

Accessibility, adaptability key to insurance industry success in 2023

By [Edwin Theron](#)

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When one looks back at how the insurance industry fared in 2022, it's fair to say that things are slowly starting to return to 'normal'.



Source: [Pixabay](#)

Claim volumes and new business volumes have largely normalised and are roughly back to where they were before Covid.

This is a big positive. But it doesn't mean that we're out of the woods just yet.

Business metrics show that consumers are still under a lot of financial pressure, globally, and they're looking for ways to tighten their belts. Unfortunately, this often means cancelling their insurance.

But as the industry evolves, and as the technology we use develops and improves, there are so many ways for insurers to come up with creative strategies to improve their propositions to clients, which, in turn, ensures that insurance is more accessible.

For example, a few years ago, insurers started experimenting with chatbots; using these bots to answer rudimentary

queries instead of hiring hordes of call-centre staff to field customer calls. The problem is that early iterations of these bots were actually pretty dumb and often resulted in clients being more frustrated rather than getting more efficient service.

But this really has changed in recent years and the potential of artificial-intelligence (AI) powered chatbots can soon be an important weapon in a modern insurer's arsenal.

The evolution of chatbots

Chatbots have evolved so rapidly that they can coherently debate the nuances of global warming and imagine what these can do for customer service. AI can also be used to help insurers advertise more effectively.

In the past, insurers would have to test out their marketing and advertising collateral in different contexts and with different client segments to see what works best. But with AI, you can feed relevant information into an algorithm, and it will provide a comprehensive communication roadmap – suggesting the right places to advertise, how to package content together and how to iterate on your efforts.

Just like we struggle to remember how we managed life without smartphones (think back to map books, sms limits and portable video cameras) I believe we will soon struggle to imagine our lives without the assistance of these 'robots'.



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During the pandemic, everything went digital. This totally transformed customer expectations, and demanded that the insurance space make some pretty big changes to keep up.

Below are a few things that insurers would do well to prioritise to ensure that they succeed in 2023:

- **Keep it simple:** Modern customers have become accustomed to self-service, fuss-free digital experiences. It doesn't matter if you're a retailer or an insurer, this is what you must deliver. Why would a customer head into a bank branch to open a new account when they can snap a selfie and do it by means of an app on their phone?

In 2023, insurance businesses must do more to remove friction from their processes. To do so, they must leverage new technologies to improve the quality of the interactions they have with their customers; making sure that these interactions are as simple, smooth, and seamless as possible. Client expectations are changing rapidly, and insurers must respond.

- **Educate clients about gaps in their cover:** The average South African is significantly under-insured when it comes to life cover and disability insurance, according to the *2022 Life and Disability Insurance Gap Study* released by the Association for Savings and Investment South Africa (Asisa).

I strongly believe that this isn't just a case of people knowing that they're under-insured and choosing not to do anything about it. I think it is because many people aren't aware that the amount of cover they have is insufficient.

Here, there is an incredible opportunity for the industry to educate clients and explain to them what they really need and why. The industry can also tap into this reality by making sure their propositions are easy to understand so that all their clients know exactly what they are and are not paying for.

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- **Be willing to adapt:** I don't think the economic pressure we have seen in 2022 is going to vanish in the short-term and we might be in for some more difficult times going forward.

This general volatility in the market is something that insurers must consider and build into their strategies.

How do you do this? By being open to adapting as and when the market and client expectations change. During tough economic times, being able to adapt propositions and services based on client feedback will give insurers an edge over their competitors.

Tech companies often refer to having a six-month plan as opposed to being set on what they are going to do for the next five years. There's a reason for that, and adaptability has become a ticket to the game.

- **Meet customers where they are:** Clients spend a significant amount of their time on digital platforms and insurers typically don't have the type of propositions that attracts a large proportion of these client engagements.

So, insurers need to think outside the box and come up with ways to get closer to clients. This could entail selling to customers by means of unexpected channels. But this doesn't mean that you can just take an existing product, put it on another platform and expect it to sell.

Meeting customers where they are demands that you take the time to understand the client so that you can tailor solutions to really meet their needs, and so that you know how to convince them of the value of insurance.

As these partnerships develop and grow, I look forward to a time when a customer looking for insurance will have many different ways to do so. And buying insurance will be as easy as buying your groceries.

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