The Customer Experience Guide for Modern Insurers

For insurers facing rising costs, from materials and medical services to claims, driving operational efficiency and improving customer satisfaction is critical for success

Learn why CallMiner was named the Leader in The Forrester Wave™ : Conversation Intelligence for Customer Service, Q3 2023

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Conversation Intelligence For Customer Service

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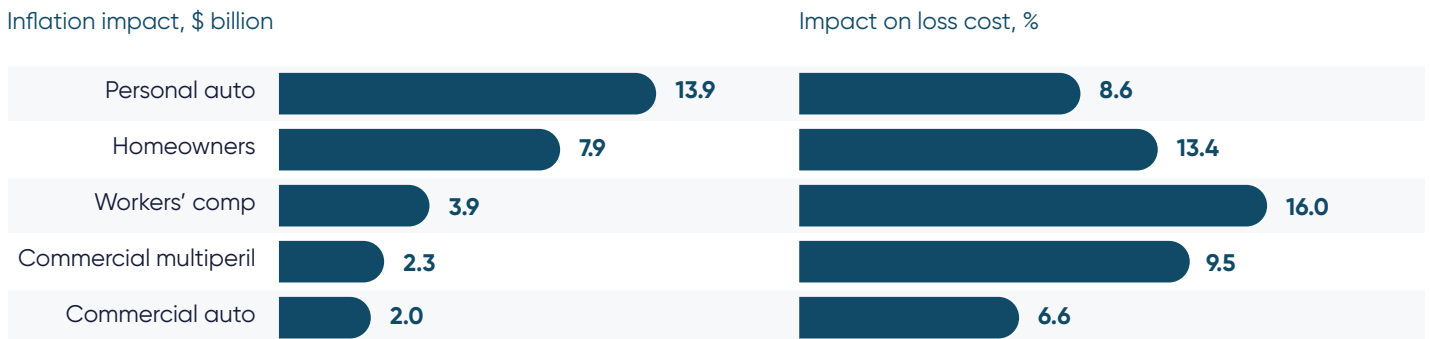
Introduction: Trends challenging modern insurers

From the economy to climate change, it's a challenging time for insurers to do business. External factors impact the rising cost of claims, while competition and increasing consumer demands and expectations force insurers to keep costs low.

According to McKinsey, **inflation is a prime culprit** for rising costs of claim settlements and high loss ratios across multiple types of insurers. This trend is true in the U.S. and around the world.

Exhibit 1

Inflation has an adverse impact on most property and casualty lines of insurance, dampening favorable trends and accelerating unfavorable ones.

Inflation Impact in the US

Inflation impact, $ billion

Personal auto	13.9
Homeowners	7.9
Workers' comp	3.9
Commercial multiperil	2.3
Commercial auto	2.0

Impact on loss cost, %

	8.6
	13.4
	16.0
	9.5
	6.6

Source: S&P Global, US 2019 accident-year incurred loss and unpaid loss reverses; McKinsey analysis

McKinsey & Company

Beyond inflation, global events have had ripple effects on the insurance industry. For example, climate change and the related unpredictable, dramatic weather events are driving more claims. In some areas, such as **wildfire-prone California**, insurers have discontinued new policy sales altogether. Further, the pandemic increased demand (and payouts) for **life insurance policies**, as well as the **use of mental health benefits**, which in turn is driving higher premiums and deductibles.

Additionally, factors like the war in Ukraine, automotive chip shortages, and the post-COVID economy have disrupted the supply chain, **impacting costs of automotive parts** and housing materials required for insurers to settle claims. We've seen this with modern cars involved in accidents, which are frequently deemed total losses versus repairable, due to the interconnected nature of components and technology systems involved.

Rising labor costs and wage inflation have also driven up costs of third-party networks. Unfortunately, higher costs don't always indicate higher quality. Many insurers are experiencing lower brand sentiment across the board, aimed toward these third-party providers. This puts pressure on insurers' contact centers to improve sentiment, as well as on insurers to scrutinize their networks more thoroughly. These factors and others have resulted in a renewed focus on cost reduction for insurance companies.

