TRANSFORMING INSURANCE CUSTOMER EXPERIENCE THROUGH COMMUNICATION PLATFORMS

Insurance companies risk losing customers because of lack of relevant and timely communication on value of products. This paper provides a perspective on the transformation required to integrate customer communication management (CCM) with insurance company core systems.

Transforming insurance customer experience through communication platforms

Insurance companies have limited opportunities to interact with their customers and they have to make every interaction count. Empowered customers seek value, personalized information, and real-time communication in a preferred channel.

Digital transformation is changing the way companies communicate with their customers. However, the communication experience in insurance companies is not cohesive due to outdated systems, complicated internal processes, and fragmented data across multiple teams, leading to expensive IT overhead and a disjointed customer journey.

Insurance companies are adopting off-the-shelf customer communications management products that use

artificial intelligence and advanced data analytics capabilities to provide an omnichannel experience.

However, successful integration of off-the-shelf CCM products with core systems also requires a detailed, systematic transformation approach that includes creating a central communications team and a data strategy plan.

Customer communication is critical

For insurance companies, the primary aspect of the customer experience is how the company communicates with its customers. Customers of insurance companies typically switch to a competitor because of the lack of relevant and timely information on the value of products. Communication is rarely prioritized after the sale of an insurance policy, with companies reaching out to customers only at the time of policy renewal.

The following reasons underscore the importance of communication:

- Retaining customers is less costly than acquiring new customers. Gaining trust with existing customers is much easier than with new customers.

- Customers are interested to know the details of handling claims, and they want answers to their questions quickly and efficiently.

- Communication on the intrinsic value of the insurance product is essential because customers usually seek a policy with the lowest price point.

Insurance companies face several challenges to deliver relevant messages at the right time using the right channel.

Organizational challenges to transform communications

"In both the insurance and financial services sectors, legacy players are facing intense competitive pressures from both startups and large tech companies muscling into the sector. These legacy incumbents are trying to make progress toward digital transformation, but their efforts are hampered by regulations, security concerns, and complex internal processes."

— Infosys Digital Radar report

The following complications exist in the insurance sector:

Outdated systems

Policy administration systems have always generated most customer communications. In established insurance companies, policy administration systems are old, outdated and have limited capabilities to address system updates when there is change to any detail in the customer letter. Most companies create only generic messages without any dynamic contextual content.

Complicated internal process and fragmented data

Insurance companies have many duplicate business operations that function in a silo. Insurance companies have a massive amount of data that is updated and recorded in different areas of the company. It is a huge challenge to consolidate data into one single, unified database. Understanding the systems for sources of the right input data required for communication is also a hurdle.

Uncoordinated customer communication

Figure 1 lists the types of communication that get sent out by separate teams within an insurance company. These silos within the company lead to a variety of problems, such as poorly written letters, disjointed experiences, impersonal letters, letters with errors, unlimited formats within the organization and complex processes to sign off letters.

