



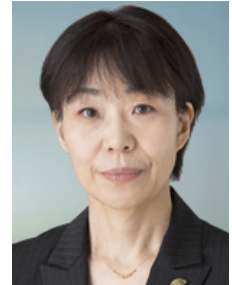
Engaging the Insured in In-force Management:

“What a relief! I have an insurance policy!”

How often has the claimant uttered this phrase?

The value of a life insurance policy is never more obvious than after receiving benefits from a claim. On the other hand, it can be far more difficult to justify the cost of insurance when a policy reaches maturity without a claim incident and payout. Some consumers may come to believe that their premium payments represent a losing bargain.

How can carriers counter this popular perception and demonstrate the everyday value of an investment in insurance? Protection products can provide value over every stage of life, yet traditionally insurers have interacted with customers only rarely: at the point of underwriting and at claims time. That may be changing. Increasingly, insurers interact with customers continually, proposing policy reviews every time a major life event occurs, such as marriage, childbirth, a school admission, or retirement. While such touchpoints are a good start, they may not be sufficient. Major milestones don't happen that often in life – and customers often allow policies to lapse in the meantime.



Kayoko Tsuzuki
Executive Director,
Business Development,
RGA Japan

Know the Customer Through Technology

Insurers are increasingly turning to technology as a solution. The goal is simple: customer engagement. This term is often translated as “ties” in Japanese, but the meaning is slightly more complex. Customer engagement refers to the practice of communicating messages or value propositions (a brand or services) that prompt the customer to take action. This approach is only successful when the insurer really knows the customer.

This starts with learning the customer's likes and dislikes. Historically, insurance companies crowded customers into broad market segments based on general or group attributes. Today, the availability of sophisticated data analytics and social media allows companies to access much larger amounts of information about customers and personalize an appeal to each individual's interests. Marketing strategies are more centered on personalized cross-selling or up-selling to reinforce and strengthen bonds with the customer.

Many insurers have turned to digital and health support technologies to attract and engage younger consumers, with varying levels of success. Younger demographics are more likely to use the internet and social media as a part of their daily lives and a way to engage with others, including insurers. The use of technology allows insurers to remain in touch more conveniently and more regularly than traditional agent outreach.

Emerging technologies can also attract and engage older consumers at a time of rising healthcare costs and rapidly aging populations. Data from a widening array of web-linked devices (the Internet of Things) promises to help insurers promote fitness and increase preventative care among consumers. Life insurers who master the use of these technologies to improve mortality and morbidity outcomes will likely enhance profitability, strengthen their brands, and improve policy persistency.

Build an Engagement Platform

The need for greater customer engagement is clear. RGA's global survey of 34 major carriers suggests that increased retention (persistence) was the top priority of in-force management programs, followed by cross-selling/upselling to existing clients.

Long-term success depends on a strong digital platform. One approach is to address these six key elements:

- An interface to gain new customers online or via mobile
- An insurance application that functions on the web, on mobile devices or both
- Technologies that integrate personal health and device data
- A robust administration function
- Insurance-linked wellness programs
- An agent engagement portal

These features do not operate in isolation; they build on each other. For example, an insurer can attract new customers with a user-friendly online or mobile presence. Once the customer joins, he or she can be offered additional services, such as the opportunity to participate in an insurance-linked wellness program with incentives for healthy behaviors. Data collected from exercise records or health monitoring as part of this program could be used by insurers and provided (with permission) to agents to develop customized solutions for consumers.

Similarly, data from claims could enhance risk selection, and satisfied claimants might be more likely to add family members to a plan or refer new customers. Major life events announced publicly on social media, such as a birth or marriage, could also prompt a customer touchpoint, just as GPS data indicating travel could initiate an offer of travel insurance. Of course, insurers must take care to respect the customer's privacy and avoid nuisance appeals. Still, this type of data has enormous power to reach the right potential customer at the right time, when the value of insurance is most evident.

It is often said that in insurance selling a policy is not the end but a new beginning. Recent trends towards digital technology, health support, consumer engagement, and consultation to existing policyholders have the potential to help insurers build deeper and life-long customer relationships. ■