



Insurtech
Insights

Roundtable Report

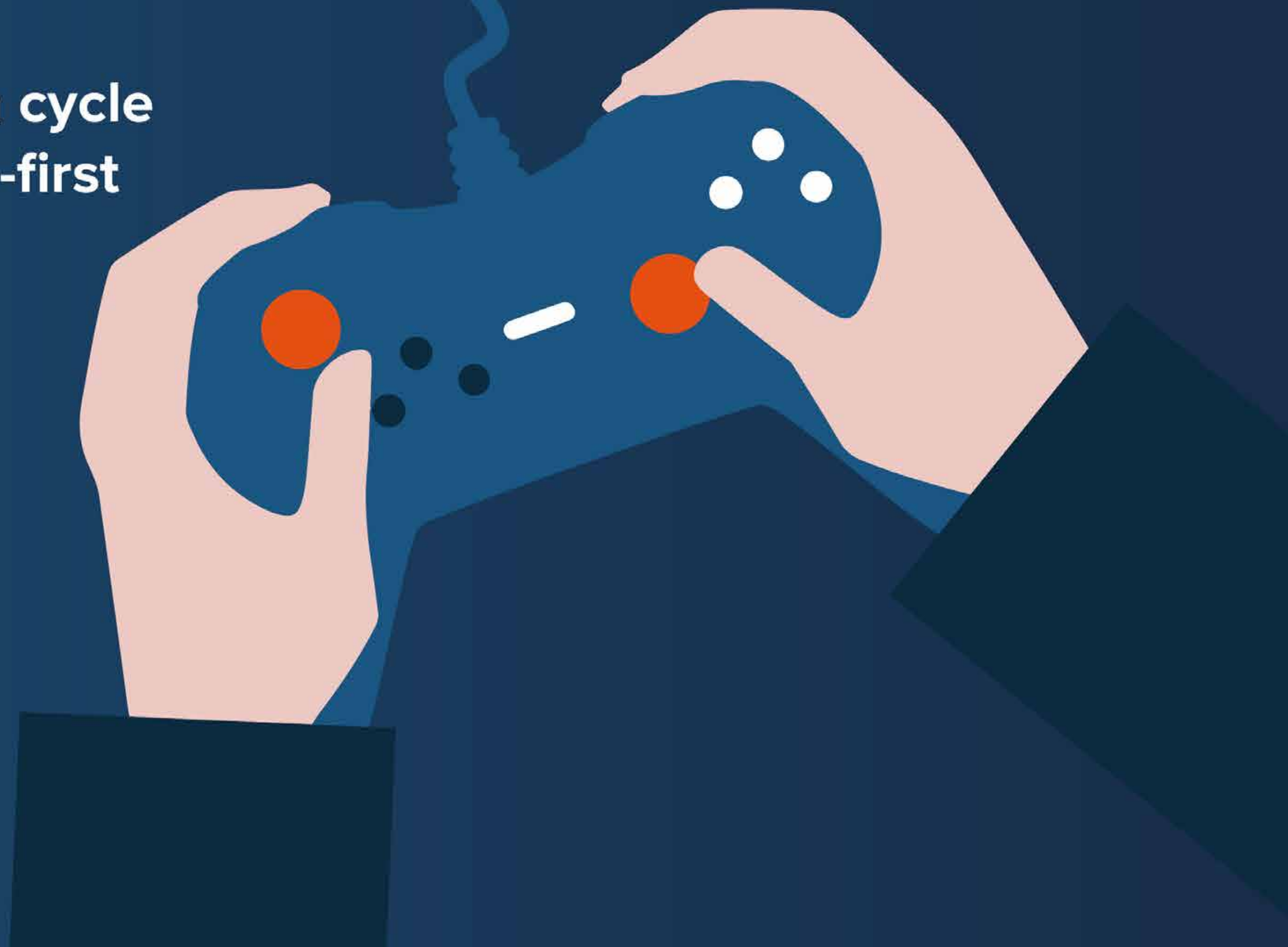
The customer in control

Break the low-engagement, high-churn cycle with deeper engagement and a service-first customer experience

