US Contact Center Verticals:

Insurance

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US Contact Center Vertical Markets: Insurance

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CallMiner

CallMiner leverages AI and machine learning to reveal insight from all of your customer interactions.

In the fast-paced world of insurance services, analyzing every customer interaction could be a challenge. But CallMiner customer engagement analytics makes it easy. Gain an unparalleled view into customer conversations, whether they are over the **phone, email, chat, survey** or **social media**.
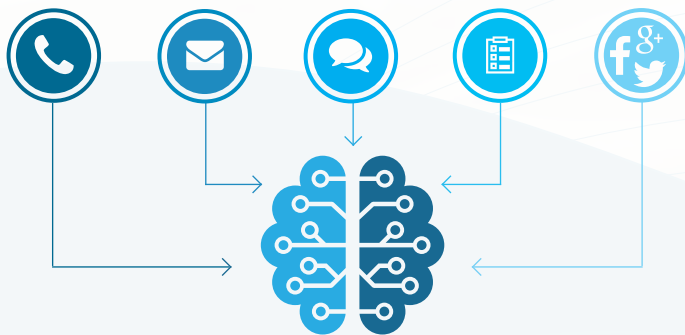
Improve efficiencies and increase revenue while delivering a great customer experience.

- **Maintain compliance through 100% monitoring**
- **Reduce costs by driving operational efficiencies**
- **Increase revenue through sales or collector effectiveness**
- **Enhance customer experience with real-time agent guidance**

Take a FREE CallMiner test drive using your own phone calls!

Visit us at: http://callminer.com/free-speech-analytics/

MOST CUSTOMER AWARDS
FOR BEST USE OF
SPEECH ANALYTICS

CallMiner is a speech analytics platform that drives business improvement by connecting insight to tangible action. We use the power of A.I. to scale human understanding, analyze interactions at the deepest levels, identify patterns and root causes, and reveal opportunities.

We believe that business improvement starts with a deep interest and curiosity in people. How do we detect a customer's true emotion, and how do we act on it to shift a business's culture and steer it on the most successful path? We aim to close these gaps through innovation, but the heart of our work lies in humanity: understanding, followed by action. We apply this same principle within our culture, promoting an attitude of kindness, compassion, genuine interest, and respect for one another.

Highlighted by multiple customer achievement awards, including six Speech Technology implementation awards in the past four years, CallMiner has consistently ranked number one in customer satisfaction, including surveys conducted by DMG Consulting, Ovum and Forrester.

Learn more about our customer engagement and speech analytics solutions to help your business:

Web: CallMiner.com

Social Media: LinkedIn, Twitter, Facebook, YouTube, Blog

User Community: EngagementOptimization.com

Email: marketing@callminer.com

The after-effects of the economic downturn hit the wider financial sector especially hard, with the number of insurance contact centers contracting as cost-cutting forced closures and consolidation across the wider finance industry.

However, the number of agent positions continued to grow as customer demand for service was still present, and alternate self-service and digital channels were still undeveloped and relatively unsuited to the insurance business, so live agent support is still very much required. There is a need for personalized communication within this sector, which – in common with any contract-based commoditized service – risks high annual customer attrition rates.

The insurance sector has not yet fully embraced email as a cost-effective outbound channel as a delivery mechanism for paperwork, which then serves to reduce the number of inbound calls as customers are more likely to have the information they need at hand. The email channel now accounts for a very low proportion of inbound interactions, but as there is the expectation amongst insurers that significant investment in web chat and email management systems will be made, we can expect this to change.

In terms of outbound live communication, while there has been a some movement away from sales-focused calls towards outbound service notifications about ongoing issues and call-backs, there are still a large number of renewal sales calls being made.

Looking at technology use, as expected in an industry with so many regulations to comply with, interaction recording is used by all of the insurance survey respondents in 2019, with MIS and DTMF IVR (usually for routing) also very popular.

The greatest expectation of technology growth – and expectation should not be confused with what the reality is likely to be – comes from web chat, email management, gamification and interaction analytics. The latter is useful for compliance – key to insurance operations – as well as providing potential business and operational benefits, with analytics being generally more useful in larger operations with many customers and interactions, which is the case for many insurance companies.

Insurance agents tend to get paid somewhat higher than the contact center industry average, and while absence rates are usually higher than average, attrition is usually somewhat lower.

Insurance call durations and speed to answer tend to be lower than a typical contact center call.

Recent rises in self-service, mobile service, online insurance product quotes, comparison sites and online account management mean that the typical call dealt with by the future insurance sector will become more complicated and require greater skills from the agent.

"US Contact Center Verticals: Insurance" looks at the structure, growth, technology, HR and commercial issues found in contact centers within the US insurance sector.

It contains data from multiple large-scale surveys of hundreds of contact centers carried out since 2010, and is the definitive study of this vertical market's customer contact operations.

Please note that statistics within this report refer to the US industry, unless stated otherwise. There is a version of this report available for download from www.contactbabel.com with equivalent UK statistics.

To comply with the usual protocol of market analysis, years are reported as year-end (i.e. the 2019 figures refer to the end of 2019) unless stated otherwise.

STRUCTURE

The insurance sector has added a net 100 new contact centers since 2016, while the number of agent positions employed in the industry has remained fairly steady.

Figure 1: Insurance contact centers and agent positions, 2016-2019

Insurance contact centers and agent positions, 2016-2019
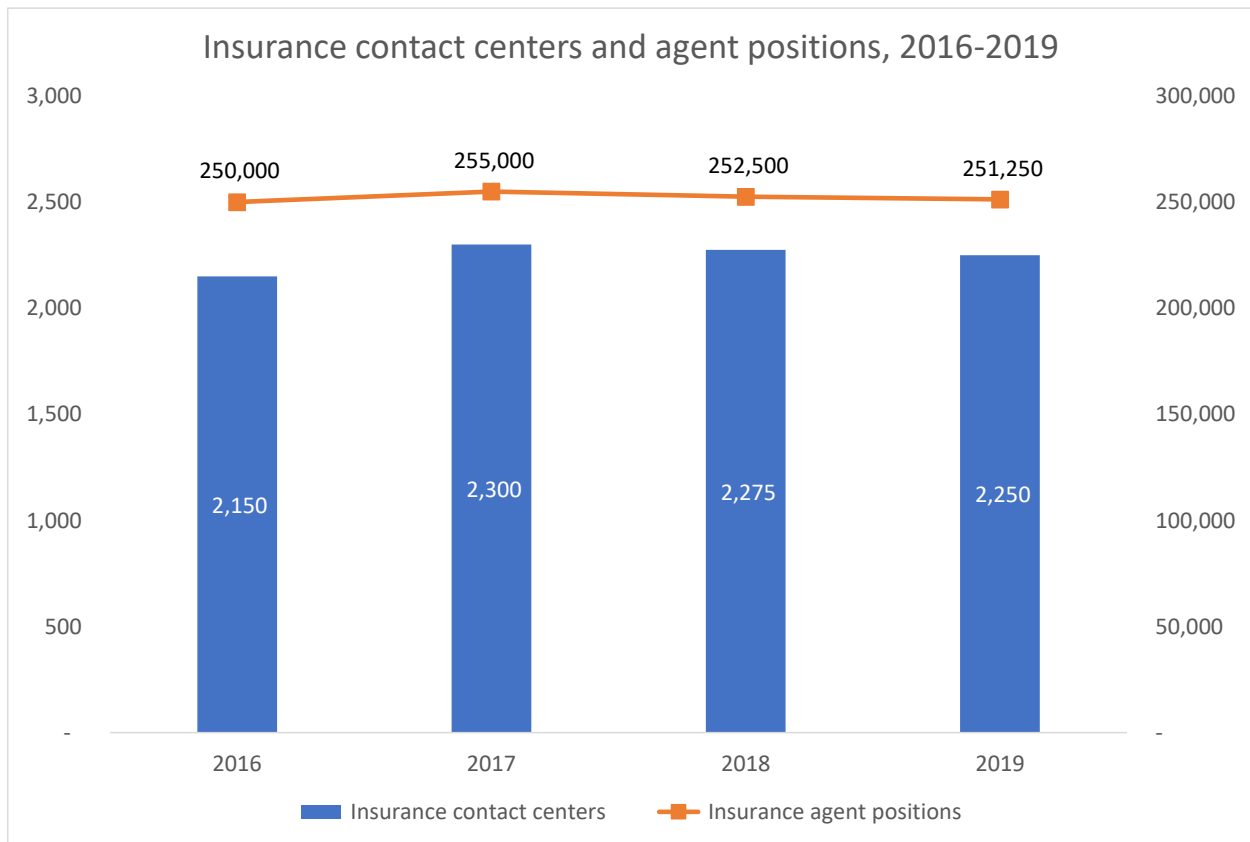
Insurance contact centers tend to be around 20% larger than the US average, and have remained fairly steady at around 110 agent positions for the past few years.

