

# Enhancing the P&C Insurance Policyholder Journey Through Deeper Engagement

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A CUSTOM EXCERPT PREPARED FOR:



# TABLE OF CONTENTS

IMPACT POINTS ..... 3

INTRODUCTION ..... 4

    METHODOLOGY ..... 4

THE MARKET ..... 5

    RISE OF ALTERNATIVE DISTRIBUTION OPTIONS..... 5

    INCREASED POLICYHOLDER FOCUS ON EXPERIENCE VERSUS PRICE ..... 5

    SLOW P&C GROWTH..... 6

    INCREASING POLICYHOLDER ACQUISITION COSTS ..... 6

    INCREASED CARRIER FOCUS ON POLICYHOLDER RETENTION ..... 6

WE USED TO PLAY FOR SILVER, NOW WE PLAY FOR LIFE..... 7

SO MANY ROADS, SO MANY ROADS..... 11

SOMETIMES WE LIVE NO PARTICULAR WAY BUT OUR OWN..... 15

    SEARCH FOR INSURANCE ..... 15

    GET QUOTES ..... 16

    PURCHASE POLICY..... 18

    SERVICE ..... 20

    CLAIMS ..... 24

    RENEW POLICY ..... 26

    CANCEL POLICY ..... 28

PITNEY BOWES PROFILE ..... 36

    PITNEY BOWES ..... 36

THERE IS NO ROAD, NO SIMPLE HIGHWAY ..... 38

CONCLUSION ..... 40

RELATED AITE GROUP RESEARCH ..... 41

ABOUT AITE GROUP..... 42

    AUTHOR INFORMATION ..... 42

    CONTACT..... 42

# LIST OF FIGURES

FIGURE 1: POTENTIAL DRIVERS OF POLICYHOLDER ENGAGEMENT WITH A P&C CARRIER..... 10

FIGURE 2: HIGH-LEVEL P&C POLICYHOLDER JOURNEY MAP AND SAMPLE TASKS ..... 13

FIGURE 3: CLAIMS JOURNEY MAP ..... 24

# LIST OF TABLES

TABLE A: THE MARKET ..... 5

TABLE B: TABLE SUMMARY OF EACH TASK ..... 29

TABLE C: CARRIER ACTION IMPACT SUMMARY..... 31

TABLE D: POTENTIAL CARRIER ACTION LINKAGES..... 33

TABLE E: VENDOR CAPABILITY FOR DRIVING POLICYHOLDER ENGAGEMENT ..... 34

## IMPACT POINTS

- This Impact Report examines how some carriers can assume some aspects of the traditional agent-policyholder relationship to create a more direct and stronger bond with policyholders through better policyholder engagement. It is based on 35 interviews with executives at some of the leading property and casualty (P&C) insurance carriers in the United States and from vendors based in the United States and Europe that offer solutions that can help carriers deepen policyholder engagement. This report is meant to help executives at insurance carriers get a better understanding of where opportunities are present to engage policyholders and what carriers can do to deepen that engagement.
- P&C carriers around the world are facing a slow-growth market rife with intensifying competition, shifting consumer demands, and a consumer pool filled with people who have the ability to switch carriers with a few clicks and swipes. Thus, it is more imperative than ever for carriers to retain their policyholders, and one tactic that can aid these efforts is deepening policyholder engagement.
- On a typical policyholder journey, there are numerous policyholder engagement opportunities. But these journeys vary from one policyholder to the next, which means that one approach to engaging a policyholder might not work for another policyholder. Development of policyholder personas is viewed as a solid tool to help carriers manage this ambiguity.
- Efforts to engage policyholders could have an impact on the nature of the agent-policyholder relationship. Not every agent will be willing to allow a carrier to assume responsibility for a palette of tasks that are typically executed by an agent.
- Thus, a carrier's structure will also impact how that carrier proceeds with any plans to engage policyholders. A carrier that relies on appointed agents to distribute its products will likely face more obstacles toward policyholder engagement than a carrier that relies upon captive agents or carriers that sell directly to consumers.
- If a carrier decides to more deeply engage policyholders, it generally has six actions to consider: develop a strong culture; create a cohesive, marathon mentality among those who execute; define what level of policyholder engagement is possible for the carrier to deliver; become policyholder obsessed; use data effectively; and measure outcomes vigilantly.

## INTRODUCTION

P&C carriers around the world are facing a slow-growth market rife with intensifying competition, shifting consumer demands, and a consumer pool filled with people who have the ability to switch carriers with a few clicks and swipes. These are not easy problems to solve, and no one panacea can solve these problems. However, carriers do have one option at their disposal that gives them more of a fighting chance to solve these problems, and it is an option that is gaining favor among some P&C carriers: policyholder engagement.

This Impact Report examines how some carriers can assume some aspects of the traditional agent-policyholder relationship to create a more direct and stronger bond with policyholders through better policyholder engagement. The opportunities along a policyholder's journey are identified, as are the best practices needed to engender a higher likelihood of success of deepening policyholder engagement. This report is broadly relevant for any executive at a P&C insurance carrier but is specifically relevant for any executive who is tasked with increasing policyholder retention, is in charge of a functional area in which policyholder interactions are standard, or is in charge of managing relationships with agents.

## METHODOLOGY

This Impact Report is based on 35 interviews with executives at some of the leading P&C insurance carriers in the United States and executives from vendors based in the United States and Europe who offer solutions that can help carriers deepen policyholder engagement.

## THE MARKET

In addition to facing normal demands, such as maintaining acceptable loss ratios and appropriate capital reserves, P&C carriers are now facing a new set of policyholder-based demands (Table A). These new demands could be the catalyst to a major threat to carriers in that they could hasten the problem of decreased policyholder retention.

**Table A: The Market**

Market trends	Market implications
<b>Rise of alternative distribution options</b>	Policyholders have more tools at their disposal to make easy comparisons among carriers.
<b>Increased policyholder focus on experience versus price</b>	Carriers cannot simply rely on price to attract and retain policyholders.
<b>Slow P&amp;C growth</b>	If carriers can't grow organically, they have to figure out how to retain existing business.
<b>Increasing policyholder acquisition costs</b>	Carriers must figure out how to retain policyholders long enough to justify the acquisition costs. Additionally, because it is expensive to acquire new policyholders, some carriers will place more emphasis on policyholder retention.
<b>Increased carrier focus on policyholder retention</b>	Plenty of vendors have recognized the opportunity before them and have developed a wide range of offerings that can help carriers overcome many of the challenges that result from many of these market trends.

Source: Aite Group

### RISE OF ALTERNATIVE DISTRIBUTION OPTIONS

With an increase in distribution options beyond a traditional agent, policyholders are in a far better position to shop around for a new carrier than at any previous time. A policyholder might be compelled to switch carriers for a variety of reasons, but the mere presence of the ability to do so with far less friction is the overriding concern for carriers.

### INCREASED POLICYHOLDER FOCUS ON EXPERIENCE VERSUS PRICE

While policyholders may feel compelled to switch carriers for any number of reasons, one reason that is becoming more prevalent is policyholders' desire for a great experience with their carrier. This is a broad statement, as policyholders can have a wide range of experiences with their carriers across their policyholder journeys—at the point of exploration, the point of sale, the point of claim, etc. For some policyholders, a low-price advantage can be superseded by a poor

overall experience with a carrier. Thus, many policyholders are taking an increasingly hard look at their overall experience with their carrier and making decisions on a more holistic basis.

## **SLOW P&C GROWTH**

It's no secret that P&C is not growing as robustly as it has in the past. This is the case for many reasons, but the reasons are less consequential to carriers than is the outcome. The bottom line for carriers is that the impact of slower growth can be mitigated by increasing policyholder retention. If existing policyholders flee, then this exacerbates the impact of slower growth.

## **INCREASING POLICYHOLDER ACQUISITION COSTS**

Even though carriers are experiencing slower growth, the fact remains that regardless of the pace, growth will be expensive. So carriers absolutely have a strong interest in ensuring that the new policyholders they manage to acquire will remain policyholders for an extended period of time (or at least as long as it takes to break even, which, for some carriers, could be as long as eight years, depending on the policy). Rising acquisition costs thus put even more pressure on carriers to increase policyholder retention.

## **INCREASED CARRIER FOCUS ON POLICYHOLDER RETENTION**

With the swirl of the aforementioned trends, carriers are increasingly considering how to drive their policyholder retention rates higher. One tactic that can likely aid that effort is to deepen policyholder engagement. The theory goes something like this: The more engaged a policyholder is, the more likely the policyholder sees value in his or her relationship with the carrier, which in turn decreases the likelihood that the policyholder would switch carriers.

## WE USED TO PLAY FOR SILVER, NOW WE PLAY FOR LIFE

Without policyholders, P&C carriers would not exist. Admittedly, this is not a brilliant observation; however, if we were to examine how carriers have historically approached their relationships with policyholders, this observation would lead to a brilliant question: How have carriers managed to exist despite not engaging with their policyholders to any great extent?

The simple answer is that many carriers have relied upon agents (both captive and appointed) to manage policyholder interactions on their behalf. Agents are more than happy with this arrangement, as they believe that these interactions strengthen their relationship with their clients and lessen the likelihood of client defection to another agent. In turn, these agent-based carriers (referred to as AB carriers; when further distinction is needed, “ABC carriers” refers to carriers with captive agents, and “ABA carriers” refers to carriers with appointed agents) benefit from this arrangement because they are free to focus on what they believe to be their core competencies of underwriting and claims processing.

