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# Revolutionizing Customer Engagement:

The Impact of Omnichannel Experiences in the Insurance Industry



## In this eBook:

- Results and insights from a behavioral study of 250,000 P&C insurance customers that uncovers the impact of multichannel customer engagement on retention and satisfaction.
- 10 tips for outstanding customer experience

# Introduction

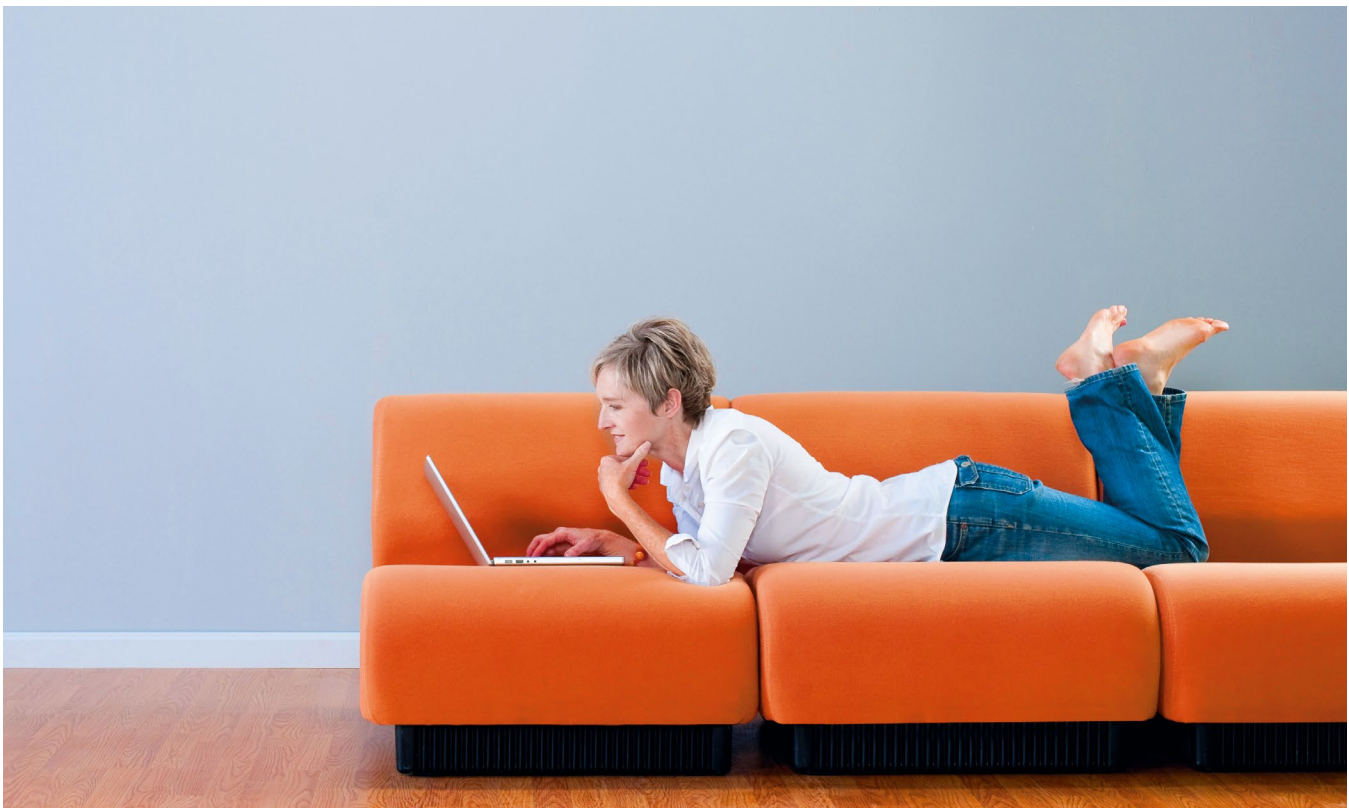
**Every insurer must provide a modern customer experience, or it risks losing customers to many market competitors. A digital customer experience with robust capabilities, sleek design, and a simple interface is table stakes — but providing this interactive experience has traditionally been out of reach for many insurers, especially smaller and mid-sized insurers.**

Between the cost and time to upgrade customer service systems and the time spent maintaining them, a modernized omnichannel customer experience hasn't been possible, even though it is vitally important for a modern insurer. In Gartner's [2019 whitepaper](#) "Creating a High-Impact Customer Experience Strategy," its survey found the customer experience drove customer loyalty, beating out price and brand for the top spot.

