



Protection
Review

The Summit Summary August 2020

Focus on "Process" - one of the
4 Ps of Protection

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The logo graphic for IPIPELINE features a stylized 'I' composed of three horizontal white bars of varying lengths, followed by the word 'PIPELINE' in a bold, white, sans-serif font. A registered trademark symbol (®) is located at the top right of the word 'PIPELINE'. Below the main logo, the tagline 'INNOVATION UNLEASHED' is written in a smaller, white, sans-serif font.

We held our fourth and last in the series of Protection Review Summit in association with iPipeline on 25 June. At these interactive events, we are looking for change through debate. We tackle important, often controversial, industry issues. Although online due to the COVID-19 lockdown, the event was still a well-attended and lively debate.

iPipeline has long talked about the 4 Ps of protection which they call the:

- Perils
- Process
- Product
- Price.

At the fourth summit we focussed on 'Process'. Underwriting: how it changed because of COVID-19 and how it will change in future? How can we improve digitisation? New trends and emerging segments.

As usual we welcomed speakers to talk about the subject for 15 minutes followed by a debate with our guests – providers, advisers and reinsurers.

Chris Samuel, iPipeline

Chris opened by pointing out the industry has made huge strides in recent years but there's lots that it could be done better, specifically how it can use technology and the intelligence it's gathered collectively to improve the outcomes for those people that it's protecting. And of course, the service it gives advisers.

He looked at the traditional underwriting approach of questions and answers and more evidence such as GPRs, with new stream of data we can use to reach quick decisions. What's the best amalgamation of these two approaches? Data means we don't have to have a one dimensional approach to underwriting. For example, on a joint life critical illness plan, in the past we might have declined the whole thing if one life was impaired. How can we make sure that we are able to present options to the customer in case of an adverse underwriting decision and give them and their adviser alternatives?

Chris discussed how technology could hand some of the processes over to the client and the adviser. He wondered how much companies would be prepared to let go, and how much advisers and clients would be happy to take over. Are we moving to a self-serve and fulfil model? He talked through the example of a payment failure, arrears and then policy cancellation and claw-back. If we view the process as a clerical process it lacks customer and adviser engagement. How can we involve both the customer and the adviser earlier and make it easier for them to respond?

So, it's about informing and treating the relationships post-sale as importantly as the relationship presale between the adviser and client in terms of getting any changes in detail on the books.

Claims are the insurers moment of truth, but it's a process that has seen the least attention as technology has developed. What can we do to make the claims process easier at what is always a difficult time for clients?

Scott Cadger, Scottish Widows

Scott looked at process from the point of view of client expectations. People are used to dealing on multiple devices with firms such as Amazon, Apple and Google. They are now used to seeing things happen quickly while in the insurance industry it can take a while for the back office to catch up with transactions.

That said, people also want some human interaction. Scott has been working on helping customers understand that they're doing the right thing, that we're using process in the right way and the human interaction which improves that and gives the personal touch. They don't like to think that everything is being done by the computer for the computer.

Scott took us through how Scottish Widows reacted to the COVID-19 crisis by quickly introducing a more online claims process. And it wasn't just about making it easy for the client online, they were also conscious of not burdening the NHS with too many evidence requests.

The key aspect of this is that the COVID-19 response on process was to re-affirm and tweak the existing process, highlighting that where possible, a human decision is taken when cases are not automatically accepted. At each step, an underwriter is involved in working at what the best next course of action is, and how to obtain sufficient evidence without automatically going for a GP Report. The important point was the human underwriter is in charge of controlling and utilising the process, not the process dictating what the underwriter should do.

Andrew Wibberley, Alea Risk

Andrew started by remarking that it's only been in the last 5-10 years that people within insurers have become especially passionate about protection processes. The swift reactions to COVID-19 to introduce new processes are a testament to that passion.

Lockdown has shown we can wash away some of those, "We can't do it because it's always been done this way," excuses. We've seen that when insurers really need to, they can make lots of changes very quickly. But Andrew cautioned against such rapid change becoming expected once things return to normal. Advisers have much to keep up with and insurers should be careful not to overwhelm them with even more, quicker, changes.

We also must remember that the rapid changes caused by COVID-19 were driven by a sudden and unknown and potentially massive risk to the insurance book. Rapid change was essential. When we look at future process changes, to give the client and adviser more control, or to be more engaging, we can take the time to get it right.

Andrew wondered whether we could do more to make some of the process appear more beneficial for the client. For example, going for a medical examination is seen as a negative. How can we make it a positive? And the COVID-19 crisis might have made people think more carefully about their health. How can we tap into this newfound interest to get them to consider protection?

Commented [AB1]: Is something missing here?

Debate

On talking to advisers

One adviser remarked that it's always essential to be able to talk to someone throughout both the underwriting and claims process. It's a two way process and it's essential to keep all parties informed. We mustn't let a move to more automation remove this human touchpoint. And there was a plea to also involve advisers when designing these new processes, even if they must be introduced quickly.

Scott said that even though they introduced their COVID-19 changes quickly, they had been researching such processes with advisers before the crisis and they would continue to involve advisers in product and process developments.

On underwriting post COVID-19

Another adviser asked what underwriting measures would appear after COVID-19. Is it going to be a case that in six months, clients are automatically going to need to have a medical to prove that their lung capacity breathing is fine? And that there's not been long term damage to their lungs?

Scott said we are now about six months into a global disease that is only six months old and is very, very new. Each day there is more data coming out globally that helps us to understand what the condition is in the short term, but also on the potential long term effects. The industry will work with advisers to keep communications around anti-body testing, and other tests, that may come in future.

We do need to be mindful that this is a disease that is six months old. Yet we are writing products that are 20 to 30 years with a long term guarantee. And we just need to be cautious in the way that we go forward, but equally pragmatic and consider that we are looking at an overall risk portfolio.

The adviser agreed, but also highlighted that forewarning of any changes was essential and once again underlined the importance of a dialogue between insurers and advisers.

On the end to end process

The last comment came from an adviser who lamented that there is a perception that some advisers are only interested in the policy during the claw-back period. Good advisers, of course, want to play a role all the way up until the claims stage and those are the advisers' insurers and technology firms like iPipeline would benefit from having a dialogue with as processes develop.

Summit actions for the industry

These are the main actions for the industry coming out of the discussions at the Summit.

- As we incorporate more data and technology into processes the key is to focus on engaging the client and adviser and keeping the human touch where possible
- The COVID-19 crisis has proved the industry can move quickly when it needs to, but perhaps this fast-track pace is not needed all the time. What will be an acceptable timescale in future which balances speed and governance? Quicker than before but not as fast as during crisis?
- There are advisers who are not only passionate about protection, but passionate about process too. Providers must continue to work with these advisers to create engaging client propositions.

To find out more about the Protection Review Conference, Awards and Dinner visit: protectionreview.co.uk

Get in touch to discuss partnership opportunities: jo@lebeauvisage.co.uk