Organizations can only increase premiums so much before customers churn – insurance companies must drive efficiency in other areas, including the operational efficiency of agents during the ever-important claims process. It's important insurers drive these operational efficiencies and customer experience (CX) improvements, while taking into account the agent's employee experience (EX) in the process. The goal is to embrace what **PwC calls "pragmatic evolution"** – or a forward-looking approach to technology, customers, partnerships, and employees.

What is conversation intelligence?

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Conversation intelligence is an artificial intelligence (AI)-powered solution that enables organizations to analyze 100% of customer interactions and feedback across every channel. This level of analysis helps insurers extract key insights about the customer and employee experience, and opportunities for business improvement. Conversation intelligence combined with analysis of other key sources of feedback, including survey data and reviews, develops a complete picture of Voice of Customer (VoC), Voice of Employee (VoE), and more.

AI, including natural language processing (NLP) and large language models (LLM), enables organizations to extract meaningful insights from unstructured data to drive action, such as improving agent performance and an organization's overall operations. What's unique about conversation intelligence platforms is that they marry all data from every channel into a single view to understand conversations and feedback both in real-time and post-interaction.

Today, this can include conversations with virtual agents or chatbots as well. This data includes customer interactions, as well as metadata around those interactions, including who called, date and time, interaction ID, etc. As a result, your organization can get a better understanding of what's going on across your customer base and gain a complete view of every interaction and feedback source in an omnichannel environment.

Making the claims process more human (and efficient)

Claims are one of the most stressful parts of a customer's relationship with an insurer. That's because failure to gather information on the First Notification of Loss (FNOL) call can lead to delays, frustration, additional costs, and poor CX.

When done well, you can reduce this stress, improve CX, and drive down the operational costs of claims. The goal is to gather all appropriate details of the claim on the first interaction, as well as to set expectations with the customer as to what happens next and the associated timelines.

Unfortunately, many insurers make the mistake of automating these initial interactions (e.g. via self-service channels such as chatbots) to achieve efficiency, without considering the impact of human empathy. These interactions, if executed poorly, can add frustration to an already stressful situation and make the job of your agents even harder. While automation does remove some transactional parts from the equation, it's usually not the right CX approach to implement full end-to-end automation.

Instead, it's critical to adopt technology that helps your customer-facing agents do the best job possible. Solutions like conversation intelligence can improve agent experience and streamline performance at the same time. This AI-powered technology provides data-driven guidance for agents and supervisors, both in real time and post-interaction.

Real-time alerts can help your agents navigate difficult customer interactions and complex situations with confidence. Following a customer call or chat, post-interaction analysis enables your supervisors and managers to provide better, data-driven coaching targeted toward key areas for agent improvement, as well as to accentuate positive behaviors.

Generative AI features, such as AI-based contact summarization, are also helping insurers be more efficient and effective. With generative AI automatically generating contact summaries, you can ensure more consistent, objective data during claims processing. AI-based contact summarization can also reduce after call work by eliminating the need for your agents to manually summarize interactions, or serving as a supplementary summary to fill in gaps agents may have missed.

Not only can this technology document the key points of a customer interaction, it can also identify systemic failures or emerging trends at scale. For example, insurers can detect trends in certain geographical areas, such as emerging flood zones due to climate change events. Using conversation intelligence, your agents can more confidently navigate emotionally charged claims interactions, while assessing the claim's validity and conveying next steps on FNOL.

Improving compliance outcomes through hybrid QA

Insurance companies are subject to a range of compliance regulations. From the **Financial Conduct Authority (FCA) in the UK**, to **Dodd-Frank and state-by-state** regulations in the U.S., to the **Insurance Act** in South Africa and other global legislation — these regulations protect customers (including vulnerable customers) and give your company guidelines to follow.

However many insurance organizations still employ completely manual quality assurance (QA) processes, which open them up to unnecessary risk if non-compliant interactions fall through the cracks. Conversation intelligence can automate QA on up to 100% of interactions, picking up on the presence or lack of compliance-related language. This provides your managers and supervisors with opportunities for agent coaching and training focused on process adherence and improvement. In addition, agents can receive real-time prompts if they forget to recite compliance statements, reducing unnecessary risk.