“...the customer experience drove customer loyalty, beating out price and brand for the top spot.”

Many customers want self-service digital options so they can answer their questions when convenient. But they also want a simple, efficient way to call their insurer and access information over the phone, via a telephone IVR (interactive voice response), or through speaking with a customer service representative.

PwC's recent [Future of Customer Experience](#) survey found that nearly 80% of American consumers valued speed, convenience, knowledgeable help, friendly service, and easy payments as the most significant drivers of positive customer interactions. 43% of survey respondents would pay more for a more convenient experience, and 82% agreed that human interaction in service made a difference.



# Findings from insured.io’s study of 250,000 P&C insurance customers

Insured.io conducted its own study to quantify the effects of customer engagement on customer behavior. The longitudinal study included two years of data collected from insured.io’s SaaS platform, which hosts 250,000 clients of 21 US carriers. The records were analyzed in September 2023 by an independent data scientist specializing in insurance data analysis. The results demonstrate that high-quality, feature-rich customer portals and proactive customer outreach can dramatically impact customer retention and premium renewal.

## The Power of Omnichannel Engagement

One of the most significant findings is that utilizing multiple self-service channels significantly increases customer retention. Customers using an insurance portal are 12% less likely to cancel their policies compared to those who do not engage with the portal. Those who use multiple

**25%**  
Higher Retention

channels are 21% less likely to cancel their policies, and those who repeatedly use them show a 25% higher retention rate.

Moreover, customers who use advanced features like policy document retrieval and ID card access exhibit even higher retention rates. Repeated interaction with the portal solidifies customer trust and commitment.

With 85% of users accessing the portal through their mobile devices, a mobile-first approach to customer engagement has become essential.

## SMS Messaging Reduces Cancellations 52%

Outbound messaging plays a pivotal role in customer retention and premium renewal collections. The study shows that 26% of customers whose policies were on the verge of lapsing promptly paid their premiums after receiving a single SMS alert notifying them of the

**52%**  
Lower Cancellations

impending policy cancellation. Furthermore, sending a cancellation message via SMS on the renewal day slashed cancellations by 52%.

## Acquiring Email Addresses Matters

The study shows that securing a customer’s email address through the portal boosts retention by 13%. This seemingly minor detail in the customer profile has a profound impact because it signifies trust in the carrier and a willingness to receive communications.

## IVR - A Time-Saving Retention Powerhouse

IVR (Interactive Voice Response) usage has demonstrated its ability to enhance customer retention. Customers who frequently use IVR services exhibit a 24% higher retention rate than those who rely exclusively on live customer service agents.

Calls to the carrier’s IVR take 58% less time than a similar call to a customer service representative. This substantial

**58%**  
Less Time with CSRs

time-saving advantage provides customers a faster, more convenient service experience, further solidifying their loyalty.

## Convenience of Off-Hours Access

Customers appreciate the flexibility of accessing services on their terms in today’s fast-paced world. In the study, 20% of customers actively use the portal during weekends, and 48% make premium payments outside traditional business hours.

# The Omnichannel Experience is a Service Differentiator

**A true omnichannel experience drives customer engagement. It increases customer satisfaction, retention, and lifetime value. But often, the term 'omnichannel' is misunderstood and underutilized. A robust omnichannel means more than just giving the customer many ways to communicate with insurers. Consumers don't want more channels to communicate with, they want specific channels that suit their unique needs.**

When executed well, an omnichannel experience means the different tools an insurer has and gives to its customers are all interconnected. It means that when customers interact over the phone or on the web, they enjoy the same consistent experience. The personality of the insurer shines through each real-time interaction when an insurer follows an omnichannel philosophy.



**“ Consumers want specific channels that suit their unique needs.**

Another critical aspect of the omnichannel experience is its real-time, synchronous nature. That means when a customer accesses their policy online and makes a change, customer service representatives see the change immediately. If the customer calls with a question about their digital experience, the CSR can access the same information to help the customer in real time. The result is that the insured enjoys a seamless experience throughout the entire policy lifecycle.

## Some additional benefits of the omnichannel experience are:

- **Retention.** To retain customers, give them the right tools. Without a modern digital omnichannel solution, mid-tier insurers are losing customers to modern carriers. A great customer experience allows even the smallest insurers to stay relevant in a competitive market.
- **Data.** An omnichannel experience offers many points for data collection so insurers can analyze customer behavior, leading to better underwriting, sales, marketing, and pricing results.
- **Engagement.** Insureds traditionally interact with their insurance companies when they have to make a payment or report a claim. However, an omnichannel experience encourages more positive interactions through proactive communication, which can lead to more engaged and satisfied customers.

