

Customer Centricity and Insurance: How insurers are stepping up to provide solutions for every need

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Business, Technology, Internet and network concept. Young businessman working on a tablet of the future, he sees the inscription: customer experience

Insurers now need to think beyond insurance and truly think about care and becoming an “everyday insurer” and build an ecosystem of solutions for customers

With the focus on opting for insurance becoming of paramount importance, customers today are looking for relevant solutions for their insurance needs. Insurers are stepping up their game by providing the right solutions, products, and services to their customers. The insurance industry too, has become very digitally aligned & is not just become more efficient in doing business, but has increased digital engagement with customers as well as partners, to sell, service, and provide solutions to their worries. I feel the industry is at an inflection point and is well poised to leap forward and reach every household. This makes it more important for companies to not just align their solutions in line with customer expectations but also build capacities to serve a larger audience, especially in India, which has one of the largest populations in the world, in the most efficient and best manner possible.

Embracing technological solutions to enhance customer experience

Customers want insurers to provide them with hyper-personalized services, which need to be trustworthy, relevant, and reliable. Over the years, insurance companies have been undergoing tremendous digital transformation, which has brought about productivity, precision, and increased speed in functionality. To facilitate this transition, insurers have started using artificial intelligence (AI), machine learning (ML), blockchain, chatbots, and their like. While the transition from a traditional insurance experience to a hybrid one was accelerated by the COVID-19 pandemic, insurers are

augmenting it further by offering face-to-face interactions through virtual means, which is an important change in the insurance buying and servicing process. It's a win-win for both the customer and the insurer, with instant on-the-go answers to customer queries and requirements.

Insurance is a long-term and mostly renewal-based business, and forging lasting relationships with customers by engaging them throughout the insurance lifecycle has understandably been a focal point for insurers. With the aim of encouraging the uninsured and motivating existing customers to increase their insurance coverage, insurers have been categorizing their target base into groups that share similar characteristics, needs, and goals and further offering product customization catering to their needs. This customer segmentation is a fundamental step, so as to offer tailor-made insurance products and services to each cohort and in turn ensure customer satisfaction.

Insurers have been careful to supplement the traditional insurance segmentation process that considers age, gender, and other demographic information along with lifestyle-related aspects, in order to create holistic customer groups that display similar purchasing behaviour. Insurers have also transitioned their traditional methods of being a paper-driven industry to integrating paperless processes through their digital infrastructure, thus making it convenient, more efficient, and seamless for customers throughout their entire insurance lifecycle. Claims are also now being processed easily through Apps, Bots, or online with the help of just a few clicks where sometimes no human intervention is required.

Many a time, all it takes is a few photographs, uploading them and one can get their claims settled in no time. All of this requires agility and a deep understanding of data. This is only possible if organisations have a good data architecture in place, where data lakes are complimented with excellent data models to arrive at favourable business outcomes. It's not just a tactical mindset, but very much a strategic one. It requires investments in technology but also an investment in changing mindsets to understand that technology is no longer a supporting function of business, but technology is the heart of the business.

Developing customized insurance solutions with data analytics

Now that you have the infrastructure and a data-driven mindset, it's time to make data your best friend and use it to drive business outcomes. Risk assessment is extremely crucial to the development and sustainability of hyper-customized insurance solutions, which are the need of the hour. Data helps us classify customers into homogeneous groups, whilst, of course, looking at their independent segmentation. Similarly, a scoring mechanism can be used for potential customers as well, to not just ascertain the probability of conversion but also an approximate value. The next step is to use data from external sources and their behaviour towards your product. This behavioural analytics gives you an additional layer of insight into the customer and can also help build predictive models for possible fraud, an issue which has plagued the industry for long.

Behaviour analytics will also give insights into propensity models, i.e., the propensity to buy an additional product, to renew, to claim etc. This helps position the next best product for the customer, keeping in mind their individual requirements, of course. What's in it for the customer? You may ask. Service outcomes in terms of making the life of customers easy is an absolute must. I often say that we are in the business of paying claims and thus, it the most important element and a facet we must simplify for customers. An example that comes to mind is our "Motor On The Spot", which uses A.I. and photogrammetry. Whereby all you need to do is click photos of your vehicle after the accident and upload these on the mobile app. You will be amazed to know that you will get an assessment in less than 20 minutes, which you can accept and get the claim amount almost instantaneously. This is radical, as it moves up the trust element in customers, which will propel the country towards a higher insurance penetration.

The next wave of growth for the insurance industry will be a result of cross-industry partnerships, which will not just take insurance to every corner of the country but also help throw up insights into what the new age insurance products should look like. They will help the industry understand the unmet and sometimes, unstated needs to the customers when it comes to insurance.

Facilitating greater trust and higher penetration through an intense customer focus

I spoke about how data-driven solutions can help bring in more trust in the system. The mindset needs to change from just underwriting products to becoming solution providers. Customer feedback data is often undervalued, and insurers tend to focus on “stars” and how they can move the needle up on those. I say the best ideas and solutions are built by looking at negative feedback from customers. Getting back to customers who were not happy with your service is very essential. See if you can solve their problem, resolve their grievance, and if you cannot, you must understand how you can fundamentally change the process or product to ensure such issues don’t arise in the future. In fact, if you want to create a distinctive, competitive advantage, it’s good to analyse the negative feedback that your competitor has received and devise your strategy to fill those gaps. Today, building customer feedback into product journeys has become the norm, but customer feedback should not just be taken post facto. Good old customer research before launching a product, service, or anything new should be looked at seriously. Digitisation has meant that distribution, which is the backbone of the industry, is physically equipped.



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This enables them to provide instant policies, instant claims, and a lot more. This helps build trust in insurance as well and helps advisors get referrals and repeat business as well. Building familiarity through the use of vernacular language is an absolute must. We need to connect to customers in a language that they are comfortable with. Sounds simple, right? Well, it’s easier said than done, and with such a technical subject like insurance, simplification is needed.

Insurers now need to think beyond insurance and truly think about care and becoming an “everyday insurer” and build an ecosystem of solutions for customers. IRDAI has been very proactive and encouraging insurers to innovate, keeping customers at the centre of all their activities. It’s time, NOW more than ever, to think about what the customers want, and how putting yourself in their shoes can help you build better solutions for them. You need to combine innovation with empathy, build trust, reach out and keep having conversations about insurance, and that’s how we will be able to keep making a difference.