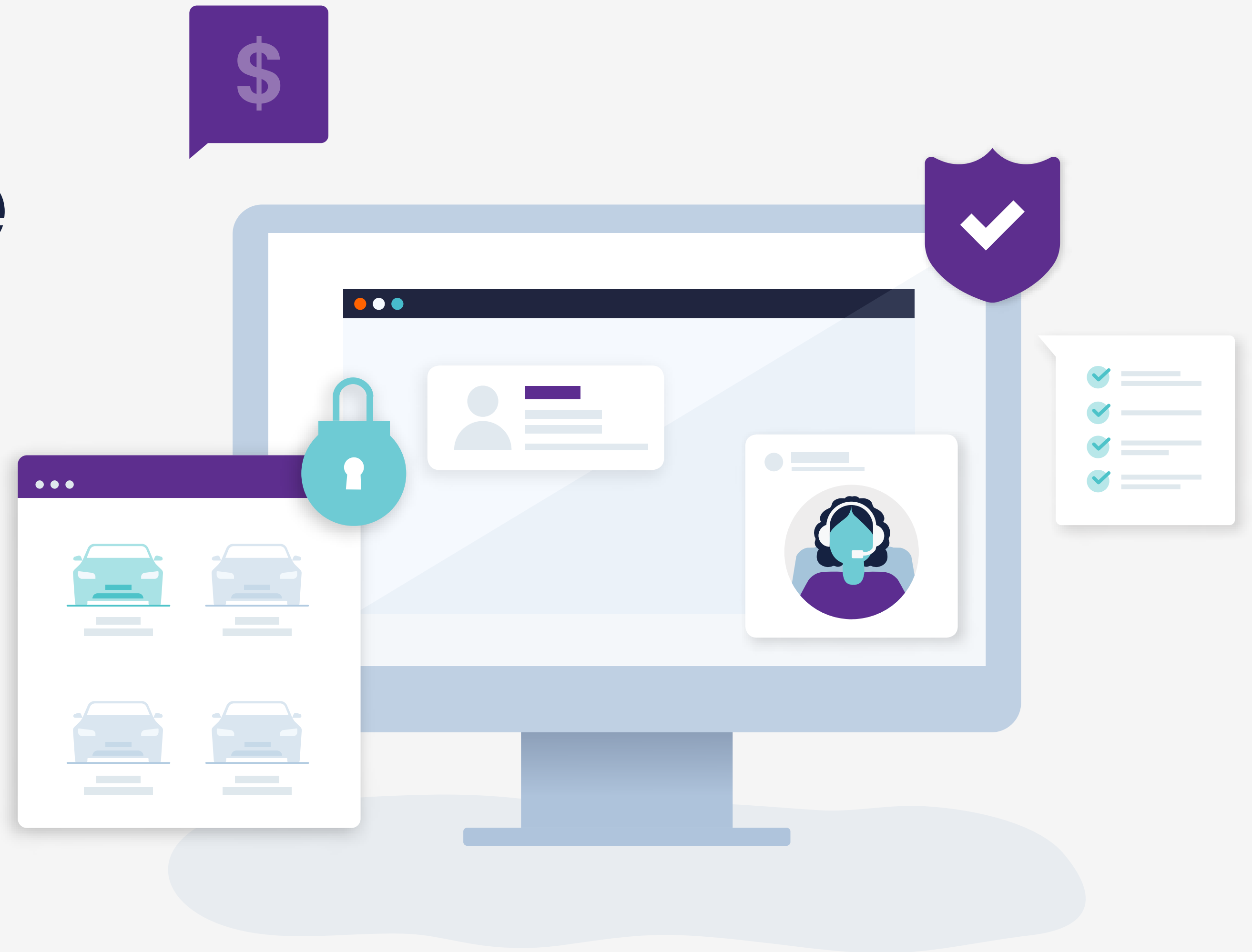


TALKDESK WHITE PAPER

The Future of CX in Insurance



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Introduction

For years, carriers and brokers relied on human-based interactions for almost every point of the customer journey. COVID-19 has accelerated the pace of digitization, and while insurers are making progress, much work remains to be done. Insurers will need to make continued investments in delivering a better digital customer experience—particularly in claims—supported by a new workforce model powered by automation and AI.

In December 2020 and January 2021, we spoke with nine executives at leading insurance organizations in North America and Europe to understand the fundamental trends impacting customer experience (CX) in insurance and the key focus areas for innovation. We hope these findings will help you leverage the contact center experience, empowering internal and external stakeholders to make the most of each interaction. Please note that these findings are qualitative in nature and drawn from a small sample of conversations.



