



# The Future of Customer Engagement for **Property & Casualty** Insurers

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Reimagining How to Sign, Onboard and  
Keep Customers in the Digital-First Era





# Market Disruptions Call for Transformation

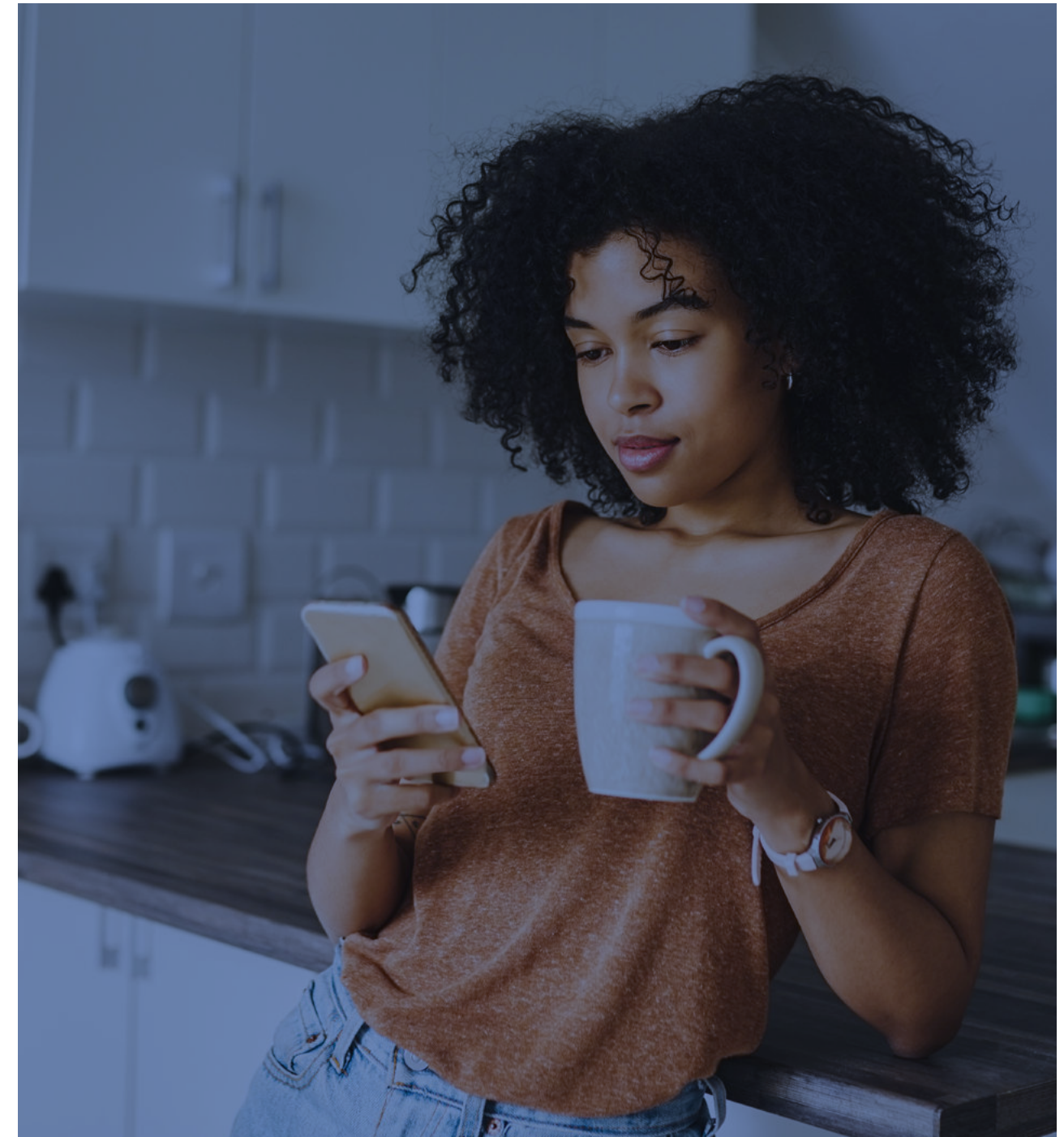
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Property and Casualty (P&C) insurance carriers are wrestling to grow market share while facing many of the same business conditions as other industries: global health crises, climate change, cybersecurity risks and the growing impact of big data. Meanwhile the competition is getting even more challenging.