Average Insurance contact center size, 2016-2019

Insurance   Average
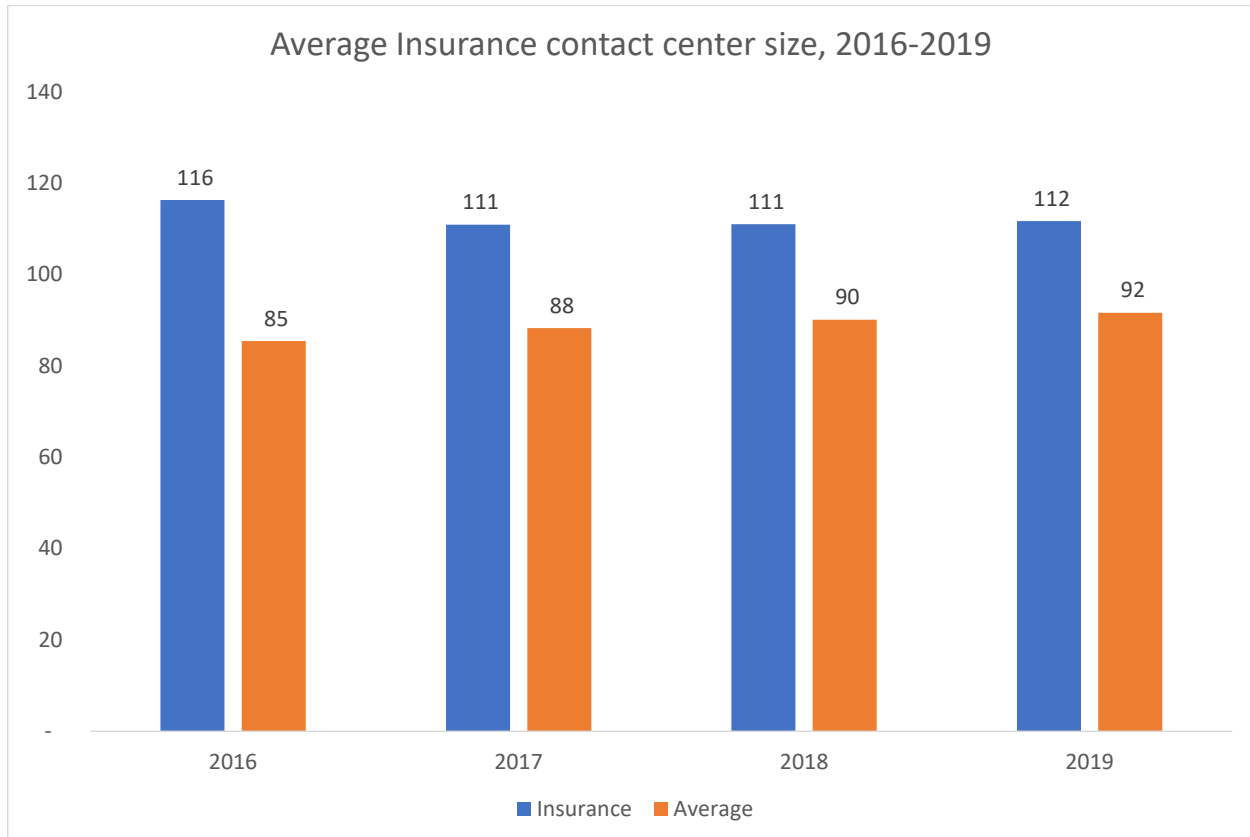
While not one of the largest sectors of the industry, the insurance vertical market is a fairly major player in the US contact center world.

There are a fair number of larger 100+ seat operations in insurance sector, but the majority of operations are relatively small, with 58% having under 50 seats.

Figure 3: Insurance contact centers by size, 2017-19

Insurance contact centers, by size (2017-19)

Year	<50 APs	50-100 APs	101-250 APs	250+ APs
2017	1,325	375	350	250
2018	1,300	375	350	250
2019	1,300	358	345	247
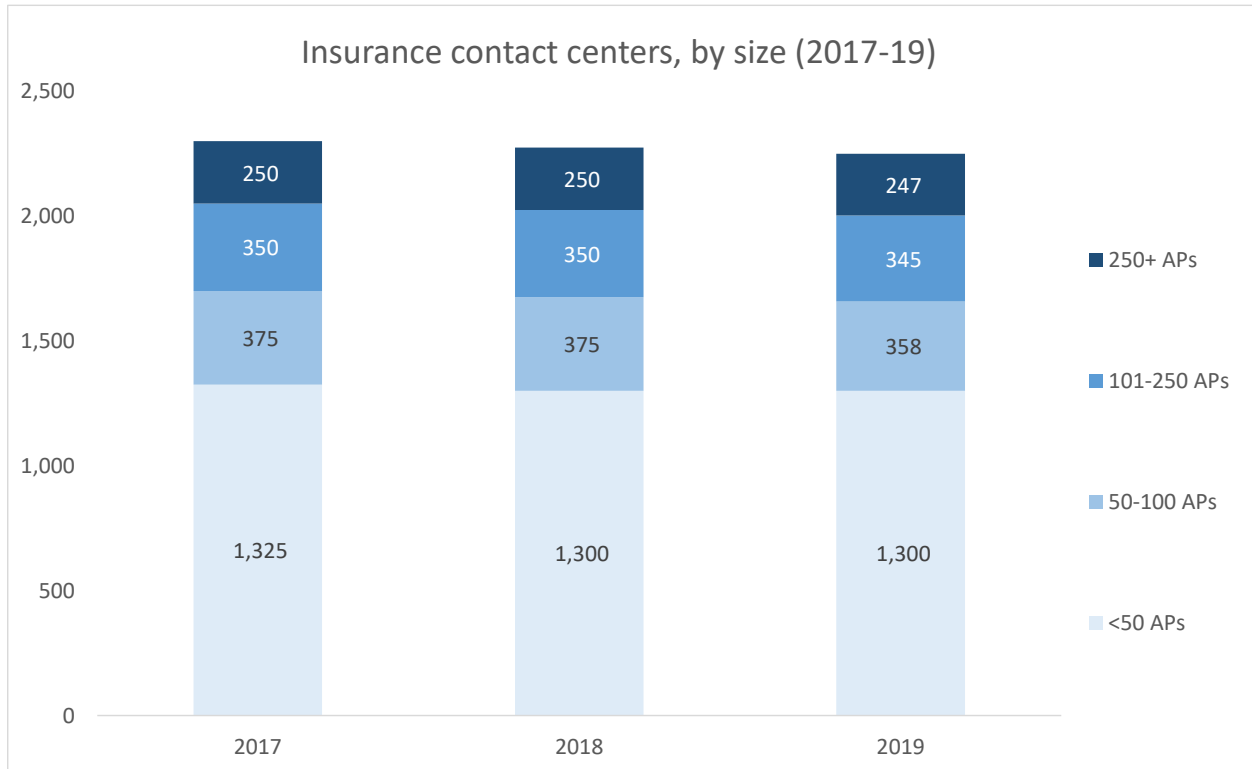
The importance of the insurance sector to the US contact center industry can be seen in the chart below, which shows the number of agent positions in each size band.

With 1.65m agent positions in the US's 250+ seat category, the insurance sector accounts for over 8% of these.

