

The age of the customer: How insurers can overcome five key Contact Centre challenges

Countering the decline in customer satisfaction

The insurance sector has experienced a volatile few years – a fact reflected in the performance of its Contact Centres. According to [ContactBabel](#), agent positions increased by over a quarter (25%) since 2010, with the average size of the Contact Centre growing to around 200 seats. Yet at the same time, the pandemic and the economic downturn that followed, hit the sector hard. The number of insurance Contact Centres shrank, as carriers sought to mitigate the impact of lower profits, increased competition, higher compliance costs and greater use of price comparison websites.

Price rises have also dampened the mood – driven in part by inflation, supply chain delays and repair cost increases, but also macro trends such as global warming. They have risen significantly faster in both motor and home insurance. All of which has put more pressure than ever on insurers to meet rising customer demands around quality of service, price and customer experience.

As customers expect more in these critical areas, opportunities are beginning to emerge for disruptive players capable of using technology and data more effectively to lower risk, improve the customer experience and drive operational efficiencies. According to ContactBabel unfortunately, the sector is facing several challenges in capitalising on these opportunities:

- Speed of response has fallen, from an average 18 seconds in 2010 to 102 seconds today;
- Contact Centre agent productivity has flatlined over the past 10 years, at around 55%;
- Contact Centre staff are leaving the industry in growing numbers, creating a large skills gap which complicates efforts to improve speed of response and agent productivity.

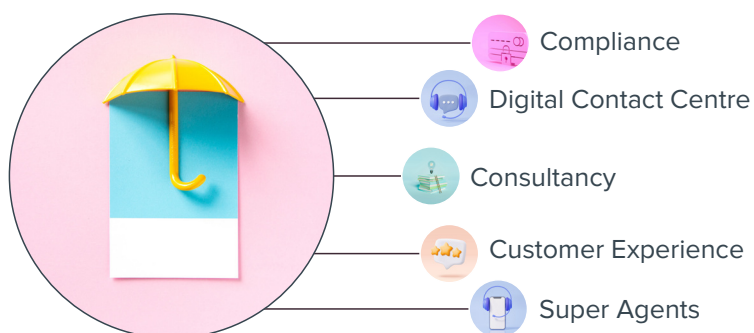
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The latest [UK Customer Satisfaction Index \(UKCSI\)](#) reveals that these challenges are having a significant impact on the sector's ability to deliver outstanding customer service. Customer satisfaction now stands at 78.7, a fall of 2.1 points versus a year ago. Seven of the twenty-six insurers appraised in the UKCSI are at least three points below their July 2022 level, with complaint handling recording the largest drop in customer satisfaction.

That said, there are opportunities to arrest the decline and meet customer expectations. Retention and recruitment of talent will be critical, as will digital investment in the right areas – to support omnichannel contact, rigorous security and compliance requirements, and enhanced agent productivity. AI and automation will be key tools for any ambitious insurance Contact Centre looking to significantly decrease cost-to-serve whilst driving a consistent customer experience.

Here are the five key areas where these battles will be won or lost:



The top five challenges facing insurers today

1. Regulation and compliance

Insurance has always been a highly regulated industry. The most recent of these regulations, the FCA's [Consumer Duty](#) is particularly important. Broadly speaking, it “sets higher and clearer standards of consumer protection across financial services and requires firms to put their customers’ needs first.” From a Contact Centre perspective, it's about making sure customers’ requirements / needs are solved quickly and effectively. And that they can interact across their preferred channels.

This is where [technology](#) can play a major role for insurers in supporting compliance. It can help by:

- Integrating multiple comms channels, including live agent, email, web chat, social media and SMS
- Automating quality monitoring by flagging issues and categories i.e. vulnerable customers in real time
- Alerting agents to potential fraud
- Ensuring operatives are always acting in a compliant manner, providing real time prompts as required.

Speech and text analytics technology has also matured significantly in recent years with the addition of sentiment analysis and automated quality monitoring alongside traditional phrase identification. This helps Contact Centres review and precisely spot any potential non-compliance risks across all channels, as well as providing an opportunity to learn from positive interactions. Ultimately, it's about driving continuous improvement and compliance whilst reducing costs by automating what were once time-consuming manual processes.

Of course, compliance is not all about the Consumer Duty. PCI DSS 4.0 brings with it a whole new set of requirements designed to improve the security of cardholder data environments (CDEs). For Contact Centres, the focus should be on data minimisation – data protection best practice which stipulates that organisations only collect, process and/or store what they need for a specific purpose.