However, this answer does not apply to all of the P&C insurance market—the direct-to-consumer market, as represented by carriers such as Geico, Progressive, and USAA. Direct-to-consumer carriers (DC carriers) have an even greater incentive to engage with their policyholders, yet many struggle to do so. The primary source of these struggles is that DC carriers’ efforts to interact with policyholders have largely been consigned to call centers. Some DC carriers view their call centers as a reactive tool to answer policyholder questions as opposed to a proactive tool for better policyholder engagement. Beyond that obstacle, DC carriers believe that it is not easy to develop a strong relationship with policyholders due to their lack of a local face-to-face presence.

The challenges faced by both AB and DC carriers have been exacerbated by the emergence of several enabling factors that have led AB carriers to question whether current arrangements with agents will be workable or beneficial going forward and have led DC carriers to re-examine how they interact with policyholders. These enablers include the following:

- **Rise of alternative distribution options:** The rise of alternative distribution options in recent years has begun to make a mark by giving consumers the ability to self-direct through the sales process. More critically, the ability to use these alternative distribution options allows a relatively easy way to compare coverages and makes it easy for policyholders to switch carriers.
- **Increased focus on experience versus price:** While price is important and is a bearing point for consumers, it’s not everything. So many firms in other industries have gone out of their way to show consumers the value of their purchases to lessen the attention paid to price. The problem for insurance carriers is that policyholders really don’t get much beyond peace of mind since most policyholders will file a minimal number of claims on their P&C policies. For example, it is estimated that an individual who begins driving at 16 will make an average of three claims over the

course of his or her lifetime of driving.<sup>1</sup> As a result, some policyholders are focusing on their carrier experiences to create the value that justifies the price they pay for their policies.

- **Slow P&C growth:** Policy count and premium growth have both slowed for many carriers. This slow growth is mostly due to high saturation among those consumers who have a demonstrated a high need for insurance and low adoption rates by those consumers who have a low need for insurance. In other words, those who need insurance mostly have it, and those who do not have it are not necessarily in a hurry to get it. This lack of urgency for P&C insurance has several seeds, such as lower home ownership among younger adults, but of course varies for each person.
- **Increasing policyholder acquisition costs:** Bringing on new policyholders costs carriers—not only in marketing and advertising costs but also in substantial first-year commission costs. Because of these rising costs, many carriers estimate that in order to break even on a typical policy, the policy has to be in force for roughly seven years.

In a nutshell, the P&C insurance environment has changed and presents both opportunities and risks for carriers to consider. While these enablers appear to be wholly separate from one another, they are in fact closely intertwined. For example, because policyholders can switch carriers more easily as a result of more distribution options, they feel empowered to demand a better experience from their carriers. If carriers refuse to (or cannot) give policyholders what they want, they run the risk of having these policyholders leave and having to replace those policyholders in a slow-growth environment in which it is more expensive to acquire customers. And of course, carriers have not abandoned new policyholder acquisition, so they are doing everything they can to retain those new policyholders for whom they paid dearly to acquire.

One further change to the P&C insurance environment that has to be considered in light of these enablers is that shifts in other industries have created an altered set of consumer expectations among newly empowered consumers. Firms in other industries have helped to create consumer expectations of an immediate, transparent, frictionless (at least as much as possible), digital, 24/7, self-service purchase event. Moreover, if multiple products are owned, consumers want “one face” presented to them by their provider when interacting with that provider. To wit, consider these findings from a recent study:<sup>2</sup>

1. “How Often Are People Filing Insurance Claims and for How Much?,” Coverhound, September 28, 2015, accessed March 6, 2018, <https://coverhound.com/insurance-learning-center/how-often-are-people-filing-insurance-claims-and-for-how-much>.
2. Steven Davidson, Martin Harmer, and Anthony Marshall, “The New Age of Ecosystems: Redefining Partnering in an Ecosystem Environment,” IBM Institute for Business Value, July 2014, accessed February 2018, [http://www-01.ibm.com/common/ssi/cgi-bin/ssialias?subtype=XB&infotype=PM&appname=GBSE\\_GB\\_TI\\_USEN&htmlfid=GBE03617USEN&attachment=GBE03617USEN.PDF](http://www-01.ibm.com/common/ssi/cgi-bin/ssialias?subtype=XB&infotype=PM&appname=GBSE_GB_TI_USEN&htmlfid=GBE03617USEN&attachment=GBE03617USEN.PDF).

- Eighty-one percent of consumers demand improved response times.
- Seventy-six percent of consumers expect organizations to understand their individual needs.
- Sixty-eight percent of customers anticipate that organizations will harmonize consumer experiences.

As consumer acceptance of these attributes has grown across industries, consumers have grown more confident in their abilities to self-direct through both mundane and complex transactions, which has in turn empowered them. Consumers' exposure to this type of experience in other industries leads to the question of whether consumers want the same type of experience in insurance. If consumers who want this type of experience do not receive it, does the potential of them not working with (or abandoning) carriers that do not provide this experience increase? This presents a stark risk for many P&C carriers.

In general, a P&C insurance carrier has a limited number of opportunities to interact with a policyholder, so it is critical that P&C insurance carriers execute these transactions skillfully and with their policyholders in mind. The upshot of the changing P&C insurance environment is that policyholder retention has taken on a new level of importance to carriers as a way to defend against slow growth and high policyholder acquisition costs. Given all the changes noted above, it is easy to see why some carriers are openly contemplating how they can drive higher retention rates. Indeed, policyholder retention is no longer an afterthought for carriers, and for many carriers, it is a way to survive, not just to drive higher profits.

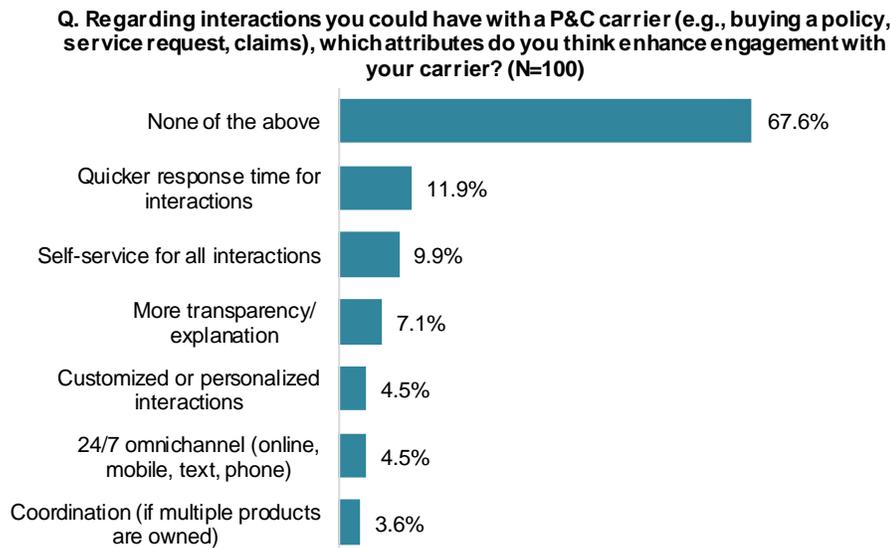
There are several approaches to drive higher policyholder retention, but one approach that carriers believe can accomplish this is providing policyholders with a great experience through better engagement. If carriers are serious about driving higher customer retention and believe that providing a great policyholder experience is a major contributor to better customer retention, it is important for carriers to understand where and when interactions that impact a policyholder's decision about remaining with a carrier occur. It is important to note that different policyholders have different ideas about what good engagement is. For some policyholders, fewer interactions are better; others need more handholding. More critically, carriers have to ask themselves if any actions they could take would deepen (or better) engagement with their policyholders.

A recent survey of 100 consumers in the United States yields some answers to that question. When presented with a palette of interaction attributes related to a P&C carrier, these consumers were asked which attributes, if any, they felt would deepen engagement with that P&C carrier (respondents could choose as many interactions as they wished). Unsurprisingly, the overwhelming answer is "none of the above," with 68% of respondents checking this box. This suggests that many consumers are not interested in deeper engagement with their P&C carriers, which can be for a variety of reasons.

However, nearly a third of respondents indicate that there is something a carrier can do to deepen engagement, and in an environment that allows little margin for error, the ability to deepen engagement with nearly a third of policyholders is fairly significant. Twelve percent of respondents cite quicker response time as something that could deepen engagement, and 10% cite self-service. To be certain, a carrier could address these needs in a variety of manners (which

will be explored in more depth later in this report), but these survey answers can help orient a carrier and help it become more centered on what consumers are looking for. Figure 1 contains the full set of responses from these 100 U.S. consumers.

**Figure 1: Potential Drivers of Policyholder Engagement With a P&C Carrier**



Source: Aite Group survey of 100 U.S. consumers, March 2018

No matter the level of intensity, it is important to note that carriers will have to determine what any changes might look like based on an understanding of their policyholders’ needs. This report will not do that; it will only point out the opportunities that carriers will likely have to engage their policyholders and the likely scope of these opportunities.

A hurdle for many carriers to overcome is that a lot of these interactions with policyholders have been managed by agents. Carriers have to strike the right balance between their need to strengthen bonds with policyholders and agents’ need to maintain relationships with these policyholders. In some instances, carriers might position their taking over a task as a way to free up capacity for an agent and allowing that agent to “work closer to the dollar.”

The bottom line is that given the shifts in the P&C insurance landscape, AB carriers have to explore the viability of assuming ownership of some of these interactions, and DC carriers have to figure out ways that they can deepen their value proposition for their policyholders.

## SO MANY ROADS, SO MANY ROADS

“Provide policyholders with a great experience through better customer engagement” is a pretty broad statement. Policyholders experience a wide range of interactions that can occur before and after an insurance policy is purchased. For AB carriers, the key is to determine which interactions are worth the effort to subsume from agents, which interactions should be shared with agents, and which interactions should be left for agents to execute. And of course, without having agents to serve as a buffer between policyholders, DC carriers have every incentive to deliver a world-class customer experience to their policyholders for these interactions. But first, the opportunities to deliver better experiences for these interactions need to be identified.