I. Insurers are waking up to the CX imperative

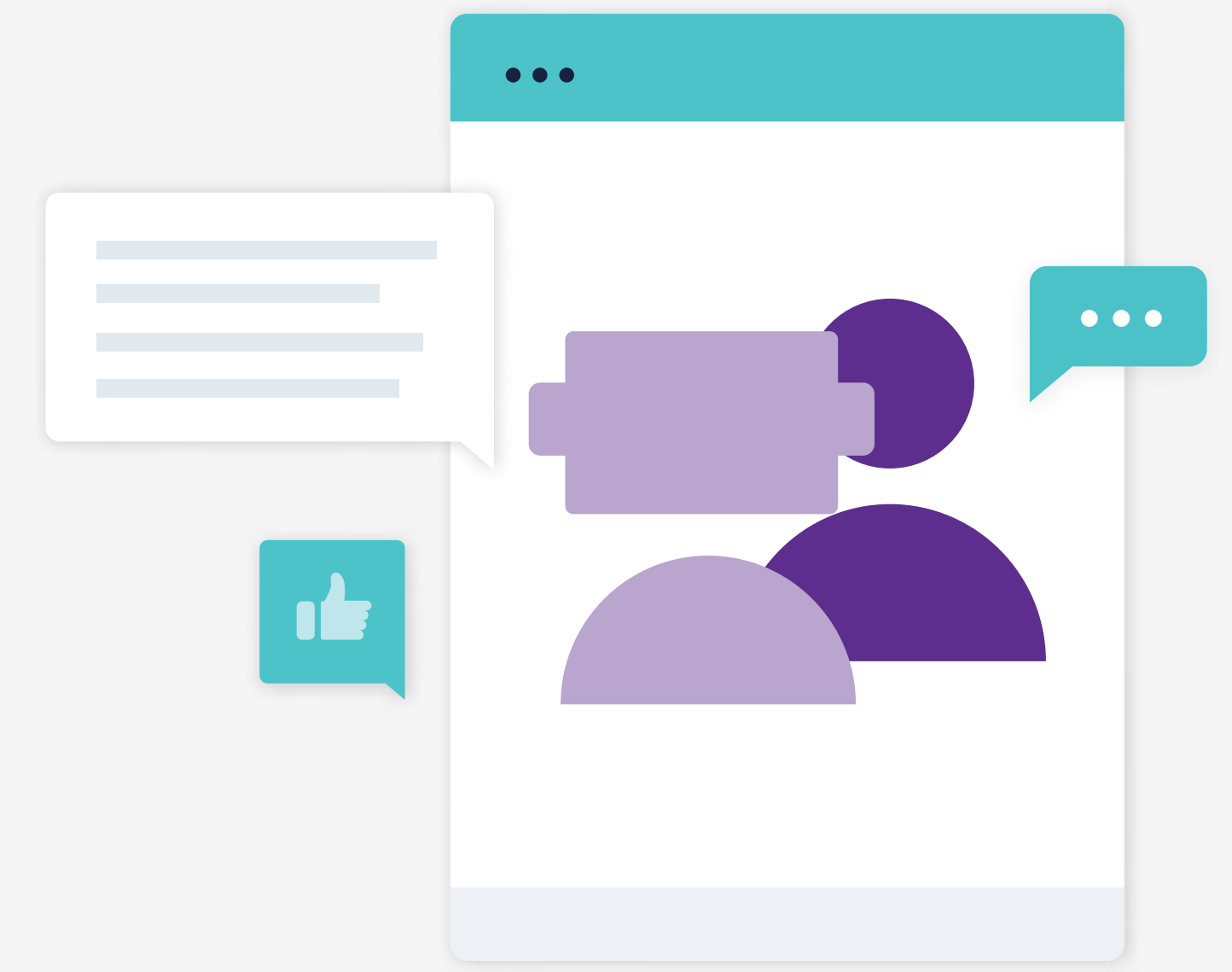
Traditionally an industry slow to embrace trends, insurers recognize the need to transform their CX to provide policyholders with the ease, speed, and transparency they increasingly expect. At the same time, they are under pressure from direct distributors to lower costs. COVID-19 has only accelerated the pace of transformation.

Shifting to remote work for most has gone smoothly but other barriers to incorporating digital technology in customer service persist. Siloed legacy systems and regulatory restrictions are hindering data usage. While many customers say they want to interact easily and seamlessly with their insurer through digital channels, there are significant segments of the customer base who remain rooted in the human experience, necessitating a balancing act across customer segments.

“The biggest trend out there is going digital in pretty much every aspect of the business, from FNOL to back-office of claims, and digitizing as much of that process as the industry can.”