Figure 1. Insurance company communication types
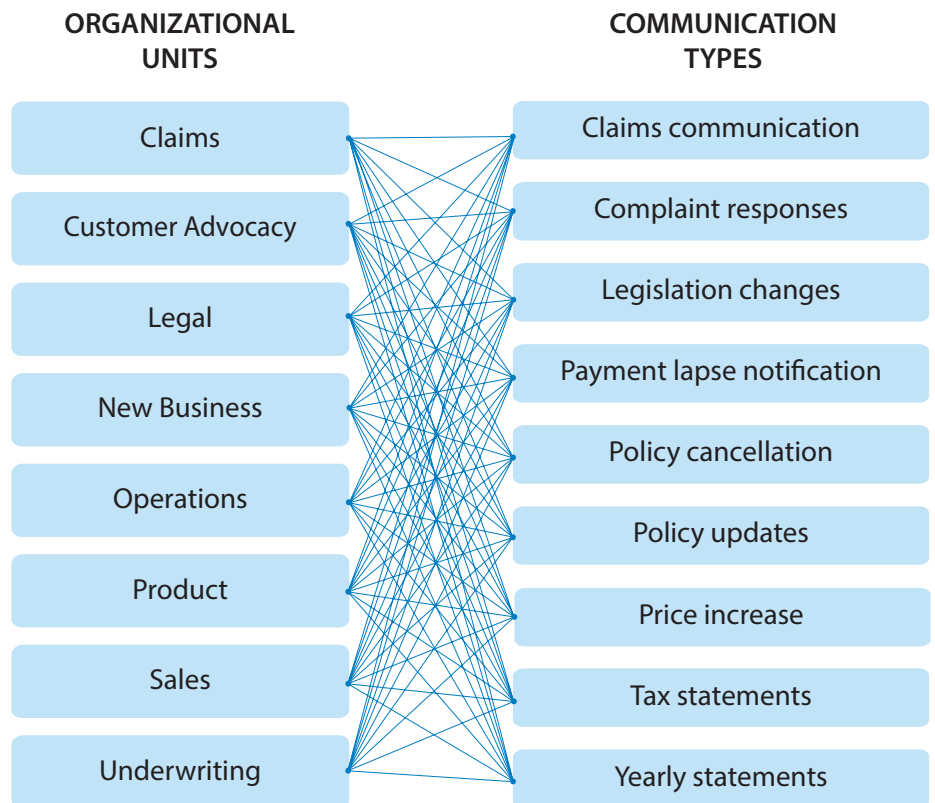
Death by templates

Each product team comes up with their version of a letter, and as a result, over the years, administration teams have several different templates for the same letter. Managing templates, consolidating them, and eliminating duplicates is a significant challenge.

Overdependence on the business service provider

Traditional print houses own and control many business rules and template creation specifications.
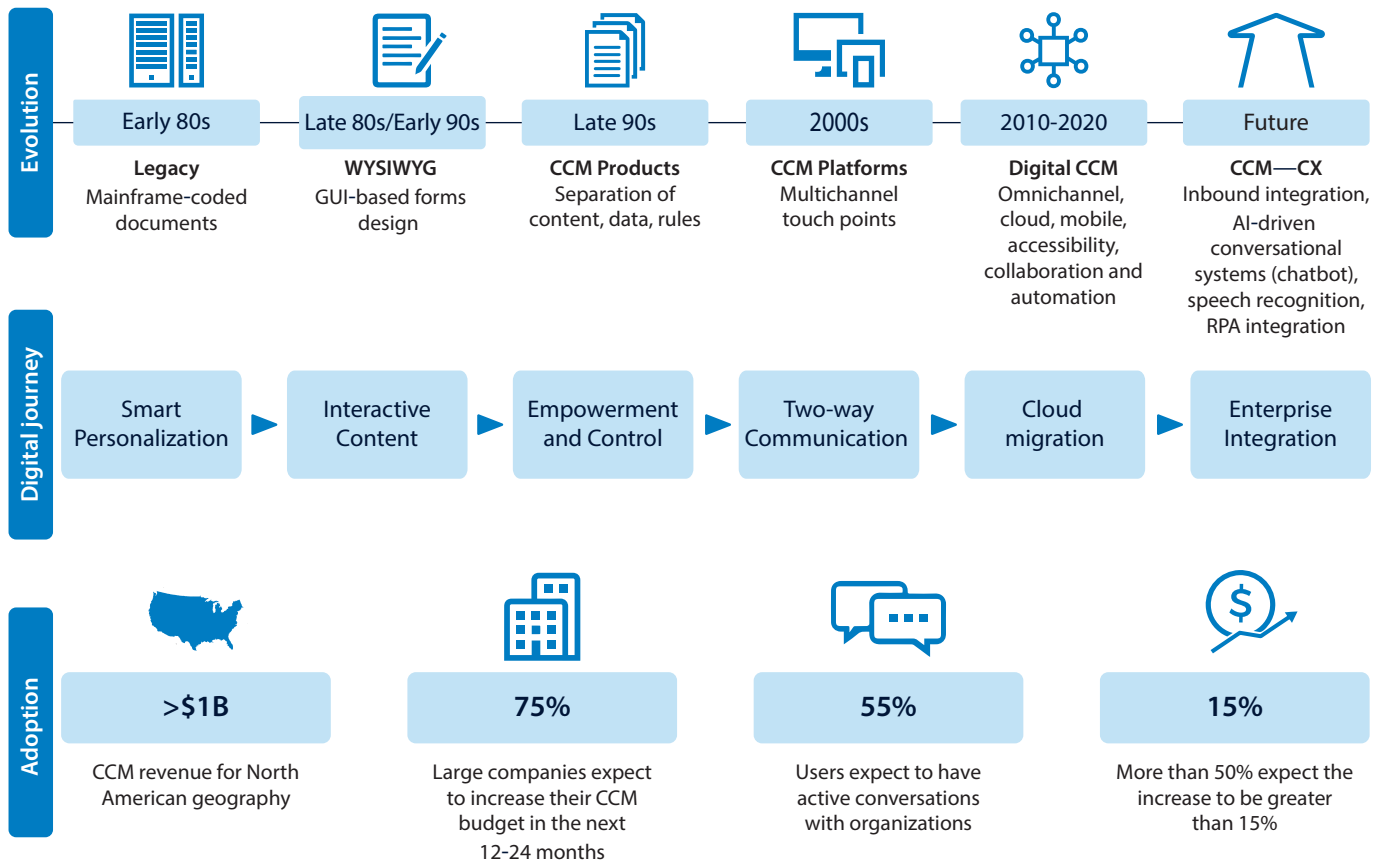
Insurance companies rarely have the flexibility to manage business rules, and these companies continue to charge heavily to maintain these services.