# Effects on CSRs

**Legacy insurance systems struggle to provide this omnichannel experience effectively. There is often lag time — a delay between the insured’s digital updates and the CSR system update.**

That means a customer who calls back right after making a digital change can’t be serviced immediately. This increases customer frustration and possibly causes them to shop around for another insurer. It also costs the insurer more when it has to make a second phone call to help the customer once its systems catch up.

It is critical that CSRs have updated, synchronous systems to rely on when fielding customer calls, but it is equally vital that they are knowledgeable and friendly.

**“ When all customer access systems align, the customer experience is fluid, agile, and modern.**

When all customer access systems align — the IVR, web portal, mobile experience, and customer service representatives — the customer experience is fluid, agile, and modern. Current, accurate data that is easily accessible by the customer changes everything. Customers can answer their own questions, make payments, and access policy information whenever they want. This self-service design gives control back to customers and saves time for insurers.



# Integrated Payments Key to Omnichannel Experience

**Making a payment is the top reason insurance customers log into their digital portal. And for auto and homeowner’s policyholders, they may need to make a payment each month. This means customers will demand an easy, fast, secure way to make digital payments — and design mistakes when it comes to payments can cost an insurer.**

Adding any additional firewall before the payment screen can cause customers to abandon the process. Some companies keep their payment systems separate from the rest of their digital portal, so the customer must log in twice to make a payment. Many customers will not bother to do this month after month to make insurance payments.



**“ Making a payment is the top reason insurance customers log into their digital portal.**

A better design is one in which the payment process is incorporated within the digital portal. The customer only logs in once and then can access their policy, take other actions, and pay their bill. This ease of use is important when it comes to paying bills.



Paying bills can be painful for many consumers, so an omnichannel experience should make the bill-paying process as simple as possible. A self-service digital payment option allows customers to pay their bills when convenient for them, whether during normal business hours or in the middle of the night on a holiday.

Consider adding tools to make payments easier and reduce your customer’s effort level. Flexible options like autopay, the ability to schedule a payment in the future, and allowing customers to pick their payment date can increase customer satisfaction. Convenient payment solutions that align with preferred customer payment types, like credit cards, EFT, PayPal, Stripe, and other popular systems, are important to include in your omnichannel system.

Make your integrated payment system seamless, agnostic, and nondisruptive for the best results.

# Omnichannel Experience Improves Data Collection and Analytics



**Access to useful data is critical for the continued success of insurers. But simply collecting data isn't enough. Insurers must be able to access and analyze data to draw useful insights quickly. This has traditionally been a challenge for many insurers — and small to mid-sized insurers may lack the infrastructure necessary to keep up with increased demands for data.**

Many insurers are solving this data challenge by utilizing an omnichannel experience. Omnichannel systems combined with a powerful analytics package deliver key results by allowing insurers to better understand their customers, what they want, and what actions they take when self-servicing their policy. This gives insurers insights into how they can better help their customers by predicting their needs.

## Data Improves CSR Interactions

Using data that shows how customers interact with omnichannel systems over time, insurers can deliver more efficient service by answering the right questions at the right time and anticipating the customer's needs and wants. Insurers can also use these insights to cross-sell products that will be helpful to the customer based on predicted needs. The data allows insurers real-time insight into how customers access their policy, what pages they reviewed on the website, how long they spent on a page, actions

they took like downloading their policy or making a payment, and the timing of these actions. If the customer spoke with a CSR or chatted with a chatbot, the record of the conversation is accessible along with date and time stamps. The insurer has insight into what works well and what doesn't in their system. For example, if customers often spend a long time on a particular page, it may indicate confusion or a lack of a clear next step.

**Using data enables insurers to anticipate customer's needs and wants.**

## Data Reduces Fraud

This level of data also helps insurers in the fight against fraud. Omnichannel records can prove the actions an insured took and when. This is particularly helpful in cases of cancellations due to non-payment. Insureds may claim they tried to make a timely payment online before a coverage lapse, but the IVR could prove the insured did not call to make the payment until after the lapse. This could save the insurer from paying for a loss that happened after the coverage lapse or stop an insurer from continuing coverage after a lapse.