One tool that can be used to identify these opportunities is a journey map. A journey map is simply an overview of the interactions a policyholder might experience over the course of insurance policy ownership. The challenge of using a journey map is that it might oversimplify a policyholder’s journey. Certainly, not every policyholder follows the same steps (or has the same interactions), not every policyholder has the same experience at each interaction, and not every policyholder values each interaction equally. For these reasons, a policyholder journey map should be used only to orient a carrier and highlight opportunities to engage policyholders.

A typical policyholder journey consists of seven major steps, each with a unique set of interactions. Some steps’ interactions are so robust that they can be grouped into their own journey maps, such as with claims. The interactions contained within these steps are meant to show what needs to be done and not necessarily who needs to do them. It is possible for an agent or carrier to perform the tasks behind these interactions, and it is also possible for a policyholder to self-serve. Regardless, the first four steps are fairly common across all policyholders and include the following:

- **Search for insurance:** This step can vary from prospect to prospect. One prospect may begin researching insurance online and then engage with a traditional agent to fully flesh out what might be needed for coverage. Another prospect might simply bypass coverage options and just tell an agent what he or she wants. And yet another might not conduct a search and may rely solely on an agent to produce some coverage options.
- **Get quotes:** This is self-explanatory, but the method in which quotes are obtained and recommendations are received can differ from prospect to prospect. For the most part, however, unless a carrier is offering a direct-to-prospect quote, quotes are going to be received from a traditional agent, comparative website, or online agent.
- **Purchase policy:** Sometimes an agent (traditional or online) is involved, and sometimes an agent is not involved. But this is the point at which the product is effectively handed to the person purchasing it. Given the complexity of the product purchased, this step should involve a bit more ceremony, but in many instances, a policyholder is simply mailed a policy and a form letter welcoming that person to the insurance carrier.

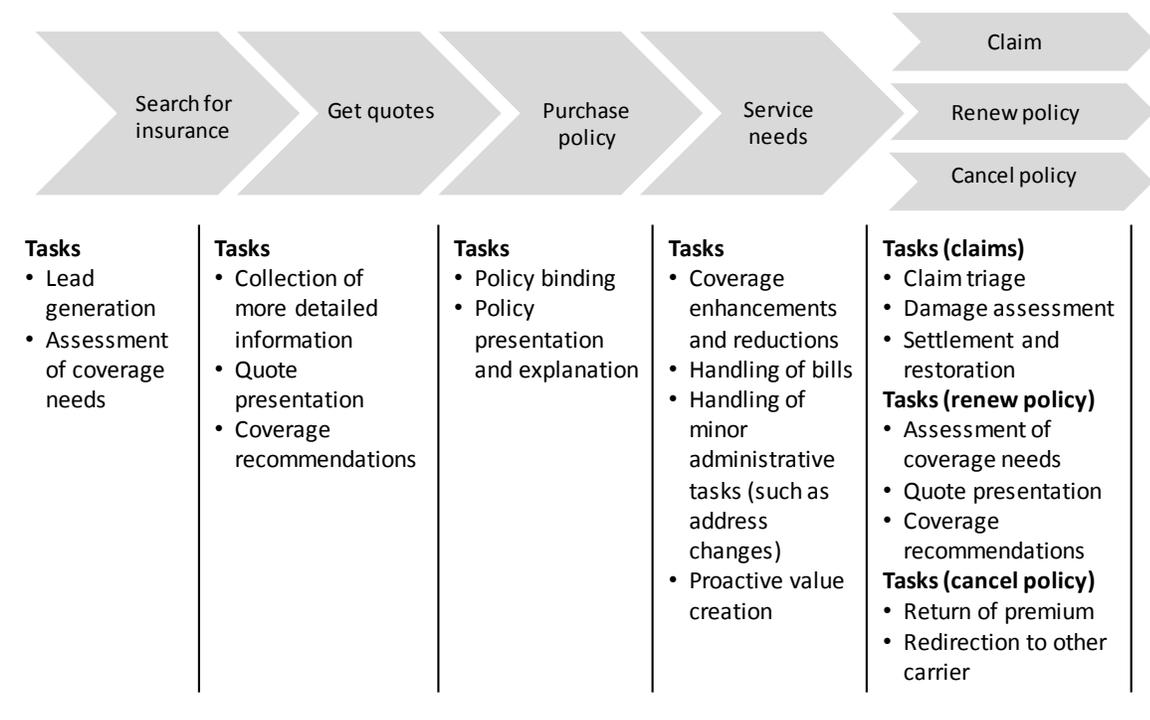
- **Service needs:** Once a policy is issued to a policyholder, that policyholder could have any number of needs to be addressed. These needs could range from the very simple, such as an address change (which could become more complex depending on the type of policy owned), or fairly complex, such as enhancing existing coverage.

The next three steps do not occur sequentially, which is why they are stacked up following the previous four steps. A policyholder may not make a claim on a policy, decide not to renew, and simply cancel the policy at renewal based on any number of factors. Or a policyholder may make a claim, have a horrible experience, and decide not to renew based on the experience. There are other possible paths, but the point has been illustrated—once a policy is issued, several journeys can be experienced by policyholders:

- **Claim:** As noted above, this step is so complex that it has its own journey map that begins with a first notice of loss (FNOL) and ends with a claim payout or denial. Many different interactions occur along this journey, but the important thing to note is that above all other steps, this is one step that carriers absolutely should pay attention to if they are serious about keeping policyholder retention levels elevated.
- **Renew:** The decision on the part of the policyholder to renew is different for each policyholder. For some policyholders, the tranquility of not having to give insurance a second thought by having their carrier out of sight and out of mind is enough to prompt a renewal. For others, a more high-touch experience that creates value in their minds is often the key.
- **Cancel:** The factors that hold for the decision to renew ultimately hold for the decision to cancel.

Figure 2 depicts a high-level customer journey map with sample tasks that could be performed either by a carrier or an agent over the course of a policyholder's journey.

**Figure 2: High-Level P&C Policyholder Journey Map and Sample Tasks**



Source: Aite Group

Certainly, the depiction above does not detail every possible task in each of the seven steps in a policyholder’s journey, but it does give a carrier a general idea of what a policyholder endures along that journey and what opportunities might be available for a carrier. Of course, there are degrees of what represents an opportunity for a carrier. For this reason, tasks will be assessed with the following criteria in mind:

- **Nonexistent:** No carrier has any chance to drive deeper engagement with policyholders. Carriers should not invest resources to drive engagement with this task.
- **Limited:** Carriers may have an opportunity to create deeper engagement with policyholders, but the task itself may be relatively minor compared to other tasks, or a carrier may simply be constrained. DC carriers should be cautious investing resources to drive engagement with this task. AB carriers should weigh the costs of assuming this task from agents and determine if they could do a better job than agents and whether that matters to policyholders.
- **Moderate:** Carriers certainly have an opportunity to create deeper engagement with policyholders, but the task itself may be less important than other tasks, or a carrier may simply be constrained. DC carriers should invest resources to drive engagement with this task but do so with an understanding that more critical tasks might need more attention. If AB carriers can do a better job than agents and assuming this task matters deeply to policyholders, then these carriers ought to seriously consider

investing resources and take on or share responsibility for that task when needed and when appropriate.

- **Expanded:** Carriers have a great opportunity to create deeper engagement with policyholders on a task that matters deeply to policyholders. If resources are present and available, both types of carriers should seriously consider deploying them toward task improvement. In the case of AB carriers, they should take over the task from agents when needed and when appropriate.

With these criteria in mind, the next section takes a closer look at some of the common tasks within each step and gauges whether each task represents an opportunity for a carrier to pursue deeper policyholder engagement. Please note that the tasks listed for each step below are not necessarily the only tasks performed within those steps, but they are the most critical, important, or widely performed. Further, the next section contains some illustrative examples of actions that carriers can take to enhance these tasks.

## SOMETIMES WE LIVE NO PARTICULAR WAY BUT OUR OWN

The policyholder journey is filled with many twists and turns and varies by policyholder. While it is not possible to imagine every path a policyholder might take, it is possible to detail how a typical journey might evolve and what tasks are performed along that journey. Moreover, the opportunity assessments that are provided for each type of carrier for each task should be considered directional and general. They are meant to represent the likelihood, not certainty, of a carrier being able to impact a particular task.

### SEARCH FOR INSURANCE

The following tasks have been identified as key tasks within this step on a policyholder's journey.

#### LEAD GENERATION

Any improvements in this task would be centered on initial information intake, lead qualification, and subsequent messaging. As prospects begin more insurance searches online, carriers can consider developing a better online data-collection process that drives a better understanding of what a prospect may be seeking. Lead qualification can help a carrier understand a prospect's purchase intent based on how a prospect interacts with an online mechanism and based on known data about the prospect. Having this information could help a carrier with messaging during this exploration process and could ensure that it points the prospect in the most appropriate direction. Messaging is critical at this stage in a policyholder's journey because not every lead converts immediately. Some leads need to be nurtured, and a good way to accomplish this is through timely and relevant messages to the prospect. Self-service and omnichannel (online, app, phone, etc.) opportunities are also present.

The opportunity for carriers to enhance engagement can be assessed as follows:

- **Limited for ABA carriers:** Unless an ABA carrier is looking to become a DC carrier (or at least expand its distribution options to include a DC option), having a better information intake, a better lead-qualification process, and a more robust messaging strategy would only soften the sales cycle for its agents and would not do much to strengthen its bond with prospects.
- **Moderate for ABC carriers:** ABC carriers can certainly arm their agency forces with better tools for information intake and lead qualification, but the best opportunity they might have is to nurture a lead with customized outreach on behalf of an agent. These efforts would strengthen the bond with a prospect on behalf of an agent, but a captive agent is effectively an extension of the carrier. Still, some agents might balk at this, which is why the opportunity is rated as moderate.
- **Expanded for DC carriers:** The incentive for DC carriers to provide an easier initial information intake process is greater than ABC carriers' incentive since DC carriers are responsible for nurturing a lead to conversion. So any steps taken to ease a prospect's process can only help the cause. The same goes for lead qualification; if a

DC carrier has a greater sense of a prospect's propensity to purchase insurance, it will increase the likelihood of conversion.