Here too, technology can help. IPI's [Pauseable](#) solution protects against PCI DSS liability by automatically 'pausing' the recording whilst card information is being entered and then resuming once the process is complete. And DTMF suppression can go one better, by removing any trace of sensitive data from a CDE by masking the numbers callers input onto their keypad when making a payment. In addition, automated quality monitoring software might flag when personal or card data is being stored on a call recording.

Did you know that IPI's [PCI Compliance suite](#) (including IPI Cloud PCI and [Pauseable](#)) enables insurance Contact Centres to process payments securely across any channel and descope from PCI DSS liability? IPI's [Speech Analytics](#) offers automatic call transcripts and analysis to drive insight into business performance and compliance. It ensures the right information has been imparted to the customer at the right point in time to aid Consumer Duty compliance.

Purpose-driven motor insurance provider [The Green Insurer](#) deployed IPI's [secure payment solution](#), IPI Cloud PCI (powered by [Dubber](#)), as part of a wider omnichannel push. It provides cloud-based DTMF suppression technology to mask the audio signals produced when a caller inputs numbers on their phone keypad when making a payment. In so doing, it significantly reduces the risk of payment information being stolen or hacked.

2. Redefining the customer journey

So, what does that mean from a Contact Centre perspective? On the one hand, many customers still value speaking to a human agent. Indeed, [Contact Babel](#) found that [76% of insurance interactions in 2022](#) were still traditional voice calls, with the high number attributed to the often complex nature of enquiries requiring the "reassurance and clarity" of an agent-led conversation. However, we also know that 76% of people don't want to speak to an agent for simple tasks like checking their premium. Indeed, such repetitive tasks are ripe for automation through self-service channels – something which would appeal to younger, more digitally savvy customers.

Expanding the options provided is not just about offering more choice. Digital interactions can save insurers money otherwise spent on costly call centre resources and ensure that agents are spending time where it is valued the most – with complex customer cases. Additionally, the introduction of digital channels means insurers can collect more data on their customers – data that can be used to personalise the customer journey. This is key to enhancing customer experience. [McKinsey](#) tells us that 71% of consumers expect a personalised experience from brands, and even more (76%) get frustrated when this doesn't happen.

By collecting information from multiple touchpoints, insurers can build a 360-degree profile of their customers to better understand their preferences and offer them products and services tailored to their needs. It can also support personalised interaction routing and streamlined identity and verification (ID&V) checks, and empower agents to solve problems faster. That's the way to:

- Improve the customer experience
- Drive efficiencies / productivity
- Minimise customer churn
- Improve customer loyalty
- Reduce call handling time
- Enhance brand perception
- Drive conversions and profits

The good news is the tools are already here to support these demands. AI and automation innovations such as chatbots, voice bots, speech analytics and quality monitoring technologies, offer a slew of benefits. They support self-service, can flag vulnerable or dissatisfied customers in real time, and even assist by ensuring agents act in line with compliance requirements.

Ageas is one of the UK's largest personal lines insurers, providing personal motor, home, pet, and small business insurance to nearly five million customers. Using IPI Cloud AI, Ageas introduced a voice bot designed to support customers with straightforward queries, while routing complex enquiries to Call Centre agents. Using IPI's ID Me solution, the voice bot streamlined customer ID&V checks to shorten fully verified calls by 40-45 seconds per call.

Sustainable insurance provider, The Green Insurer chose ElasticCX CCaaS, IPI's Contact Centre-as-a-service solution, to deliver a comprehensive omnichannel strategy across its entire customer service team. The cloud-powered platform offers customers flexibility in how they contact The Green Insurer, as well as in-queue call-back functionality.

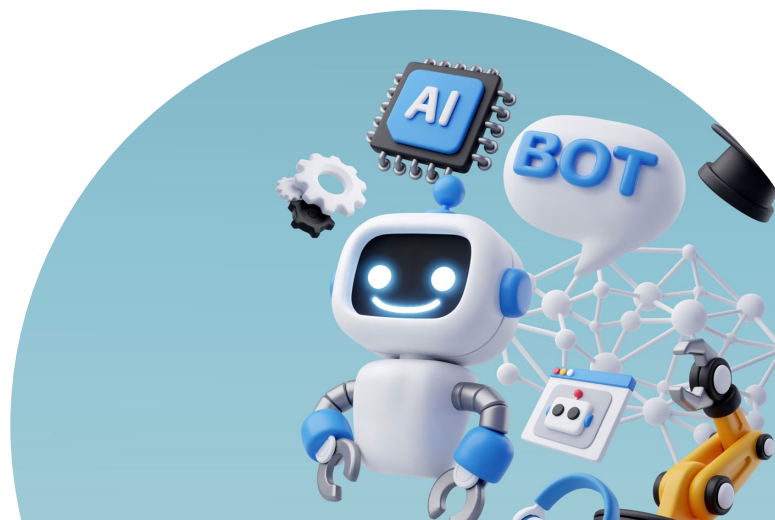
IPI's ElasticCX CCaaS is a service-based Cloud Contact Centre platform designed to provider organisations of all sizes with out-of-the-box features to enhance customer experience and satisfaction. It includes support for omnichannel, self-service, speech analytics, automation and more to deliver exceptional customer contact. IPI's Contact Centre Consultancy services can also help, by identifying gaps in the customer journey and planning future technology adoption based on these specific requirements.

