

Insurers: How you can delight your agents and intermediaries – using targeted customer communication

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“Customer ownership” is a longstanding principle in the insurance industry.

Traditionally, it meant that many or even all communications with individual customers come from the original agent or intermediary, rather than directly from the insurance company.

Often, insurers were concerned that proactive contact with any of the intermediary’s clients would inevitably damage their relationship with that intermediary, especially if the contact involved any kind of selling.

But the fact is customers welcome relevant, helpful contact direct from their insurance company – especially when the contact includes an offer of further insurance cover that’s valuable and tailored to the individual.

Existing customers welcome relevant offers from their insurance company...

At Riverside, we’ve proved conclusively that this is true. Since 2005, we’ve helped insurance companies around the world to build customer communication programmes that:

- Secure profitable new sales (upgrades and cross-sales), typically from 10%-30% of all customers included.

- Reduce lapse rates on existing policies, typically by 12%-30%, because our communication reinforces the value of the customer's existing cover.
- Deliver NPV of €2 million - €5 million per 100.000 customers over a typical 3-year programme.

...and intermediaries are delighted too

On top of all this, our programmes give agents and other intermediaries profitable business support.

Of course, there's additional commission income from the new sales and enhanced customer retention. But that's only part of the story.

Intermediaries also find that our programmes generate valuable new leads direct to them from their customers – and often for high-level business related to significant life changes.

In consultation with the insurance company we can also make sure that every intermediary receives a full list of all their customers included in the programme. This allows them to follow up individually as they wish – using the communication as a starting point for the conversation.

And then there's the positive reflection on the intermediary of the communication itself. We know that customers find these communications valuable, not only because we see their lapse rates reduce, but also because the customers tell us in research studies that they welcome and appreciate this activity.

Open dialogue makes the difference

To gain the agreement and support of your intermediaries to customer communication activities, you simply need to talk effectively to them.

At Riverside, we encourage every insurer we work with to provide full advance details of any planned programme to each intermediary whose customers the company would like to include.

And the insurer must give every intermediary the opportunity to exclude any or all of his or her customers, without question.

In practice, we find that very few intermediaries actually request exclusions – because they are attracted by the benefits of taking part. But they certainly appreciate being asked. And even those who do make exclusions in the first programme often change their view afterwards – having heard about the benefits from other intermediaries.

Over the years, we've developed a sound approach to communicating with intermediaries on behalf of the insurers we work with - one that consistently reassures and optimises the outcome for intermediary and insurer alike.

A current example

We've been working with a leading life, health and non-life insurer in North America since 2009. In fact, we're now running our 18th programme with them.

Most of their customers were introduced through the agency channel and every programme we have run with them has involved agents' customers.

The programmes have always delivered excellent results; new sales as well as improved customer retention. But we've also seen strong year-on-year growth in incremental sales to existing customers through the agents themselves. This is because they've become accustomed to following up the



customers included - often leading to high value new business sales, over and above the direct results of the programme.

Call me to find out more

If you'd like to know more about how Riverside build customer communications that:

- deliver profitable new sales from existing customers
- boost customer retention and customer satisfaction
- increase the loyalty of agents and intermediaries

... simply call me on +31 (0) 20 218 4170 or email me at Bill.Gilbert@riversidegroup.nl.