

How better communication can lead to better customer data for insurance companies

By: Bill Gilbert, Executive Director, Riverside Group

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In a recent article, I discussed how customers positively want to receive more frequent communications from their insurance companies.

That's a surprising finding to many. After all, insurance is not generally considered to be one of the high interest consumer categories.

But with the unstoppable growth of digital communications, customers increasingly expect and demand frequent, open and personalised information from all the companies they deal with – including their insurance providers.

Effective and regular communication can create a dialogue with customers which also delivers valuable new and updated customer data for the insurance company. And the more the insurer uses this data to deliver personalised and relevant service to the customer – the more engaged and satisfied the customer becomes.

Our experience at Riverside demonstrates very clearly the great value that well targeted and relevant insurance customer communications can deliver. The insurance companies we work with across the globe typically see targeted customer communications programmes **reducing policy lapse rates by between 12% and 30%**. And that's in addition to generating **profitable additional sales from up to 30% of the customers included**.

Furthermore, customers are happy to provide additional data about themselves if they can see how this will be of value to them.

In fact, research by Accenture in the United States found that 80 per cent of insurance customers surveyed wanted more personalised offers, messages, pricing and recommendations from their car, home or life insurance providers. **And 77 per cent were willing to provide usage and behaviour data in exchange for lower premiums, quicker claims settlement or insurance coverage recommendations**

It's hardly surprising that a high percentage of customers are willing to share more personal data with their insurance companies. After all, the entire insurance business is fundamentally about the trust that customers have in the company they choose.



Effective customer communication can reinforce that trust on an ongoing basis - and deliver a new and lasting flow of valuable customer data, in addition to improved sales and customer loyalty.

At Riverside, we have produced a guide to effective customer communications for insurance companies.

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