

Customer Journey Orchestration

Industry focus:

Life Insurance



PART 2



The Planet's **Smartest** CX Platform

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INTRODUCTION

The Life Insurance industry is undergoing a major transformation as banks sell off their Life Insurance businesses following marginal performance, regulatory pressure and high compliance costs. At the same time other players lean in, driving innovation and changing their product and operating models to meet customers' needs.

The reality is that Life Insurance is not as urgent a purchase to most people as car or home insurance. But it is a high-importance product, particularly for people with dependents and families, and for homeowners. The stakes are higher when purchasing Life Insurance, and decisions are certainly more considered and important to customers.

The Australian Life Insurance market, for instance, is estimated at [AUD 16B](#). With less than one third of Australians having Life Insurance there is an opportunity to acquire, engage and keep customers for life. The same is true globally, where life premiums are already almost [USD 3,000B](#).

The opportunity is however only possible where insurers take heed of the final Royal Commission report and become more customer-centric and more customer-focused. Simply fixing fee structures and eliminating aggressive sales tactics will not cut it for today's customers. Improving trust and confidence in the sector will be the difference for insurers that achieve long term growth, success and loyalty.

Customer Journey Orchestration, with a specific focus on the Life Insurance customer, provides the approaches and tools necessary to build this confidence and loyalty by ensuring the following:

- Customers are educated on the importance of long term protection
- Customers are personally guided through the onboarding and underwriting experiences
- Customers are kept updated at all times
- Customers are engaged continually with content that is appropriate, contextual and value-adding
- Customers are delighted and retained

But what will this look like in the real world?

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INDUSTRY PERSPECTIVE

Education and personalisation sound intuitively necessary, especially when they result in customer retention, but how do these customer-focused trust-builders manifest in the Life Insurance industry? The offering needs to address the following:

COVER THAT IS RIGHT FOR ME

First and foremost, offer cover that meets individual customers' needs. This may not be cover that is appropriate for the general market, or most other similar people. This involves understanding each customer and their context, and once their needs are fully understood then an offering can be constructed and presented.

COVER THAT I CAN AFFORD

The most common reason that customers cancel their Life Insurance is affordability. Insurers can 'get to know' their customers throughout their different life stages and proactively confirm their needs and update their offering with the right level of cover for the right things. This is best done by engaging customers continuously, throughout their life, and not just at onboarding. Insurers should also anticipate changing life circumstances and engage customers appropriately at these critical points, for example as someone transitions to another family status, or to their pension.

RETHINK AND REDESIGN THE SIGN-UP EXPERIENCE

The underwriting experience needs a rethink and redesign. Many insurers still drag customers through an exhausting and complicated inquiry that is difficult to answer or understand the importance of. Furthermore, transparency and process relating to the use of health records is often questionable, resulting in unnecessary risk loading, exclusions or customers not acquiring the cover they truly need. There's a tremendous opportunity to educate and keep customers informed, further connecting them with the brand. The sign-up process should be easy for customers and the onus is on the insurer to design a process that guides customers through the process in a seamless and supportive way.

MAKE IT FAIR

Related to the above, customers respond positively when cover granted is perceived to be fair, based upon tests done, questions answered and records provided. This is an exercise in communication.

TRANSPARENCY, WITHOUT THE SURPRISES

It is still the case that many customers hold Life Insurance products that have no value to them because of the exclusions and fine print. Customer trust and confidence can only be achieved when insurers make the policies easy to understand so that there are no surprises when it's time to claim. This means taking an outside-in, customer-centered design approach for every step of the process which includes regular updates and engagement with members as they transition through life stages.

Life cover policy benefits are not top-of-mind for most customers. There is opportunity for insurers to periodically remind customers of the details of their cover. This is particularly important because customers' situations change and they may not consider reassessing whether or not they are adequately covered.

CONSOLIDATE MULTIPLE POLICIES

Duplicate retirement investments can result in people having duplicated life policies, by association. This may mean that customers are paying unnecessary fees for overlapping policies. Again, this is a communication and transparency exercise. There is an opportunity for insurers to engage and support customers to ensure optimal cover for each unique customer.

CUSTOMERS FOR LIFE

Already underway, practices relating to acquisition and commissions need to support keeping customers for life, i.e. encouraging an ongoing relationship and service.

In summary, Life Insurers that truly know and engage their customers will ensure customer trust, confidence and long-term success.