Figure 4: Insurance agent positions by size, 2017-19

Insurance agent positions, by size (2017-19)

Year	250+ APs	101-250 APs	50-100 APs	<50 APs
2017	135,000	62,000	25,000	33,000
2018	134,000	61,500	24,000	33,000
2019	133,250	61,500	24,000	32,500
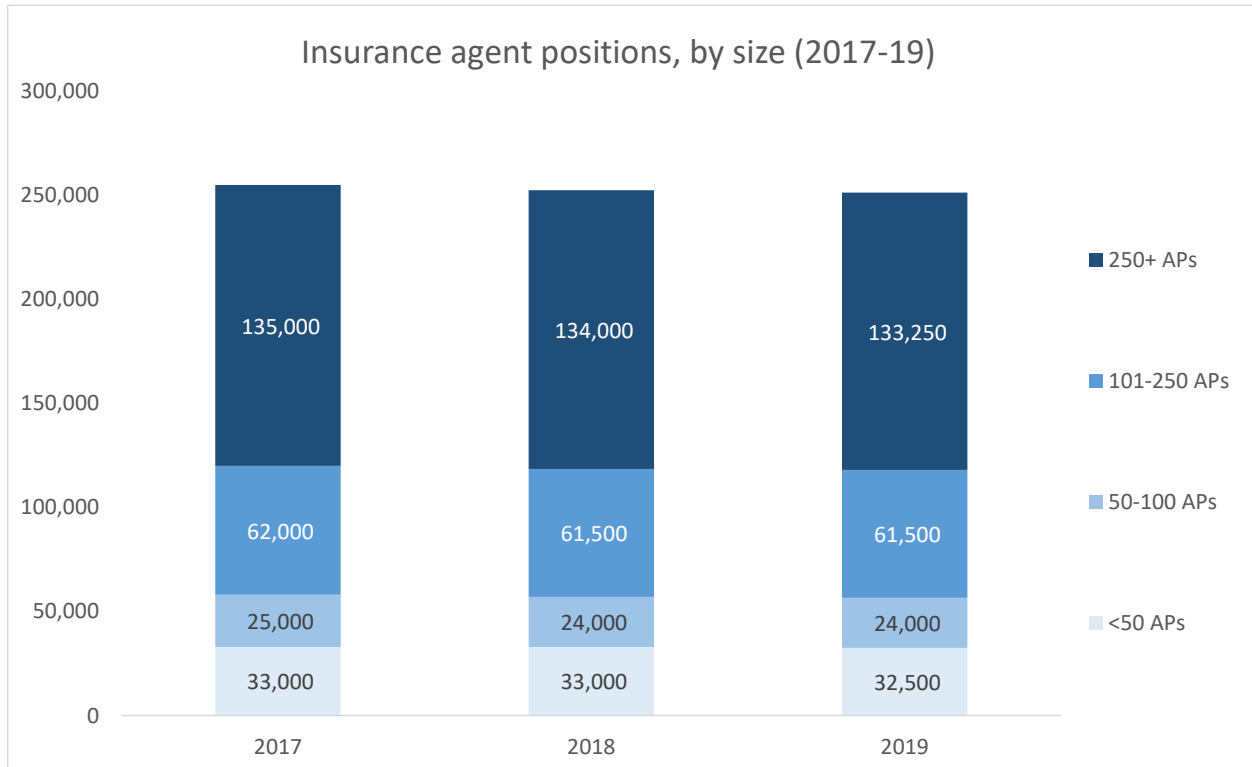
There has been something of a decline in the job associated with insurance contact centers, which may be as a result of an increasing amount of policy and document-related services now being handled by customers through an online self-service portal, as well as a rise in the use of comparison sites and online application forms.

The sector currently employs almost 24,000 fewer people than it did in 2017.

Figure 5: Insurance contact center jobs by size, 2017-19

Insurance contact center jobs, 2017-19

- 2017: 420,750
- 2018: 398,950
- 2019: 396,975
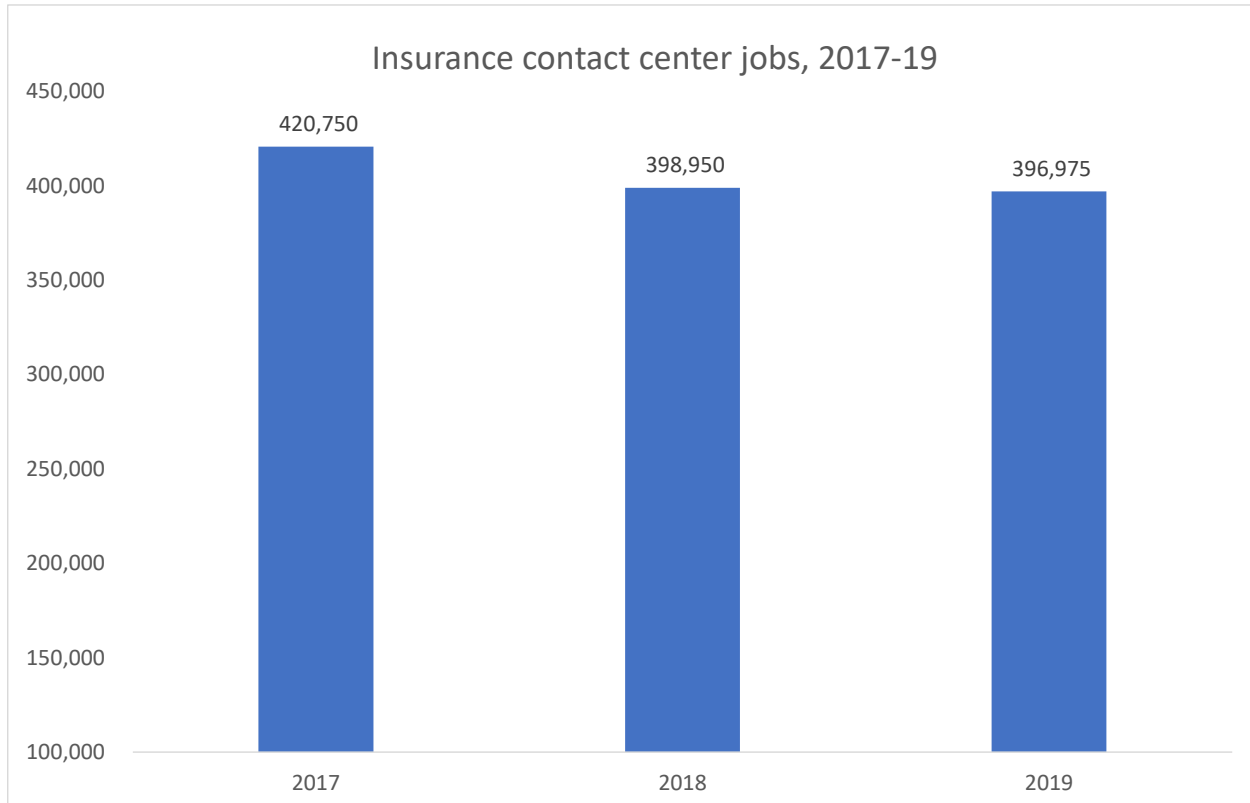
Insurance contact centers have seen a drop in employment in recent years, and surveys with insurers indicates that there is little expectation of a major reverse to this trend.

We expect the continued uptake of self-service and automated service (such as automated web chat) to have a slight negative effect on agent position figures with a continued slight decline in the number of physical contact center operations, mainly due to consolidation into larger existing facilities.

Figure 6: Insurance – agent positions and contact center forecasts, 2019-23

	2019	2023	Insurance CAGR	Average CAGR
Agent positions	251,250	247,500	-0.4%	0.3%
Contact centers	2,250	2,200	-0.6%	-0.5%

THE USE AND EFFECT OF OMNICHANNEL

The insurance sector is focused upon voice: almost exclusively of the live agent variety. Digital channels are very low (with the proportion of emails actually dropping in recent years), and some in the insurance industry still use significant amounts of fax interaction.

