

## 4 Hot Spots for Innovation in Insurance



### **Summary:**

*For the record, automating a broken or deficient process in customer service does not constitute an improvement.*

**By:** Donna Peeples

These days, consumers have the control ? they're empowered by new technology and spoiled for choice. There are new rules of engagement for businesses and providers in every sector. We can no longer live inside the safety of our own industry verticals, comparing ourselves with those we think of as the competition. All companies now live on a horizontal where customers compare us with their last best or worst experience. It's no surprise, then, that businesses are scrambling to produce new products and provide new services to meet the demands of today's consumer. The sleek interfaces and one-click payment processing available in products and services in the banking and retail industries have left an indelible mark. People now expect that same user experience elsewhere. Unfortunately, the insurance industry is still playing catch-up with the demand. [Can Insurance Innovate?](#) Consumers today expect intuitive technology that knows and remembers them from one interaction to the next. Many companies are adding features without improving the core experience for their customers. For the record, automating a broken or deficient process does not constitute an improvement. Instead, we must thoughtfully and deliberately design an end-to-end architecture that is easy, effective and memorable for the customer yet is consistent and scalable for the business. With that in mind, let's analyze the basic elements of the customer experience where insurance companies can improve: **1. Communication flow:** In any large enterprise, the communication flow is always going to be both an internal and external issue. The more departments and business units a company features, the harder it is for customers to get the information they need in a timely fashion. That's why we're starting to see so much interest from insurance companies in new transactional communications platforms. At [Pypestream](#), it's a problem we're trying to solve using a secure, chatbot-powered mobile messaging platform. The customer experience has to be about breaking down the barriers to information, streamlining the communication flow and getting a resolution. With everything available at the swipe of a finger or at the end of a text message, people don't want to have to navigate from department to department, through various channels. Companies need to focus on bridging the silos that exist. Communication should be easy and free-flowing ? almost as if you're interacting with a friend. **2. Access to customer service:** Customer service can be a competitive differentiator



for companies ? for better or for worse. Some do a fantastic job of providing experiences that people love, while others are seriously lacking. A lot of this has to do with the processes and technology in place. For example, there are many repetitive customer issues that only require scripted responses and simply don't need live agents. Instead, these routine issues flood the call queues and slow the process for everyone. The solution here is using conversational chatbots to provide a front layer of support, managing the majority of repetitive inquiries while saving the live agents for more complex and higher-touch issues. The best thing is, this technology exists and is becoming increasingly popular. There are tens of thousands of chatbots out there across various messaging channels, and businesses are exploring [new chatbot use cases](#) every day.

**3. Simplified processes:** There are few people I know who actually enjoy processing an insurance claim or dealing with call centers to check on the status of a claim. The process is broken and frustrating. To fix this annoyance, a mobile-first approach is paramount. Consumers are gravitating toward mobile messaging to communicate in a 1:1 format with brands and businesses because they want service to be personal. In addition, they want to be understood ? without having to repeat themselves over and over or follow an antiquated process that takes precious time out of their day. With all the capability that smartphones offer today, there's no reason why processing insurance claims can't be simplified to improve the customer experience.

**4. Reinventing the call center:** In the financial sector, the insurance industry is the most heavily reliant on call centers as the primary mode of customer interaction, with [78% of insurance industry](#) clients contacting their company via a call-center. This comes as little surprise; there are no other options available for people to chat and transact directly with customer service. This distinct lag in the insurance industry reflects a broader reluctance to adopt new technologies. Some of the hesitancy can be attributed to traditional biases that anchor thinking and affect behavior in incumbents. Insurers have also been underserved by technology solutions that address their regulatory constraints. **See also:** [InsurTech: Golden Opportunity to Innovate](#) If we consider how quickly people are flocking to messaging (it's the most used data service in the world, with more than 6 billion messages sent every day), maybe it's time the call centers [undergo a revamp](#). Americans alone message twice as much as they call, according to [Nielsen](#), and messaging is fast becoming the most preferred communication method. With this in mind, it only makes sense to incorporate a text-based channel to contact centers and customer service outlets. It's always easy to prescribe improvements for industries from afar, and I understand if some readers approach this article with an easier-said-than-done attitude. But, in reality, decision makers know where the industry is lacking. These gaps are opportunities to deepen customer engagement and loyalty. The solutions are simple when you consider what everyday customers are seeking from their providers. Now it's about dedicating the relevant resources and time to ensuring the innovation happens so the industry can catch up to the innovators in other industries and future market disrupters.



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