

CONTACT CENTER MODERNIZATION IN INSURANCE

Digital transformation and modernization of the contact center with Amazon Connect is ushering in a new era of hyper-personalized, omnichannel underwriting and risk management in insurance

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EXECUTIVE SUMMARY

History is littered with events that changed the face of insurance forever. The Great Fire of London for example, which devoured more than 16,000 houses in 1666, changed property and fire insurance matters from simply being a convenience to an urgent requirement.

We are currently living through an even more seismic and lengthy crisis. The global pandemic has rocked all industries, but it is having a particularly profound effect on the world of insurance, introducing new challenges, and exacerbating existing ones.

As insurance companies look to define their place in the market amidst massive technological and social upheaval, some of the challenges they face include:

- Improving distribution and go-to-market strategies
- Determining where they fit within existing ecosystems
- Finding and retaining talent

- Applying a holistic organizational view to refine underwriting
- Implementing flexible structures
- Responding to customer demand for increased personalization.

Capgemini's [World Insurance Report 2021](#) puts some numbers to the challenges: "More than 60% of insurers said COVID-19 was affecting their acquisition efforts, and around 40% said customer retention was similarly shaken, according to a September 2020 poll. As a result, many insurers are now considering technology solutions to hedge against further disruption by enriching their engagement channels, creating WOW-factor impact, and delivering stellar customer CARE (Convenience, Advice, Reach)." But the pandemic is not the only disruption insurers must adapt to. In response to the frequency and severity of natural catastrophes (drought, fires, flooding) and



emerging risks, individuals and businesses worldwide are more conscious of the need for insurance coverage and are concerned about coverage gaps. This has led to massive spikes in demand on insurance companies, who must find ways to accommodate that demand while maintaining levels of risk assessment and management.

Perhaps the most significant target to address is that of distribution models. As the [World Insurance Report 2021](#) highlights: “Pandemic fallout and a changing business environment have significantly affected insurers’ KPIs related to sales and retention. The need of the hour is to focus on distribution channels as acquisition and retention enablers.”

Business dynamics are evolving, and insurance firms are rethinking their distribution models in a bid to offer uninterrupted service, superior personalized customer experience, and maximum value.

