

# Is Customer Communication Your Weak Link?

## Top tips for insurance brokers in search of competitive advantage



*“Perhaps if those in customer facing roles did a better job of communicating with policyholders both before they suffer a loss and immediately upon notification of a claim, then we might manage their expectations a little better.”<sup>1</sup>*

This quote, published recently in Insurance Age, refers to the bad press received by the insurance industry following the surge of claims triggered by one of the harshest winters the UK has ever experienced. Whilst many brokers handled these claims from individuals and businesses quickly, honourably and with sensitivity, the focus of the media was on inefficiency, the spiralling cost of insurance payouts and the impact on premiums for years to come.

Media and public perception isn't the only challenge faced by brokers. New regulatory controls have significantly increased the cost and complexity of doing business, and the rapid rise in insurance fraud must be tackled at point of sale if it is to be controlled effectively.

Add into the mix fierce competition, fuelled by the upsurge of online insurance providers and comparison web sites that drive down prices and increase customer service expectations, and the scale of the broker's challenge is clear to see.

### Customer communication is king

A customer's experience is heavily influenced by the way in which their insurer's representative engages with them before, during and after a claim. Brokers are challenged to serve more customers, meet regulatory requirements and fight crime and increased competition with fewer resources. However, they must never lose sight of the

fact that effective customer communications and quality of service form the foundation for success. The theme of the 2011 BIBA Conference, Opportunities in Adversity, has never been more apt.

The worldwide economic downturn has also had a significant impact on brokers around the globe. In times of recession, insurance cover is often considered a luxury, however many businesses and individuals who reduced cover in pursuit of short-term financial gain have come to regret this decision when faced with a loss. The brokers who have worked hard on their customer relationships throughout this difficult time, explaining the benefits of insurance and educating them on ways to reduce their risk profile, have achieved high customer retention rates because they have demonstrated how to make premiums more affordable.

For brokers who have been communicating effectively to date, the challenge is to streamline the communications process, increase quality and reduce cost to attain competitive advantage. For those who have previously left the job of client communications to the insurers, there are benefits to be gained from bringing this vital process in-house. The challenge for these brokers is to introduce best practice document output management procedures that will integrate smoothly and cost-effectively into their existing environments and will provide a maximum level of personalisation for their clients.

## Add value through efficient document output management

Research shows that companies spend 12% to 15% of annual revenues on publishing activities<sup>2</sup>, so the effect of just a small reduction can be immense. Automated document output management systems can cut costs in a number of ways.

- **Controlling the cost of compliance:** Business users who can control, monitor and manage the documents produced and who can re-define document output processes and workflows as required – without involvement of IT staff – can respond to regulatory changes quickly, efficiently and cost-effectively.
- **Employing different methods of delivery:** With an increasing expectation from customers and growing regulatory and statutory recognition, many insurance documents that have been traditionally dispatched by post may be communicated electronically. Thus for example the introduction of the “Motor Vehicles (Electronic Communication of Certificates of Insurance) Order 2010” that amended the “Road Traffic Act 1988” and the “Motor Vehicles (Third Party Risks) Regulations 1972” to allow delivery of motor insurance certificates by e-mail or website access. This order has paved the way to fewer certificates having to be printed and posted.

An electronic method of dispatch – by e-mail, through web site publishing, via SMS or other means – does much to drive down costs, accelerate response times and preserve the environment.

- **Maximising the usage of post:** For those items that are still sent by post, brokers can dispatch multiple items to the same recipient within one mailing and so reduce print, stationery and postage costs and support environmental policies. Marketing materials can be enclosed or promotional elements (TransPromo) can be included within invoices, statements or policies to convert even the most routine communication into a cross-selling opportunity.

For brokers that have negotiated preferential postage rates with more than one carrier, the least expensive carrier to be used at any one time can now be automatically chosen, according to the size, shape and weight of each mail item.

For more information about reducing document output expenses, download our e-book “How to Slash Customer Communications Costs... and Increase Customer Loyalty at the Same Time”:  
[www.cincom.com/ChannelStream/CostReduction](http://www.cincom.com/ChannelStream/CostReduction)

<sup>1</sup> Alistair Steward, Insurance Age, 04 March 2011

<sup>2</sup> The Cost of Business Communication: A Look at the Business Document Lifecycle, CAPV

## About Document Output Management

Document output management systems offer a genuine opportunity for brokers to reduce costs, increase productivity, accuracy and efficiency while providing a responsive customer service that facilitates long-lasting customer relationships. By adopting best-in-class solutions and applying proven methodologies, brokers can gain a competitive advantage and achieve business growth.

If you would like to know more, contact us at [ChannelStream@cincom.com](mailto:ChannelStream@cincom.com).

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