Figure 7: Contact center inbound interactions by channel, 2016-2019 - Insurance

Inbound channels, 2016-19, Insurance vertical market
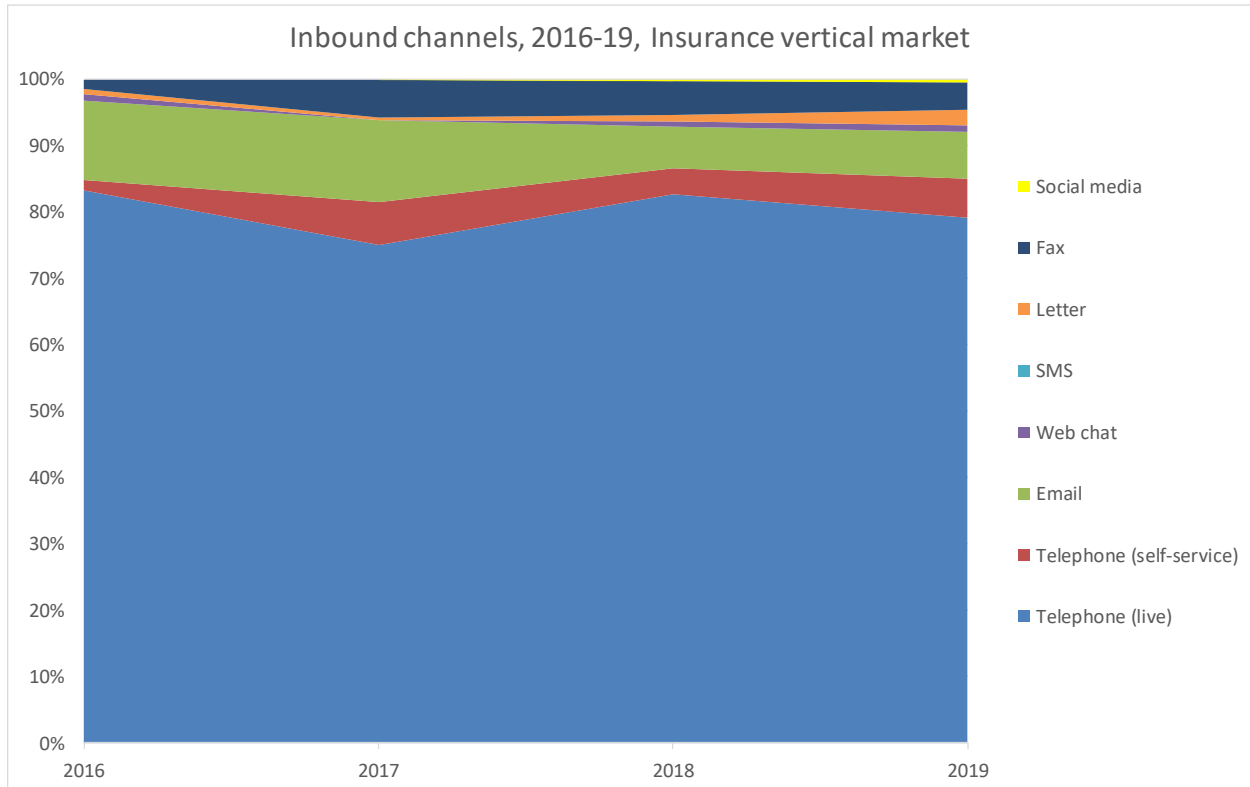
Channel	2016	2017	2018	2019
Telephone (live)	83%	75%	83%	79%
Telephone (self-service)	2%	7%	4%	6%
Email	12%	12%	6%	7%
Web chat	1%	0%	1%	1%
SMS	0%	0%	0%	0%
Letter	1%	0%	1%	2%
Fax	1%	6%	5%	4%
Social media	0%	0%	0%	0%

As expected in an industry with so many regulations to comply with, interaction recording is used by all of the insurance survey respondents in 2019, with DTMF IVR and IP infrastructure also very popular. Cloud-based solutions are used by 43% of respondents, a little below the industry average of 52%.

Figure 8: Insurance contact centers: use of technology, 2019

Insurance contact centers: use of technology, 2019

Technology	Insurance 2019	Industry average 2019
AI	9%	14%
Web Chat	21%	44%
Gamification	29%	15%
Automated Speech Recognition	30%	21%
Interaction Analytics	40%	27%
Email Management Systems	41%	62%
Mobile app	44%	48%
Outbound Dialler	51%	31%
Management Information Systems	59%	61%
WFM	64%	62%
DTMF IVR	83%	65%
IP Infrastructure	99%	78%
Interaction Recording	100%	91%
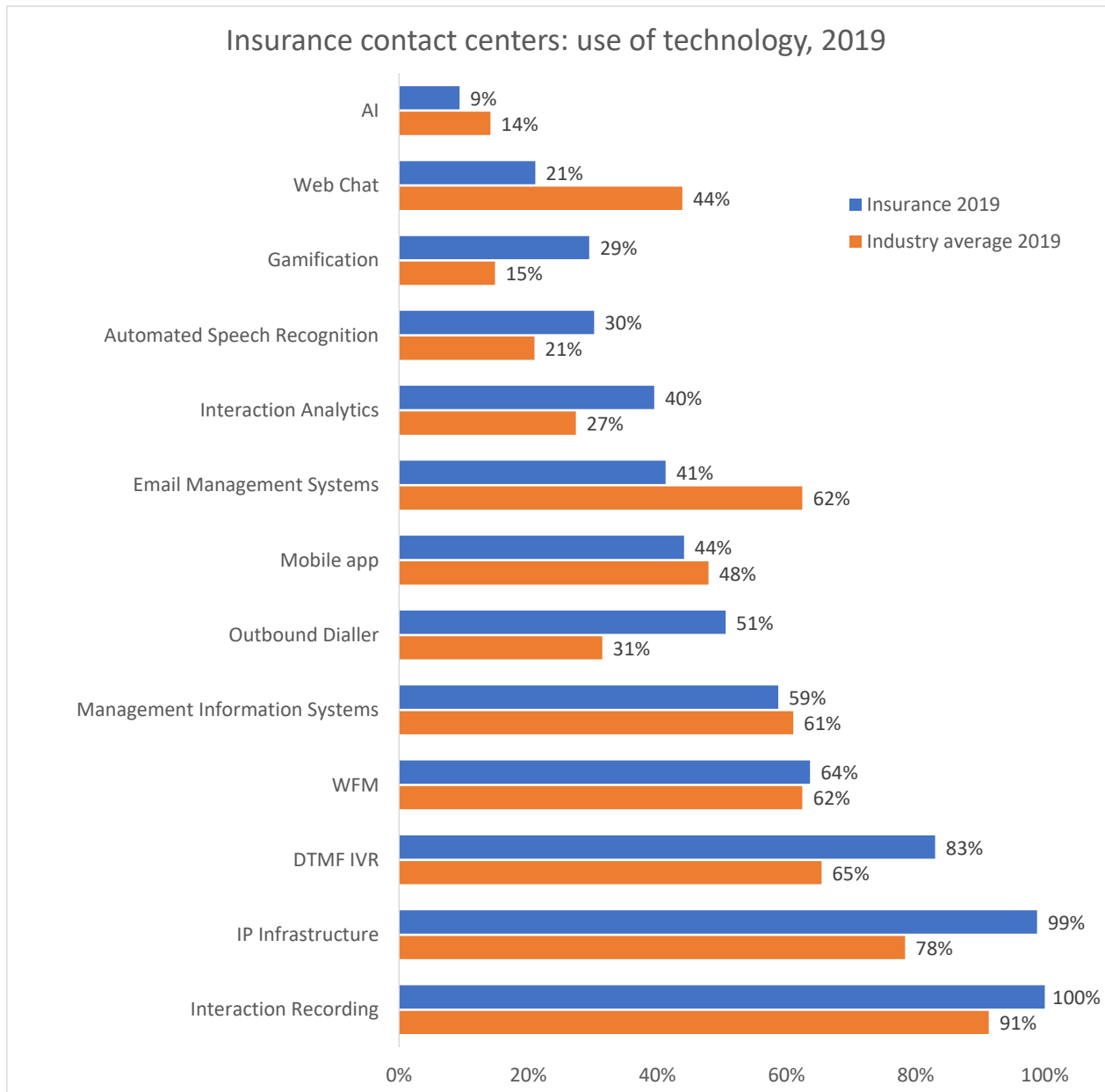
For Better Customer Experience, Look Closer at Context in Your Contact Center

Contact centers for insurance service providers contain a plethora of data that can drastically impact customer experience and your customer's overall relationship with you. It's the place where the voice of the employee, voice of the customer and the overall brand perception is conveyed. With all the interactions and words being exchanged and the importance of the insights that can be derived, it's essential to consider the context of every conversation to ensure your products, employees and data is working for you.