Customer communications management systems and processes address these challenges.

Customer communications management

With advances in technology, customer communication has evolved toward digital. Figure 2 shows the evolution of CCM over time.

Figure 2. Evolution of CCM: document generation to digital experience platform

Evolution

Early 80s	Late 80s/Early 90s	Late 90s	2000s	2010-2020	Future
Legacy Mainframe-coded documents	**WYSIWYG** GUI-based forms design	**CCM Products** Separation of content, data, rules	**CCM Platforms** Multichannel touch points	**Digital CCM** Omnichannel, cloud, mobile, accessibility, collaboration and automation	**CCM—CX** Inbound integration, AI-driven conversational systems (chatbot), speech recognition, RPA integration

Digital journey

Smart Personalization ▶ Interactive Content ▶ Empowerment and Control ▶ Two-way Communication ▶ Cloud migration ▶ Enterprise Integration

Adoption

>$1B	75%	55%	15%
CCM revenue for North American geography	Large companies expect to increase their CCM budget in the next 12-24 months	Users expect to have active conversations with organizations	More than 50% expect the increase to be greater than 15%

Insurance companies adopt CCM platform approach

Many CCM solutions are available in the market. Some of the popular CCM products include Quadient Inspire, OpenText Exstream, Thunderhead Smart Communications, and Adobe Experience Manager.

CCM platforms address the challenges faced by companies; they provide solutions to transform the way the insurance companies communicate and help improve the quality of content and overall communications.

The following is a representative list of current approaches:

- Rationalize the number of templates and provide prepopulated ones with contextual information.

- Create dynamic and personalized content.

- Provide an omnichannel experience: email, SMS, and print.

- Give control to the customer communications team instead of the policy administration team, IT team or print houses.

- Enable changes to be made faster, quicker, and cost-effectively.

- Deliver best-in-class digital communications (e.g. dynamic product disclosure statements).

- Easily design reusable content in the library that enables faster building of new templates.

- Offer ready-made workflows to get master templates approved.

- Convert the print house into merely a commodity that generates printouts and sends physical mail.