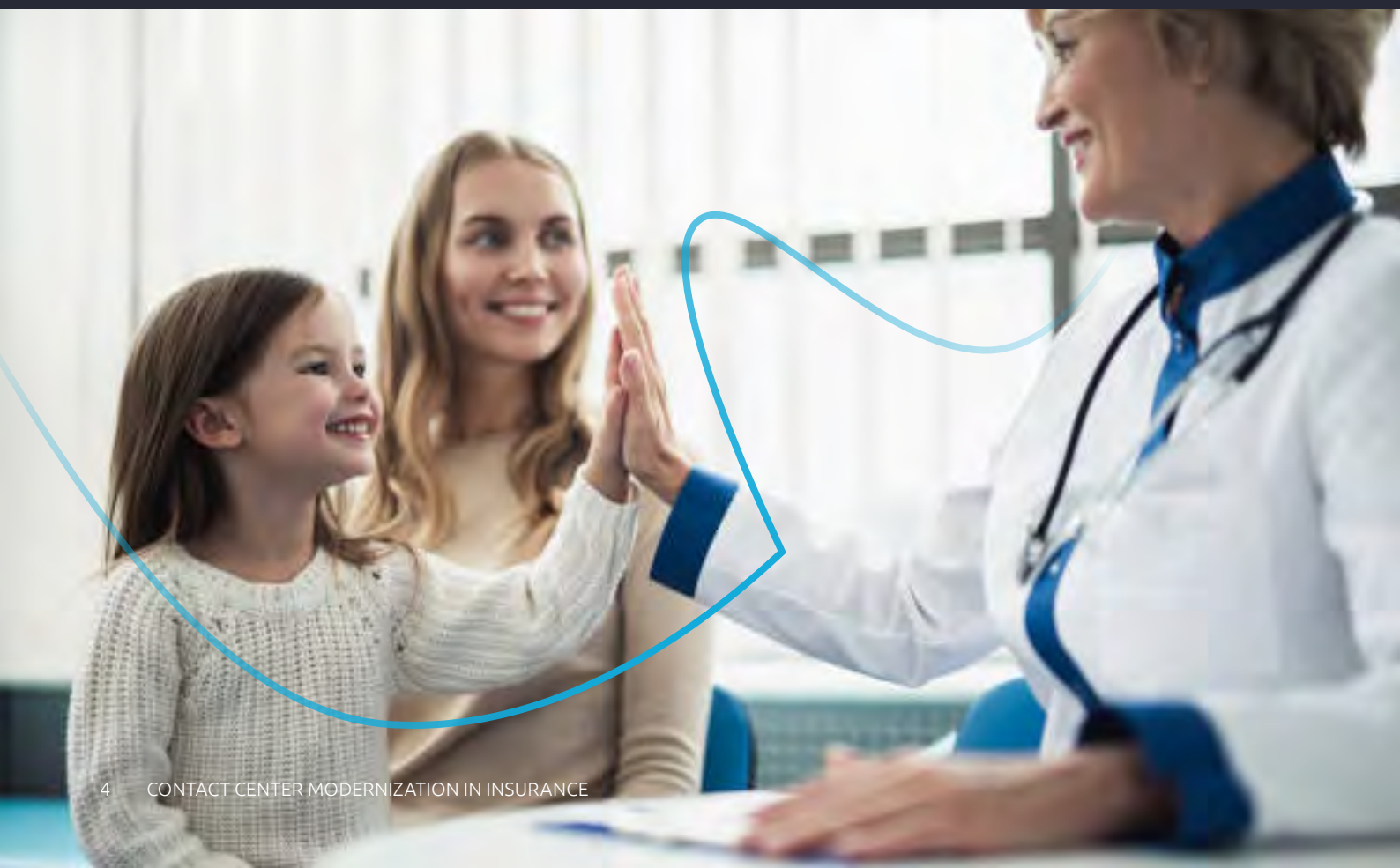
To fill in distribution gaps and maximize delivered value, insurers of the future will embrace “digi-intermediation” – a seamless environment where human channels are digitally empowered and sophisticated on-demand digital features humanize

virtual channels. This includes broker channels and customer service channels in equal measure, with up to 95% of customer interactions expected to be AI-enabled by 2025 and [half of insurers looking to work with ecosystem partners to co-develop innovative solutions](#).

How insurers respond to all of these challenges will determine whether they succeed or fail in the “new normal” that follows the disruption by the global pandemic. [PwC calls this new era “Underwriting 2.0,”](#) and in order to realize it, insurers will need to adopt cloud at scale, utilizing the greater customer insight and operational agility it provides to develop the personalization product offerings increasingly demanded by customers.

The global pandemic has forced organizations of all stripes to react, but insurers must now seize the opportunity to become proactive. The next step is to deliver on the omnichannel imperative to offer customers sustainable, experiential journeys.

This whitepaper explores the exciting new era ahead, lays out the challenges facing insurance executives, and offers clear solutions to deliver innovative and, ultimately, successful customer experience and risk management.



HYPER-PERSONALIZATION IN INSURANCE – DELIVERED THROUGH CONTACT CENTER MODERNIZATION

Hyper-personalization has taken center stage as policyholders expect customized offerings/services from insurers through the channel of their choice and at an appropriate time.

The entrance of new InsurTech and non-traditional players such as Tesla is disrupting the market and demanding innovation from more traditional firms to protect their customer bases from these agile challengers. This innovation must be centered on leveraging data

and analytics from multiple channels to deliver hyper-personalized products, subverting the traditional “inside out” model, in which insurers develop products first to suit their lines of business.

As [EY](#) notes: “This underwriting-centric approach resulted in a vanilla experience where many customers felt that product complexity, a lack of transparency and trust, and an archaic buying process left them generally satisfied but not thrilled with the process or the ultimate value.”