Instead of simply competing with other traditional carriers, P&C insurers are facing headwinds from disruptive digital-only carriers like Lemonade, or even tech firms like Amazon, who promise easy, fast customer experiences and high levels of personalization. With so many options, consumers worldwide have more power than ever, shifting the way they choose to buy and access products and services like insurance.

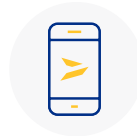
These collective dynamics are dialing up the pressure on insurers to find ways to transform the end-to-end experience across the customer journey, from quoting and underwriting to service and claims. That means pivoting from nonfillable PDF forms that need to be printed and signed, and traditional batch letters and policy notices sent via the postal mail. It means putting in place the systems that support two-way interactive conversations reimagined for the digital “want it now” era.

**The tools to quickly support this rich, digital engagement are being adopted by leading P&C carriers and brokerages. The next few pages clarify the opportunity and outline strategies for how to get there.**





## Insurers Facing a Widening Scope of Challenges



Social distancing in response to COVID-19 kept many agents and call center associates at home, unable to access office systems or perform customary processes like handling incoming mail, fulfilling support requests or producing documents. Many P&C insurers accelerated the drive to digitalize processes for the first time.



With fewer people commuting for business and pleasure, auto insurers issued \$18 billion in premium refunds and rate adjustments through summer of 2020.<sup>1</sup> Despite the goodwill, customer satisfaction rates actually decreased industry-wide, according to JD Power. Why? The industry's uniform approach to these refunds may not seem special to customers who expect a more personalized approach that speaks to their unique situation.



Milestone weather events and wildfires have increased across the map and scientists warn that the pattern will likely intensify in the years to come. With premiums likely to rise, insurers will need to sharpen their competitive edge with cost efficiencies and high service levels.



According to industry consultants Strategy Meets Action, P&C insurers will accelerate investments in digital transformation in 2021 and beyond, especially around enhancing customer self-service capabilities and straight-through-processing for both underwriting and claims. "Insurers are positioning to lower infrastructure costs by reducing or repurposing physical locations, cutting back on employee and vendor travel expenses, shifting more to e-delivery instead of printing and mailing documents, and more."<sup>2</sup>



## Digital Opens New Doors

While many insurers have gotten by for years with manual processes and disjointed systems, this is no longer sustainable. P&C insurers now face a business future in which success hinges on immediate improvement across the entire customer journey — from acquisition to onboarding and servicing.

A transition to digitally powered, two-way customer conversations can help address these challenges. By adopting an effective digital strategy, insurers can improve communications in ways that:

- **Speed up turnaround time**, so customers get answers quickly
- **Enable engagement 24/7** from any digital or mobile device
- **Increase efficiency and operational productivity**, as well as reduce risk
- **Accelerate time to market** for new product launches and updates to existing forms or communications
- **Boost agent productivity**, enabling them to focus on nurturing relationships





Modern, cloud-based technology to support digital interactions empowers P&C insurers to thrive on multiple fronts.

### Tactical Results:

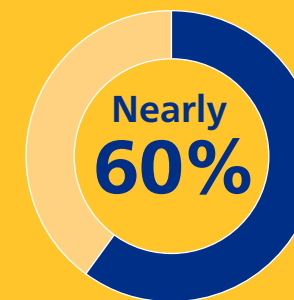
- **Deliver the frictionless, interactive experience** customers want via all channels, in real time
- **Reduce Not In Good Order (NIGO) data errors** that take time to resolve and create compliance risks
- **Alleviate complex and intensive paperwork**
- **Enable the use of new mobile and “smart device” data sources**, such as location or current status
- **Support Straight-Through Processing initiatives** to improve efficiency

### Strategic Advantages:

- **Increase revenue** by signing policies faster and supporting cross-selling
- **Improve customer satisfaction scores** and reduce attrition rates
- **Support business agility and gain flexibility** to respond quickly to changing market conditions
- **Leverage investments** in current core systems and data sources
- **Strengthen position** against digital market disrupters

**1 in 5**

consumers say they would use Amazon or Google for their home insurance.<sup>3</sup>



of consumers are likely to abandon a form if the process is too difficult.<sup>4</sup>

# Digitally Powered Excellence at Every Step:

## Specific improvements across the P&C customer lifecycle



### 1 Fast, frictionless acquisition

- **Replaces lengthy, complex forms** with an interactive, “intelligent” digital Q&A session, presented in a user-friendly format.
- **Creates a more customer-centric application process** by pulling in data from core systems or third-party sources to personalize and speed up interactions.
- **Reduces NIGO rates** by prefilling digital interviews with known data, enabling start and stop, detecting errors and guiding customers to the right answers.
- **Speeds quote time** by replacing paper and phone communications with two-way texting and real-time interactions.
- **Facilitates compliance** by automatically ensuring forms, contracts and agreements contain the right clauses to meet state regulations.
- **Produces quotes and policy communications in real time**, linked to e-signature solutions for fast closing.



