



IPI / Avaya Thought Leadership – Contact Babel UK Contact Centre Verticals: Insurance

The latest Contact Babel report is a wake-up call for the insurance industry. Weighed down by legacy and the impact of the pandemic on traditional working patterns, customer contact is not fit for purpose. It needs to change, and fast.

Between 2010 and 2021 the average speed of answer has increased from 18 seconds to 54 seconds. That performance drives more churn, especially in a market where, thanks to regulation, pricing parity in personal lines means insurers have to differentiate along other parts of the value chain, especially customer experience.

Call delays impact contact centre productivity; despite advances in workforce management technology, agent productivity has flatlined at 55% in the last decade. Moreover, agent attrition in the insurance contact centre industry stands at 38% against a cross industry average of 23%. In the midst of a recruitment challenge, the number of people leaving is unsustainable.

It's not quite a perfect storm, but against a recent backdrop of soaring claims inflation and combined operating ratios comfortably over 100% in personal lines, management needs technology to square the circle of improving customer KPIs and reducing cost. All this, while CIOs continue to grapple with creaking legacy systems that Hoover up time and capital.

Thankfully, technology firms, like IPI and their partners Avaya, have developed a choice of cloud solutions making it possible to layer the innovation that the cloud brings over existing investments.

This ensures that front end customer contact can deliver significant KPI improvements and that the organisation benefits from innovation without disruption to its business. There's no need to forsake the old in favour of the new. Instead, it is better to add something simple that adds incremental value to the day-to-day lives of customers or employees or both.

The catalyst for this 'great leap forward' was the pandemic; lockdown forced businesses to plunge into the cloud world. On-premises technology and big warehouse-style contact centres were mothballed and contact centre staff sent home. In retrospect, it was extraordinary how quickly businesses were able to adapt, and this created confidence that organisations can run in this new 'gig' economy.

Now we have the means to upskill the workforce, from single parents to part time students, as well as creating a secure 'virtual' contact centre environment for external workforces. That includes managing people working from home, with access to data, in heavily regulated industries needing 'A' grade governance.

Remote workforces are here to stay, notwithstanding recent announcements from J P Morgan. Every sector, not just insurance, faces into the challenge of how to make it work efficiently: ensure secure data, ensure consistent agents, and don't get caught out when it happens again.

The combination of emerging technology, changing customer expectations, regulatory pressure and a new modus operandi in the workplace means if ever there was a moment to grasp the nettle of delivering a great customer contact strategy, 2023-2024 is it.

The innovative solutions available to insurance companies and large brokers are largely non-disruptive, having been designed to work with legacy, as opposed to against it. Automation is top of the list. The majority of queries insurers receive from their customers are simple ones that can be automated.

Using AI to respond to these basic queries can be layered over existing processes very quickly providing real innovation without disruption.

Insurers are reading about it, and C-suite are interested, but we find they always end up in the same place: 'where do we start?' My advice? Start by defining the customer and what sort of experience they expect. Employing that knowledge will power the strategy, clarify the appropriate levels of investment, and deliver successful execution.