Plus, more accurate, efficient QA at the point of sale can help in the claim stage. Take, for example, if your agent forgets to recite terms and conditions (T&Cs) pertaining to the policy. In certain circumstances, you can dismiss claims if a customer doesn't abide by T&Cs. If an agent misses out on that language in the beginning, you won't be able to enforce potential T&C violations. While 100% automation isn't always the right answer, a hybrid, human-in-the-loop can ensure the most critical interactions are manually checked for red-flag issues. But by automating the vast majority of compliance checks can help you avoid potentially costly fines and policy issues, while doing right by the customer. The goal is to focus on automation efforts that drive the most ROI, and compliance can be one of the most effective areas to start.

VitalityHealth

How VitalityHealth improved compliance outcomes with conversation intelligence

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Health insurer VitalityHealth's QA team is focused on consistent, high-quality performance from its customer service advisors. In the past, the large team had to spend considerable time listening back to call recordings to check whether advisors had asked all relevant questions and covered T&Cs.

Today, through CallMiner and Davies Group, VitalityHealth uses conversation intelligence to record, transcribe, and analyze every call for key terms that relate to the quality monitoring, with detailed reports being shared regularly to help track quality against business targets. As well as providing an overall picture of quality, conversation intelligence supports individual learning and development. When a call is flagged as raising potential concerns or uncertainties, the VitalityHealth quality team listens to the recording or checks transcripts.

This targeted approach frees up the quality team to focus on other priorities throughout the organization.

Read the case study here

Creating a holistic customer journey

Conversation intelligence technology can go a long way toward improving overall CX and reducing friction in the customer journey. Many insurers understand that a holistic view of the customer journey can be incredibly difficult to monitor and maintain, since every claim is different. However, conversation intelligence can provide aggregated insights to make this process much easier.

For example, customer journey analysis can help improve the sales process. Sentiment and emotion often decline when insurers make changes to a policy, and customers who experience a change (e.g. mid-term policy changes) are less likely to renew their policy.

That is where customer journey analysis can come in. Customer journey analytics can help your sales teams determine how to combine multiple policies, or mix and match to cover the greatest share of insurance needs. In addition, it can identify missed opportunities for cross-selling and upselling. Holding multiple policies under the same insurer can help customers achieve the discounts they want, while aggregating risk for insurers across the entire portfolio.

In customer service, you can use customer journey analytics to track sentiment and emotion across the duration of a customer's claim interactions. By monitoring words and phrases pertaining to the customer's satisfaction with you, as well as your partners and third-party networks, you can quickly and more effectively identify where problems exist and take steps to fix them.

This technology allows you to analyze both self-service and agent interactions to determine points of friction or areas of improvement. Using conversation intelligence, you can improve the effectiveness of your self-service channels, while providing data-driven coaching and insights to your agents and supervisors.

Leveraging AI to lower costs and improve CX

While modern insurance companies can't prevent natural disasters, health crises or the changing costs of goods and services, they can use technology to improve the efficiency and effectiveness of their customer interactions.

In deploying AI-based technology like conversation intelligence, you can:

- Improve both agent experience and customer satisfaction by providing data-driven guidance. This leads to streamlining and handling customer claims and other interactions with empathy and professionalism

- Automate compliance and reduce risk by monitoring 100% of customer interactions for compliance statements, T&Cs and other important legal disclosures

- Improve CX by removing friction in the customer journey

- Provide sales with additional upsell and cross-sell opportunities by identifying language of customer willingness to purchase or upgrade policies

- And more

About CallMiner

CallMiner is the global leader in conversation intelligence to drive business performance improvement. CallMiner delivers the industry's most comprehensive platform to analyze omnichannel customer interactions at scale, combining deep domain expertise with cutting edge AI technology and machine learning. By connecting the dots between insights and action, CallMiner enables companies to identify areas of opportunity to drive business improvement, growth and transformational change more effectively than ever before.

CallMiner is trusted by the world's leading organizations across all major verticals including technology, media and telecom (TMT), retail, manufacturing, financial services, healthcare, and travel and hospitality.

CallMiner

Corporate Headquarters

200 West Street
Waltham, MA 02451
+1 781 547 5690

Sales

sales@callminer.com

Social

facebook.com/callminer, inc.

twitter.com/callminer

linkedin.com/company/callminer