

How Insurers Can Perfect The Customer Journey In The Digital Age



To deliver a superior customer experience, insurers need to perfect the customer journey across all stages from pre-purchase through to claims. Customers see each event as steps in a single journey to meet an important need and expect the experience to be as seamless as possible. Insurance companies need to work cross-functionally with

engagement from top to bottom to be successful. Digital tools can address the challenges but their uses need to be strategically thought out. Here we explore ways in which a digital transformation across each phase of the customer journey can be implemented to improve the customer experience.

Pre-Purchase

In the pre-purchase phase, customers are shopping around for information and advice so they can make informed decisions. Insurers need to make it easy for those potential customers to gain access to that information.

EY consumer research shows that more than 80% of customers are willing to use digital and remote contact channels in place of interacting with insurers via agents or brokers¹. This opens up vast opportunities to communicate with potential customers via a host of online digital platforms.

For example MSIG uses Mae the chatbot to communicate with customers. Mae provides a humanised interface, handling more than 2000 questions on travel insurance per month, providing information on policy coverage and claims related questions. Mae can be an interface throughout the whole customer journey lifecycle.

Singapore Life, a 100% digital and technologically enabled life insurance company have also used this tactic. “(We’ve) launched an advisory chatbot to help

customers understand how much life insurance they really need to buy because it’s rather a grey area for a lot of people” explains CEO Walter de Oude. “By just asking some simple questions about income, future expectations and household size the bot can provide customers with a reasonable indication of what they should buy. This all helps build an easy first touch point for customers with us. They come in, they click on ‘get a quote’ and then they can easily see how much it costs for different amounts of cover.”

Today’s consumers are naturally omnichannel and it is increasingly a baseline capacity that insurers must establish to achieve digital maturity. A better omnichannel environment enables insurers to place new products in front of potential customers sooner and more directly than previously.

Ash Shah, Regional Property and Casualty CIO and chief of staff at AXA Asia has said “We want to give people, our customers, an omnichannel experience so they have convenience when they decide to interact with us, so we are using self-service to

give our customers a better experience and an omnichannel experience.” The freedom to choose is at the core of this strategy, “our access approach is primarily omnichannel. We need to do all offerings, and it is up to the consumers to have the choice which channel to use.”³

Data analytics can also help in the before purchase stage. For example predictive analytics can identify suitable products for customers in particular regions and demographics in a way that goes beyond the traditional cross-selling and upselling tactics that insurers normally use. Deep analysis of the customer database can also suggest which distribution channels are the best fit for certain leads.



1. [https://www.ey.com/Publication/vwLUAssets/ey-digital-transformation-in-insurance/\\$FILE/ey-digital-transformation-in-insurance.pdf](https://www.ey.com/Publication/vwLUAssets/ey-digital-transformation-in-insurance/$FILE/ey-digital-transformation-in-insurance.pdf)

2. <https://sbr.com.sg/co-written-partner/sponsored-articles/msig-singapore-revolutionises-insurance-through-smart-technolo>

3. <https://sg.channelasia.tech/article/647057/axa-cio-implementing-omnichannel-strategies-across-insurance-asia/>

Purchase



Insurance companies typically have a longer purchasing process than most other industries which can be frustrating for the modern day consumer.

Options need to be served up on a plate with processes as frictionless as possible. Simple changes such as having a visual representation of the process in the form of a progress bar can be an effective way of communicating to customers how long the purchase will take them. Statistics show that sites that segment a lengthy registration process into simple steps are twice as likely to convert a customer as one that doesn't.⁴

One example of creating simplicity for the customer comes from Singapore Life. "What Singapore Life does is try to take the hassle out of the process" explains CEO Walter de Oude. "For example we provide a digital application process that allows customers to answer a few questions and demonstrate their identity online. They don't have to visit the doctor for an evaluation. It could take around ten to fifteen minutes from a consumer

deciding they need life insurance to purchasing it. It should be as easy as buying a plane ticket."

