

Give Them What They Want: Self-Service Connects You with a New Breed of Insureds

By Andy Scurto



Banks do it. Amazon.com does it. Even your local grocery store does it! Twenty years ago, asking customers to scan their own groceries, fill in their own blanks, or choose their deductible was unthinkable. Today, it's part of everyday life.

A new breed of policyholders expects to shop for and buy insurance online, even at two in the morning. Today's customer doesn't have the time or patience to stand in line or wait for a call—let alone a letter! These expectations span all age groups, but one generation of particular note is the Millennials, born between 1979 and 1994. These 60 million people are now 15 to 30 years old.

What would it mean to your company to capture customers from this demographic over the next few years? Or to lose them to competitors? The key to reaching Millennials is self-service. They are "digital natives," who grew up with the Internet, household computers, and cell phones as part of their DNA. Older generations (Gen X and Boomers), in contrast, are "digital immigrants," who added these technologies to their lives. But even these generations, in growing numbers, are banking online, researching purchases, shopping with confidence, and using e-mail with expectations of instant delivery.

So, how do I say this without sounding preachy? Insurance companies need self-service functionality to succeed. They need self-service to capture this growing market segment and to retain older customers. It's about giving customers what they want.

It's not just insureds. Producers, captive and independent, have rising expectations to have all the information they need at their fingertips, real-time, via an intuitive interface. Anything less and you are losing business to lower productivity or to your competitors. Each retiring agent and each new agent entering the workforce raises the self-service stakes.

Self-service makes the insurance relationship work better for all stakeholders. Companies reduce costs and improve service when their Web portals, instead of costly internal staff, can start the insurance process, gather information, provide quotes, issue policies, and provide online, printable documents, including declaration pages, policies and insurance cards.

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Plus, ease of use can build relationships and loyalty with "transitional" consumers who otherwise readily shift coverage based on price. That's right; self-service done well creates a relationship that trumps price, for both consumers and independent agents. Self-service also enables new ways to build a relationship, such as "live chat" to answer questions during buying or enabling opt-in text message alerts for loss control, e.g., "a hail storm is approaching your neighborhood."

The insurance industry is now embracing technology to modernize processes and increase opportunities. It is natural to extend this strategy to include self-service. I use the word "extend," purposely instead of "add." No one wants second-rate information or services. To avoid that requires tight integration with your data, business rules, and workflows. Self-service portals need to follow the same best practices as your entire technology solution, for exam-

ple, making use of well-defined "automatic" underwriting and instantly routing exceptions to underwriters. Tight integration is also necessary for business agility, e.g. to quickly roll out Web applications for quoting and purchasing, coordinate multi-line packages, or build specific portals for market segments.

Self-service does present new issues. Address verification and geo-coding, for just two examples, require interfaces and "up-time" not common in internal systems. If one third-party service fails, does the portal still serve customers or is it completely "down"? Or take computing capacity. You can easily predict user volume for your internal system but not for customer-facing applications. To scale with peaks in volume, do you add mostly idle servers, invest in virtualization, consider dedicated hosting, or look to cloud computing? These and others are real issues, but each has a solution.

Property/casualty insurers looking to automate critical business processes, including policy administration, underwriting, billing, and claims, can gain a competitive advantage by implementing highly-integrated self-service capabilities. Self-service is necessary to capture the Millennial generation and to retain a growing number of Gen X and Boomer customers. The Web has made customers more "agile," but integrated self-service can enable your company to move at the speed these new customers demand. ■

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