## ASSESSMENT OF COVERAGE NEEDS

Any improvements in this task would be centered on providing education and tools to help create a better understanding of insurance coverage needs. Many prospects simply guess at what level of coverage they might need without really gauging how comfortable they'd be with a higher level of exposure. For example, prospects who do not understand liability may not realize how exposed they are if someone gets injured on their property and may not select the appropriate level of insurance. In addition to education and tools, carriers can explore channels through which needs are addressed. For those policyholders who can self-direct through the sales process, an opportunity to deploy a mechanism that would mimic an agent is possible through chatbot technology.

The opportunities for carriers to enhance engagement can be assessed as follows:

- **Moderate for ABA carriers:** As is the case with lead generation, the benefit of any enhancement likely would fall on an agent. However, the opportunity here is assessed as moderate because as the providers of the actual product (i.e., the insurance policy), carriers are in a good position to provide solid guidance to prospects as far as what needs to be covered. Carriers can deploy any number of tools to lead a prospect through a discussion of coverage needs and be in a position to make a more sound recommendation. Still, this task will more often than not fall to agents because it's not clear if carriers can do a better job than agents.
- **Expanded for ABC carriers:** As noted for ABA carriers, a carrier is in a strong position to deploy tools that can help a prospect assess coverage needs. With ABC carriers, there is a greater chance that their captive agency force would be willing to incorporate these types of tools.
- **Expanded for DC carriers:** DC carriers have more of an incentive than AB carriers to provide tools that help prospects better assess their insurance needs. DC carriers have to nurture a lead to conversion, so it would be a solid opportunity to provide prospects with some sort of tool that would help them better assess what their coverage needs might be. Any tool would go beyond simply asking questions; it would leverage real-time information about the prospect to create as accurate an assessment as possible.

## GET QUOTES

The following tasks have been identified as key tasks within this step on a policyholder's journey.

## COLLECTION OF MORE DETAILED INFORMATION

Any improvements in this task would be centered on developing a better process to collect this information. This task may be blended into the tasks in the previous step, but regardless of where it sits, this is an important task, as the information gathered will be the foundation for

underwriting any policy. Where appropriate, this task could be enhanced with self-service capabilities, especially for DC carriers.

The opportunity for carriers to enhance engagement can be assessed as the following:

- **Limited for ABA carriers:** Simply put, unless an ABA carrier is looking to expand its distribution options to include direct-to-consumer, this task is best left to the agent to handle. The agent will likely have already engaged the prospect in a coverage option review, so it does not make sense for a carrier to inject itself at this point in the journey.
- **Moderate for ABC carriers:** ABC carriers may provide better tools to their captive agents that will make the process easier for them, but this would have a minimal direct impact on any prospect's journey. If ABC carriers coordinated with their agents and developed a self-service tool to collect this data and alleviate some of the agents' burden, this could have a moderate impact on prospect engagement.
- **Expanded for DC carriers:** This is rated as an expanded opportunity for DC carriers since it is so closely linked to the insurance needs assessment in the previous step. These carriers can develop an online tool that can pull in publicly available information about the asset being insured and create a faster, easier experience for the prospect.

#### QUOTE PRESENTATION

Any improvements in this task would be centered on providing education related to the quote to help a prospect better understand quotes. Self-service is an option with this task.

The opportunity for carriers to enhance engagement can be assessed as follows:

- **Limited for ABA carriers:** If an ABA carrier is presenting quotes, then it is not really an ABA carrier. Thus, if a carrier is an ABA carrier, the opportunity to enhance engagement is extremely limited. If an agent were to request any educational information relative to the quote, an ABA carrier may have a slight opportunity to inject itself into the mix, but this is thought of as a stretch. However, the fact that offering educational content is possible prevents this opportunity from being assessed as nonexistent.
- **Limited for ABC carriers:** A carrier of this stripe has a better chance of injecting itself into the journey here than does an ABA carrier. This is because of the tight alignment with its captives. However, presentation depends on the agent, and it's not clear that any material presented would be positioned as having come from the carrier.
- **Expanded for DC carriers:** Most DC carriers do not offer comparative options with other carriers, just comparative options between coverage levels. Still, this is an opportunity for a DC carrier to show "good, better, best" quotes to the prospect and to do so with clarity so the prospect has the information to make the best decision possible. These carriers can also design a tool that can present the quotes without human intervention and allow for a self-service option. Some DC carriers are also

willing to offer up other carriers' coverage options in the event that their coverage options are not suitable.

## COVERAGE RECOMMENDATIONS

Any improvements in this task would be centered on providing education related to the quote presented. While there is a self-service opportunity here, it is limited to DC carriers.

The opportunities for carriers to enhance engagement can be assessed as the following:

- **Limited for ABA carriers:** What holds true for quote presentation also holds true for making a recommendation. If an ABA carrier is making a recommendation, it's because it wants to offer a direct-to-consumer distribution option. With appointed agents, it is likely best left to the agents to make coverage recommendations.
- **Limited for ABC carriers:** Carriers can only aid agents, so their upside to enhancing engagement here is fairly limited.
- **Expanded for DC carriers:** This task is merely an extension of quote presentation. DC carriers have a strong opportunity to engage policyholders.

## PURCHASE POLICY

The following tasks have been identified as key tasks within this step on a policyholder's journey.

## POLICY BINDING

Any improvements in this task would be centered on providing a quicker policy-binding process. Much of the activity behind the scenes is made quicker generally through the expansion of data usage.

The opportunities for carriers to enhance engagement can be assessed as follows:

- **Moderate for ABA carriers:** Unless an agent is a program manager or a managing general agent, it does not typically bind policies. Thus, this task is squarely in the hands of a carrier. That said, while a quicker quote-to-bind process may enhance the purchase portion of a policyholder's journey, the process is fairly behind-the-scenes, so there is not much opportunity for engagement. This gets scored as moderate because agents have virtually nothing to do with this task and a carrier has some upside potential for delivering a faster quote-to-bind process.
- **Moderate for ABC carriers:** What holds true for ABA carriers holds true for ABC carriers.
- **Moderate for DC carriers:** What holds true for AB carriers holds true for DC carriers.

## POLICY PRESENTATION AND EXPLANATION

Any improvements in this task would be centered on offering different options to receive the policy, welcoming a policyholder by explaining the benefits of working with a carrier (beyond

coverage), improving the language in the policy to promote a better understanding of what the policy does and does not cover, and helping a policyholder to better understand how to navigate administrative tasks such as setting up automatic bill pay.

This task represents one of the biggest opportunities carriers (AB or DC) have with regard to engaging policyholders, because its scope could be expanded to address a major gap in the policyholder journey: how to successfully onboard a new policyholder.

Policyholders have received their policies through different methods over the years—in person from an agent or via mail from either an agent or a carrier. While these methods could work for some new policyholders, they have potential shortfalls. For starters, some people would prefer to be able to access their policies online without having a physical copy, regardless of how it was delivered. Then there are quality-control issues.

For example, continuity with in-person delivery is difficult to maintain from one agent to the next. The result could be that some policyholders receive more robust presentations than others, which could leave a sizable knowledge gap from one policyholder to the next. Not every agent is willing to go that extra mile or is equipped to do so. Mail is a more typical policy delivery method, but it does not usually come with a presentation or explanation, just a generic welcome letter.

A generic welcome letter represents another gap for carriers—an opportunity for carriers to make new policyholders not only feel welcome but also feel like they made the right decision to select a particular carrier. Carriers can incorporate any number of messages within the welcome letter to accomplish this.

Carriers have to realize that policyholders can receive their policies in a wide array of ways that go beyond the traditional format. One method is a personalized video that could onboard a new policyholder. Any video, for example, could be interactive and answer questions accordingly, showcase the coverage in a visual format, and offer advice about how to be mindful of danger to property.

As far as the insurance policies themselves, they are bathed in legalese and jargon. Most policyholders will not understand exactly what is contained within the policy, no matter how it is presented. Some agents might have the ability to break down the policy specifics into commonly understood language, but many have neither the ability nor the capacity to pull this off.

The opportunities for carriers to enhance engagement can be assessed as the following:

- **Expanded for ABA carriers:** For all of the reasons noted above, these carriers can work with their agencies to develop an action plan to assume or share many of these responsibilities.
- **Expanded for ABC carriers:** What holds true for ABA carriers also holds true for ABC carriers.
- **Expanded for DC carriers:** DC carriers should be more vigilant than AB carriers on this task, but all carriers have expanded opportunities to enhance engagement.

## SERVICE

The following tasks have been identified as key tasks within this step on a policyholder's journey.

### COVERAGE ENHANCEMENTS AND REDUCTIONS

Any improvements in this task would be similar to some of the tasks listed earlier on the journey map, namely assessing a prospect's insurance needs. The machinations would basically be the same except that the prospect would now be a policyholder. However, other improvements could include more frequent and clearer communications, as well as a tool that can help policyholders gauge their current coverage needs (which may lessen over time, such as an instance in which an older car might no longer need comprehensive coverage).

Coverage enhancements can involve an "upsell" on an existing policy or adding new coverage altogether (which would be considered a "cross-sell"), with the operative word being "sell." The selling process has been covered in this report, and many of the practices noted would simply be replicated. However, the important thing to note is that pitching a coverage enhancement is often easier when there is a higher level of trust between the policyholder and the "pitcher" (agent or carrier). Ideally, this level of trust will have been elevated in part by numerous interactions.

