

Technology no substitute for human touch

KEEPING PACE with evolving technology is crucial for the future of the p&c industry but that must be done with the customer remaining front-and-centre, an insurer executive said during an online seminar last week.

Wawanesa Insurance's Erin Fischer, senior VP and chief claims and regional operations officer, examined the impact of rapid technology advancements on customer experiences during an event presented by the Insurance Institute of Canada as part of its 'At the Forefront' seminar series.

"When we talk about leveraging technology at Wawanesa, whatever that journey is, it's our job to understand from the customer's perspective and get their input on the critical pieces that we should and should not leverage technology for," Ms. Fischer said.

She said that because technology has been changing so fast, insurers need to obtain constant input from their customers about what is — and is

not — working in order to fully meet their needs.

Every interaction between a customer and an insurer is important, she said, adding that while technology can enhance those interactions it cannot replace personal service completely.

"Human-to-human interaction will always be one of the most important aspects, certainly in claims handling, because the customer walks away feeling a connection," she said. "And the power of human connection cannot be (overstated)."

Ms. Fischer said Wawanesa does not force customers into a self-service model but instead offers them choices for how much technological assistance they use.

"We'll facilitate streamlined processes across the life of the claim, but we won't sacrifice the key touch points where customers want a human interaction."

Ms. Fischer noted that communicating through technology such as texts and emails

can cause miscommunication due to the speed at which the message can be sent — and that can lead to sloppiness in wording or tone.

"Our words matter, our tone matters and in virtual communication, without the benefit of facial expressions and body language, I would argue that it's a far more critical skill set that we need to build in terms of how we communicate," Ms. Fischer said.

Insurance companies need to invest not just in training their employees how to use technology, she said, but also in teaching skills such as emotional intelligence, resiliency, being a team player and being empathetic in order to create the best customer experience.

"Having high emotional intelligence is critical to be successful in this virtual world of service," she said.

"Thinking about how you're responding to an email or whether you consider that phone or video might be a better option is really important."

CSIO reports progress on industry APIs

THE CENTRE for Study of Insurance Operations said it has now defined business requirements for application programming interfaces for personal auto.

The CSIO is Canada's association of p&c insurers, brokers and software providers that works to develop standards for distribution technology.

It has formed a number of working groups to develop standardized APIs that will be used by brokers to retrieve and transfer information for specific-use cases in real time from an insurer's computer system to their broker management system.

A cross section of brokers, vendors and insurers participated in an online session to define the requirements earlier this month. The requirements will now be shared with the CSIO's Innotech standards working group to develop and publish the API standards, which will align with existing CSIO data standards.

Dennis Dalmas, senior VP, solutions delivery at insurer Northbridge Financial, who participated in the online session, said that standardizing APIs will facilitate data exchange and enable brokers to improve the overall digital experience for customers while also improving their own brokerage efficiencies.

"As an Innotech advisory committee member, it's exciting to see the progress we've made addressing industry pain points," he said in a press release.

Nancy Barac, senior VP, personal lines service and strategy with broker NFP Canada, also participated in the session and said it is looking forward to continuing the momentum to cover the requirements for additional use cases.

"It's great to have the opportunity to bring the brokers' perspective to the table and work with industry partners to develop a digital solution that will allow us to work more effectively so we have more time to focus on the client relationship," she said.

The CSIO maintains offices in Toronto and Montreal.

Most Canadians wouldn't recommend insurer

MOST Canadians would not recommend their insurance provider, a new study by market research firm Ipsos has found.

Canada's insurance market scored an eight 'net promoter score' — a market research metric that rates the likelihood a survey respondent would recommend a company to a friend or colleague. An excellent NPS score is between 70 and 100.

The Ipsos CSI Insurance Study is based on an Ipsos poll conducted last July and November. A total sample of 13,000 Canadians who own at least one type of insurance policy aged 18 and over were interviewed online.

The poor performance of the industry is unmatched by other sectors in Canada, with the banking sector receiving an NPS score of 12 during the same period.

Fewer than 30% of Canadians said they are completely satisfied with their insurance provider's

COVID-19 response, and a similar number are happy with the quality of customer service they generally receive.

On general key performance indicators, a majority of brands performed similarly, with a few exceptions to the rule.

A few insurers made it to the top rankings, including those who have found a balance between satisfying functional needs such as premiums, variety and accessibility while creating an emotional bond with their clients beyond overall satisfaction.

The study also found that personalized communication is important, as fewer than 25% are satisfied on this front.

Dissatisfaction was particularly high among those who have held their policies for a long time and feel they have lost touch with their providers.

The study also found consumers preferred to buy directly

from the company rather than using a broker in the purchase phase, and later the website and call centre are the most used platforms.

Generally over the past 12 months, there has been a decline in customers interacting with their insurance providers, demonstrated by a drop in those using the entire variety of channels.

Ipsos said that compared to other sectors, insurance has always been characterized by low engagement and the pandemic reinforced this trend with fewer people driving or travelling.

It said the pandemic has clarified the need for all industries to adopt omni-channel strategies which focus on the customer and not the product.

The researchers said insurance companies need to improve the day-to-day claims process and wait times and keep the long-term customer relationship in mind.