Understanding context is crucial for call recordings and transcriptions to become more than just conversations captured for compliance or quality purposes. The right technology elevates recordings with contextual information so that they are no longer just unstructured data – they transform into a data package with invaluable insights that enterprises can act on.

Speech analytics unlocks the door to conversational insights

Speech analytics is key to unlocking the context of every conversation. Through AI-fueled technology, it takes insights to another level by uncovering the critical insights that are otherwise invisible. Through a combination of contextual and sentiment analysis, calls become far more than words— they become feelings, emotions, situations – a real exchange with actionable data that helps a company understand its customers better and in turn, improve its CX and brand reputation.

Without speech analytics, companies are holding back on their true potential. Many enterprises limit themselves to the walls of traditional call recording for quality assurance (QA) purposes and compliance regulations, only really listening to 1 – 3% of their customer interactions. With an estimated nine million calls to U.S. contact centers daily, these companies are doing an injustice to themselves by not capturing and analyzing 100% of these interactions, which is made possible only through technology.

Contextual information fuels better outcomes

There are many strategies for better customer experiences—but it'd be impossible to compare the different approaches by only manually listening to a random selection of calls. With speech and text analytics, companies are able to compile the relationships between words, categories, acoustics and semantics—as well as the standard KPIs that your agents are already being measured against—to provide a 360-degree view of the exchange.

Add AI and machine learning (ML) into the mix to unlock even more features such as automated performance and sentiment scoring. Through scoring, the words spoken by the agent and customer are combined with how they're conveyed – and then the interaction is automatically scored through speech analytics to show a comprehensive view of performance and outcome.

Don't miss out on a world of insights that lead to action

Many companies already have a post engagement survey or NPS system already implemented, but these assessments are seriously lacking – you're missing out on 85 – 95% of the conversation because you're not able to ask the "how" or "why" behind it. In other words, you're without the context. Speech analytics allows for businesses to have a full view into both sides of the conversation—why the customer was calling, their frustration (or lack thereof) throughout the call, their overall satisfaction of the outcome, and more. It's also possible to tell whether the agent followed a script to avoid compliance violations, how knowledgeable they were about solving the customer's problem for training purposes, as well as whether they delivered a positive experience for customer satisfaction—all without having to wait days – all without having to wait days (or weeks) to capture and analyze solicited survey feedback.
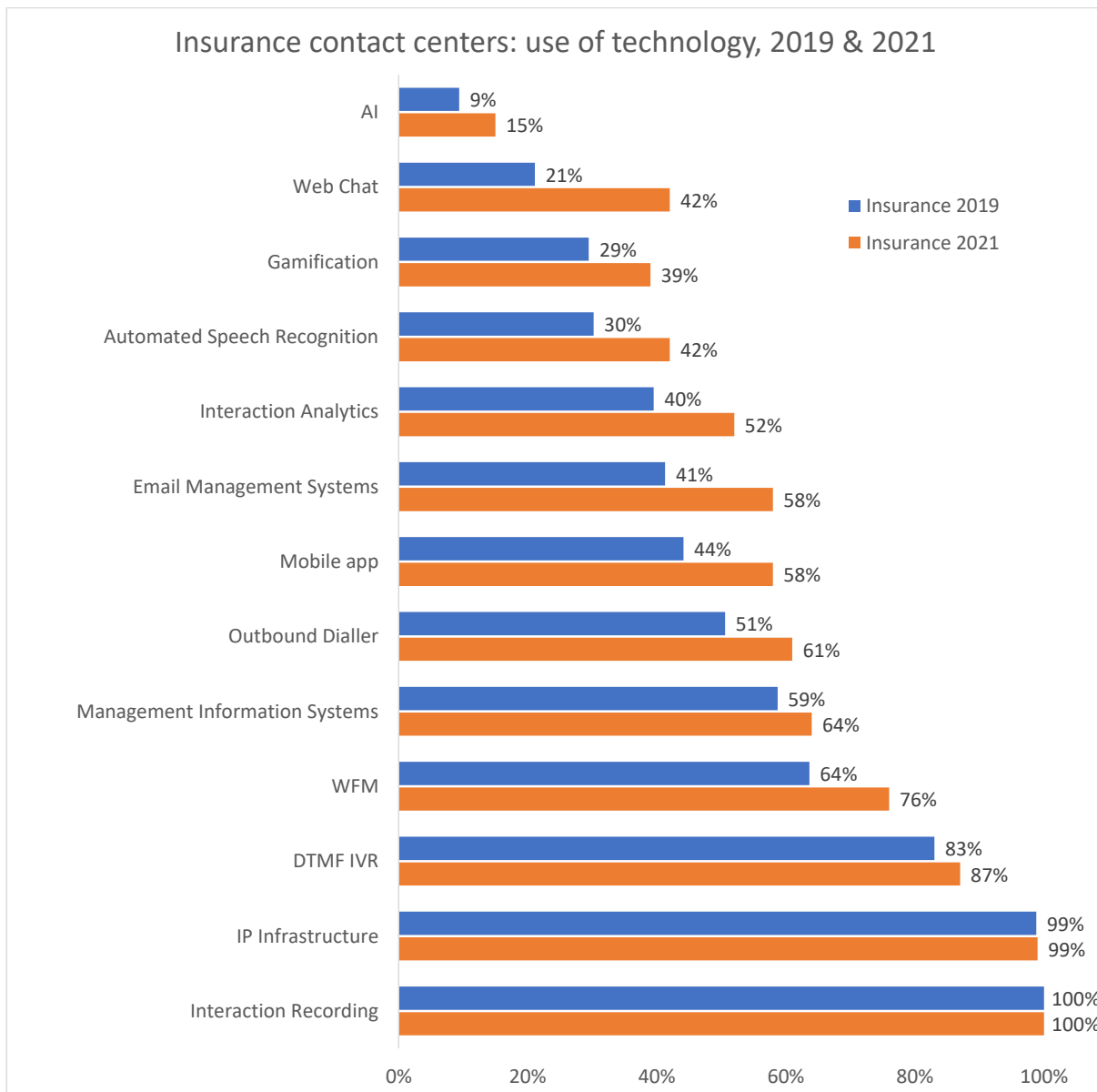
This empowers organizations to track agent and customer behaviors to identify trends, problems and successes. From a customer perspective, this effectively manages risks by measuring how likely they are to commit fraud and avoids customer churn by estimating brand loyalty. Companies are also able to efficiently monitor agent performance over time to make actionable recommendations for improvement.

The results are in, and enterprises are missing out on a world of opportunity by letting their call recordings sit on a server, collecting dust. It's time to unlock a world of opportunity for business and operational intelligence with speech analytics, which will be your right-hand tool for uncovering the truth behind each customer interaction.

Insurance contact centers are behind the industry average with their use of email management and web chat, as digital channels are far less important to the sector as a whole. The insurance sector is ahead of the average technology use in outbound dialers, gamification and speech recognition.

The greatest expectation of technology growth – and expectation should not be confused with what the reality is likely to be – comes from web chat, email management and interaction analytics. The latter is useful for compliance – key to insurance operations – as well as providing potential business and operational benefits, with analytics being generally more useful in larger operations with many customers and interactions, which is the case for many insurers.