However, integrating these CCM platforms with the core systems of insurance companies is a huge challenge, one that requires a detailed transformation plan to achieve success.

Transformation plan for integration of CCM products

An insurance company can choose any CCM product that suits its budget and requirements for a digital transformation in communication. However, transformation success requires cross-departmental planning at strategic and operational levels, as well as a detailed systemic plan.

1. Establish a central communications team

- Engage with enterprise customer journey teams and determine the type of experiences they would like to provide the customer at every stage of the journey.

- Identify templates across business streams, claims, products, complaints, and operations and create a template repository for the different stages of the customer journey (quotes, welcome letters, policy update notifications, etc.).

- Identify the channels they would like to use for each type of communication. The channels could be SMS for reminders, email for lapse letters and print for policy documents.

- Create a framework and a communication strategy document on the approach of the company to rewrite communications.

- Rewrite the communications using the framework for every business process — for instance, write welcome letters and see how many variations are required by the product or benefit type.

2. Create a data strategy for prepopulated templates or dynamic content

- Understand the sources of the data (such as systems or data lake).

- Analyze the data to create the required templates.

- Decide on templates, whether to use prepopulated or dynamic content.

- Understand the effort required to map the right data to the variable fields in the template and also staff the right talent.

- Chart out the additional data requirements (segmentation data and customer demographics) to contextualize images and content delivery.

- Identify and manage data that require continuous updates (e.g. customer channel preferences, business rules, content rules and opt-outs).

3. Integrate CCM platform with source systems

Source systems are usually the policy administration systems, the claims system and possibly a customer relationship management system. The integration types and application programming interfaces have to be decided, based on the requirements and the templates. These APIs can also be used to share information and services with third parties. Figure 3 lists a sample of template requirements based on the type of correspondence.
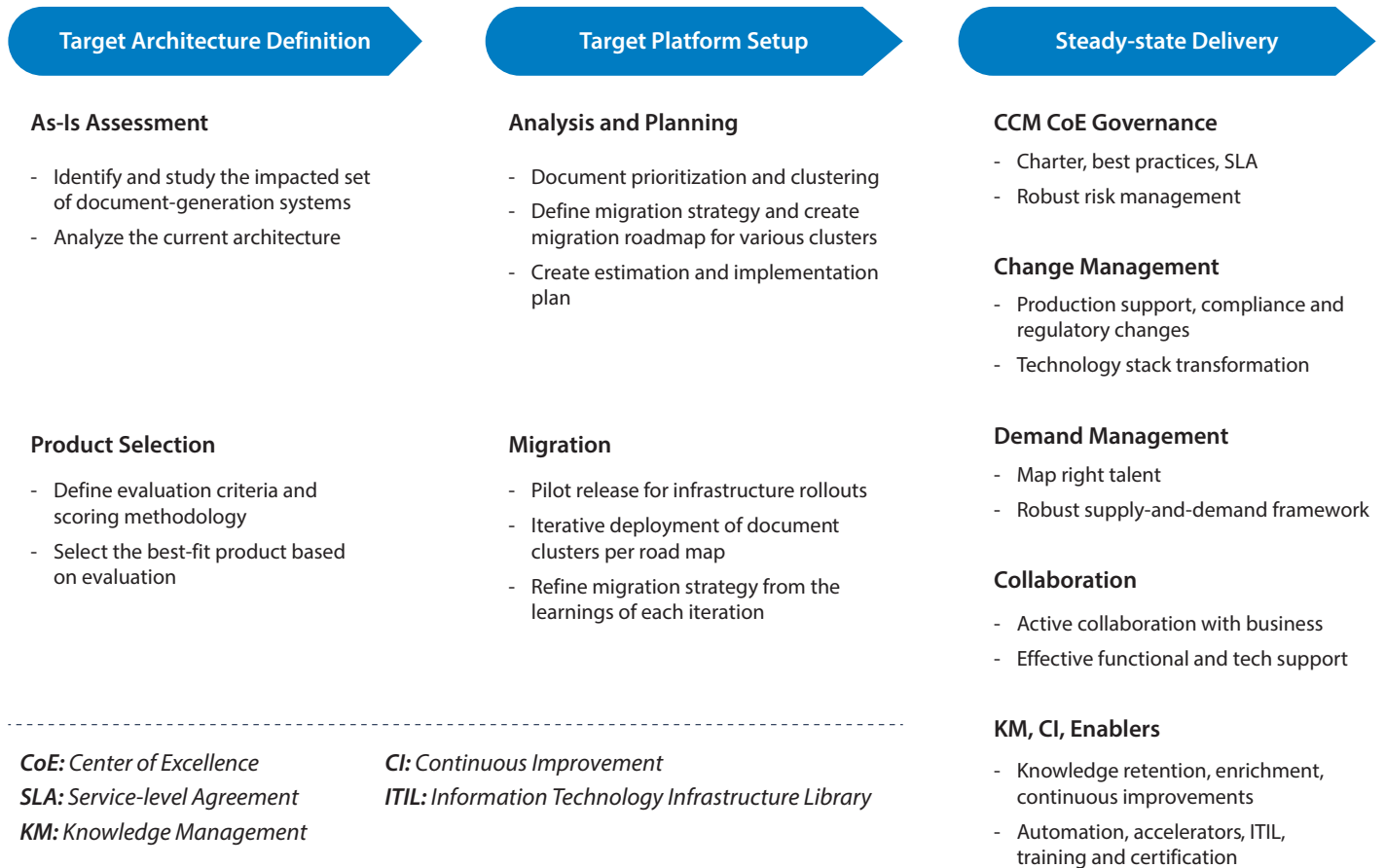
Figure 3. Templates for different types of correspondence