### 2 Onboarding that begins to build relationship value



### 3 Exceed expectations in claims servicing

# Digitally Powered Excellence at Every Step:

## Specific improvements across the P&C customer lifecycle



### 1 Fast, frictionless acquisition



### 2 Onboarding that begins to build relationship value

- **Enhances coverage accuracy** by leveraging new data sources. How old is the applicant's roof? What material is it made of? IoT, satellite imagery and other tools assure policies are written with real insights into how customers live and work.
- **Guides policyholders through easy-to-understand digital interviews** to capture only the information needed for the transaction.
- **Aligns communications across all channels for a consistent experience.** Maintains conversation history and accommodates multiple languages, brands, regulations and jurisdictions.
- **Boosts revenues and maximizes account value,** making it easy to promote additional products and services throughout the onboarding process.



### 3 Exceed expectations in claims servicing



# Digitally Powered Excellence at Every Step:

## Specific improvements across the P&C customer lifecycle



### 1 Fast, frictionless acquisition



### 2 Onboarding that begins to build relationship value



### 3 Exceed expectations in claims servicing

- Improves responsiveness by giving customers a fast, easy way to submit a claim and trigger the First Notice of Loss (FNOL) process.
- Lowers NIGO-related delays by enabling customers to stop and start across multiple devices, access GPS data or use their mobile cameras, ensuring fully complete submissions.
- Reduces costs associated with manual processing, mailing and paper-based communications.
- Improves data insight that allows for updating of policies so that risks are adequately covered.
- Provides faster resolution of claims questions or concerns.
- Reduces churn by delighting customers at a critical "moment-of-truth" juncture.

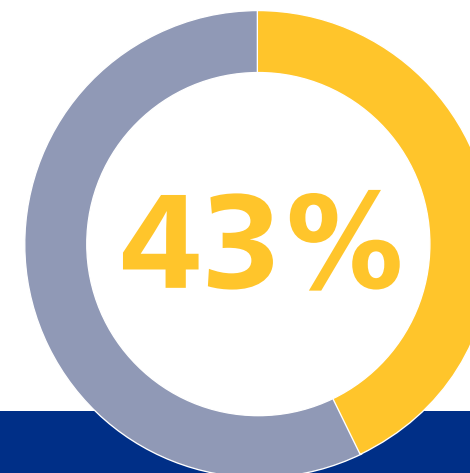


## Gaining Business Agility and Flexibility in the Cloud

Many insurers have invested in modernizing core customer systems of record, like Guidewire, Duck Creek or Salesforce, to name a few. But what has lagged behind is true transformation of the customer and agent experience – reimagining the **“moments of truth.”**

To give customers and advisors a seamless experience, it's important to consider all of the different ways they interact with core systems. **Flexible, modern cloud-based platforms are purpose built to integrate rapidly into an existing IT ecosystem.** And, they are designed to be low code, empowering business users to make changes with less need for IT support. Some key features allow for agility and scale:

- **Legacy system silos can be overcome by publishing APIs, opening doors to more interoperability and extensive integrations.** Plug-and-play accelerators enable systems to communicate and trigger faster responses. Connections with e-signature platforms like DocuSign enable fast time to close across digital and mobile channels.
- **Cloud-based solutions make it easy to add new channels as they emerge.** Enhanced functionality can be pushed live to users without interruption — so they're always ready to deliver leading-edge service.
- **Multitenant cloud solutions are highly configurable.** There is no need to change code or data structure, and upgrades are effortless.
- **Cloud-based systems also provide a measure of security.** Gartner says enterprises that implement appropriate cloud visibility and control tools experience one-third fewer security failures.<sup>5</sup>



**of insurers** said they would not go back to their old ways of doing business post-pandemic.<sup>4</sup>

# Making the Digital Transition Easy, Seamless And **SMARTER**

Smart Communications provides some of the world's largest P&C insurers with robust technology that enables them to easily support integrated, multi-channel, two-way digital conversations. Conversations that were once face-to-face in a broker's office can now happen seamlessly from anywhere, using any device.