To succeed in the new era of insurers, underwriters must move away from this one-way system, pivoting to a more customer-centric strategy, which can be achieved by increasing customer access through new channels and empowering agents with key metrics and data insights that enable them to tailor offerings per customer in line with business objectives. Proper modernization of the contact center is the easiest way to achieve the hyper-personalization that is needed in the insurance sector here.

Hyper-personalization benefits customers by enabling them to filter out the market noise and get right to the most relevant product offering for them. Hyper-personalization is beneficial for insurers precisely because it benefits their customers; reports show that hyper-personalization strategies can deliver fantastic ROI and enable scalable, flexible operations which generate greater customer satisfaction. A 2018 study from [Epsilon](#), for example found that 80% of consumers are more likely to make a purchase when brands offer personalized experiences.

Personalization is already central to what insurers do; after all, the premiums people pay have long been tailored to the size of the risk they're insuring against. This leaves

insurers better placed than organizations in other industries – banking, for example – to take advantage of the demand for hyper-personalization.

Today, insurers must go beyond the foundational level of personalization baked into existing systems and seek to hyper-personalize their offerings and cement their success in the era of “Underwriting 2.0.” In this era, businesses are expected not just to meet the needs of their customers, but to anticipate and exceed them. In a constantly shifting marketplace, it is vital for underwriters to adapt, leveraging the power of AI, machine learning and the cloud to harness the power of analytics.

There is a massive opportunity for insurers here. As [McKinsey](#) notes, the explosion of data from connected consumer devices will furnish insurers with an avalanche of information which, if parsed correctly, “will allow carriers to understand their clients more deeply, resulting in new product categories, more personalized pricing, and increasingly real-time service delivery.”

This strikes at the heart of the double-factor importance of omnichannel offerings. Insurance companies that are



able to build omnichannel offerings can lay the foundations to leverage hyper-personalization, AI, robotics, cloud elasticity, and better allocation of resources, driving greater efficiency and connecting more meaningfully with customers. At the same time, increasing and improving access to support and services in an intelligent way will enhance customer experiences and aid retention in increasingly volatile market conditions.

Such channels include traditional agent and broker interactions, in addition to digital suites and price comparison tools. Capgemini found that a significant portion (more than 30%) of customers are beginning to trust digital channels for their research and purchase requirements. 64% of small and medium commercial firms also leverage digital channels to research coverage options.

The obvious takeaway from this is that customers in both personal and commercial lines use more than one channel to research and purchase. Some, for example, conduct virtual research before purchasing from an agent directly, transitioning through multiple channels in one journey. This itself has an impact for agents and brokers as they look to nurture leads. Without deep insights into customer requirements, agents and brokers cannot pitch the right product to the right customer at the right time.

Augmenting direct channels and further enhancing their personalized advice capabilities makes sound business sense. Surprisingly, less than half of the insurers interviewed in the [World Insurance Report 2021](#) said they provide their direct channels with digital CRM and marketing automation tools. What's more, only around 50% of insurers offer access to chatbots.

There has never been a better time to address these service gaps, equipping direct channels with high-performance digital tools so that agents can prioritize consultative selling versus customer support as required. Insurers that leverage technology to unlock each customer, engage effectively, and stand out from the channel's true potential and value can target a likely competitive crowd.

With all of this in mind, agents and brokers need high-powered, intelligent digital tools to keep pace with fast-changing customer preferences. In the new era of Underwriting 2.0, switching between physical and digital engagement models (depending on customer preference) is essential for firms to thrive.



CHALLENGES FACED BY THE INSURANCE INDUSTRY

The Capgemini [World Insurance Report 2021](#) emphasizes the importance of the “CARE” equation – delivering Convenience, Advice and Reach to consumers. Using this equation, insurers can maximize distribution channel value in today’s fast-evolving business environment. To do this, insurers need to actively retool their convenience-leading digital channels to deliver hyper-personalized risk guidance and advice.

