

TOP TRENDS & CONCERNS IN PROPERTY & CASUALTY INSURANCE

With the economy still uncertain and the insurance market more competitive than ever, P&C organizations are facing an urgent need to improve their business operations to reduce their rising risk exposure and make the most of the opportunities presented by new technologies and demanding customers. Responding to these challenges effectively may mean building on previous achievements, but it may mean shedding the old in order to embrace the new.

UPDATING CORE SYSTEMS TO IMPROVE CUSTOMER EXPERIENCE

Customer service is the top priority for many P&C companies today. Improving customer experience is vital to deliver more effective service, to increase customer retention, and to support marketing and sales. This means on the one hand that companies have to hone the quality of all their internal operations that impact the customer. And on the other hand they have to exert themselves as never before to reach customers in a multitude of new ways and to manage their brand in customer-driven environment where they can't control the message.

Policy admin and claims are the operational areas that customers interact with most directly; so many organizations have already taken the plunge to update their admin and claims processes and technology. Delivering fast, flawless service to customers is essential to building goodwill, and to avoiding the public-relations nightmare that can result if angry and dissatisfied customers slam your brand on the net.

What does this mean in practice? From the customer perspective, seamless integration is the watchword – customers want to deal with the brand as a single entity, not a cluster of disconnected business units, and they don't want to have to repeatedly give the same information or make the same updates and requests to different contact points. So data needs to flow consistently throughout the organization, and cross the boundaries between operational silos and lines of business. Call centers need to be empowered to handle a range of customer requests and to resolve customer issues flexibly and rapidly. Self-service portals should allow real-time interaction and data updates. Premium payments should be properly credited without delay; claims should be paid out correctly and promptly.

From the business side, automation and data quality are key. Many organizations have already invested in modern technical infrastructure; those that haven't will need to in order to compete. Data needs to flow efficiently and accurately through all the processes from sales and underwriting to claims payment and reserves, and systems need to support complex decision-making and effective controls against both error and fraud. Business rules engines built into the operational systems are invaluable tools to enable consistency and control and support efficient processing of large-volume transactions. Data

should be traceable, and supporting processes should be streamlined where possible. "Lean service" can pay off in process effectiveness, enhanced quality, and better sales and retention as a result.

GOING SOCIAL

P&C companies not only have to provide excellent service, they also have to communicate with customers in new ways and provide the kind of information experience customers increasingly expect. In the consumer market, old-fashioned paper forms and snail mail won't get you very far anymore, and even the interactive websites that were cutting-edge in 2005 are starting to look dingy and shopworn. Today's customer wants an app on their phone or tablet that is accessible and provides them with all the functionality of yesterday's website to update their account, change their coverage, and submit their claims. If you can't give it to them, you may lose them to a competitor who can.

Customers also want to connect with their insurance companies on their social networks. Some of the biggest names in the business are also successful pioneers in their use of venues like Facebook and Twitter to reach out to "fans" and "followers" with usable information that they want.

It's important, however, that social media not be viewed as merely an extension of standard marketing and one-way communications. Customers expect to talk back there – and they expect to be heard, and action to be taken as a result where necessary. An organization that responds well to a customer complaint on Twitter can reap the glory of a service hero, but one that fails in public will be publicly reviled. So the social media interface has to be part of a well-planned customer relations strategy, and that those who are tasked with handling it should have the authority and resources to do so effectively. It's not a risk-free endeavor.

A single blog or Facebook fan page or Twitter feed is only a start – one of the most important features of social media is that it makes it easy to segment the audience, so you can reach different groups of customers with messages tailored to them. By using data customers have already provided, marketing messages can be targeted more effectively and customer-specific information and advice can be delivered where and when it will be useful.

Even outside of the social network infrastructure, organizations are increasingly using analytics of the Big Data generated by their own processes to create powerful communication tools that can drive truly personalized information to individual customers and create a more intimate customer relationship on a massive scale. This helps strengthen the foundation of trust that gives rise to customer loyalty and future growth.