No matter the path taken, carriers can develop a self-service capability for policyholders to use when appropriate.

The opportunity for carriers to enhance engagement can be assessed as the following:

- **Moderate for ABA carriers:** Agents will likely want to retain this task, as it is "close to the dollar." That said, carriers can make the pitch easier by providing tools to the policyholders, such as coverage checkups that can be done at the convenience of the policyholder, and then directing policyholders to work with the carrier. While this task seems like it could be an expanded opportunity for these carriers, they have to tread lightly and consider how to proceed on an agent-by-agent basis.
- **Expanded for ABC carriers:** ABC carriers have an expanded opportunity to drive deeper engagement with policyholders than ABA carriers simply because of the greater synergy with their agents. These carriers can work in conjunction with the agents to coordinate an outreach campaign or provide a needs-assessment tool.

- **Expanded for DC carriers:** DC carriers have the greatest opportunity among these three types of carriers since they do not have agents managing this task. Thus, it is certainly within their best interest to provide their policyholders with appropriate tools and communications.

## HANDLING BILL PAYMENTS

Any improvements in this task would be centered on expanding payment options, providing an option for self-service, promoting clearer communication, and providing timely and relevant content.

Some agents are willing to pass premium payments along to carriers and are happy to do this on behalf of policyholders. However, this is a fairly routine task that has been ready-made for carriers to handle because most agents do not want to handle this. So any changes in this realm have been driven by carriers, including expanding frequency options and method-of-payment options. Even though carriers have moved beyond the basic check as a payment option to include credit cards and debit cards, carriers still have opportunities to expand payment options, including payment through a mobile wallet, an app, SMS messaging, or a virtual assistant platform such as Google Home, Apple HomePod, or Amazon Echo. The key is that customer preferences are so fragmented that carriers must do everything possible to accommodate consumer preferences (though accepting bitcoin at this point in time might be a bridge too far for insurance carriers).<sup>3</sup>

Another opportunity comes in the form of the bill itself. Most carriers have been able to develop a fairly streamlined, straightforward bill that lets a policyholder know how much is due, when the payment is due, and what the account balance is. This is not earth-moving. However, some carriers have not expanded bill delivery methods beyond mail or email, which could prove frustrating for clients that prefer a more easily accessible bill, such as one accessed through an app or a text link.

Bill payment reminders (whether the payment needs to be made or will be made as part of a recurring payment plan) are another opportunity for carriers to engage policyholders. These reminders don't have to just prompt a policyholder to pay the bill or just remind a policyholder that a payment is about to be made; they can contain information on any number of topics, including loss mitigation (such as offering safe driving tips or best practices for what to do with a house when going away on vacation) and ways to reduce a premium. While this certainly helps the carrier, it builds trust within the policyholder's mind. The one caveat to this approach is that with some policyholders, less is more, so carriers must be mindful to not overwhelm policyholders. More contacts between a carrier and its policyholders might not necessarily translate to higher engagement; it really is about the quality of the contact.

The opportunities for carriers to enhance engagement can be assessed as follows:

- **Expanded for ABA carriers:** Agents are likely not handling this task very often, and if they are, a strong case can be made as to why carriers should be handling it. The

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3. See Aite Group's report *P&C Insurance: How Consumers Pay Their Bills*, June 2017.

opportunity is really about carriers strengthening and enhancing any current operations around this task.

- **Expanded for ABC carriers:** What holds true for ABA carriers also holds true for ABC carriers.
- **Expanded for DC carriers:** DC carriers should be more vigilant than AB carriers on this task, but all carriers have expanded opportunities to enhance engagement.

### HANDLING MINOR ADMINISTRATIVE TASKS (SUCH AS ADDRESS CHANGES)

Any improvements in this task would be centered on providing an option for self-service and developing multiple channels of engagement.

While some agents may perform minor administrative tasks for their clients as a way to position themselves with their clients as value-added, the truth is that many agents are willing to offload many administrative tasks to carriers (which in turn may outsource tasks to third-party providers).<sup>4</sup> Carriers are willing to do this more as a way to curry favor with agents than as a way to engage policyholders. Many have set up service centers or, as noted here, outsourced this function to a shared service center. That said, the main benefit, besides having the task performed correctly, is offering a self-service option to those who want it and offering it through multiple channels (online, phone, app, etc.).

The opportunities for carriers to enhance engagement can be assessed as the following:

- **Moderate for ABA carriers:** These tasks are mundane; agents do not necessarily want to perform them, but policyholders need them done. At best, carriers can simply build trust and goodwill among policyholders by providing an ease of doing business, but this will not likely endear them to policyholders.
- **Moderate for ABC carriers:** What holds true for ABA carriers holds true for ABC carriers.
- **Moderate for DC carriers:** What holds true for AB carriers holds true for DC carriers.

### PROACTIVE VALUE CREATION

This task is different from the other tasks discussed in this report in that agents generally do not perform it, either because they can't or because the effort outweighs the benefit. Most tasks along a policyholder's journey are done in response to a request or an action taken by a policyholder. Proactive value creation is done without any prompting and can take on many forms.

Some of the effort in this realm is centered on risk mitigation. Carriers recognize that due diligence when underwriting a policy only goes so far and that it is worth trying to manage policyholders' post-issuance behavior through a variety of methods. The thrust of any effort would be centered on communicating (through various channels, of course) messages on any number of topics that would help shape better behavior and potentially reduce the chances of a

4. See Aite Group's report *The Rise of Third-Party Servicing for P&C Insurance Agencies*, May 2016.

loss. An example of this would be to instruct on what actions should be taken in the event of an imminent natural disaster. Policyholders would likely view this as valuable information, whereas carriers are simply trying to avoid or limit losses.

Another option available to carriers is a smart device that can alert a policyholder of an imminent issue, such as a water leak. While these devices have been around for a while, deployment of these devices was not catching on, mostly because it required policyholder investment. However, some carriers have realized that providing these types of devices to their policyholders reaps mutual benefits as well. Policyholders feel like they are getting something of value that could minimize damage and that their carriers care about them—and of course carriers benefit from having policyholders who feel that they are getting something of value from their carriers, as well as from having better-informed policyholders who can take action if needed to minimize damage and losses.

Carriers can also offer their policyholders other valuable information that has nothing to do with risk mitigation. While many carriers have apps, not all of them have the capability of delivering useful information to a policyholder, such as where a car is in a mall parking lot, what is causing a car's "check engine" light to go on, or whether a parked car needs to be moved due to something such as street cleaning.

And then a sort of a "holy grail" of delivering an experience that could deepen engagement—proactively reaching out to a customer if an event happens. The best way to illustrate this would be a car accident. A carrier can be alerted to a policyholder's accident via telematics and can initiate action right at that moment. This could involve simple outreach, or it could be more complex with a near-immediate assessment of damage or a call to 911 to send an ambulance to the accident location. No matter how deep a carrier decides it wants to go, it has a tremendous opportunity to create deeper engagement with its policyholders at this point on the journey.

The opportunities for carriers to enhance engagement can be assessed as follows:

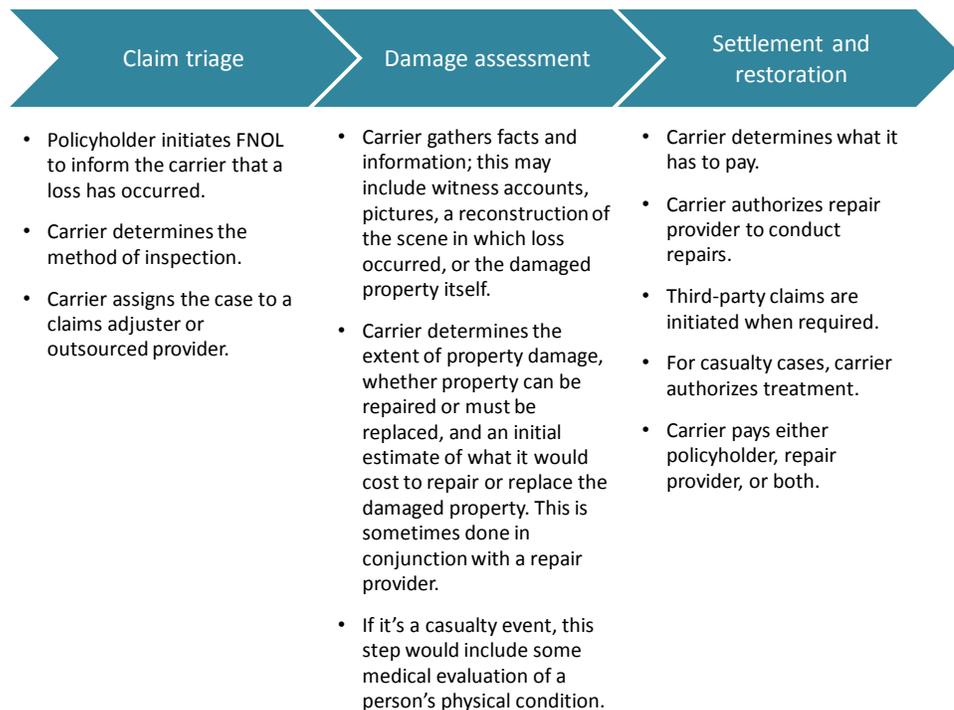
- **Expanded for ABA carriers:** The case for any carrier to perform this task has been laid out above. The opportunity is very present for ABA carriers.
- **Expanded for ABC carriers:** What holds true for ABA carriers holds true for ABC carriers.
- **Expanded for DC carriers:** What holds true for AB carriers also holds true for DC carriers.

