

The logo for ZYWAVE, featuring the letters 'ZY' in a stylized, bold font followed by 'WAVE' in a standard sans-serif font. The background of the entire page is a dark blue gradient with a repeating pattern of small, light blue icons of people in circular frames, and a large, faint graphic of a hand holding a pen.

A Magnetic Personality Will Only Get You So Far

Why Policyholder Engagement
Strategies Are Here to Stay

You know how it works. Your policyholders purchase the coverage you offer through your distribution networks. Those distribution networks find new prospects to purchase your coverage and help existing policyholders renew if they are happy with your services. As long as the policyholder is deemed a good risk, the underwriter signs off and “Voila!” – you have a new customer! That’s how the industry works, and how it’s worked for the past twenty years. But don’t rest easy. You are going to need to do more to retain your policyholders. A lot more.

Traditionally, there’s been little-to-no policyholder engagement or focus on the policyholder experience. Instead, the policyholder experience has revolved around claims. But there’s so much more to it than that. What if you could help your policyholders reduce risk? What if they could help mitigate the cost and severity of claims by using services that help them with sound employment practices?

Today’s consumers have been shopping in a world full of endless choices that cater to their immediate needs. The power is all in their hands. And the insurance industry needs to catch up. Consumers are looking for an insurance carrier who knows them, communicates with them through the medium of their choice, and offers personalized content and targeted messaging, outside just claims.



*If insurance carriers want to succeed, they will need to adapt to these **modern-day consumer demands**.*

Otherwise, they risk policyholders switching to a carrier partner who can meet their growing expectations. They will need to move from policy-centric to policyholder-centric approaches for all forms of communications, provide added-value business solutions and find a streamlined and cost-effective way to do so.

You've got a magnetic personality

Well, your organization does, or your insurance policy does. You've been offering top-notch quality coverage for years. You know it. Your distribution network knows it. And your clients know it.

But in many cases, clients are not fully aware of the severity of risks they're facing or the availability of coverage. In a McKinsey survey of more than 400 SMEs without cyber insurance coverage found that 80 percent were either unaware of available insurance products or unaware of their exposure to cyber risks in the first place. And this disengagement goes beyond understanding the additional coverages that would benefit their organization. While you may be offering best-in-class insurance products, most policyholders still aren't interacting with you outside of what can be seen as often-negative experiences, including:

Policy Inception

Nobody wants to spend money on insurance coverage. After all, it's a big expense! But we all understand that it's essential. It's like having smoke detectors in your house – you hope you never have to use them, but in the case of a fire, you're glad when they are there and working. But that doesn't mean anyone is excited to spend the money to get them!

Claims

Having to file a claim with your insurance carrier probably means that you're not having a great day to begin with. Whether it's damage to a building, the threat of a lawsuit, or an unexpected cyber-attack, needing to use the coverage, needing to leverage your policy isn't the result of everything going well.

Renewal

So, you didn't use your policy this year. That great! You had a wonderful and safe year. But now it's time to renew – and in a tough economy, prices are going up. Who's excited to pay more for something that they hopefully will never have to use?

So, while your magnetic personality (your top-notch insurance coverage, that is), has gained you a strong policyholder base, they aren't always excited when it's time to talk. That's why it's time to turn your policyholder engagement program on its head. Turn the relationship you have with your policyholders from a cold, when-you-need-me relationship, to that of a strong, always-available business partner. But where do you start?

Let's go back to basics

So, if you've struggled with delivering a policyholder experience that is simple and streamlined, and drives additional value for your policyholders, you're not alone. Consider all the services a single policyholder can have with you, not to mention additional lines of coverage. **Your policyholder experience needs to match the quality of your insurance coverage. Think about it for a second - does it?**

- Does your policyholder interaction meet the needs of modern, digital consumers?
- Are all communications from your organization funneled through the same department or even the same company?
- Would you consider these communications consistent in use of voice and brand?
- Are they sent at common or predictable intervals?
- Do they come from a recognizable source with a clear and direct link to your services?
- Are all communications delivered through the medium the policyholder chooses and at the interval the policyholder chooses?
- Do you get analytics on how effective these communications are? Opened? Understood?
- Do you provide value to your policyholder beyond just their insurance coverage?
- Are you helping your policyholders improve their business and operations?
- Are you helping your policyholders understand how to reduce risks?

Answering "no" or "I don't know" to even just one of these questions could mean that you're providing a disjointed and confusing policyholder experience. Seemingly meaningless details, such as communication send times, brand consistency and medium choice are, in reality, incredibly meaningful details. And in a world of endless options, one negative experience, while seemingly small, will cause your policyholder to start shopping for a carrier that provides a better customer experience.

When your magnetic personality only gets you so far

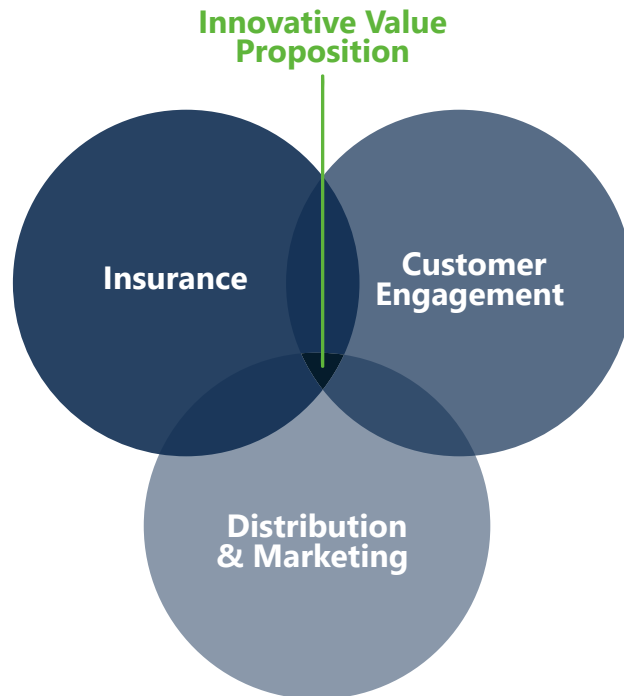
Too often, mass communications, whether through direct mail, email or otherwise, are sent to policyholders and prospects with little to no direction. And that's just not going to work anymore. According to the 2022 State of the Connected Consumer report, Salesforce² reported that "88% of customers say the experience a company provides is as important as its product or services, up from 80% in 2020." Disorganized and impersonal communications won't meet the needs of modern consumers. That's why a commitment to policyholder-engagement is vital to growing your brand and market share