— AVP, MAJOR NORTH AMERICAN INSURANCE COMPANY

Contextualized, rich customer care interactions can make or break a policyholder relationship in a time when policyholder loyalty is gold. What matters is not the medium but the experience. Carriers and brokers need to consolidate efforts to deliver excellence in both the digital and human experiences.



II. Today's focus is on transforming the claims process

The claims process is a clear priority for CX innovation, and insurers are looking to digitize it as much as possible and put control in policyholders' hands. There's great opportunity for cost reduction, as the claim process is the primary point of interaction for most policyholders, who often engage for similar reasons.

According to [LexiNexus, "Future or Claims" Study 2019](#):

Carriers using digital channels experience

80%

shorter cycle time than those using traditional channels



95%

of carriers are using or considering virtual claims handling

79%

of carriers are considering or open to using touchless claims handling



- Consumers appreciate the convenience of automated claims processing, but are less satisfied when they have to interact with more than one person to process their claim.
- One in five consumers prefer self-service claim options, but don't want to have to answer a lot of questions at first notice of loss.
- Carriers who are using claims automation are more efficient and see higher customer satisfaction.

As industry experience has shown, what happens at first notice of loss (FNOL) sets the tone for how a claim is handled throughout its life cycle. Early decisions can ultimately define the customer experience and the cost required to resolve a claim, whether meritorious or suspicious. For commercial claims—where complexity, claim value, and loss adjustment expense can accumulate quickly—the FNOL becomes particularly important, as early intervention can prevent unnecessary costs for both suspicious and meritorious claims.

Key investments aim to shift low-complexity interactions to self-service, giving policyholders greater control and enabling them to navigate through their preferred channels in each level of the process. The challenge is to provide a smooth transition between each channel.

“Up until now, when we had a human involved, they parachuted in and stayed. We need to get better at bungee. We come in, resolve the thing impeding your progress, and then we should come back out and let you do the rest of it yourself digitally.”

— SVP, MAJOR NORTH AMERICAN INSURANCE CARRIER

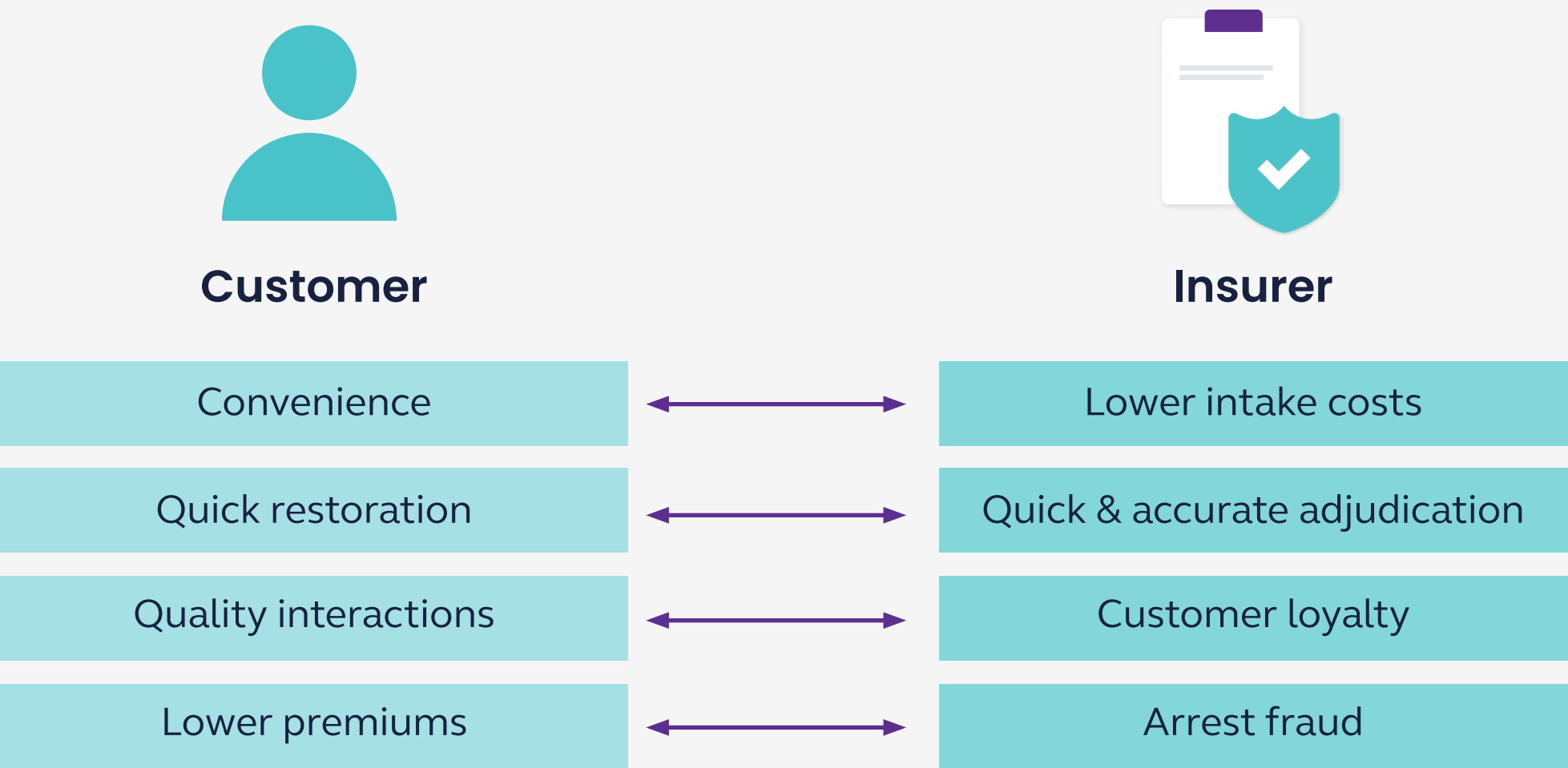
At the same time, insurers are coming to recognize that the aim of their investments should not be speed of resolution or NPS alone.