## CLAIMS

As noted earlier, the claims portion of the policyholder journey is complex enough that it deserves its own journey map. Each key task has its own group of subtasks. The difference in discussing these tasks versus discussing tasks in other steps along the customer journey is that tasks in the claims step are less about engaging policyholders and more about enhancing policyholder experiences. Indeed, if a policyholder has suffered a loss, it’s not a stretch to say that the person is pretty engaged. The key thing that carriers must remember is that they are fulfilling the promise made to the policyholder when the policy was purchased. Policyholders who have suffered a loss are simply looking to be made as whole as possible as quickly as possible. In essence, this is a carrier’s moment of truth. So it is critical that carriers get the tasks along the claims journey right.<sup>5</sup>

However, if carriers do not deliver well on the various tasks across the claims journey when claims are made by policyholders, those carriers run the risk of losing those policyholders. Moreover, most of these tasks are not in agents’ hands. So any improvements suggested are directed at carriers enhancing their own current practices to improve their policyholders’ experience as opposed to determining which tasks can be assumed from agents or which tasks can drive deeper engagement. A high-level claims journey map is shown in Figure 3.

**Figure 3: Claims Journey Map**



Source: Aite Group

5. See Aite Group’s report *Enhancing P&C Carriers’ Moment of Truth Through Innovation in Claims*, March 2017.

## CLAIMS TRIAGE

Any improvements in this task would focus on developing a more efficient triage process so as to expedite a claim. This might include efforts at building a self-service capability, being more transparent, and enhancing communication.

Many carriers acknowledge that failure to perform well on this task can potentially derail the claims journey, creating a negative experience for the claimant and increasing the likelihood of that claimant switching carriers.

The opportunity for carriers to enhance a policyholder's experience can be assessed as the following:

- **Expanded for ABA carriers:** An improperly assigned claim can cost the carrier more money than needed and can cost the policyholder more time than needed. Carriers that do not have sound claims triage processes have a great opportunity to develop them, which might entail a self-service option. Depending upon the policyholder, a chatbot option could be a possibility. More critically, carriers can set expectations for a claimant about what will happen once the FNOL is taken through increased transparency and better communication. Some agents might help with FNOL, but this task is really a carrier's show.
- **Expanded for ABC carriers:** What holds true for ABA carriers holds true for ABC carriers.
- **Expanded for DC carriers:** What holds true for AB carriers also holds true for DC carriers.

## DAMAGE ASSESSMENT

Any improvements in this task would focus on developing a more efficient damage assessment process so as to expedite a claim. This might include efforts at building a self-service capability, being more transparent, and enhancing communication. And of course, it always helps a carrier to be able to estimate the damage with as much accuracy as possible.

Gathering facts, data, and information to assess damage has never been easy for resource-constrained carriers. Claimants often wait days until after they submit a FNOL to their carriers to have their damaged asset assessed, so there is considerable room for improving a policyholder's experience by expediting this task. Because so many policyholders have smartphones, the ability is in their hands to self-direct (or be directed remotely) through a damage assessment.

The opportunities for carriers to enhance a policyholder's experience can be assessed as follows:

- **Expanded for ABA carriers:** Agents don't perform damage assessment, so the ball is in the carriers' court for this task.
- **Expanded for ABC carriers:** What holds true for ABA carriers holds true for ABC carriers.
- **Expanded for DC carriers:** What holds true for AB carriers holds true for DC carriers.

## SETTLEMENT AND RESTORATION

Any improvements in this task would focus on developing a more efficient process so as to expedite a claim. The execution of this process is really built on the shoulders of the other two high-level tasks that get completed along a claim journey. Once those two tasks are successfully completed, carriers basically pay or do not pay. Thus, the primary improvement here would be to get claimants paid quickly. But for many policyholders, a claim payout that is less than transparent can be perceived as unsatisfying, so an improvement would be for carriers to be able to explain and justify any claims decision with facts and data. Additionally, the repair process can still get held up by miscommunication, so it is imperative that carriers are able to have an open line of communication with both the repair provider and the claimant. Finally, the actual payout can be done through means other than mailing a check to a claimant.

The opportunity for carriers to enhance a policyholder's experience can be assessed as follows:

- **Expanded for ABA carriers:** Agents don't perform this task, as carriers make the call on any claims decisions. For the reasons noted above, carriers have plenty of opportunity to improve policyholders' experiences with this final portion of the claim journey.
- **Expanded for ABC carriers:** What holds true for ABA carriers holds true for ABC carriers.
- **Expanded for DC carriers:** What holds true for AB carriers holds true for DC carriers.

## RENEW POLICY

The following tasks have been identified as key tasks within this step on a policyholder's journey.

### ASSESSMENT OF COVERAGE NEEDS

Any improvements in this task would be centered on providing education and tools to help create a better understanding of insurance-coverage needs. The evaluation here is the same as it is for the similar step that occurs when the policyholder is merely a prospect. As is the case with the earlier iteration of this task, any self-service option is certainly a possibility.

The opportunities for carriers to enhance engagement can be assessed as the following:

- **Moderate for ABA carriers:** As was the case earlier, this opportunity is assessed as moderate because, as the providers of the actual product (i.e., the insurance policy), carriers are in a good position to provide solid guidance to prospects as far as what needs to be covered. Carriers can deploy any number of tools to lead a prospect through a discussion of coverage needs and be in a position to make a more sound recommendation. Still, this task will more often than not fall to agents because it's not clear if carriers can do a better job than agents.
- **Expanded for ABC carriers:** As noted for ABA carriers, a carrier is in a strong position to deploy tools that can help a policyholder assess coverage needs if that

policyholder's situation has changed. With ABC carriers, there is a greater chance that their captive agency force would be willing to incorporate these types of tools.

- **Expanded for DC carriers:** DC carriers have more of an incentive to provide tools that help prospects better assess their insurance needs than do AB carriers. DC carriers have to nurture a lead to conversion, so it would be a solid opportunity to provide prospects with some sort of tool that would help them better assess what their coverage needs might be. Any tool would go beyond simply asking questions; it would leverage real-time information and data about the prospect to create as accurate an assessment as possible.

## QUOTE PRESENTATION

What was stated earlier regarding presenting an initial quote holds true for presenting a renewal quote. Any improvements in this task would be centered on providing education related to the quote to help a prospect better understand quotes. Self-service is an option with this task.

The opportunities for carriers to enhance engagement can be assessed as follows:

- **Limited for ABA carriers:** If an ABA carrier is presenting quotes, then it is not really an ABA carrier. Thus, if a carrier is an ABA carrier, the opportunity to enhance engagement is extremely limited. If an agent were to request any educational information relative to the quote, an ABA carrier might have a slight opportunity to inject itself into the mix, but this is thought of as a stretch. However, the fact that offering educational content is possible prevents this opportunity from being assessed as nonexistent.
- **Limited for ABC carriers:** A carrier of this stripe has a better chance of injecting itself into the journey here than does an ABA carrier. This is because of the tight alignment with its captives. However, presentation depends on the agent, and it's not clear that any material presented would be positioned as having come from the carrier.
- **Expanded for DC carriers:** Most DC carriers do not offer comparative options with other carriers, just comparative options between coverage levels. Still, this is an opportunity for a DC carrier to show "good, better, best" quotes to the prospect and to do so with clarity so the prospect has the information to make the best decision possible. These carriers can also design a tool that can present the quotes without human intervention and allow for a self-service option. Some DC carriers are also willing to offer up other carriers' coverage options in the event that their coverage options are not suitable.

## COVERAGE RECOMMENDATIONS

Any improvements in this task would be centered on providing education related to the quote presented. While there is a self-service opportunity here, it is limited to DC carriers.

The opportunity for carriers to enhance engagement can be assessed as the following:

- **Limited for ABA carriers:** What holds true for quote presentation also holds true for making a coverage recommendation. If an ABA carrier is making a recommendation, it's because it wants to offer a direct-to-consumer distribution option. With appointed agents, it is likely best left to the agents to make coverage recommendations.
- **Limited for ABC carriers:** ABC carriers can only aid agents, so their upside to enhancing engagement here is fairly limited.
- **Expanded for DC carriers:** This task is merely an extension of quote presentation. DC carriers have a strong opportunity to engage policyholders.

## CANCEL POLICY

The following tasks have been identified as key tasks within this step on a policyholder's journey.

### RETURN OF PREMIUM

Any improvements in this task would be centered on self-service, gaining an understanding of why the policy is being canceled, and expediting the payout.

For any carrier faced with having to return a premium because of a mid-term cancellation, the battle to engage that policyholder likely has been lost. Still, there is an opportunity to foster some goodwill with soon-to-be ex-policyholders by providing options for having their premiums refunded.

The opportunities for carriers to enhance engagement can be assessed as follows:

- **Limited for ABA carriers:** Even though agents rarely get involved in the return of premiums, carriers will not likely gain much traction with the policyholder who is canceling the policy. However, carriers can build some goodwill in the event that the policyholder is willing to return at some future point.
- **Limited for ABC carriers:** What holds true for ABA carriers holds true for ABC carriers.
- **Limited for DC carriers:** DC carriers are in the same boat as AB carriers with regard to this task.

### REDIRECTION TO OTHER CARRIER

Any improvement in this task would be centered on providing education. When policyholders cancel their policies, their carriers are not likely going to refer business to another carrier; that will largely be the purview of the agents. In the case of a direct carrier that offers price-comparison tools that show other carriers' policies, this could be another opportunity to build goodwill. Beyond the chance of building goodwill, there is virtually no reason for carriers to do much in this space, as the business is walking out the proverbial door.

The opportunity for carriers to enhance engagement can be assessed as follows:

- **Nonexistent for ABA carriers:** Agents are left to remediate the fallout from a policy cancelation.
- **Nonexistent for ABC carriers:** What holds true for ABA carriers holds even more true for ABC carriers since their agents are essentially beholden to them.
- **Limited for DC carriers:** This is a very limited opportunity for DC carriers.

