



Engage Me

Everyone knows the story: The more engaged a policyholder, the lower the churn. The lower the churn, the lower the costs – a boon for insurer and policyholder alike. As recently as a decade ago, before FinTech companies and startups threatened to disrupt life insurance, engagement was a differentiator, a nice-to-have, a cherry on top. Now, it is a necessity.

New predators have entered the life insurance food chain. These nimble, hungry, and sophisticated companies know how to engage customers to build trust. For their part, customers have come to expect the same consumer-centric, frictionless purchasing experience found in the retail world.

Is this a real threat? It could be. But it is also an opportunity. And there are steps we can take as an industry to improve our level of engagement.



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1. Develop products that reward customers for achieving goals

Many insurers have turned to products with wellness features and rewards to improve engagement. Tangible benefits, such as premium reductions or “cash-backs” remain the most compelling drivers of wellness participation.

Achieving long-term engagement, however, requires a more holistic approach. Such initiatives include health, stress levels, and even financial wellness. The lesson: Monetary incentives and rewards may attract new customers, but demonstrating real knowledge of and empathy for the customer builds loyalty in a much more powerful way. If we truly want to unlock value in the industry, we should seek to understand our customers’ goals and help them meet them. Imagine the loyalty earned by the insurer who not only offers Meg, a diabetic, a policy at reasonable substandard rates but also provides tools to help her control her hBA1C levels and the chance to lower her insurance rates over time.

Aside from loyalty and improved retention, a significant by-product of the movement towards insurance-linked wellness programs is the ability over time to create non-traditional rating factors to better assess risk, such as sleep, nutrition, and exercise. These factors also provide new opportunities to engage with customers through services and content tailored to their needs. According to a recent Competiscan survey, 73% of those who believe their insurer can help them improve their wellness results are willing to share personal data.

Change can be tough, but finding ways to make that change rewarding to all parties in the insurance value chain will help drive sustained growth.

2. Leverage the data we already collect

As more data becomes available, the business applications for that data become more diverse. Life insurers can now better leverage existing data to engage policyholders and capitalise on upsell and cross-sell opportunities – delivering the right product to the right customer at the right time. The result: increased revenues, reduced costs, and higher persistency.

In Asia, [RGA’s “Claims as a Business” initiative](#) leverages hospital claims data in this way. A proprietary algorithm enables us to identify low-risk lives among claimants, who we then introduce to other life and critical illness products. Since these individuals have already had a positive touchpoint with the insurer (ie, they received payment on a claim), they have an increased propensity to buy. RGA pilot projects reveal that insurers using this approach achieve an upsell rate many times that of the industry average, and in many cases policyholders go on to refer family and friends – a great second-order benefit from getting upsell targeting and timing right.

3. Make the life insurance journey a uniquely personal one

Consumers have very unique preferences as to how they like to be communicated with. Insurers therefore need to not only target policyholders with the most appropriate product, but also market those products through the most effective channels.

People may prefer text, desktop, telephone, or a combination at varying times. It is important to find out both how our customers want to be contacted and how frequently. A survey conducted by Competiscan revealed that 51% of people prefer to interact with their wellness provider less than three times per month. So more is not always better. The key question for insurers: How well do we know our customers' preferences?

4. Create valuable content

People love to be informed. Customers today consume and share content like never before and seek out new channels for recommendations and advice. Given that traditional life insurance touchpoints are somewhat limited, it is vitally important to look for new ways to create, curate, and promote content that consumers value – and to debunk common life insurance myths: that it's expensive, complex, and difficult to understand.

According to a 2015 study conducted by LIMRA and a nonprofit organization named [LifeHappens](#), the main reason for not buying life insurance in the U.S. is cost. Interestingly, however, the study also reveals that this reason is based on false perception, particularly amongst millennials, who overestimate the cost of life insurance by an alarming 213%.

Insurers who educate consumers on the value of life insurance via a multichannel, content-based marketing strategy will position themselves for big growth in the years ahead.

5. Embrace social media

Social media is not just about teenagers liking pictures anymore. It is a new kind of marketplace, where knowledge is exchanged for access – to networks, to influential leaders, and to emerging consumer segments.

And this marketplace is growing exponentially. Already an estimated one in four people on earth are using social media. Much of that expansion has paralleled the growth in smartphone use. In fact, over the last 12 months, an estimated 8% of the world's population began using social media on a mobile device. By the time you complete this article, more than 100 new users will have signed up for Twitter, Snapchat, Facebook, or any number of other social channels using a smartphone or tablet.

Why are we using these networks? To share opinion. To purchase services. To remind us of events. To link us with the outside world. And to buy insurance. In a global customer sentiment survey by the Boston Consulting Group, 70% of respondents preferred digital interactions to only face-to-face interaction with agents. From pre-purchase research to claim, consumers are choosing a "solely remote" model, influenced purely by websites and social media.

And yet insurers have been slow to adapt. In this new digital economy, the expectation of choice and the right to convenience are taken for granted, and the balance of power has shifted from the institution to the individual customer. The insurer's influence over the market is only as strong as the next consumer complaint or endorsement posted on Facebook.

6. Make policyholder's wishes come true

Ultimately, successful engagement is about making the customer happy. It starts with getting the basics of our business right. When we focus on making underwriting and claims processes as simple, seamless, and positive as possible, we will be well on our way to an engaged customer base.

RGA Japan is working in collaboration with RGAX Asia, our regional innovation accelerator, on an exciting underwriting initiative to develop a process to digitise paper-based annual Japanese health checks, digitise the insurance application, and apply machine learning to replicate human underwriting decisions. Ultimately our aims are to accelerate the speed at which underwriting decisions can be delivered to prospective policyholders and provide insurance clients access to high-quality digitised health data, thus enabling data-driven insights into future risk and further refinement of the underwriting process over time.

We see the future of underwriting as a real-time, data-based process – one that improves outcomes for consumers and insurers alike.

The Next Step

The era of consumer engagement in insurance is well underway, and now is the time to seize this exciting growth opportunity. Winners will be those who best connect products and services with the needs of consumers and make the insurance buying experience as natural and smooth as possible. How do you get there? One step at a time. ■

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