However, identifying the need for omnichannel, personalized services is just the first step on the road to achieving them, but along the way there are still significant challenges for insurance professionals – perhaps the most significant of which is collecting and analyzing the data necessary to facilitate greater personalization.

[EY](#) highlights one of the most pressing challenges for insurers in pivoting their customer strategies, that “incomplete customer data and limited digital technologies create a disconnected experience across channels, limiting

lifetime value potential and reinforcing the belief that insurers don’t know their customers.”

Where data is available customers say that while they highly rate digital channels (insurers’ websites and mobile apps) for convenience, based on 24/7 availability, ease of access and information updating, and search capabilities, these digital channels often lack in-depth and personalized advice capacity. As a result, customers don’t look to them as a top choice for policy research or when purchasing complex personal lines products such as retirement plans, annuities, and commercial line offerings.

This perhaps stems from the fact that many insurance firms are still operating on outdated legacy systems that either fail to capture the all-important data or keep it in siloes, preventing agents from leveraging it to create personalized products and services. Others are tied into long-term outsourcing arrangements which no longer meet the



requirements they have for innovation, and executives are concerned about compliance and regulatory issues.

Before insurers can roll out hyper-personalized channels, they need to gain an extensive understanding of their customers' individual contexts. Information gathered from multiple touchpoints, and analyzed using advanced data analytics, provides carriers with accurate insight into the attitudes and behaviour of their customers. The key to doing all of this lies in cloud adoption.

With remote or hybrid working set to continue beyond the pandemic, insurers face challenges around data security, with agents dispersed across different locations. Firms will have to draw up effective governance policies around data sovereignty, storage, use, and security to ensure customer data is managed effectively while it is being leveraged to deliver better services. By switching to scalable cloud platforms, organizations can ensure up-to-the-minute compliance while taking advantage of comprehensive data analytics tools.

However, beyond the obvious logistical challenges of transitioning legacy systems to the cloud, such a move can also require a complete cultural change, shifting the overall mindset and approach of an entire organization towards customer service innovation. Achieving buy-in from all areas of the business is often the hardest part of any cloud-based transformation and requires a comprehensive and holistic internal communications and training strategy.

This can be partially addressed by creating a single and consistent view of data so that actions are also consistent across the organization. Many insurers still operate fragmented systems, with data points spread or duplicated across teams and functions. No clear customer view creates operational inefficiency and hampers the contact agent's ability to offer appropriate, personalized services.

Firms need to invest in tools that enable the function of data science to help contact teams drive a better response to customer data insights. Cloud hyperscalers are excellent at providing data science services but the tools need to be in place for them to do so.

The concurrent issue of cost, with many underwriters dealing with added pressure to reduce hardware and maintenance costs, may make some executives wary about the initial outlay on introducing cloud technology, but the long-term cost optimization that can be achieved at cloud-mature organizations is more than enough to offset this.

In the face of such numerous challenges, responding with inertia may come naturally, but that route risks falling far behind the pace of innovation and change already underway. While every organization is different, there are some overarching approaches to cloud adoption that can stand any organization in good stead for success.



THE RIGHT INSURANCE CONTACT CENTER MODERNIZATION MODEL TO DRIVE INNOVATION IN CUSTOMER SERVICE

Given that customers are willing to share more data in exchange for customized services, the expectations now move to insurers to deliver these experiences.

Successful cloud adoption enables hyper-personalization by erasing siloes and making both real-time and historical data available to insurers, in turn enabling them to launch new products faster and with greater customer centricity. While the transition to cloud might be daunting for some executives, the

intrinsic security, scalability, and compliance that come with best-in-class cloud offerings also address separate issues such as risk management and regulatory alignment.

Cloud's surging popularity has seen an explosion in the number of boutique vendors offering cloud-based services to large organizations. These vendors certainly have their



value, they often come with lean operations and innovation teams that can be – for the purposes of larger insurers – under-resourced.