in partnership with



Duck Creek
Technologies



Introduction

According to the latest research, consumer experience with insurance companies seems pretty good on the surface. A third-party study commissioned by Duck Creek Technologies found that 85% of insurance customers felt there was a good choice of providers for their needs. Nearly three-quarters of global policyholders prefer to buy direct, meaning there's already a degree of brand awareness and trust, and 70% feel their insurance company treats them as an individual.

But closer scrutiny suggests not everything is ticking along as nicely as it could be. For example, roughly one third (37%) would describe their buying experience as good or very good and a similar number (32%) never hear from their provider from one renewal to the next.

Shockingly, 14% of policyholders don't even receive a renewal reminder at all. And despite every indicator suggesting claims are the ultimate moment of truth to build essential trust and loyalty, nearly everyone responding to the survey (95%) stated they'd like to hear more about what was happening with their claim.

An increasingly commoditised, competitive market with a highly price-sensitive customer means switching is rife and margins are wafer thin. To be blunt, it would seem insurance companies aren't doing enough to engage with their customers – and it's costing them.

At an exclusive, VIP roundtable hosted by Duck Creek Technologies at Insurtech Insights Europe, executives discussed just how to improve customer engagement. With topics ranging from evolving product lines, rules of engagement and frictionless experiences to a debate on the fundamental future of insurance itself, this lively and eye-opening conversation provided some intriguing talking points.

With thanks to:



Xavier Blanchard
AXA Travel Insurance CEO &
Global Head of Specialised
Insurance , AXA Partners



Andrew Holdway
Co-Head Strategic Partnerships
EMEA, Swiss Re



David Darby
Chief Technology Officer,
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Roberto Pinto
President & Digital Client Solutions,
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Martyn Denny
Chief Commercial Officer
(CCO), Aon Commercial Risk &
Health



Mike Smart
Sales Director, Duck Creek
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Charlotte Halkett
Chief Commercial Officer,
ManyPets



Tobias Sondorfer
Executive Director, Munich Re



Paul Harvey
CEO & Founder, Adiona



Herndon Stokes
Head of Business Development
& SVP - Strategic Accounts
Executive, AXIS Re



Thought Leadership Highlights



Paul Harvey
CEO & Founder, Adiona

“We’ve got so much leakage/wastage in the market. Third-party administrators estimate it is over £200 on every insurance policy in the country. You need to trigger first-notice-of-loss workflows at the time of an accident. Otherwise claims get sold off and you expose yourself to rebates from credit hire and repair networks, law firms, the accident management companies etc. The concept that this industry has got to the bottom of pricing is just not true. The industry needs to achieve digital, cost-efficient insurance operations.”



Roberto Pinto
President & Digital Client Solutions, Aon

“We’ve deployed AI on medical claims that means that reports that would’ve taken five hours to read can be assimilated in 10 to 15 minutes by an adjuster.”



Herndon Stokes
Head of Business Development & SVP - Strategic Accounts Executive, AXIS Re

“The problem that the industry is facing in its evolution is to tackle some of those big, emerging issues. How do we know what the right price will be? When is the next “black swan” coming? As an example, we think we know about cyber but there hasn’t been a big, systemic risk that tested it. It’s not that we shouldn’t be trying to tackle these issues and come up with creative solutions. It’s just that there are big barriers out there.”



Tobias Sondorfer
Executive Director, Munich Re

“The fundamental ingredient for insurance is risk and we will not run out of that. Data will become an additional core ingredient. AI and machine learning still need to be fed by the appropriate data. The ability to collect and structure that data will be the differentiator in the future.”



Xavier Blanchard
AXA Travel Insurance CEO & Global Head of Specialised Insurance, AXA Partners

“When the customer purchases their initial policy, that’s where there is appetite for discovery. And ‘what can I do for you, what do you need me for?’ is probably the greatest opening of all time.”