Data is critical to making the customer experience as pain free as possible. The new generation of customers is looking for pay-per-use insurance products said Céline Le Cottonnec, Chief Data Officer for AXA Singapore. To improve the customer experience, AXA's data scientists help the agents recommend the right product to the right customer at the right point of their journey. By analysing the data, they can identify gaps in the customer's insurance. Agents are then better prepared to advise customers on the right insurance to purchase that will close gaps in their coverage and offer better protection of their assets and family.⁵

4. <https://www.insurancebusinessmag.com/uk/opinion/how-to-improve-customer-experience-in-insurance-103395.aspx>

5. <https://www.axa.com.sg/blog/innovation/axas-chief-data-officer-using-data-to-deliver-a-better-customer-experience-in-insurance>

6. <https://lucep.com/six-ways-to-improve-insurance-customer-experience/>

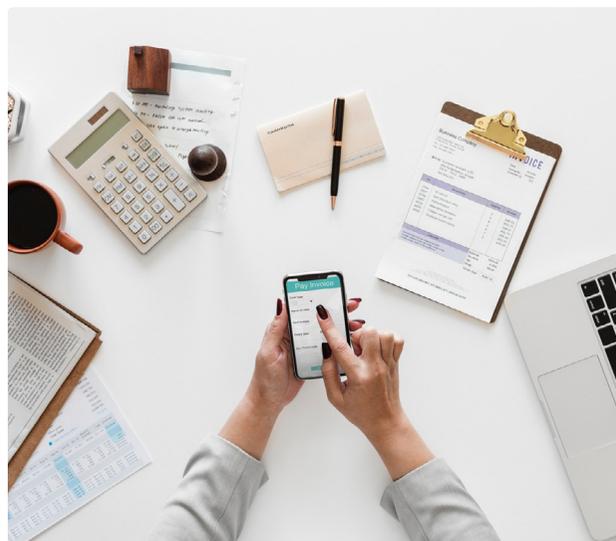
Claims

Customers want a hassle-free and quick claim filing and approval system. One way to do this is to develop an AI claims process to speed up settlement of claims. Digital insurer Lemonade holds the world record for speedy claims settlement using AI at 3 seconds and zero paperwork.⁶

AI technology gives insurers an edge on how they manage claims—faster, better, and with fewer errors. Accenture research has shown automated machine classification can be 30% more accurate than manual classification by humans and has the potential to increase productivity by 80%.⁷ Their 2017 Technology Vision for Insurance report showed how Fukoku Mutual Life Insurance in Japan is using the IBM Watson Explorer AI platform to classify diseases, injuries and surgical procedures as well as to calculate claims pay-outs. When policyholders call the hotline to make a claim, the system analyses the customer's voice and detects keywords.

Other disruptive technology being tested for claims processing are drones, satellites and blockchain. Early-adopting insurers are using drones and

satellites to handle critical tasks in claims and underwriting. For example in commercial insurance they can conduct site inspections of facilities or work sites. They can review housing defects and satellites can capture data to analyse roofs, chimneys and surrounding terrain. In the claims process their ability to do remote assessments can help reduce processing time. It has been predicted they can improve the efficiency and accuracy of underwriting and claims information by 40%.⁸



Innovative insurers are also starting to experiment with blockchain technology. Blockchain provides a foundation for entirely new business models and product offerings. A peer to peer exchange could provide the technology needed to manage underwriting, premium collection and claims as a pay-for-use service.

The benefits of processing insurance claims on blockchain are numerous. Firstly it makes it harder for insurance fraud as blockchain provides transparency and accountability. Secondly claims processes can become more efficient. By issuing insurance policies and processing insurance claims on the blockchain a permanent insurance audit trail is created that can later be used to automate and increase efficiency in the claims process.⁹

Smart contracts which accompany blockchain technology save insurers time and money while providing the customer with a better experience. They connect real-time information from multiple systems across physical documents and activities which trigger processes like claims, payments and reimbursements faster and with greater accuracy.¹⁰

7. <https://www.insurancebusinessmag.com/uk/opinion/how-to-improve-customer-experience-in-insurance-103395.aspx>

8. <https://www.axa.com.sg/blog/innovation/axas-chief-data-officer-using-data-to-deliver-a-better-customer-experience-in-insurance>

9. <https://medium.com/blackinsurance/ever-wondered-how-insurance-claims-can-be-processed-on-the-blockchain-heres-how-9ce27cff5cf4>

10. <https://www.cio.com/article/3301163/how-blockchain-is-disrupting-the-insurance-industry-for-the-better.html>

Spearheading Agile and Customer-Centric Transformation to Build Next-Gen Insurance



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A successful digital transformation can radically improve the customer journey in the insurance industry. Insurers need to turn the process of buying a policy to sorting out claims into a fast, simple and satisfying experience. While each phase of the journey has its own transformation the whole life cycle needs to be looked at holistically.

Returning in 2019, join us at our 3rd Annual Digital Transformation for Insurance to explore how you can strengthen your enterprise capabilities across operations, marketing, distribution and products for enhanced customer engagement and experience.