Figure 9: Insurance contact centers: use of technology, 2019 & 2021

Insurance contact centers: use of technology, 2019 & 2021

| Technology	Insurance 2019	Insurance 2021
AI	9%	15%
Web Chat	21%	42%
Gamification	29%	39%
Automated Speech Recognition	30%	42%
Interaction Analytics	40%	52%
Email Management Systems	41%	58%
Mobile app	44%	58%
Outbound Dialler	51%	61%
Management Information Systems	59%	64%
WFM	64%	76%
DTMF IVR	83%	87%
IP Infrastructure	99%	99%
Interaction Recording	100%	100%

HUMAN RESOURCES

SALARIES

The salary figures below are calculated by adding together the average salary paid to new agents and to experienced agents, and dividing by two.

For the past four years, insurance agents have been paid significantly more than the industry average, with the gap now around $2,000. The very low figure in 2015 looks like an outlier.

Due to the easier customer requests being handled by self-service, calls generally are getting longer and more complex, meaning that agents require greater skills and knowledge (supported by technology), which places upward pressure on salaries.

Figure 10: Average Insurance agent salaries, 2012-19

Average Insurance agent salaries, 2012-19
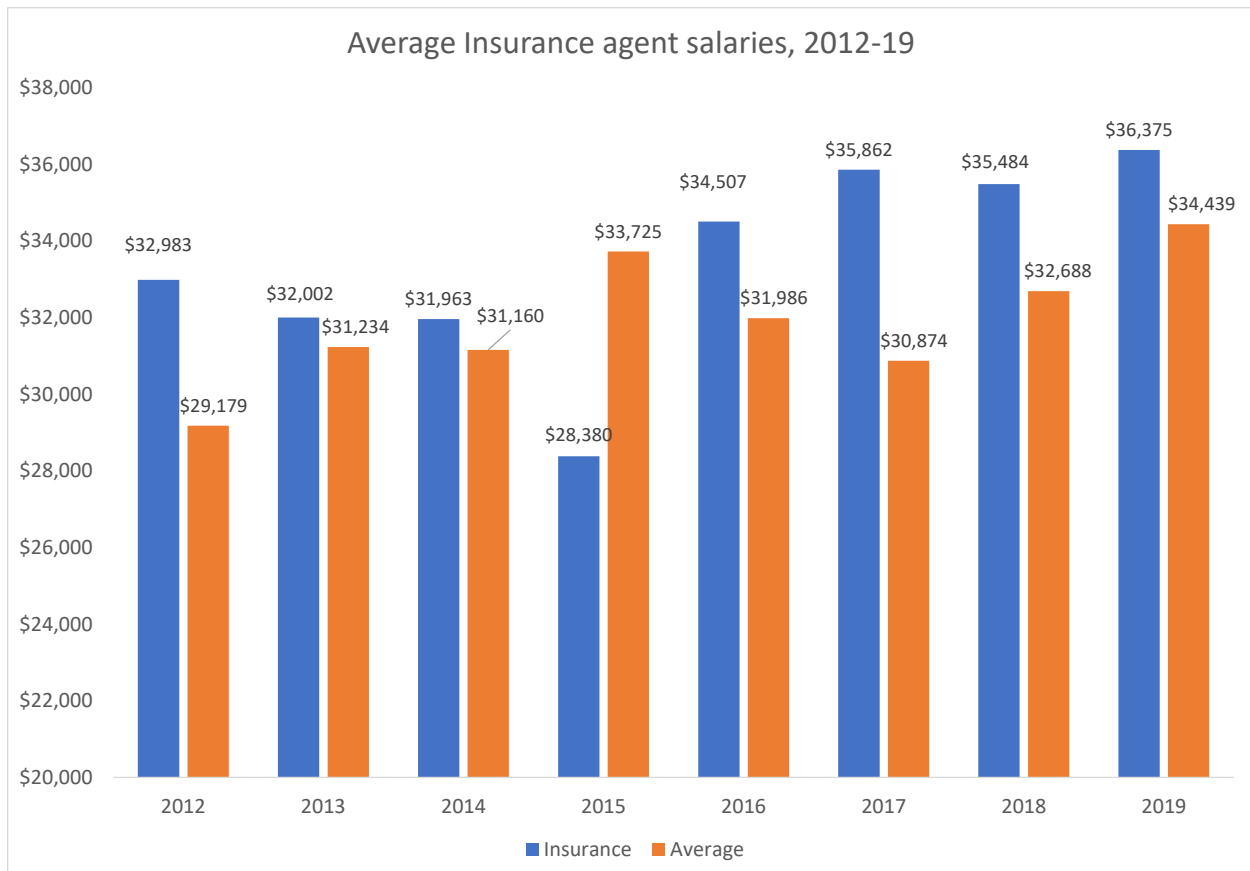
AGENT ATTRITION

Insurance agent attrition rates tend to be lower than the industry average, perhaps as a result of these jobs being relatively well-paid.

Most years have seen financial services agent attrition at around the 20-25% mark, being 5-10% lower than the industry average. 2019's figure of 31% may be an exception, or may signal a long-term trend of high attrition rates: it is too soon to tell.

Figure 11: Average Insurance annual agent attrition rates, 2012-19

Average Insurance annual agent attrition rates, 2012-19
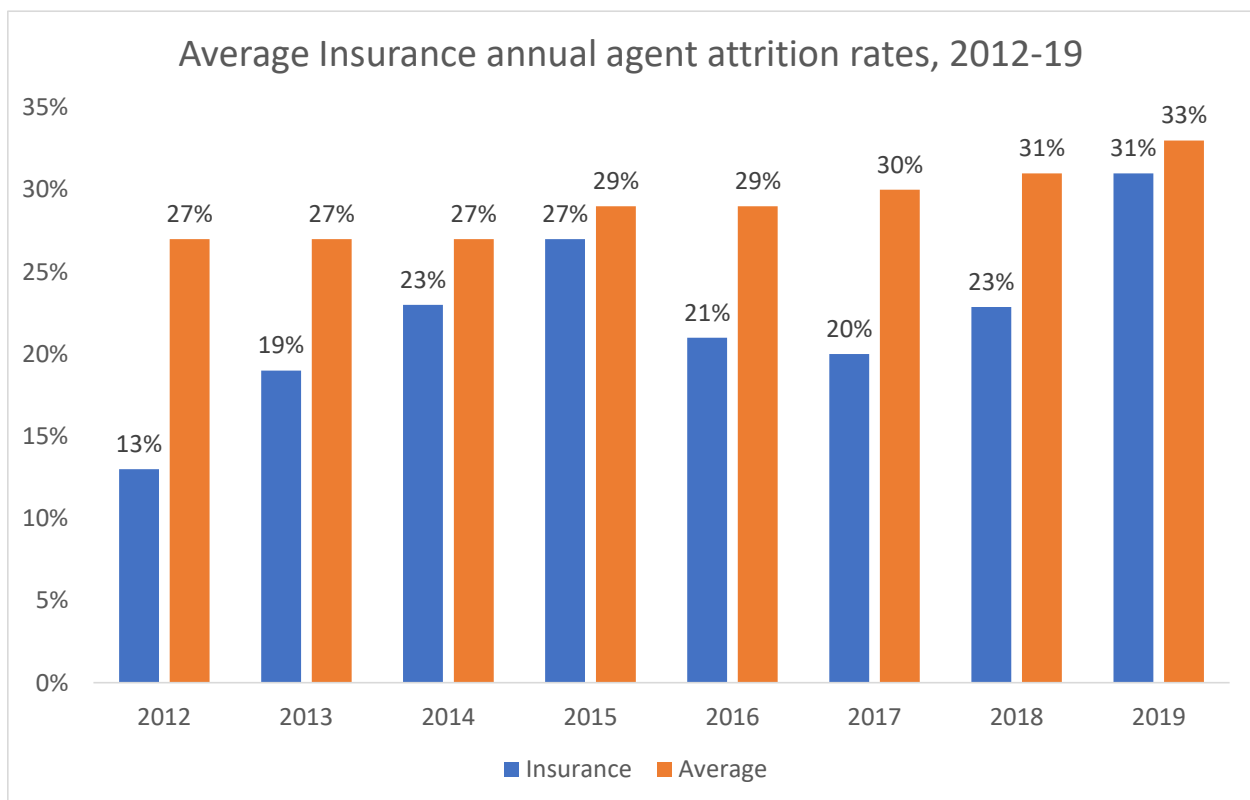
For seven out of the eight years covered in these surveys, insurance agent absence rates were higher than the industry average, but this pattern has weakened in recent years, with the absence rates being only a little higher than average in 2015-2018. The very high figure in 2019 may again be an exception.