There is recognition of the need to start tracking the qualities of the policyholder-agent interaction (whether important concerns of the policyholder were addressed during the call or the agent’s empathy to the situation, for example).

“The most important thing [our journey mapping exercise found] to the consumer was—and we weren’t measuring this—‘Am I at fault or not?’ That uncertainty mattered more than any of the other steps in the process.”

— SVP, MAJOR NORTH AMERICAN INSURANCE CARRIER

To stay relevant, carries need to transform their claims intake touchpoint

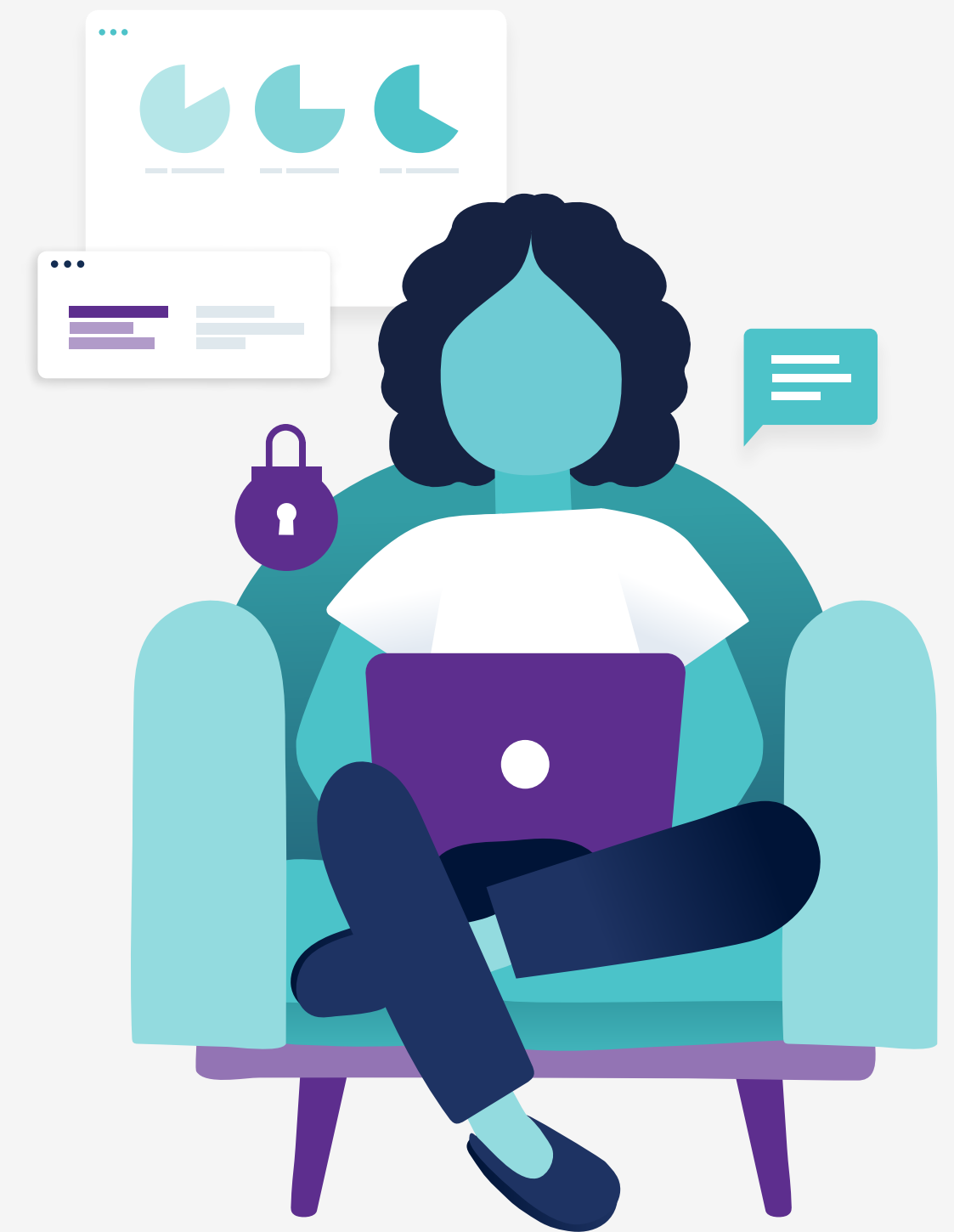


III. Transforming claims means transparency and proactivity