Martyn Denny
Chief Commercial Officer (CCO), Aon Commercial Risk & Health

“As an industry, we’ve got a track record of penalising people rather than supporting or rewarding them for doing the right thing. There’s quite a paradigm shift that is happening but we’ve got a long way to go. There’s a big shift needed and it’s not about a bit of process technology. It’s cultural. It’s a mindset of what insurers and reinsurers are there for.”



Mike Smart
Sales Director, Duck Creek Technologies

“Motor policy holders have been encouraged to shop around to such an extent that they will swap providers for only a few pounds difference in premium. The industry has to continue to focus on developing cost efficient, easy to use and customer centric distribution mechanisms alongside illustrating the differentiated value of their proposition.”



David Darby
Chief Technology Officer, Admiral Group Plc

Consumers may have had a great brand experience but often they’ll still go to price comparison sites with a percentage that actively seek out a certain brand.



Charlotte Halkett
Chief Commercial Officer, ManyPets

“Some of the conversations we’re having today are unchanged from 10 years ago but others really have changed. Society has changed so much and it depends how much insurance is going to lean into that change. Tools like AI are just enablers.”

What engagement looks like

For the most part, insurance is a grudge purchase. Driven by regulatory necessity or fear, and without much value for those who have not made a claim. It is literally perceived as money given for nothing.

Those who have had a claim view insurance slightly differently, but how positive that view is depends hugely on the quality of the claims experience. Executives are well aware that a claim is the ultimate decisive moment for the insurer to step up and yet 95% of respondents to the survey believe they are under informed during the process.”



Xavier Blanchard
AXA Travel Insurance CEO & Global Head
of Specialised Insurance , AXA Partners

“If we put claims as a service, it can be a pretty good experience. It’s about the quality of the contact [the customer] has on the phone, finding someone compassionate, walking them through the next steps. We need to look at claims as a partnership opportunity – with the car garage, the tow truck or even the medical support. Then, we could do a fantastic job. Do we need to be friends with customers? I don’t think so. We just need to do our job.”



Paul Harvey
CEO & Founder, Adiona

“That’s table stakes for most digital businesses. But, on average, 32% of customers never hear from their insurance provider on an annual basis. What are we doing? We need customer engagement.”

Insurers feel stuck between a rock and a hard place. On the one hand, they know they need to engage more. On the other hand, they’re painfully aware of how most perceive their products so finding an authentic interaction that is welcomed and genuinely useful is a fine line to tread.



Martyn Denny
Chief Commercial Officer (CCO), Aon
Commercial Risk & Health

“If you’re just sending me emails once a quarter with generic information I could have read on Google, or you’re trying to sell me a product, I’m probably not going to engage with it. How do you scale down some of the great stuff we do at corporate level? That’s what the industry has not quite grasped yet.”



David Darby
Chief Technology Officer, Admiral Group Plc

“We try to have touchpoints with the consumer throughout the year . There’s more room for customer engagement throughout the year with other products for example pet insurance, particularly when you start to add in extra services like reminders for routine medications.”

48% of consumers would find add-on products appealing

Five steps to valued engagement

- 1 **Personalise** – understand each policyholder’s life stage or business context for authentic reasons to communicate.
- 2 **Be useful** – identify real unmet needs and seek to solve them through information or extra resources.
- 3 **Hand back control** – give the customer control over the volume and style of interactions.
- 4 **Channel of choice** – digital may be convenient but many still prefer some interactions to be face-to-face. Provide interaction options on the customer’s terms.
- 5 **Add value** – work with partners to deliver a more holistic experience. This may involve selling extra, wrap around products. This is not a hard-sell nearly half of customers value a more “all-in-one” approach.

