

## **Why the pandemic means new customer communication opportunities for insurers**

Before the pandemic struck, I wrote a number of articles that highlighted the need for better customer communication in the insurance industry.

Various studies have shown that insurers generally communicate less frequently than their customers would like. What's more, the information provided is often not as helpful as it could be.

There are various reasons for this, often linked to the traditional industry practice of only communicating - after the initial sale - on the occasion of a renewal or a claim.

In recent years, things have started to change, due to factors such as the rapid development of digital communications and the resultant customer demands for instant, personalised information from providers of all kinds.

However, the seismic global events of the past year or so have now markedly increased the opportunities of effective customer communication for insurers around the world.

### **Security has never been more important**

The impact of the pandemic on personal health, wellness and financial stability worldwide needs no further comment from me. Huge numbers of insurance customers are acutely concerned about the current and future security of their families, their assets and themselves.

Of course, providing that security is precisely the promise of personal insurance. And there are numerous ways for insurers to use customer communication to help deliver on that promise. Here are just some:

- Reassurance on existing protection. Reminding customers whose products protect against COVID-related threats, such as guaranteed life cover and health insurance where applicable.

- **Factual information to provide clarity.** Many people are confused and worried about factors such as vaccines, the emergence of new variants and lockdown restrictions. These are issues that will not disappear quickly and which can be fuelled by rumour. Insurance companies have the authority and credibility to provide clear, factual information to help reduce worry and anxiety.
- **Proactive, personalised support.** In the current environment, understanding and empathy at a personal level can underpin outstanding customer service. Premium deferrals, payment holidays in relevant cases are obviously good examples. It might also be possible to offer customers temporarily reduced cover and premiums on risks that are reduced during the pandemic – such as personal possessions outside the home, as just one example.
- **Remote access to support and advice.** Customers of all kinds have become far more accustomed to personal contact on screen rather than face-to-face over the past 12 months. Where possible, providing the “human touch” in this way could deliver invaluable and highly memorable support that helps build lasting customer loyalty for insurers.
- **Insight-based customer care.** The insurance industry generally has a richer level of customer data than many other sectors. This data can be used to build insight that provides meaningful and memorable customer support through good communication. Health insurers, for example, can remind customers with chronic conditions that they should never avoid medical treatment due to the pandemic.

### **Good communication is good for your customers...and for your business**

The bullet points above are examples of how good communication can deliver real, significant benefits for insurance customers during the remainder of the global pandemic and beyond.

And delivering benefits to customers in a time of need produces results that are good for business over the short and long term.

The most obvious, perhaps, is increased customer loyalty – **most easily measured in terms of clearly improved retention and higher levels of new sales to existing policyholders.**

But effective customer communication also offers great benefits to insurance agents, intermediaries and distribution partners – many of whom have been severely impacted by the effects of the global pandemic around the world.

Higher customer retention clearly supports intermediaries of all kinds, as do higher levels of new sales resulting directly from effective customer communication.

Over and above this, the positive impact of personalised and empathetic service at a time of emotional and financial need reflects well not only on the insurer, but also the intermediary. In turn, this can lead to real opportunities for the intermediary to build profitable, long-term client relationships.

In the current business environment, this is a benefit that intermediaries are likely to value and remember – boosting their loyalty to the insurer long after the heights of this pandemic are behind us.

### **Has the pandemic made customers more willing to engage?**

The key to effective customer communication, of course, is high-quality customer data.

Historically, private individuals have been wary of sharing their data with commercial enterprises - **unless they can see a clear benefit to themselves from doing so, in which case they can be very willing to engage.**

Since the start of the pandemic, we have seen some examples of this rule in action – through the take-up of COVID-19 tracking apps. The Australian public, for instance, is known to be sceptical towards data privacy issues. And yet, there were over 2 million uptakes of COVIDSafe, the Government app, within just 48 hours of its launch.

To quote from [an insurance industry insight from KPMG](#):

*“COVID-19 might be the catalyst for innovation in insurance, unlocking greater levels of customer experience and personalization”*

### **Effective communication delivers measurable results for insurance companies**

Since we started in 2005, Riverside has developed successful customer communication programmes, working with over 130 different insurance companies in 39 countries around the world.

Following a Riverside programme, we typically see (on Life business) a reduction in annualised lapse rates of 12%-30% across all customers included, in addition to a 10%-30% take up of an additional insurance offer.

We also share in the costs of every programme we recommend. This means that we have genuine “skin in the game”. We can only be successful if the insurer is successful too.

**Find out more – with an exploratory online chat**

We’d be delighted to tell you how the Riverside approach could work for your insurance business – wherever you are in the world.

In the current environment, we can deliver everything without any need for face-to-face contact with you. Our programmes are also designed to involve no face-to-face contact with your customers.

To arrange an exploratory chat, without any obligation whatsoever, please contact me at [Riverside](#) or call me on my mobile: +31 6 50479647