LIFE INSURANCE CUSTOMER JOURNEY



AN EXAMPLE

JAMES' LIFE INSURANCE JOURNEY

James started thinking about Life Insurance shortly after he married Olivia. He wanted to ensure that Olivia would be taken care of should anything happen to him. James browsed the web and asked friends for recommendations over the period of a few months. James was a busy person and knew that getting the right cover was an important decision that took time. He made a few enquiries and got quotes from a financial advisor, and also directly from an insurer that he had heard great things about.

James chose a direct but underwritten product and began the application process. He was supported throughout the process and each step was clearly explained and guided by the same representative who was patient with James' questions. James answered the questions honestly, including about a stage in his life when he'd received mental health support (in his early twenties) following a trauma. This information was recorded but did not impact his risk loading in any way as it was an isolated case. James provided permission to access his medical records and he trusted that the assessment and process would be fair. Once he received the final quotation, he had plenty of time to review and make a decision.

James received his electronic, personalised welcome pack, and a personal call from a consultant who took him through the policy in detail and ensured that he understood his cover. The insurer also used the opportunity to gather other personal information from James, regarding his preferences and interests. This would aid them in their **profiling and communications** with him into the future.

A few years later James and Olivia had twin daughters and James called his insurer to review his cover. He adored his family and wanted to make sure they would be okay if the worst should happen. James' insurer was able to provide a few scenarios and options for James based upon his previous context and his new context. Cover now needed to include aspects such as future education needs. James was also rewarded for his loyalty with a competitive premium.

The insurer used the opportunity to update their **single view** of James and his growing family. He was also surveyed post-

update in order to find out about his experience and general sentiment, and this added to the richness of his profile. The insurer engaged with him periodically after the update to ensure he was kept up-to-date on his existing cover as well as his options. These communications were **contextual** and **value-adding** based upon his life stage, preferences and cover options.

At some stage James had a **query** with some of the correspondence being received. He mailed the support centre and a **ticket** was automatically created, assigning responsibility to a particular person who then made contact and resolved the issue. The matter was resolved in a timely manner.

Many years later James had an unfortunate accident. He was knocked off his bicycle whilst cycling to work and the damage to his neck and back resulted in more than 12 months of recovery, and multiple surgeries.

James was confident that he was appropriately covered for the accident because his insurer had kept him informed about his cover for different scenarios. Olivia contacted the insurer to lodge the claim. The representative was empathetic and patient with Olivia and James as the review was completed, providing them with updates throughout the process. They received a positive outcome, prompt payment and were delighted with their claim experience. The insurer used the opportunity to send small gifts to each member of the family, including the two girls. James and Olivia were both contacted in order to find out about their experiences during the claim.

The insurer used **automated ticketing** to ensure that James was contacted by a consultant periodically for the period after his recovery. This was an opportunity to show care and to find out about his progress, and to capture any new information about James. One of these calls resulted in a consolidation of his accounts.

James' journey was **managed proactively**. They took every opportunity to engage him meaningfully and in a way that added value and ensured his loyalty.

BENEFITS OF JOURNEY MANAGEMENT

Life Insurers can create both confidence and trust through a Journey Orchestration approach.

Benefits to the member:

- **The right cover.** Continual engagement, information gathering and empathy result in the customer and their context being understood, and appropriate cover being offered.
- **Process efficiency.** Ongoing feedback from customers identifies hot spots in processes that can then lead to operational improvements, further benefiting customers.
- **Service recovery.** Systematic ticketing and assignments result in SLA-driven responsibility for issues that occur, followed by timely resolution.
- **Transparency.** Ongoing engagement and education result in the customer having a full understanding of their cover and options into the future.
- **Peace of mind.** Personalised communication and transparency result in customer confidence.

Benefits to the fund:

- **Continual feedback.** Listening to the voice of the customer, whether through structured surveys or social media listening, provides a view of experiences and operational effectiveness, allowing for improvements.
- **Building the view of the customer.** Every engagement is an opportunity to collect customer information and build up the single view of the customer, which provides campaigning opportunities in the future.
- **Service recovery.** Proactive and pre-emptive resolution result in reinvented customer experiences and improved sentiment, and ultimate customer loyalty.
- **ROI of CX.** Journey orchestration methods result in an uplift in important metrics and boost the ROI for CX initiatives. This also results in a boost in customer lifetime value.

Life insurance providers have an opportunity to change the environment. Rather than a product that people don't think about, providers can create products and campaigns that customers engage with and understand, leading to customer loyalty.

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