Certainly, this is a lot of information to digest, so let’s try to boil it down. Table B summarizes the opportunity assessments for each type of carrier for each high-level task performed at each step of the policyholder journey.

**Table B: Table Summary of Each Task**

Policyholder journey map step	Step task performed by agent and/or carrier	ABA opportunity	ABC opportunity	DC opportunity
<b>Search for insurance</b>	Lead generation	○	◐	●
	Assessment of coverage needs	◐	●	●
<b>Get quotes</b>	Collection of more detailed information	○	◐	●
	Quote presentation	○	○	●
	Coverage recommendations	○	○	●
<b>Purchase policy</b>	Policy binding	◐	◐	◐
	Policy presentation and explanation	●	●	●
<b>Service</b>	Coverage enhancements and reductions	◐	●	●
	Handling of bills	●	●	●
	Handling of minor administrative tasks	◐	◐	◐
	Proactive value creation	●	●	●
<b>Claims</b>	Claim triage	●	●	●
	Damage assessment	●	●	●
	Settlement and restoration	●	●	●
<b>Renew policy</b>	Assessment of coverage needs	◐	●	●

Policyholder journey map step	Step task performed by agent and/or carrier	ABA opportunity	ABC opportunity	DC opportunity
Cancel policy	Quote presentation	○	○	●
	Coverage recommendations	○	○	●
	Return of premium	○	○	○
	Redirection to other carrier	N/A	N/A	○

Source: Aite Group

● = Expanded opportunity, ◐ = Moderate opportunity, ○ = Limited opportunity

Throughout the above discussion of carriers’ engagement opportunities, 13 specific actions that carriers could take within their tasks to engage policyholders were identified at a high level. A broader explanation of these actions follows:

- **Build a better data-collection process.** This action could involve a better collection tool or a different collection tool. It could also involve personalization or streamlining of the process as well as a range of channels through which data collection is deployed.
- **Craft better messaging.** This action involves a more personalized, more relevant message designed for the prospect or policyholder. In some instances, better messaging could be driven by having more data about the prospect or policyholder. This action also entails communicating in a more transparent manner.
- **Deliver timely and relevant information.** This action entails telling a policyholder things such as why their car’s “check engine” light is on or that a car parked on a city street might need to be moved. This information can be delivered in many forms, including email, text, or app alerts.
- **Develop a coverage-assessment tool.** Carriers can create an online tool that can help a policyholder assess his or her needs. Many carriers develop this tool in-house and use internal data to feed the tool. However, in order to personalize an assessment of coverage, carriers can employ a better data-collection and synthesis process to enable a more accurate quote.
- **Deploy an omnichannel experience.** No matter what task is being performed, it likely needs to transcend channels and also likely needs to be seamless (i.e., start on one channel and finish on another if needed).
- **Deploy risk mitigation tactics.** This can be as simple as instructing policyholders on how to avoid damage from an impending natural disaster or providing suggestions to help keep guests safe at an outdoor party. Alternatively, more complex tactics could involve a carrier giving policyholders devices such as water leak detectors that can help minimize damage and resulting claim payouts.

- **Expand efficiency.** This may entail creating a self-service option or streamlining existing processes to better manage workflow. Transparency is a major component of expanding efficiency since transparency leads to less confusion, which leads to a quicker, more efficient workflow.
- **Expand payment options.** This is self-evident—carriers can go beyond mere check payments.
- **Expand usage of data.** Simply leveraging any number of data vendors’ data (about prospects, policyholders, location, etc.) to create deeper engagement through other actions (lead generation, messaging, etc.).
- **Make language more clear.** This entails breaking down insurance language in a way that most people can understand; in some instances, visuals can accompany or even replace words.
- **Provide personalized video tutorials.** Carriers can customize or standardize information for policyholders when onboarding occurs or for other post-issuance activities.
- **Provide, manage, and deliver content.** This action is heavily focused on the processing and assembly of messaging and allows for customization of communication at many different levels.
- **Qualify leads.** Using data to determine purchase likelihood or purchase intent can help a carrier shape messaging and increase chances of lead conversion.

Since so many of these actions fall across multiple tasks, Table C summarizes which actions could impact each of the tasks within each step of the policyholder journey.

**Table C: Carrier Action Impact Summary**

Policyholder journey map step	Step task performed by agent and/or carrier	Summary of actions that could be taken by a carrier
<b>Search for insurance</b>	Lead generation	Build a better data-collection process, craft better messaging, deploy an omnichannel experience, expand efficiency, qualify leads
	Assessment of coverage needs	Develop a coverage-assessment tool; deploy an omnichannel experience; provide, manage, and deliver content
<b>Get quotes</b>	Collection of more detailed information	Build a better data-collection process, expand efficiency
	Quote presentation	Provide, manage, and deliver content
	Coverage recommendations	Provide, manage, and deliver content
<b>Purchase policy</b>	Policy binding	Expand usage of data

Policyholder journey map step	Step task performed by agent and/or carrier	Summary of actions that could be taken by a carrier
	Policy presentation and explanation	Expand efficiency; make language more clear; provide personalized video tutorials; provide, manage, and deliver content
<b>Service</b>	Coverage enhancements and reductions	Develop a coverage-assessment tool; deploy an omnichannel experience; provide, manage, and deliver content
	Handling of bills	Expand payment options; expand efficiency; provide, manage, and deliver content
	Handling of minor administrative tasks	Deploy an omnichannel experience, expand efficiency
	Proactive value creation	Deploy risk mitigation techniques, deliver timely and relevant information
<b>Claims</b>	Claim triage	Craft better messaging, expand efficiency
	Damage assessment	Craft better messaging, expand efficiency
	Settlement and restoration	Craft better messaging, expand efficiency, expand payment options
<b>Renew policy</b>	Assessment of coverage needs	Develop a coverage-assessment tool; deploy an omnichannel experience; provide, manage, and deliver content
	Quote presentation	Provide, manage, and deliver content
	Coverage recommendations	Provide, manage, and deliver content
<b>Cancel policy</b>	Return of premium	Expand efficiency, expand payment options
	Redirection to other carrier	Provide, manage, and deliver content

Source: Aite Group

In some instances, these actions could be linked to one another. For example, crafting a better message can be informed from data gleaned from expanded usage of data. While any carrier considering deeper engagement with policyholders can perform these actions in isolation from one another, carriers should consider whether any actions can be linked and to what degree they should be linked. Table D offers an assessment of which actions have a greater or lesser likelihood of intertwining with one another (note that the top row uses the first letter of each descriptive word for each action for space purposes, so “craft better messaging” down the first column becomes “CBM” along the top row).

However, any carrier has to consider actions on its own merit, and this assessment should be considered directional and not an absolute declaration of whether actions can be linked. If actions are believed to have a weaker link, this does not mean that linking them is impossible, nor should it be assumed that if a stronger link exists between two actions, it will be easy to link them.

**Table D: Potential Carrier Action Linkages**

Carrier actions	BBDP	CBM	DTARI	DCAT	DOCE	DRMT	EE	EPO	EUOD	MLMC	PPVT	PMADC	QL
Build better data-collection process	-	●	○	●	●	○	●	○	●	○	●	○	●
Craft better messaging	●	-	●	○	●	●	○	○	●	●	●	●	○
Deliver timely and relevant information	○	●	-	○	●	●	○	○	●	●	●	●	○
Develop coverage-assessment tool	●	○	○	-	●	○	●	○	●	●	●	○	●
Deploy omnichannel experience	●	●	●	●	-	●	●	○	●	○	●	●	○
Deploy risk mitigation tactics	○	●	●	○	●	-	○	○	●	●	●	●	○
Expand efficiency	●	○	○	●	●	○	-	●	●	●	●	●	●
Expand payment options	○	○	○	○	○	○	●	-	○	○	○	○	○
Expand usage of data	●	●	●	●	●	●	●	○	-	●	●	●	●
Make language more clear	○	●	●	●	○	●	●	○	●	-	○	●	○
Provide personalized video tutorials	●	●	●	●	●	●	●	○	●	○	-	○	○

Carrier actions	BBDCP	CBM	DTARI	DCAT	DOCE	DRMT	EE	EPO	EUOD	MLMC	PPVT	PMADC	QL
Provide, manage, and deliver content	○	●	●	○	●	●	●	○	●	●	○	-	○
Qualify leads	●	○	○	●	●	○	●	○	●	○	○	○	-

Source: Aite Group

● = Stronger possibility of link between actions, ○ = Weaker possibility of link between actions

Finally, it is important to get a sense of what vendors might be able to help carriers build and deploy these actions. Table E contains a sampling of these vendors. For the purposes of clarity, vendors are aligned to the actions for which they would have a primary and direct impact as opposed to an ancillary or indirect impact (for which many vendors can make a compelling case).

**Table E: Vendor Capability for Driving Policyholder Engagement**

Carrier actions	BBDCP	CBM	DTARI	DCAT	DOCE	DRMT	EE	EPO	EUOD	MLMC	PPVT	PMADC	QL
ACD							✓						
Automatic			✓			✓							
Avaamo	✓				✓		✓						
CCC			✓		✓		✓		✓				
Cincom		✓										✓	
Citizen											✓		
ContentSquare		✓			✓		✓						
Conversica	✓				✓		✓						
CoreLogic				✓					✓				
Ecrion		✓					✓			✓		✓	
GhostDraft		✓					✓			✓		✓	
HyperScience							✓						
Ingo Money							✓	✓					
Intellect Sec				✓					✓				
Jornaya	✓						✓						✓
Kofax					✓		✓						

by Pitney Bowes

Carrier actions	BBDP	CBM	DTARI	DCAT	DOCE	DRMT	EE	EPO	EUOD	MLMC	PPVT	PMADC	QL
LexisNexis Risk Solutions							✓		✓				✓
Medallia		✓					✓		✓				
Messagepoint		✓					✓			✓		✓	
Mitchell							✓						
Pitney Bowes	✓	✓		✓	✓	✓	✓		✓		✓	✓	
ProNavigator	✓				✓		✓						
Reply.ai	✓				✓		✓						
RightIndem							✓						
Roost			✓			✓							
Snapshot							✓						
Solera							✓						
Splice		✓								✓		✓	
Surfly							✓				✓		
Top Down		✓								✓		✓	
UpdatePromise							✓						

Source: Aite Group

Having a bit more knowledge about each of these vendors would be helpful, so the next section contains profiles of each of the vendors listed in Table E.