**Figure 12: Average Insurance agent absence rates, 2012-19**

Average Insurance annual agent absence rates, 2012-19
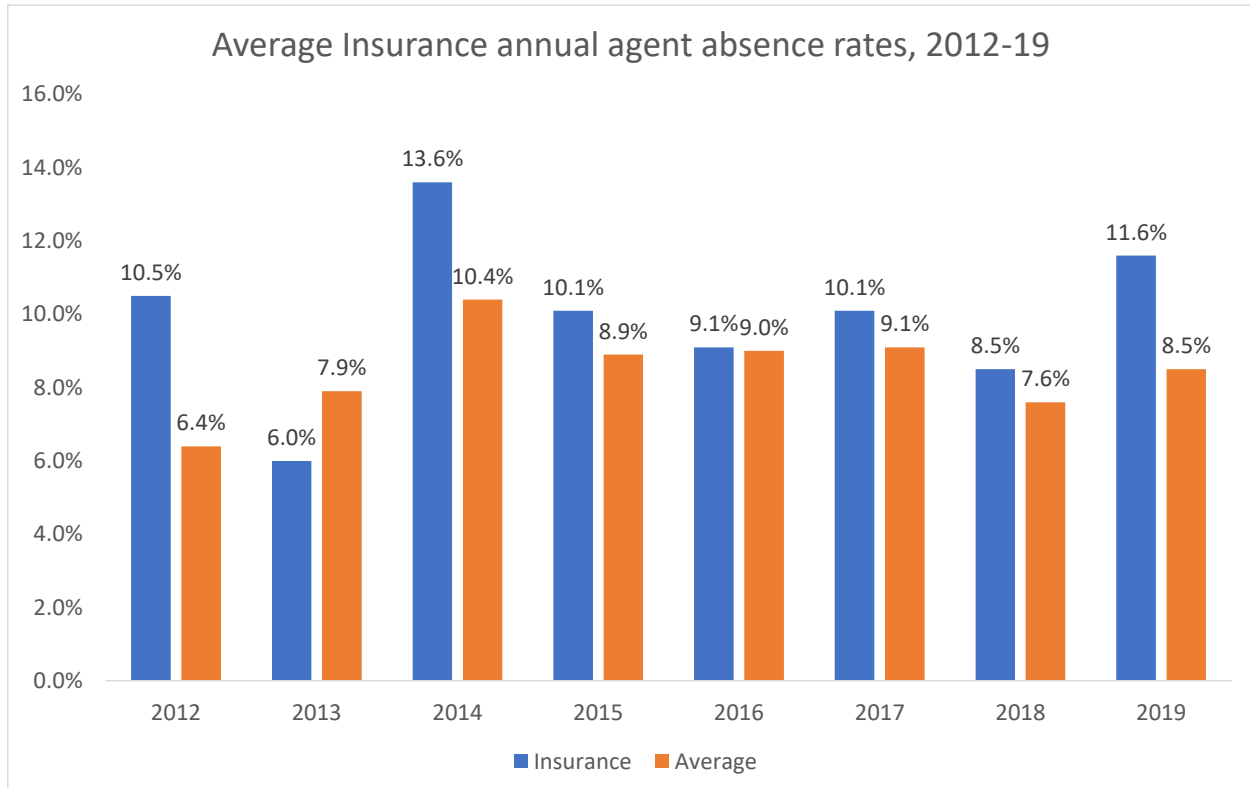
OPERATIONAL BENCHMARKING

AGENT ACTIVITY

The proportion of agent time spent talking to customers has remained fairly steady at an industry-wide level since 2011, fluctuating only slightly between 52% and 55%.

Insurance contact centers show a drop in talk time since 2014, dropping below half in 2017 & 2018.

Figure 13: Insurance contact centers: talk time, 2012-19

Insurance contact centers: talk time (2012-19)
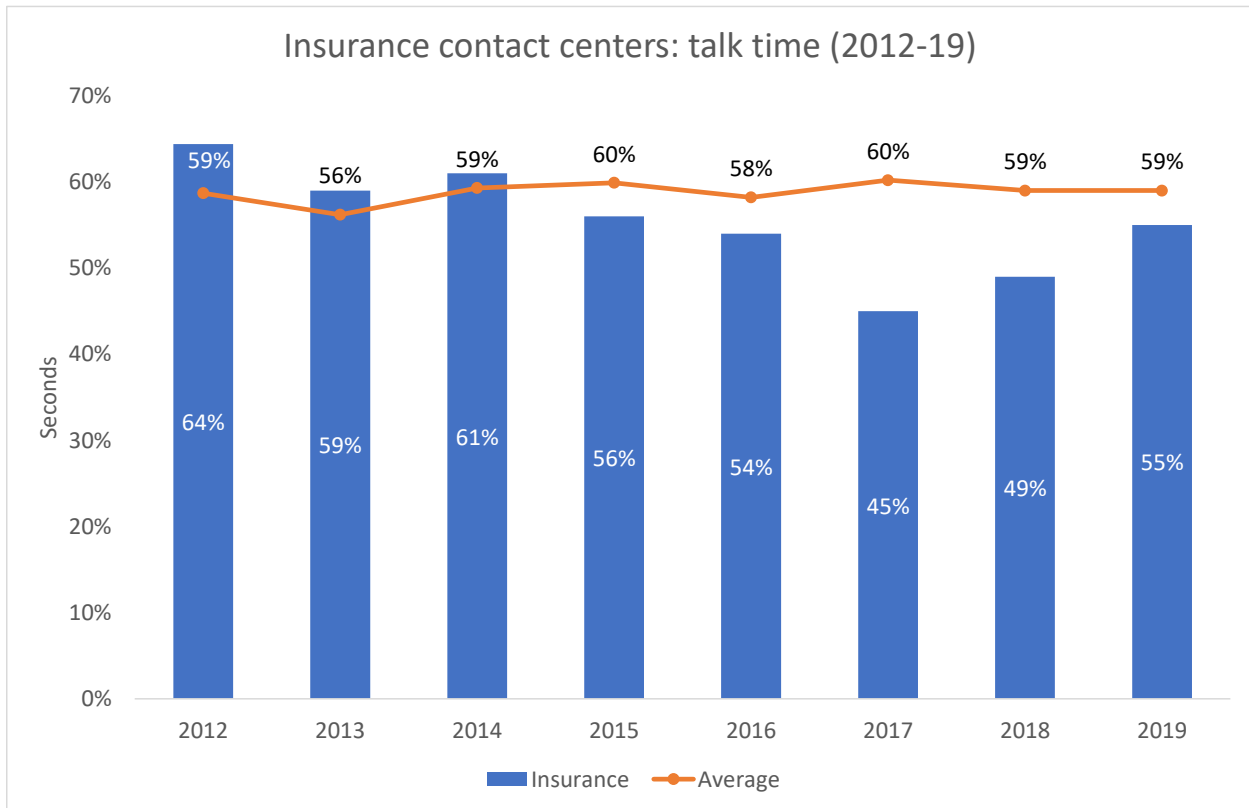
CALL DURATION

The length of insurance calls shows little real pattern, with 2015 looking like an exception to the usual call durations of around 350-400 seconds.

This average figure is in line with the US contact center industry as a whole. We would expect to see a rise in digital channels and self-service to handle simple queries or interactions, leaving live voice calls to more complex issues, and also for customers who are less comfortable with automation and self-service, and who may also take longer on a call. As such, we would expect to see insurance call durations rising within the next 2-3 years.