In transforming their claims process, insurers are prioritizing policyholders, ensuring they are more informed throughout their journey and are proactively aware of the steps they should be taking to complete it. Policyholders often struggle to understand products and claims processes. Communication today is reactive and time consuming. To demystify the process and help educate and enable policyholders, carriers and brokers are exploring opportunities to invest in proactive communication throughout the journey.

“Amazon and Apple raised the bar as to what people expect, and insurance carriers are being held to the same standard. And so we have to find ways to communicate better, faster and more proactively.”

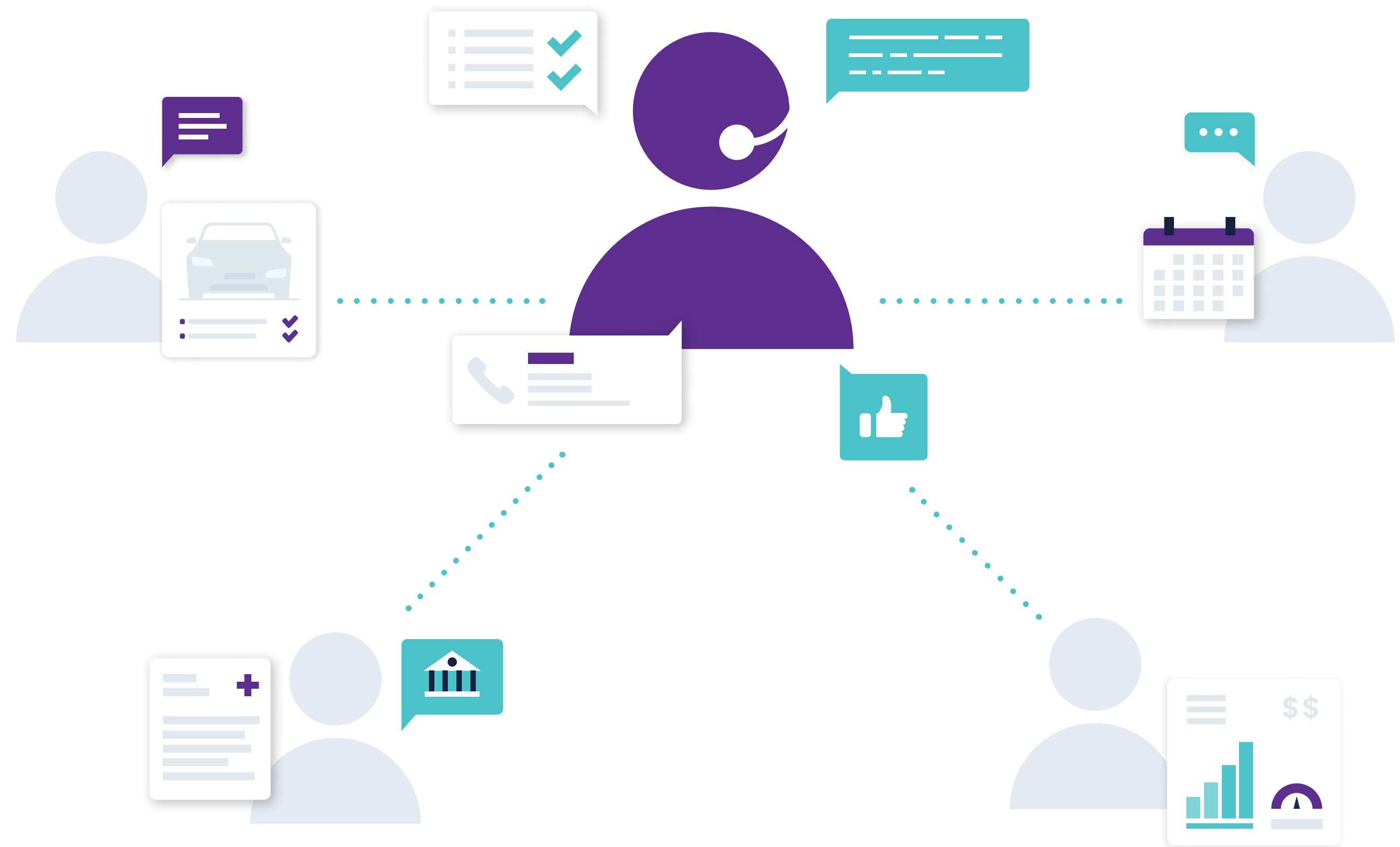
— AVP, MAJOR NORTH AMERICAN INSURANCE CARRIER