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## PITNEY BOWES PROFILE

This section provides profiles of select vendors that can help drive deeper policyholder engagement.

### PITNEY BOWES

Pitney Bowes is a Stamford, Connecticut-based technology company that was founded in 1920 to drive commerce by providing firms with postage meters and shipping equipment. Since its founding, Pitney Bowes has greatly expanded its focus and today positions itself as a data-focused technology firm that is still committed to driving commerce, albeit with solutions that cross the physical-digital divide. Pitney Bowes is publicly traded on the New York Stock Exchange.

Pitney Bowes has a wide range of products and services that insurance carriers can leverage to deepen policyholder engagement. It mixes and matches software solutions from four business units: Customer Information Management (CIM), Customer Engagement Solutions (CES), Location Intelligence (LI), and Data, which underlies all its offerings. Pitney Bowes' ability to produce data, such as locational data and infrastructure, can help carriers underwrite policies and deliver a more accurate policy price to policyholders. But the way Pitney Bowes helps carriers deepen engagement with policyholders is through its Single Customer View solution, which is built around capabilities in its Spectrum Technology Platform. Single Customer View gives carriers a 360-degree view of their policyholders by linking complete profiles, transactions, onboarding documents, and related images. Pitney Bowes believes that this solution can help reduce, or even eliminate, the frustration policyholders experience when one area at a carrier is not fully connected to other areas. Pitney Bowes contends that people who own multiple policies with a carrier do not care if there are silos within a carrier and that they expect a carrier to be able to present one face to them.

Beyond presenting one face to the policyholder, Single Customer View enables carriers to draw out a better understanding of each policyholder to make a cross-sell or upsell pitch easier. Spectrum serves as the data engine, but it does much more. As would be expected, it provides powerful data and analytic tools to help gain useful insights that can be used for all types of reasons along a policyholder's journey, not just to cross-sell or upsell. Spectrum is able to combine real-time predictive customer analytics with multichannel customer communication platforms to orchestrate all communications in the customer journey, including at the point of acquisition and subsequent onboarding. Further differentiating Pitney Bowes, the Spectrum platform provides add-ons and hooks to geospatial capabilities for understanding customers in the context of their location.

Pitney Bowes also offers insurers a number of solutions for engaging with policyholders more effectively. Most notably, its EngageOne Video solution is designed to let carriers deploy interactive and personalized video for policyholders for reasons such as explaining insurance coverage. Customers learn more easily through a video explanation as opposed to a written, verbal explanation. EngageOne Video allows a user to customize what is seen based on choices selected over the course of viewing the video. More critically, this allows a video to be shown that is more relevant based on an individual policyholder's policy instead of viewing a general

video about insurance policies. Another solution, EngageOne Converse, provides intelligent self-service through guided chatbot conversations. Pitney Bowes contends that a carrier's ability to communicate with its policyholders will be critical to its ability to retain them.

Pitney Bowes has built upon its mailing foundation, leveraging its deep expertise in address management to develop capabilities in Customer Information Management, Location Intelligence, and Data to help carriers with their policyholder engagement—from back-end data requirements to the front-end customer experience.

## OUR TAKE

Pitney Bowes is clearly a different company than it was even a few years ago. Its realization that it possesses data that could be of use to carriers was a very good move, especially since mail delivery has been declining with the rise of email and text. Pitney Bowes has developed some innovative offerings that can help carriers more clearly communicate with their policyholders and have a greater chance of deepening their engagement. Chatbots and interactive videos are unique enough, but Pitney Bowes' strength lies within its data repository. This is where Pitney Bowes should continue to focus the bulk of its energy, as it will be able to feed the more ancillary solutions within its solutions portfolio. Carriers can use Pitney Bowes to build a better data-collection process; craft better messaging; develop a coverage-assessment tool; deploy an omnichannel experience; deploy risk-mitigation tactics; expand efficiency; expand usage of data, make language more clear; provide personalized video tutorials; and provide, manage, and deliver content.

## THERE IS NO ROAD, NO SIMPLE HIGHWAY

No matter what path carriers choose to drive deeper engagement with their policyholders, chances are that the path will be a path not yet heavily trodden. For this reason, carriers should approach any new efforts (or renewed efforts, if a lackluster effort was in place) with six key actions in mind. Some of these actions are more macro in nature and should be in place before any of the more micro actions. The more macro actions include the following:

- **Develop a strong culture.** It's not enough for senior leadership at an insurance carrier to buy into the notion of policyholder engagement. These leaders need to create a culture in which those who are responsible for executing policyholder engagement initiatives have accountability. Creating a strong culture means doing a few key activities, including effectively communicating the desire to drive deeper policyholder engagement, requiring frequent initiative updates, and establishing engagement-related performance benchmarks for these initiatives.
- **Create a cohesive, marathon mentality among those who execute.** Engagement does not happen overnight. For example, simply creating an app will not automatically engage policyholders on its own. A broader application must be doing one thing in isolation. Engagement management is a discipline, and as such, it needs to be thought of as an ongoing process across the entire organization, not just a one-time event in one part of the organization.
- **Define what level of policyholder engagement is possible for a carrier to deliver.** Dovetailing with the creation of a strong culture and employee mentality is developing an understanding of what is or is not possible in terms of policyholder engagement. Some carriers are at different levels of readiness when it comes to deploying engagement initiatives. If resources are not available, whether they are monetary or staff, carriers must be realistic about what type of policyholder engagement effort can be rolled out. Once a carrier has established what it can do, it can then prioritize initiatives accordingly.

In addition to the macro actions, these micro actions should also be executed:

- **Become policyholder obsessed.** This action is really the linchpin for any policyholder engagement effort. Becoming policyholder obsessed simply means that a carrier develops a deep understanding of its customers and continuously goes out of its way to delight its customers along their journey. Sometimes this means anticipating what policyholders require along their journey. Getting to that level of understanding often entails developing policyholder personas. Policyholder personas are tools that carriers (and any other firm) can use to gauge the appropriate time to engage policyholders and how to engage them (multichannel, "one face" across products), and the personas can help guide messaging. Of course, using policyholder personas will not account for every policyholder, but they can guide the conversation to address many policyholder needs.

- **Use data effectively.** With so much data available to carriers, they would be foolish to not use it. The key for carriers is to harness the data available to them and use it to generate meaningful insights about their policyholders and their journeys. This action helps carriers become policyholder obsessed.
- **Measure outcomes vigilantly.** Any new initiative or new way of doing things is going to come under scrutiny for most carriers. Thus, being able to present evidence that traction is happening is critical. Fortunately for carriers, plenty of metrics can serve as indicators of success, the most critical of which is retention. Of course, this might not be so apparent in the first few years of a new initiative, especially if interactions are limited. For that reason, net promoter score can serve as a valid proxy for carriers to use to highlight successes or shortfalls.

Once a plan is developed, a broader question has to be asked: How do these actions impact agents? This is not an easy question to answer. Obviously, for DC carriers, this question is moot. For carriers with a captive agency force, any engagement efforts can likely be implemented a bit more easily given the nature of the relationship and given that any task assumption can be positioned as trying to help agents increase their bandwidth to engage in other activities. Still, AB carriers should approach this by positioning any task assumption on their part as trying to accommodate as broad a range of policyholder preferences as possible. Moreover, these carriers ought to explain that policyholders can make the choice to continue working with agents.

But in the end, carriers' success at deepening policyholder engagement will depend on individual policyholder preferences, and the key to understanding what policyholders want is to know them and their journey.

## CONCLUSION

### Carriers:

- AB carriers ought to assess which tasks along a policyholder's journey offer the most opportunity to more deeply engage policyholders and which tasks they could reasonably assume from their agents, and they should prioritize those tasks they would want to assume.
- For most of these AB carriers, the most opportunities will be further down the journey once the policy is issued. AB carriers should look at their current onboarding processes and claims processes as the best opportunities to deepen engagement with policyholders.
- AB carriers should gauge agents' willingness to surrender responsibility for a task (or tasks). For some carriers, especially ABA carriers, it might make sense to allow agents to continue on their current path. ABC carriers likely have a bit more sway over their captive agents (and likely more opportunity to assume tasks), but ABC carriers should be just as conscientious as ABA carriers when assuming tasks from their agents.
- DC carriers do not have to worry about agents, but they do have to worry about what other DC carriers offer their policyholders and ensure that their engagement efforts are on par with other DC carriers' efforts.
- All carriers must become policyholder obsessed and understand where, when, and how policyholders want to be engaged. This can be done by developing a series of policyholder personas that can be used to guide and develop any engagement efforts.

### Vendors:

- Vendors should understand that policyholders are diverse and fickle. To that end, each vendor must be willing to tailor and customize its offerings for each policyholder. Cookie-cutter solutions will not put carriers on a path toward deeper policyholder engagement.
- Many of these vendors provide services and solutions to industries other than insurance. Vendors should realize that P&C carriers have varying levels of readiness and willingness to engage policyholders and that even those with the highest levels might not compare with clients in other industries. Therefore, vendors must assess those levels of readiness and be prepared to offer a more consultative approach than they might be used to offering clients in other industries.

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