**Figure 14: Insurance contact centers: call duration, 2012-19**

Insurance contact centers: average call duration (2012-19)
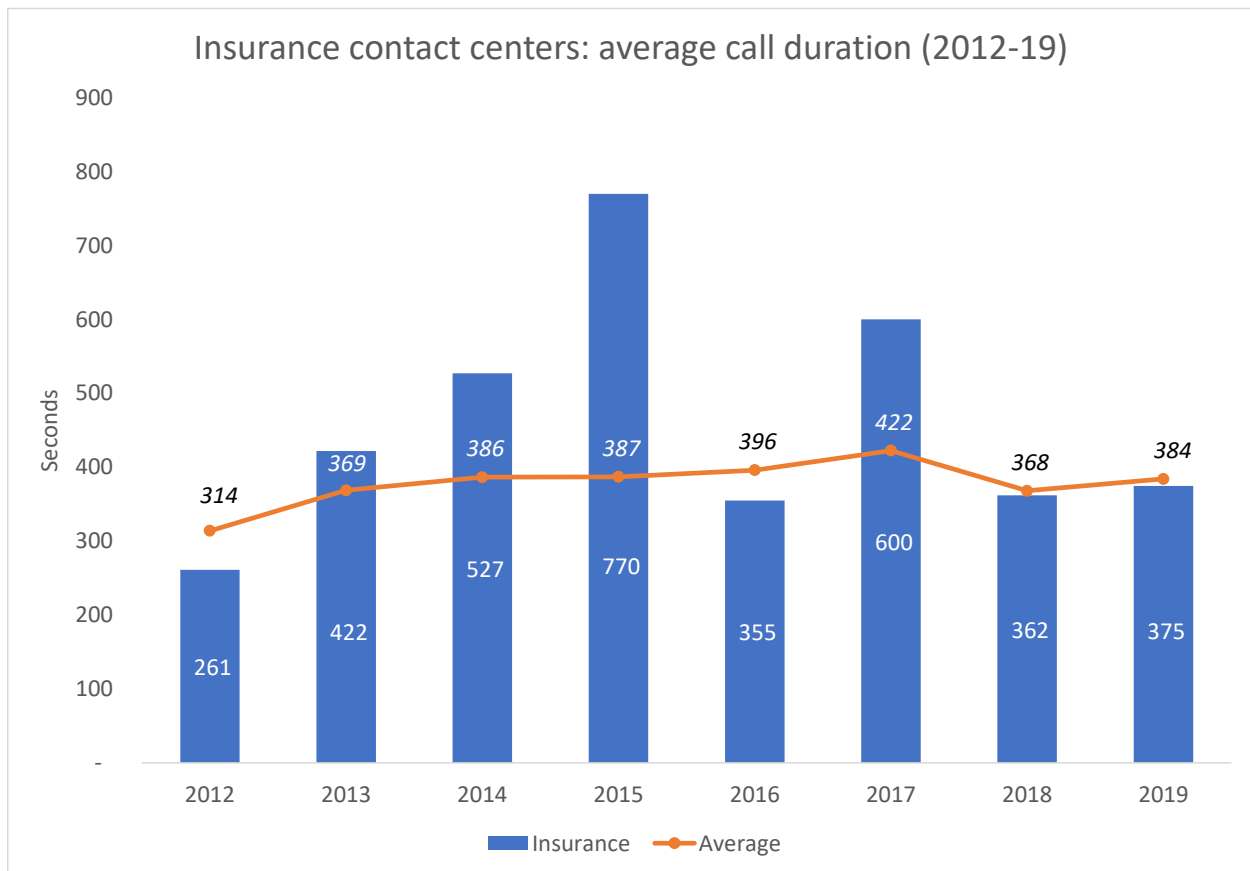
Insurance contact centers can generally be seen to have a considerably lower average speed to answer than the US contact center industry as a whole, with the exception of 2019, which is more than twice as high as any other year, and which is almost certainly exceptional.

Speed to answer is still one of the most important factors to customers calling a contact center, so a low speed to answer is beneficial to the customer experience as a whole.

Figure 15: Insurance contact centers: average speed to answer, 2012-19

Insurance contact centers: average speed to answer (2012-19)
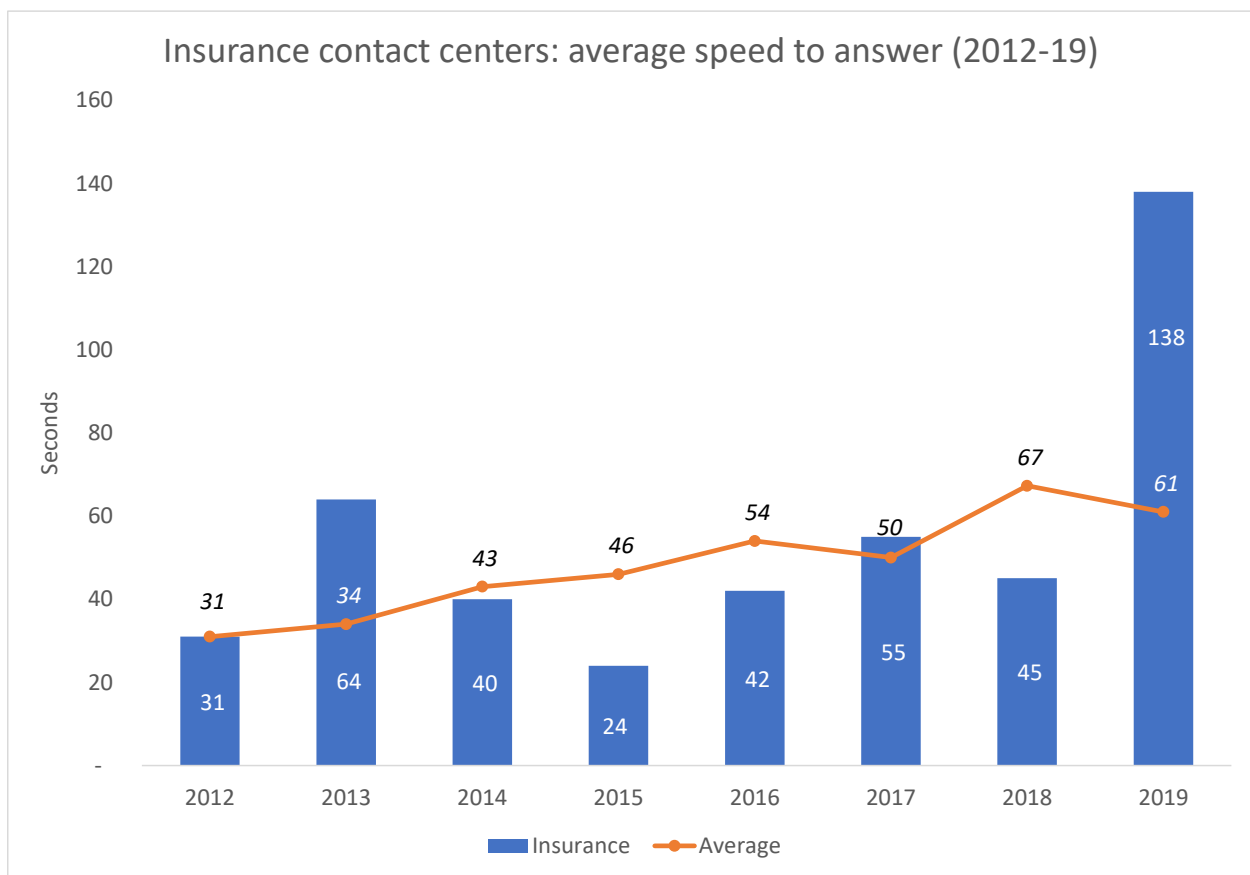
ContactBabel is the contact center industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analyzing the contact center industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

We help the biggest and most successful vendors develop their contact center strategies and talk to the right prospects. We have shown the UK government how the global contact center industry will develop and change. We help contact centers compare themselves to their closest competitors so they can understand what they are doing well and what needs to improve.

If you have a question about your company's place in the contact center industry, perhaps we can help you.

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Sources:

- The US Contact Center Decision-Makers' Guides
- US Contact Centers: The State of the Industry
- The US Contact Center HR & Operational Benchmarking Reports