The risks of keeping a reactive communication model include poor service scores, policyholder attrition, litigation and heightened risk of fraud. However, policyholders preferences must be understood to avoid the risk of appearing intrusive or repetitive. Information should be tailored to each policyholder; each one should only receive the right amount of details to help them get along the journey.

“What we [found matters], is the ability to communicate in the right amount, with the right amount of detail, with the right customer. Being able to communicate with text or email, and the ability to tailor the message accordingly – there’s a big miss there.”

— COO, MAJOR EUROPEAN INSURANCE CARRIER



IV. Unifying the policyholder journey through the contact center

As the policyholder experience incorporates additional digital channels, the contact center will play a growing role in linking digital and human touchpoints to ensure a seamless experience. Most insurers have a traditional view of contact centers, limiting them to solve issues and/or queries. Engaging policyholders in self-service channels that can seamlessly

elevate to a live agent, if and when needed, represents an opportunity to create a unified experience within the contact center. Moreover, as insurers increasingly leverage ecosystem models of service, there will be a need for contact centers to serve as a central point of engagement and transfer of information.

“In the past, it was primarily agent-focused, and then we had a digital product that grew slowly, and now we want to make sure interactions are consistent across all the different channels.”

— SR DIRECTOR, MAJOR NORTH AMERICAN INSURANCE CARRIER

“Everyone talks about omnichannel, but we have struggled to create a true omnichannel experience versus a multichannel platform. Yes, there are multiple doors for you to interact, but our ability to thread across and know, for example, you called yesterday – we’re not there.”

— VP, MAJOR NORTH AMERICAN INSURANCE CARRIER

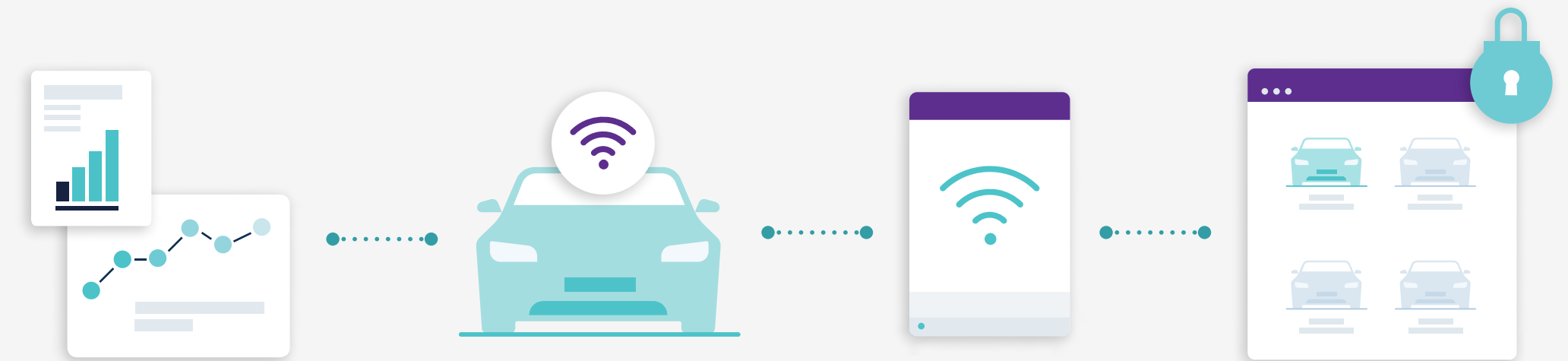
Legacy systems and internal data silos hinder the omnichannel view of policyholders. A contact center solution that successfully integrates with CRM, policyholder administration systems, and claims systems can help to overcome this multichannel problem.

V. Contact centers can facilitate smarter interactions

Moving to a more proactive policyholder engagement model will require improved systems of data collection, transfer and usage. One growing area of opportunity for new forms of data collection is telematics.