**Smart Communications enables P&C insurers to streamline processes, disseminate information and create relevant, personal, two-way interactions built for the digital-first world. These richer, more meaningful exchanges in turn help to build stronger relationships with customers.**

## Key benefits of Smart Communications' industry-leading solutions:

- **Transforms the customer experience by replacing PDFs and fillable web forms** with guided, data-driven digital interviews across multiple business processes.
- **Supports a variety of enterprise communications requirements**, from on-demand and interactive communications produced in real time, to high volume output for batch needs.
- **Enables business users to easily update business rules** to manage form questions, templates, brands, output channels and languages to build a coherent conversation across print and digital channels – and reduce dependence on IT.
- **Leverages enterprise-class cloud-based capabilities** to improve scalability, accessibility and speed to production.
- **Integrates easily via open APIs**, so companies can push and pull data from legacy systems or core systems of record such as Guidewire, Duck Creek, Salesforce and others, and connect to archiving systems like Microsoft SharePoint and e-signature platforms like DocuSign.



## Smart Communications and Guidewire

Many P&C insurers rely on Guidewire as their core system of record and Smart Communications been a Premier Partner since 2009. More than 90 carriers around the globe have integrated SmartCOMM™ within their Guidewire InsuranceSuite and InsuranceNow applications.

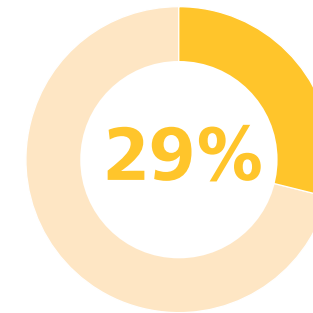


## Case Study 1

### Smart Strategies, Solid Results

P&C carrier Pekin Insurance was losing productivity due to costly, on-premise technology that included 18 core systems. After implementing SmartCOMM, the business cut document production time from three weeks to one week and can now issue product releases 3x faster.

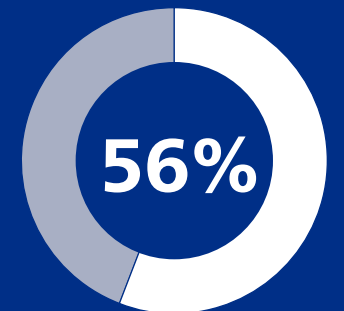
**Moreover, the company reduced costs 29% by moving from its legacy on-premise CCM technology to Smart Communications' cloud-based platform.**



## Case Study 2

One of the largest commercial P&C carriers in the U.S. worked with Smart Communications to transform the way it collects information for policy renewals.

**With the help of SmartIQ™, the company was able to accelerate average turnaround time from 40 days to 28 days and improve operational efficiency by 56%. Not in good order error rates dropped by 27%.**





## Learn More

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### About Smart Communications

Smart Communications™ is the only provider of a customer conversations management platform. More than 500 global brands rely on Smart Communications to deliver **SMARTER** conversations across the entire lifecycle—empowering them to succeed in today's digital-focused, customer-driven world while also simplifying processes and operating more efficiently. This is what it means to scale the conversation. Smart Communications is headquartered in the UK and serves its customers from offices located across North America, Europe, and Asia Pacific. The Smart Communications platform includes the enterprise-scale customer communications management power of SmartCOMM™, forms transformation capabilities made possible by SmartIQ™ and the trade documentation expertise of SmartDX™. To learn more, visit [smartcommunications.com](https://www.smartcommunications.com).

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- <sup>1</sup> JD Power estimates, cited by Insurance Business America, "Insurers give back billions in auto refunds," September 10, 2020.
- <sup>2</sup> Strategy Meets Action, "P&C Insurers Shift Course as the Pandemic Continues." October 2020. <https://strategymeetsaction.com/news-and-events-2/sma-blog/p-and-c-insurers-shift-course-as-the-pandemic-continues/>.
- <sup>3</sup> Insurance Journal, "1-in-5 Consumers Say They'd Use Amazon or Google for Home Insurance," August 28, 2018.
- <sup>4</sup> Customer Conversations in 2020: New Challenges, Changing Expectations and Accelerated Digital Transformation. Smart Communications 2020 Benchmark Report and Study, November 2020.
- <sup>5</sup> Gartner, "Don't get swamped by the cloud tsunami; gain control." August 2016. <https://www.gartner.com/smarterwithgartner/seven-tips-for-staying-secure-in-the-cloud/>.