Omnichannel insights prove what happened and when. This proof saves time during claims and policy investigations and can keep insurers from covering losses they shouldn't. The fraud prevention benefits of an omnichannel experience are invaluable to insurers of all sizes.

# Proactive Customer Service Engages Consumers

**A true omnichannel experience offers another understated benefit to insurers. Proactive service throughout the insurance lifecycle is possible by relying on omnichannel paths. And while it may seem like proactive service isn't valued, research shows otherwise. Gartner found that only 13% of consumers say companies they do business with reach out to them proactively, but when companies do take proactive action, customer service and NPS scores improve.**

There are many opportunities for proactive notifications and outreach during the insurance lifecycle. These touchpoints allow insurers to develop a personalized relationship with their policyholders, rather than only contacting customers when it is time to collect premium dollars.

Personalized customer outreach is becoming an important part of the insurance business. Proactive alerts help increase customer retention while also prompting

## Examples of the ways insurers are using proactive alerts include:

- Policy alerts like when a payment is due, a payment has been made, the policy is about to cancel, the policy has been canceled, or the policy has been changed.
- Claims alerts such as proactive notifications to insureds after a loss with FNOL options, links to submit vehicle damage photos and the police report, and alerts with links to contact the adjuster after a claim has been filed.
- Welcome messages can be sent to new policyholders sharing contact information through links to reach the insurer directly, helping the insurer become the main point of contact when the policyholder has questions.
- Contact cards can be sent through text to policyholders with links to add the insurer into contacts to make it easier for policyholders to reach their insurer directly.
- Micro campaigns, like encouraging customers to register for the digital portal, can be sent through proactive alerts. Insurers should rely on their vendor partner for guidance and use caution as some types of marketing and sales campaigns are not allowed by the Telephone Consumer Protection Act (TCPA).





# Create Omnichannel Experience to Drive Customer Engagement

This personalized outreach leads to increased retention. Policyholders experience more value from their insurers through proactive communication that helps them solve problems, especially ones they didn't know they had. Insurers can open a direct line of communication with policyholders by sending links to chat with CSRs and offer helpful information about contacting the insurer, filing a claim, printing ID cards, and tips for risk mitigation.

Consider best practices about when and how often to send proactive messages. Experience may show better days to send notices to non-standard customers than messaging to voluntary market consumers. The time of day, day of the week, and timing during the month are all important factors to consider when planning proactive messages.



For insurers of all sizes, the omnichannel experience is within reach. Engaging with experienced vendor partners offering flexible SaaS options allows even the smallest insurers to give their customers a sleek, modern digital experience without expensive systems overhauls. Modernize your customer experience today with a digital omnichannel experience.

## Top Ten Tips for Outbound Customer Retention

From Steve Johnson, Founder of insured.io

- 1 First and foremost, if you are not reaching out to your customers, you need to be. Engagement is a catalyst for further engagement.
- 2 A welcome message is a low-cost way to make sure the customer has all the information they need before they get their first bill. Be proactive.
- 3 Personalization is key; your insured is more than just a policy number. Generic messages get generic results.
- 4 Be persistent enough that they remember to pay you, but not so persistent that they block you. Your goal is to be first on their list to make a payment. We call that Paydar.
- 5 Focus your largest retention campaigns around the dates your demographic generally receives their paychecks.
- 6 Communication should be sent when the customer will actually read it. Don't batch emails at midnight; send them during the day.
- 7 If you send messages in the morning, expect responses at lunch. If you send them in the afternoon, expect responses early evening. People call back when they are free.
- 8 Spread your communication efforts throughout the day to give your customer service staff a break. If you send 10000 messages at the same time, they respond at the same time.
- 9 If a policy is about to cancel, message them before, during, and after. Not everyone has money when their bill comes due.
- 10 Automation is key. Automated engagement brings automated retention. Automate. Engage. Retain. Repeat.

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# About insured.io

Founded in 2011 by insurance industry veterans, insured.io is an innovator dedicated to delivering solutions that empower policyholders and enhance customer experiences. Their Customer Engagement Platform (CEP) offers an affordable and user-friendly solution for mid-tier insurance carriers that enhances customer experiences in real-time across multiple channels. CEP enables policyholders to manage their insurance lifecycle effortlessly through their preferred channels, ensuring synchronized, real-time information.

For more information, visit our website at <https://www.insured.io/> or email us at [get@insured.io](mailto:get@insured.io)

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12

Years of operations

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25+

Systems Integrations

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250k

Satisfied Insureds

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\$750m

Payments Processed

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