



POINT
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COUNTERPOINT
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Innovation: Industry Serves Customers First, Then Itself

Podcasts, white papers, blogs, conferences, webinars — you think carriers and brokers do this for their pleasure?

Whether we're talking about podcasts, white papers, blog, conferences, webinars, you name it, the industry is doing clients an enormous service by communicating in as many different channels as clients would like.

Think of the time and money it takes or put together a newsletter, compile circulation lists, host a webinar, organize a conference. Now multiply that ten-fold. The largest carriers and brokers do that for their clients more than they do it for themselves.

Don't think this is all just fun and games for the carriers and the brokers. It's hard work. It costs money. Yes, there's something in it for the industry, but there's a lot more in it for the industry's clients. These communications responsibilities and the service they provide are to the benefit of the client.

It's an educational approach to risk management, as well. Carriers recognize that it is important to clients to spend energy and the money to conduct online and face-to-face seminars. Risk managers care about the importance of the relationship, and all healthy relationships are built on constant and clear communications.

Communicating with clients through a multiplicity of channels may not always serve the carrier's bottom line in the moment or meet the next quarterly earnings numbers. In the end, though, reaching out professionally and courteously is likely to serve the interest of clients in the long term. That's what I call serving clients first, and your own interests second.

Serving customers first is about one team telling another to think differently. It's about a carrier or a broker finding out what their clients' needs are, and then going off and finding solutions to those needs.

That's how the industry developed simple property/casualty coverage, then directors' and officers' coverage, then pollution liability coverage, then terrorism coverage and now, finally, cyberrisk coverage. Are there carriers and brokers who look at insurance through an almost purely transactional lens? Of course there are.

But far more of them approach the needs of clients through finely honed sensitivities, enhancing not only a carrier's or a broker's ability to earn a livelihood but the ability of their clients to protect their livelihoods.

In the end, carriers and distributors have a duty and responsibility to their customers. By default, they have to serve clients first. For the majority of the insurance and reinsurance industry, that's the whole story — indeed it's the only story.

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Innovation: Industry Serves Itself *Before* Serving Customers

In their quest for survival, carriers and brokers develop products and services to help themselves.

One way for the insurance markets — indeed every market — to advance is to innovate.

Whether we're talking about the development of new coverage programs new software applications, or new ways to communicate with customers through blogs, podcasts and webinars, innovations are first and foremost — so we're told — designed to serve the end user.

While that's true — mostly — it's not the whole story.

Blogs, podcasts, webinars, roundtable discussions, are good for clients, to be sure, but they are even better for the sponsoring carrier.

These tools allow a carrier to brand itself in the marketplace, to promote its products and services, and to perpetuate its view of the state of the industry.

Insurance carriers, industry vendors and professional services firms serving insurance and risk management have one responsibility above all: to ensure their own survival.

With one push of a button, a carrier can send out a flier or an advisory about a new coverage product. A carrier doesn't have to pay for printing costs or mailing the announcement using the postal service.

What financial risk is there in sending web-based newsletters to clients, or sponsoring webinars through a third-party provider like Webex? Very little.

And the reward is high if 1,000 clients decide to join a webinar or participate in a carrier-sponsored homepage on one of the popular social networking sites.

A more knowledgeable client is good but it's good for the carrier first, the client second.

If 10 risk managers respond to an insurance carrier circular blasting out to 60,000 customers, and one of those 10 covert from prospect into client for an insurance product or service, the carrier's already ahead of the game; never mind the other 59,990 customers who deleted the message unopened.

Carriers need to keep up with the competition. If carrier "A" finds a multi-channel approach to reaching customers, it's not long before competing carriers jump in too.

In the end, competitors are the ones who are most interested in using the latest technological innovations, and it's the insiders who grasp the nuances of one product or feature, or one channel or another.

That's not necessarily a bad thing.

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Zurich HelpPoint Perspective



John Parker
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Amyriad of quicker, multi-channel ways to communicate with customers certainly benefits the end user. However, by possibly reaching more customers than ever before, carriers benefit as well.

Forward-thinking companies are moving away from the traditional role as one-way sources of information and more toward hosts and contributors. Why? The insistence for information has exposed two main truths:

- To be effective, content must be free
- One company simply cannot provide enough content

The demand for information is moving beyond webinars and whitepapers. Companies are beginning to raise their games and host online communities that include forums to exchange ideas and information. This can be very beneficial in creating relevant information

for the audience but the trade-off is that you abdicate complete editorial control. While this can be a scary thought, companies must realize that the end goal is helping the customer. To do so, you cannot be hesitant to hear what people are going to say about your company.

At Zurich, we are communicating more information to more people and feel that we are helping our customers while breaking through many internal paradigms. This shift has generated great support and enthusiasm within our company and from our customers and brokers. Is Zurich benefiting? Having current and prospective customers recognize Zurich as a thought leader in the industry is certainly good for us. However, in the end, it is all about sharing helpful information with the customer.