“Adoption has been unimaginably slow. Everyone is interested in telematics for someone else. ‘You can have it in my kid’s car, but not in my car.’ Especially if you’re not a perfect driver, you’re less interested in it.”

— SVP, MAJOR NORTH AMERICAN INSURANCE CARRIER



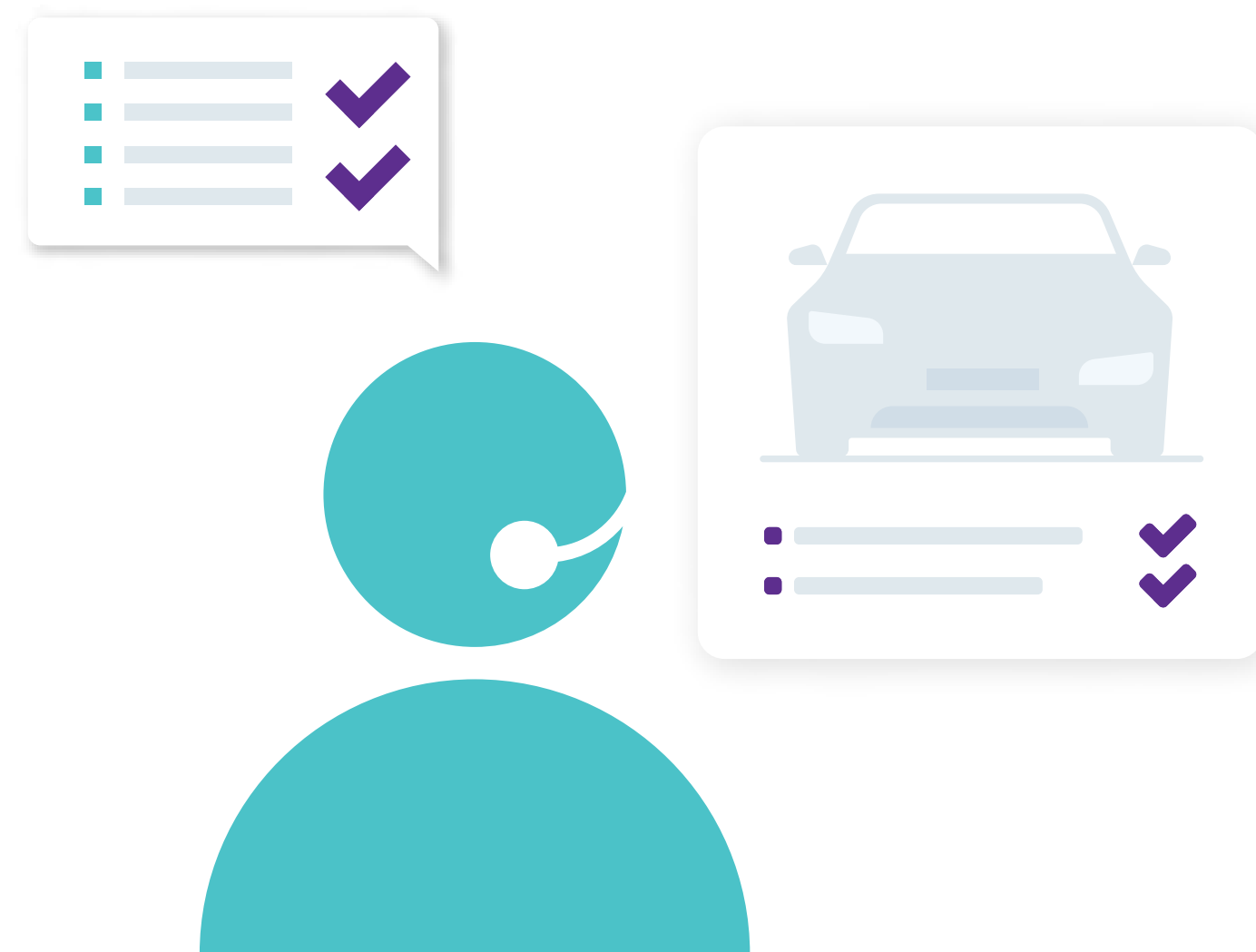
Although telematics adoption to date has been slow, insurers recognize significant potential in reducing risk and proactively changing policyholder behavior. Nonetheless, data privacy concerns still present a significant barrier among consumers. Consumers fear that telematics will only increase their premiums, and they are unwilling to change their behaviors, particularly costly ones. Even for those policyholders who are willing to adopt, insurers are still unclear about how to transform telematics data into actionable insights.

“I don’t think the telematics data today has gone from telematics to insights to being able to [use it]. It’s still that raw model. It’s not insightful, it’s not narrative, it’s just data. [...] There are ways, but they aren’t being tapped yet.”

