

# Insurers keep negative conversations at bay

Despite a significant increase in claims across most products and segments, with major fluctuations in the volumes of new business over the Covid-19 pandemic period, South Africa's insurance sector has emerged as the industry with the lowest level of negative conversation among consumers across a broad range of industries.



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With an average Net Sentiment score of -0.4%, the insurance industry was followed closely by retail (-1.0%), but significantly outperformed both the banking (-16.3%) and telecoms (-34.6%) industries.

This is according to the 2021 *South African Insurance Sentiment Index*, conducted by PwC South Africa in collaboration with BrandsEye. The index, which offers insight into consumer sentiment towards 15 of the country's major insurers, tracked over 450,000 public non-enterprise posts on social media platforms between 1 April 2020 and 31 March 2021.

The data is based on unsolicited feedback from consumers – customers and non-customers alike – which offers a distinctive view of what people perceive about insurers and where they tend to fall short.



## Online insurance sales rise in pandemic

Robin Wagner 17 Sep 2021



## Customer experience

Complaints about turnaround time were seen across all insurance products, brands, and channels, and along all customer journey points, making up 52.8% of negative conversation. Interestingly, turnaround time was also among the top three drivers of positive conversation (21.5%), showing that it can make or break customer experience.

Other topics driving negative conversation were no response received (23.9%) and speaking to multiple contacts (16.5%), which highlights customer communications as an area that insurers should consider improving.

The overall claims process across the industry was rated -64.3% in terms of Net Sentiment, driven primarily by customers' complaints about not knowing the status of their claim.

## **Customer complaints rich with TCF outcomes**

The need to improve customer outcomes and ensure fair treatment is a matter of regulatory compliance and insurers must be able to prove that they are indeed putting the customer first across their journey.

As the financial services sector prepares for full implementation of the Twin Peaks framework, the proposed Conduct of Financial Institutions (COFI) Bill looks to ensure that the six Treating Customers Fairly (TCF) principles are legally binding and enforced.

Over two-thirds (67.8%) of the priority complaints directed at insurers related to one or more of the TCF framework outcomes. The bulk of these complaints (60.5%) spoke to Outcome 5: Performance and Service, highlighting that customer experience is a common complaint among consumers.

"Improved responsiveness to customer mentions on social media would not only boost consumer sentiment, but also assist insurers in reducing the conduct risk they'll face when the TCF framework is fully implemented," comments BrandsEye's CE, Nic Ray.

"Given this scenario, insurers would do well to pay close attention to their online conversation and ensure they are equipped to identify through all the noise, the priority conversation that requires attention and action. Doing this not only improves outcomes for consumers, but also mitigates reputational risk while ensuring regulatory compliance," Ray concludes.

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