Hyperscalers, such as Amazon Web Services (AWS) and Capgemini, have the resources to dedicate entire teams to an institution's cloud adoption strategy, working collaboratively with internal teams to innovate products in real-time, and guiding the selection of the most appropriate technology.

This choice will, ultimately, affect the structure of the contact center in which the technology is set to be implemented. In all cases it's likely that a data scientist will be necessary to help extract greater value and insight from the customer data collected, while new organizational processes will need to be brought in to guide the use of new, cloud-based solutions.

Change management needs to be in place to effect the necessary cultural change and ensure new technologies are implemented and adopted appropriately. Where organizations lack the internal resources to manage and

implement change, partnering for success can help ease the burden, ensuring scalability, omnichannel experiences, agile operations, and cost optimization.

As per EY: "The future for those insurers that can master public cloud adoption looks bright. Powered by advanced data analytics and AI, leading insurers can greatly increase their capacity for innovation and accelerate their speed-to-market with new products and solutions. According to EY NextWave Insurance research, the most successful will be able to position as trusted 'life and wellness concierges,' increasing customer retention by 30%."

If we think of customer service innovation as being centered in the contact centers of insurance companies, then it is interesting to note the rise of the Contact Center-as-a-Service (CCaaS) model as a route to delivering improved customer experience.

More businesses across different verticals are adopting CCaaS as a way of transforming customer service through leveraging intelligent automation and improving contact agent experiences via internal peer-to-peer engagement



systems. Indeed, such is the current popularity of CCaaS, that Gartner estimates it will account for roughly 50% of preferred contact center adoption models by 2022, and the trajectory is only likely to continue upward beyond that timeframe.

CCaaS providers can provide integrated, customer-facing channel hubs and sophisticated, analytical agents to operate them. Additionally, they offer the kind of intelligent technology needed to bring automation into operations in a seamless and, ultimately, profitable manner – all in a fully managed service model that eases the burden on internal IT teams and ensures greater control of data and operational scalability.

AWS's Amazon Connect is one example of one such proper contact center modernization solution that can bring tangible benefits to a dedicated insurance team. Designed from the ground up to be omnichannel, Amazon Connect provides a seamless experience across voice and chat for both customers and agents. Numerous insurance firms have turned to Amazon Connect to help realize various business objectives, such as time-to-value, improving relevant customer communications, and reducing wait times and transfer requests in call centers.

Nick Wake, Senior Product Manager at SnapSheet, testifies to these benefits: "With Amazon Connect's open platform, we've

been able to integrate our in-house CRM platform, provide customer profile information to our agents at the time of the call, enable voicemails and transcriptions, and seamlessly transition our agents to a remote work environment. In addition, when our agents make outbound calls to our customers, they are fully prepared with customer data to deliver quick and meaningful information. Since moving to [Amazon Connect](#), our contact center has seen an 80% reduction of abandoned calls and we have saved over ~\$2,000 a month on contact center costs."

Amazon Connect's combination of skills-based routing, task management, real-time and historical analytics, management tools, and pay-as-you-go pricing has also delivered results for the likes of Mutual of Omaha and RATESDOTCA Group Ltd.

The reason so many of the world's leading insurance institutions are turning to cloud-based contact center solutions is precisely because of this level of speed and agility. The ability to spin up a scalable, omnichannel contact center in minutes cannot be understated in these dynamic, shifting market conditions. When allied with the kind of cost optimization and improved customer experiences seen by SnapSheet, that's a recipe for success.