— COO, MAJOR GLOBAL INSURANCE CARRIER

Telematics data has great potential to fuel proactive policyholder communication with bite-sized updates. Carriers and brokers can use this information to nudge behavior by proactively engaging with policyholders with useful information that can ultimately help retain the customer.

Telematics can collect information about the vehicle's condition such as recognizing potential malfunctions ahead. This information can be surfaced to contact center agents prompting them to reach out to impacted drivers alerting them and providing proactive suggestions to avoid damages.



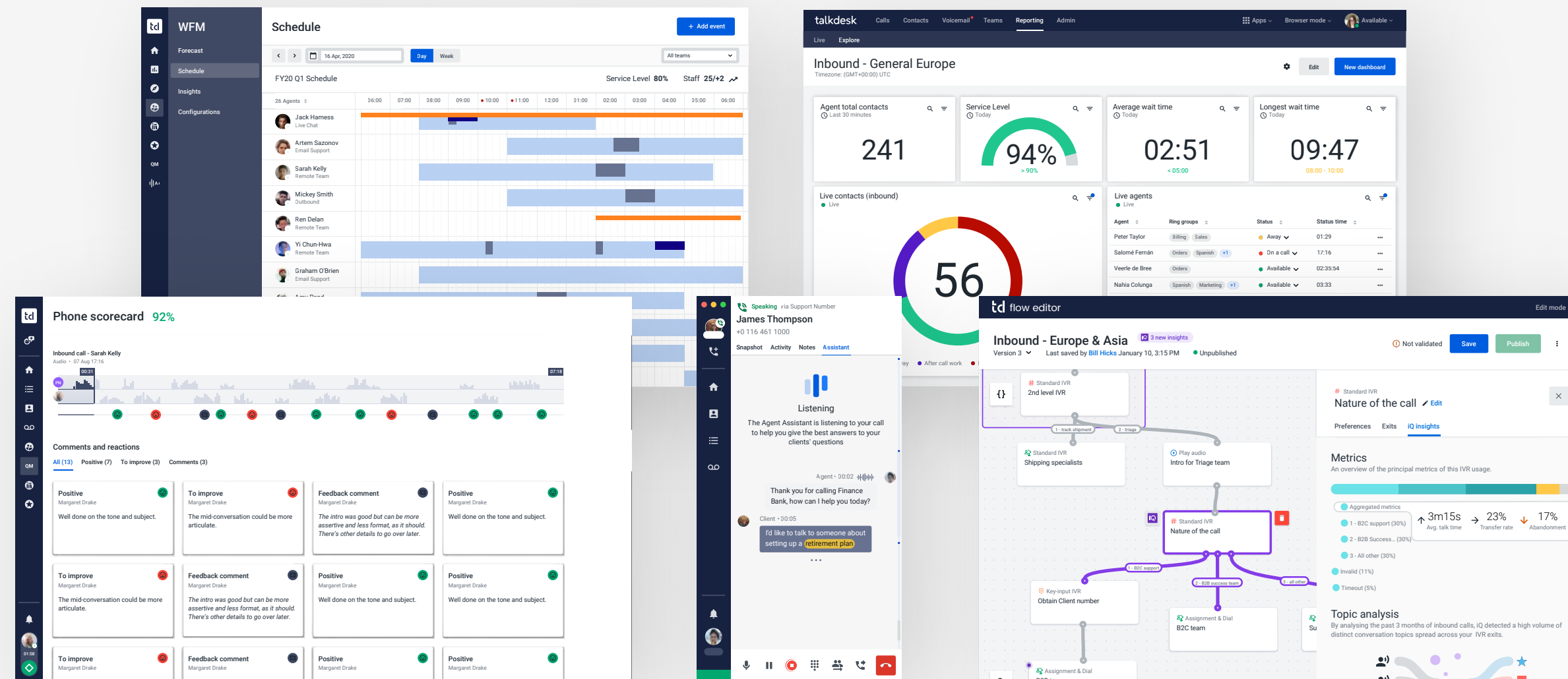
What about tomorrow?

Whatever the future brings, the world will still be recovering from the pandemic impact in the years to come. In our research, all the interviewed leaders recognized the need to communicate more and better with policyholders, regardless of the medium. There are some key takeaways that can be taken from our conversations, and that sum up the next steps needed for the industry.

Critical drivers for digital transformation

- Being able to coordinate proactive policyholder support, from claims to resolution
- Bolster improved policyholder intelligence with speech analytics
- Enrich and facilitate telematics-informed communications
- Achieve scalable information collection through issue or claims intake system
- Support agent upskilling to deal with more complex situations

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