Re-engineer customer experience, back to front

Part of the problem when it comes to customer engagement is that insurance, in general, has not been designed with the customer’s needs in mind. In many ways, the industry has grown to service its own needs first – managing risk profiles, maintaining cash flow, allocating capital, protecting investments. Reimagining the relationship through a customer lens is a novel experience for the industry. But, as challengers such as insurtechs and neobanks show, customers can enjoy positive, life-affirming experiences when purchasing financial products like credit cards and car insurance.



Paul Harvey
CEO & Founder, Adiona

“The customer is the first topic of our management meeting every week. Our intellectual property is our app and digital underwriting which will deliver better pricing and loss ratios. We also have to find a new way of engaging with the customer. Just look at neobanks – everyone loves the neobanks! That is the model to follow. “



Martyn Denny
Chief Commercial Officer (CCO), Aon
Commercial Risk & Health

“I’ve rarely had anyone from the reinsurance team talk to me about the end customer experience. Instead, it’s about retention levels should the primary insurer take per class or per territory. That’s a different conversation because you’re having a capital rather than a customer experience discussion.”

Re-engineer customer experience, back to front



Roberto Pinto
President & Digital Client Solutions, Aon

“We are trying – we’re not there yet – to start with the question: ‘What’s the problem we’re trying to solve for our customers?’ Find the pain points and work backwards. There are different ways of solving problems using technology and data, but we are in the infancy of what’s coming.”

Re-engineering the model to be customer first may prove challenging, but the industry is not without the tools to make it happen. If anything, traditional ways of thinking have hampered some participants, such as reinsurers, from exploring their full potential. The roundtable attendees felt it was time the industry really plumbed its complete set of resources to make a difference.



Charlotte Halkett
Chief Commercial Officer, ManyPets

“There is incredible depth in the industry, especially the reinsurance industry, for understanding risks. [For insurtechs] the partnership and strength of that expertise – I can’t tell you how much some insurtechs’ success comes from that.”



Andrew Holdway
Co-Head Strategic Partnerships EMEA, Swiss Re

“The reinsurers have so much access to data, proposition development and tools that ultimately support the insurer to give more value to the end customer. Munich knows that having more influence on that end user experience is through bringing capability into the conversation, and not just risk capacity.”



Mike Smart
Sales Director, Duck Creek Technologies

“The buildings and contents market has been educated – wrongly, I believe – to throw service out of the window and just go to the lowest common denominator which is price. Now it is clear that customer experience is a priority for buyers of insurance, insurers are focussing on modern, cloud-based core systems that develop truly personalised customer experiences.”

The changing nature of insurance

Ultimately, executives at the roundtable agreed that the industry fundamentally had to rethink how it was packaged, given both the attitudes to buying insurance and the sorts of risks covered.

In terms of how they buy insurance, consumers are already well used to the impersonal nature of the transaction, reflected in the survey results. Half prefer to search online and a further 60% would use an online service to switch, putting the price-driven aggregators in a powerful position. The 45% who would prefer to update their policy either online or through an app shows just how comfortable people are with self-service.

45% of customers would prefer to make policy changes digitally

This can lead to problems down the line with one attendee pointing out that customers tend to gloss over the finer policy details without outside help. This can mean a price-motivated customer may buy a travel policy with inadequate repatriation cover, for example, unaware of the significant consequences should they come to depend on it.



Herndon Stokes
Head of Business Development & SVP - Strategic Accounts Executive, AXIS Re

“There isn’t one answer that fits all for distribution and engagement. Should it be via aggregators or brokers, or is it all digital and online? One of the next evolutions will be in the SME space and how you start expanding digital solutions to this segment. In the corporate and commercial space, things can get very complicated because you need bespoke underwriting and solutions. Off the shelf digital may only get you so far.”

This is particularly true as the risk landscape becomes more complex. The traditional lines of motor, contents, home and business are all now interwoven with cyber as connectivity becomes the lynchpin of modern life. Increasingly, the items insured are not items at all.



