

Insurers: How customer communication can protect your business in the current crisis and beyond

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There's no doubt the global pandemic is presenting tough challenges to insurers around the world. Beyond sudden spikes in claims costs, some companies are now reporting falls in new sales as the economic impact of Covid-19 bites.

Firms need to take action right now to protect and support business throughout the downturn. And to be sure they're ready to make the most of the eventual recovery when it comes.

For insurers, this should include additional focus on existing customers. In such difficult times, it's more vital than ever to provide the reassurance those customers need to support them.

And it's not just your customers who are anxious and vulnerable. Your agents and intermediaries are suddenly faced with unplanned business disruption and uncertainty.

With all this in mind, it's a pity that the insurance industry appears to be running behind other business sectors in delivering much needed communication. In fact, it seems that some life insurers have still not even let their customers know that their policies cover Covid-19.

This is clearly unfortunate.

Your customers need and deserve to be reminded about the protection and security you offer them. And your agents want to hear and see that you understand their problems and are on their side in addressing the issues.

It's also a missed opportunity.

Effective communication can lead to a significant and measurable improvement in commercial performance - plus increased satisfaction and loyalty on the part of customers and agents alike.

Good communication builds sales, retention and loyalty

At Riverside, we've worked with dozens of insurance companies around the world to deliver and measure successful customer communications.

These communications are all based on offering customers reassurance and excellent personalised service. Just what's needed right now, in fact.

Since 2005, we've built and refined an approach that reinforces the value of the policies the customer already holds in a helpful service-focused way. At the same time, we present a personalised offer of additional cover that's tailored to the precise needs of the individual.

The results speak volumes:

- Typically, 10% - 30% of customers receiving these communications take up the offer of additional cover. That alone can generate total NPV of €2 - €5 million over 3 years for every 100,000 customers included.

- Lapse rates on policies already held also drop significantly – typically by 12% -30% (annualised) in the year following the communication. We measure this by comparing lapse rates across customers included against a “control” group of the same profile, not included.

Much-needed support for your agents and intermediaries too

By producing communications that build sales and lower lapse rates, you can boost income for your agents and intermediaries – with minimal, if any, extra effort on their part.

But that’s not all. The communication programmes we develop with insurers also deliver new leads from customers to their agents – often resulting in high value additional sales. And the agents receive details of every one of their own customers included, to follow up as they choose. That leads to more sales opportunities for them.

Of course, it’s essential to involve agents at every stage of the process – and give them the opportunity to exclude any of their customers just as they wish. But we find that when they consider the benefits our programmes offer them, most agents are happy to participate fully.

What’s more, our approach to customer communication involves no physical contact with customers. And the programme can easily be set up and managed using remote channels -without any physical contact with you. A complete “WFH” solution that can be applied throughout the current downturn, into economic recovery and beyond.

We'll even share the costs with you

In these challenging times, many insurers are feeling pressure on budgets. Therefore, you might be especially interested to know that at Riverside, we always share in the marketing costs of the communication programmes we develop – usually on a 50:50 basis with the insurance company.

This simply means that we can only be successful if you are successful too. That's an approach that has consistently reassured all the insurers we've successfully worked with around the world since 2005.

For more information about using customer communication to protect your business and support your agents and intermediaries, just drop me a line at Bill.Gilbert@Riversidegroup.nl. Or call me, currently working from home in the Netherlands, on +31 6 5047 9647.