3. Improving the employee experience

Contact Centres have traditionally struggled to motivate, engage and retain their employees. Staff turnover is high: estimated at 26%, versus a national average of 15%, according to figures cited by the CCMA. Absenteeism is also high. This is perhaps not surprising given the repetitive, script-based work many agents must endure, and strict performance-related metrics like "average handling time" and "compliance" which limit their interactions with customers.

This needs to change, and not only because demotivated agents and high turnover could impair the customer experience. High attrition rates also impact the bottom line through expensive recruitment drives, high training costs and lost productivity. Creating a better working environment featuring more worker flexibility and engagement should be high on the priority list for insurance Contact Centres – as it will help them to attract and retain talent. Here are some ideas for doing so:

- AI-driven real-time knowledge engines to provide staff with the information they need automatically, making their lives easier and increasing productivity;
- Automation of repetitive processes to free up agent time and empower them to focus on adding value;
- Workforce Management systems designed to give agents more flexibility by enabling them to swap shifts in line with personal needs;
- Gamification techniques to increase worker engagement. A study from Talent IMS reveals that such an approach made the vast majority of employees feel more productive (89%), happier (88%) and more socially connected (87%) at work.



Did you know? IPI's Workforce Optimisation solutions – Workforce Management (WFM) and Workforce Engagement Management (WEM) – can drive huge increases in productivity and efficiency in the Contact Centre by scheduling staff to meet demand, engaging agents, and lowering attrition rates.

IPI was selected by sustainable insurer The Green Insurer to deliver its omnichannel strategy, including telephony and web chat capabilities. Founded in 2023, The Green Insurer is on a mission to make buying eco-friendly, carbon offset car insurance easier for drivers.

4. Ethics and sustainability

The world's climate is changing fast, and with it, consumer attitudes to sustainability and environmental, social, and corporate governance (ESG). Aligning strategic roadmaps and products offerings accordingly is not just a moral imperative, it could bring significant commercial rewards for insurers. Three-quarters (75%) of consumers say they would switch to insurers offering greener policies, according to [Solera](#). And it can help insurers become a more valued part of their customers' lives, rather than a grudge purchase.

In fact, [PwC](#) believes the industry has a “once-in-a-generation opportunity” to reform, “build upon its purpose and become a force for greater good”. Digital transformation will play a key role in this ESG mission – a mission that should be embedded throughout operations, the global consultancy claims. This means there's a growing role for more personalised products – such as car insurance that could provide benefits based on sustainable driving behaviour. Or usage-based policies which chime with consumers' desire to adopt more environmentally friendly lifestyles. But the same refocusing of the business around sustainability can also extend to insurers' choice of technology partner. Those that impress with their ESG credentials – such as commitments to carbon neutrality and ISO14001 compliance – should be preferred. As PwC argues: “The share price of a company could depend on this, so getting it right is crucial.”

5. Adapting to disruption

Another impact of climate change is the proliferation of extreme weather events like storms and heatwaves. The end of 2023 saw the most active start to the storm season since naming storms began in 2015, according to the [Met Office](#). In early September 2023, a heatwave was declared for a week – making it the longest run of days exceeding 30°C on record. These types of surge events lead to increased claims – for example, houses damaged by falling trees. But so too do more predictable disruptions such as burst pipes in colder winter months, or thefts from homes during the Christmas period.

The truth is that such disruptive events are becoming more frequent. It's time insurers changed their thinking accordingly – so that these events are not regarded as exceptional and assigned their own discrete strategy, but anticipated as commonplace and built into business-as-usual planning.



