

P&C and Life Insurers: How to Serve Clients Well During Crises and Prepare for the Future

How should insurers maintain high-quality experiences for policyholders during the pandemic, while also improving business resiliency and prepare for a post-pandemic world? They need to strengthen their digital capabilities.



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As part of their digital strategies, property and casualty and life insurers have already built greater flexibility and agility into the operating models. On basis of the ongoing pandemic, we believe insurers must continue to exercise these strengths across products, claims and the value chain to stand strong.

Here are the key areas to monitor and address:

• Identify additional opportunities to enhance the customer experience

Policyholders expect digital experiences with responsive service; many insurers are delivering those today. Large insurers have built strong capabilities for digitizing claims intake, policy processing and claims triage. Responding to COVID-19 can reveal where insurers could expand those capabilities and deconstruct additional data and process silos to enhance the customer experience and mitigate business continuity risks.

• Prepare for increased online policy shopping

Deploying chatbots can help manage volume and maintain quality of interactions; customer sentiment analysis and artificial intelligence (AI)-assisted conversations can augment service representative performance. Reexamine product mix and product coverages. In the new normal, associates may choose to work at home even after the pandemic has receded, so driving might become less of an underwriting factor. Homeowners may need special coverage for work-at-home capabilities. Small business pandemic and viral contagion policy exclusions may need to be added or edited. New products could include cyber-risk riders, homeowners and umbrella coverage enhancements. Life product underwriting and actuarial guidelines for post-pandemic effects would be updated.

• Ramp up life insurance underwriting

After COVID-19, customers who did not think they needed life insurance likely will enter that market, while whole life policies might also be purchased as bond substitutes. The industry has not factored pandemics into its pricing before and must consider that variable as it meets new demand.

• Prepare for current and post-pandemic shifts in volume

Right now, expect fewer auto claims and more business interruption and life insurance and disability claims. In the near term, workers compensation claims will increase. Property and casualty claims will continue - COVID-19 will not diminish the risk of tornadoes, floods or hurricanes. Carriers must deploy additional remote capability and automation to provide the greatest customer satisfaction at the moment of truth: when a claim is filed in the midst of a pandemic.

• Evaluate long-term effects of the rapid disintermediation and compression of the industry value chain

For example, carriers will need to find the balance between the value proposition of personal, agent-delivered services and that of the imperative to digitize and automate. Use the global scale of third-party providers, AWS and Microsoft cloud, and process augmentation service providers to help meet the new-normal challenge.

• Investigate how to source and/or automate still-manual processes

Easily overlooked processes such as printing, mail, bills and payments can disrupt continuity efforts.

• Accelerate cloud deployment for virtual desktop infrastructure connectivity into major application portfolios

Companies not running policy, billing and claims in the cloud (software as a service or platform as a service) should consider enabling a hybrid cloud solution to address connectivity for the extended value chain, including agents, physicians and other carriers. Serving policyholders well during this crisis requires insurers to draw on the full potential of their existing digital capabilities across products, claims and the value chain. This is also the way to maintain performance while preparing for a post-pandemic world.