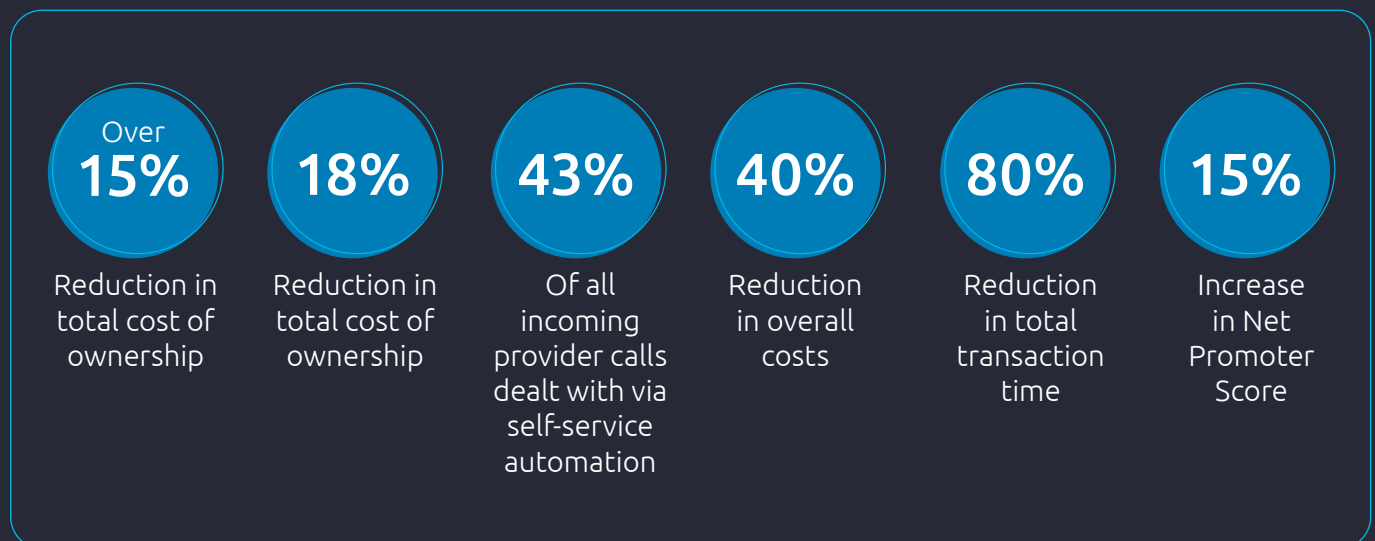


IMPLEMENTING A NEXT-GENERATION CUSTOMER EXPERIENCE CENTER FOR A LEADING GLOBAL INSURANCE COMPANY

With its membership growing year on year, this global insurer needed to increase the scalability and efficiency of its claim processing operations. It was seeking a solution that would automate claim status calls from providers to enable customer interactions to be handed over to higher valued resources.

Capgemini developed and implemented an integrated technology ecosystem comprising claims, workflow, and analytics. This included customizing an interactive voice response (IVR) platform and transitioning to a custom AWS connect omnichannel interaction portal for claims status, first notice of loss, and retrieval of digital explanation of benefits.

In turn, this solution delivered a range of tangible business outcomes:



Capgemini's omnichannel solution has transformed the insurer's contact center operations to a next-generation, cloud-based customer experience center that delivers an overall reduction in claims processing time and increased self-service adoption.

CONTACT CENTER MODERNIZATION IS DRIVING ENHANCED VALUE AND CUSTOMER EXPERIENCE IN INSURANCE

The pandemic has accelerated existing cloud adoption strategies and necessitated a more considered customer service approach – delivering omnichannel options and tailored products and services. Cloud-based contact centers are fast becoming the primary way to deliver on these business objectives in the insurance sector. Therefore, rather than focusing sales strategies around designing and selling products, insurers must now harness the power of cloud to deliver greater customer data insights to their agents while personalizing products and services for every customer.

There might be a lingering perception that once the global pandemic is under greater control, the omnichannel imperative

might roll back, at least in urgency, but that's a myth. However, collecting data is just the start here. Without transforming systems to deliver the proper insights this data is just numbers and facts on a screen.

Therefore, customer service innovation can no longer be ignored by insurers whose customers are growing increasingly used to experiencing better customer experiences in all other aspects of their lives. This means the future of insurance must be omnichannel and hyper-personalized if insurers want to keep their customers happy.



ABOUT THE AUTHOR



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Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 325,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fuelled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2021 global revenues of €18 billion.

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