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Today's leading insurers have started migrating to this new policyholder-centric approach in addition to pricing and risk control strategies. In order to improve policyholder engagement, progressive insurance companies are implementing real engagement strategies that offer relevant and timely communications and value beyond just insurance coverage. McKinsey³ further states that "...carriers can proactively engage clients, distributors, regulators, and governments to educate stakeholders and support their risk prevention and mitigation efforts to increase institutional resilience with a proactive approach toward risks."



Source: McKinsey analysis

They provide communications with real actionable value, such as webinars, articles, surveys, and promotions. They're also offering solutions like educational courses and informative content that allow policyholders to run their business more effectively. Rather than asking for something from policyholders, they're giving them something – and that's what makes them stand out. When a policyholder feels that you really care about them and communicate with them, they'll be more inclined to continue, and even grow, their relationship with you.

*Rather than asking for something from policyholders, the leading insurers are giving them something – and **that's what makes them stand out.***

Don't worry – we weren't kidding when we said you had a magnetic personality

Insurance carriers shouldn't abandon all the principles that have worked for years because, well, they've worked. Salesforce⁴ noted it perfectly when they noted that while "shifting communication preferences suggest life may be picking up its pace... One thing hasn't changed: Engagement is as omni-channel as ever, with customers turning to an average of nine different channels to communicate." Traditional staples like phone conversations and agent interactions still provide essential value to policyholders. So, while communication may be evolving, don't feel like you need to abandon some of your core principles. But investing in your policyholder-engagement strategy will certainly lend you a competitive edge.

Policyholder engagement strategies - What you need to know

To deliver truly policyholder-centric communications and solutions, you need to be mindful of a variety of preferences, and a little personalization never hurts, either. Acknowledge those type-A personalities by putting the power of choice in their hands:

Communication channel of choice → web, mobile

Topic choice → Do they want information about coverages? Certain topics?

Frequency choice → Do they want to be communicated with on a weekly basis? Monthly?

Content choice → Do they want only articles? Webinar invitations? Neither?

Resource needs → Do they need self-service solutions? Employee education assistance?

To deliver effective policyholder-centric communications you need to know, understand and track important preferences. With this information, you'll be able to deliver timely, relevant communications and effective business-operations solutions to your policyholders, resulting in increased customer retention and satisfaction and, ultimately, larger profits.

How do I get started?

Migrating from a policy-centric to a policyholder-centric approach may seem like a daunting task. But it really just takes some concentration and direction.

Okay, you're concentrating. You've read this far, you must be concentrating... So, answer some questions:

- How can we develop brand consistency with all of our communications?
- How can we engage our policyholders and encourage two-way dialogue?
- How can we manage policyholder communications preferences?
- How can we proactively provide answers to the most pressing questions our policyholders have?
- How can we personalize our messages?
- How can we deliver real value to our policyholders?
- How can we help our policyholders improve their business operations?
- How can we make this a simple and friendly process for the policyholder?
- How can we make this a simple and cost-effective process for us, the carrier?

There you have it. Direction!

It's time to take action

Are you thinking about the IT Development it would take to create a policyholder lifecycle management system or an education portal? Are you thinking about the marketing and content development efforts it would require to create personalized content and consistent communications? Are you thinking "this is going to be a huge drain on executive time. How else can I do this?" Well, thankfully that's been thought through. That's why a policyholder engagement tool that already exists is a viable solution.

You can forget about the internal struggle to develop relevant and consistent communications, and you can forget about asking IT to develop an automation system intelligent enough to manage all policyholder preferences. Skip building a learning management system and developing educational courses. Don't worry about developing the high-quality and trusted content that your policyholders are searching for. An existing policyholder engagement solution that can still be customized and tailored to the unique needs of individual policyholders is surely the best solution when you consider cost, speed to market, integration, and simplicity.

Client-centricity comes before everything else

The world we live in has shaken the insurance industry's traditional policy-centric focus. To succeed in the market today and for years to come, insurance carriers need to become policyholder-centric, and they need to do so fast. Beyond buzzwords, this means getting to know the individual behind the decisions and acting like you know them. Consumers have become accustomed to personalized and tailored messaging, and the same expectation now exists in the insurance industry. Policyholder engagement packages with targeted channel communications are vital to differentiate carriers from their competition, to retain current policyholders, win new business, and ultimately, to help carriers thrive in this customer-centric era.

¹³ McKinsey & Associates. (2022, March 4). Five steps to improve innovation in the insurance industry. <https://www.mckinsey.com/industries/financial-services/our-insights/five-steps-to-improve-innovation-in-the-insurance-industry>

²⁴ Salesforce. (2022). Fifth Edition: State of the Connected Consumer. https://www.salesforce.com/content/dam/web/en_us/www/documents/research/salesforce-state-of-the-connected-customer-fifth-ed.pdf

For more information about Zywave's solutions, reach out to marketing@zywave.com.

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