Roberto Pinto
President & Digital Client Solutions, Aon

“In the past, most of the assets of the Fortune 500 firms were tangible. Today, most assets are intellectual property. How do you protect them? We have to recognise that our influence is being diminished over time because of our inability to keep up with the changes that happen around the world.”

One answer debated by a number of attendees is to make insurance a more intrinsic part of a product purchase. Buying insurance that is linked and dedicated to the pet, the vehicle or the health plan makes more sense than treating it as a separate entity – particularly in cases where insurance is mandated by law, such as with buildings or motor insurance. It doesn’t apply in all instances of course, but the case for embedded insurance is becoming stronger by the day.



Xavier Blanchard
AXA Travel Insurance CEO & Global Head of Specialised Insurance , AXA Partners

“Insurance will blend itself into the product [and] customer experience. When we buy cars, the insurance will come with the car or when we buy a pet, the insurance will come with the pet.”



Tobias Sondorfer
Executive Director, Munich Re

“You have to upgrade the customer experience with something more than just the cash flow. I’m convinced that embedded insurance and the way that certain parts of insurance are distributed will change significantly. One instance where the cash flow model doesn’t work anymore is in cyber. Payment is not the deciding factor in whether or not to buy cover. It’s more about access to experts and the service component incorporated in the policy which is more valuable.”

Reframe the insurance mindset

One of the attendees at the roundtable summed up the perception of insurance as a sector that ‘penalises’ people. For customers to broaden their engagement with insurers, those in the sector need to redefine what insurance means to customers. This is already happening, driven by the aforementioned insurtechs and neobanks, but insurers also have to get comfortable with highlighting their positive attributes.



Andrew Holdway
Co-Head Strategic Partnerships
EMEA, Swiss Re

“We do a lot of good things [as a sector], but we just don’t market it. When people have a good experience, they very rarely give feedback because they expect [insurance] to do the job. When we don’t do the job, that’s when we get volumes of feedback. Where there are those cases where we do well, we should share that – without being too obnoxious about it.”



Charlotte Halkett
Chief Commercial Officer,
ManyPets

“We post the best reviews in all our Slack channels and shout out very loud – success for us is talking about it. Insurance done well is helping people at their lowest and if you make a difference, that’s often not what the customer expected. Reinsurers can be very publicity shy. They will do amazing things – like charter a jet to a disaster area – but they never go public with it.”



Tobias Sondorfer
Executive Director, Munich Re

“The many good things insurance does are not spoken about enough. A car couldn’t be driven without insurance, for example. Similarly, there won’t be any drones without cover. The real challenge for the industry will be how to adapt to stay meaningful to the customer in the 21st century, when it’s still focused on insuring the risks of the 20th century.”



Mike Smart
Sales Director, Duck Creek
Technologies

“That’s a baseline. That’s what we should be delivering as an industry. And we shouldn’t be patting ourselves on the back for it, we should be excelling beyond this to a more evergreen, intelligent model.”

Deliver deeper engagement – The four pillars building the modern insurance experience

Find the customer lens

Are your products fit for the modern customer's purpose? From cyber to autonomous cars and insurance on demand, customers' needs have changed. Understanding those needs will create a more precise policy fit with fewer challenges at the point of claim.

Reframe insurance for the modern age

Insurance is increasingly less of a safety net and more of an enabler. As a result, although still a fundamental tenet of insurance, the value is less in a cash payout in times of trouble. Instead, sharing expertise and preventative services, whether for an individual's health or a large corporation's cyber exposure, is a vital facet of the new insurance landscape.

Build partnerships

To deliver a new service-based insurance proposition, partnerships are key. Create a provider ecosystem that can deliver a holistic service to customers – one that doesn't just add value to the insurance product, but delivers a frictionless experience at the point of claim.

Communicate

Don't be afraid to build relationships with the insured. By creating value-added products and services, and positioning insurance as a partner, not penaliser, the insurance sector can begin to engage with consumers in a more fruitful and long-lasting way.

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