Correspondence		Templates	Customer notification
	Notification	Non-editable standard template	Generated at business process end (updates address and generates notification automatically)
	Quote	Non-editable standard template	Generated at business process end, only if customer requests (quote is generated as part of a conversation with the customer; if the customer requests the quote through email, the admin staff will have to generate an email that contains the quote)
	Late premium payment	Partially editable template	Generated at business process end by the admin staff to inform the customer on action taken (e.g. the customer requested an extension for payment time)

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Several of our insurance clients have recently integrated CCM products, and patterns for success have emerged. The framework in Figure 4 is a composite of the approach that has consistently provided success to these insurers.

Figure 4. CCM Integration approach

Target Architecture Definition	Target Platform Setup	Steady-state Delivery

As-Is Assessment

- Identify and study the impacted set of document-generation systems
- Analyze the current architecture

Product Selection

- Define evaluation criteria and scoring methodology
- Select the best-fit product based on evaluation

Analysis and Planning

- Document prioritization and clustering
- Define migration strategy and create migration roadmap for various clusters
- Create estimation and implementation plan

Migration

- Pilot release for infrastructure rollouts
- Iterative deployment of document clusters per road map
- Refine migration strategy from the learnings of each iteration

CCM CoE Governance

- Charter, best practices, SLA
- Robust risk management

Change Management

- Production support, compliance and regulatory changes
- Technology stack transformation

Demand Management

- Map right talent
- Robust supply-and-demand framework

Collaboration

- Active collaboration with business
- Effective functional and tech support

KM, CI, Enablers

- Knowledge retention, enrichment, continuous improvements
- Automation, accelerators, ITIL, training and certification

CoE: Center of Excellence
SLA: Service-level Agreement
KM: Knowledge Management

CI: Continuous Improvement
ITIL: Information Technology Infrastructure Library

Digital communication is the future

Insurance customers are showing a greater inclination to receive correspondence through digital channels as it offers deeper engagement, personalization, and omnichannel experience. With an increase in customer expectations and significant cost advantages, there is an excellent opportunity for insurance companies to use digital communication channels to improve customer engagement and develop loyalty.

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