The Contact Centre can accelerate this shift by:

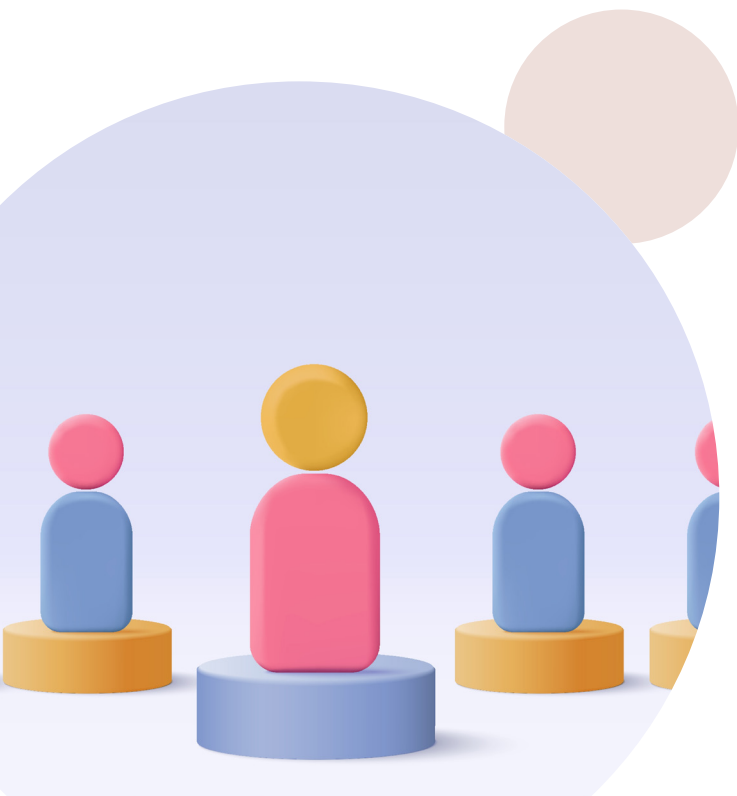
- **Implementing robust and automated ID&V** to ensure agents spend more time solving problems for customers rather than focusing on identity checks;
- **Fostering digital journeys** to empower customers to contact their insurer via multiple channels, and to ensure claims are handled more smoothly – for example by using AI and voice bots to optimise agent productivity;
- **Proactive customer engagement** during an extreme weather event or a period of traditional surge events, in order to streamline inbound traffic and build trust;
- **Embracing analytics** to generate insight from historic data, in order to predict and plan for possible future surge events.

IPI's Workforce Engagement solutions can help to forecast demand and ensure that employees are scheduled effectively around peaks and troughs. A high degree of automation delivers an optimised customer experience, however disruptive external events are. And analytics capabilities gather data and insight for continuous improvement.

Conclusion: The time to embrace change

Persistent economic uncertainty, and climate and geopolitical volatility, make for challenging times for the insurance sector. To adapt to this new normal, Contact Centres must go back to basics and focus relentlessly on the customer experience. Technology can be a force multiplier for driving improvements here – enabling insurers to improve the digital journey for their customers whilst adhering to rigorous compliance demands and adapting to a surge in disruptive events.

Those with the right technology partner will spot and have the ability to realise opportunities to leverage AI and automation, and cloud-powered platforms here – not only to enhance customer satisfaction but also the employee experience, while realigning the business to ESG priorities. The time has come to embrace change.



About IPI

To find out how IPI's Contact Centre solutions and dedicated team of expert consultants can transform your insurance business, get in touch today.



Ageas UK

We had high expectations for IPI and have not been disappointed. IPI has been an excellent partner throughout, collaborating with our team to deliver a best-in-class solution that provides the great service our customers expect and deserve.

This whole exercise has demonstrated where technology can be used to support our Contact Centres, handling straightforward activity, thereby enabling our Contact Centre consultants to do what they do best – delivering brilliant service. We are also providing customers with more channel choice, enabling them to move to our self-service online account where this works for them.

We are delighted with the results we have seen so far and are continuing to explore new uses for this technology in our Contact Centres to make the best use of our precious and highly skilled Contact Centre team to deliver brilliant service where it matters.

Tracy Sheldon, Head of Operational Effectiveness at Ageas UK

Complete Cover Group

Having worked in IT for 15 years and having the all too-common headaches of partners that rest on their laurels, only making contact when renewals approach, I find myself somewhat cynical in my choice of working partnerships. IPI has proven to us time and time again that it is in this for the long run, whether it's finding a cost-effective solution at short notice or helping us develop a strategic platform the company has always delivered. In the rapidly changing landscape that is technology it's vital that we have strong trusted partnerships to help us keep ahead of the curve. IPI don't just sell you a product, they work with you to understand goals, propose ideas and solutions and stay within budget.

James Borne, Associate Director of Group IT Compliance with Technical Support at Complete Cover Group



TAKE THE NEXT STEP



IP Integration Ltd
Integration House
Turnhams Green
Business Park
Pincents Lane
Reading, Berkshire
RG31 4UH



0118 918 4600



enquiries@ipintegration.com



<https://ipintegration.com>

