

# Reshaping the Customer Experience for the Changing World of Risk



Technology and the quest for better insights are redefining the customer experience

Relationships between insurance carriers and commercial customers were once primarily transactional: Pay a premium, get a policy, file a claim if something happens. Over time, however, the relationship model preferred by risk managers evolved into a much closer and more collaborative experience aimed at achieving sustainable loss reduction and business resilience.

Today, the customer experience is continuing to evolve as new and powerful risk data and predictive analytics tools are accelerating the transformation and depth of those relationships. Customers increasingly want to work with insurers demonstrating intimate knowledge of their businesses, even acting as extensions of their risk management departments. Indeed, some risk managers view deepening relationships with their carriers as a critical need at a time when their own in-house resources have contracted, even as the risks they face are becoming more complex.



“As corporations have gotten leaner, some risk management departments don’t have the same level of resources they had in the past,” said **Brandon Fick**, Zurich North America Commercial Insurance Head of Casualty. “Many

customers have come to rely more heavily on their insurance carriers and brokers to make sure they are getting the analysis and insights they need to effectively manage risk in a changing environment.”

As client demands for better data have grown, new technologies being deployed by insurance carriers are dramatically transforming the customer experience for many insureds. Fick noted that his own company is now heavily invested in the application of robotic processing applications, predictive analytics and cognitive computing for an expanding repertoire of underwriting, claims and business-processing tasks.

“Zurich’s experience is that these tools are having dramatic impacts on the changing character of customer relationships,” Fick said. “We are able to provide risk managers with degrees of detail and analysis of program performance that were very difficult to deliver before the advent of these technologies.

“If you look at predictive models, what you are really trying to do is to drive outcomes for your customer,” Fick said. “For example, on the medical management side, Zurich is using predictive models to try to figure out early in the claims cycle where we have the best potential to intervene and positively impact the customer’s outcome. It’s an area in which I believe we are one of the industry leaders.”

At the same time insurers are adopting new and powerful risk analysis, underwriting, claims and business-processing tools, customers are deploying their own new technologies to enhance the product and service offerings they deliver to their own markets. For some, that process is opening up new risk frontiers, the most obvious being threats posed by cybercrime, security and privacy, the “Internet of Things,” and related risks.

“For example, the expanding presence of artificial intelligence in many business segments is raising new concerns for many customers,” Fick said. “While AI today is being applied in rather basic forms, what will the future hold? We are talking about a thin line

between AI’s current role as a decision-making enabler – identifying or interpreting trends – and using that power to potentially replace human decision making. Are customers prepared today to handle those evolving risks? And, how is the insurance industry’s current product mix going to adapt with new ideas and solutions to meet these dynamic and developing challenges?”

Fick noted that insurers have not historically been at the leading edge of technological innovation, but that carriers are now engaged in a race to develop and deploy forward-looking tools that will enhance the customer experience. Helping to drive the pace of progress are upstart entrants who are charting new directions for the insurance marketplace to pursue.

“Today’s insurtech players are helping to drive many of the technological and risk-data innovations customers really want,” Fick said. “That’s forcing the traditional marketplace to embrace change at a lot faster clip. Insurtech players got into the space because they saw some clear gaps in how traditional insurers used data and some definite opportunities to fill those gaps. They are pioneering tools that would have taken the industry as a whole a much longer time to develop. In a sense, the traditional insurance marketplace should view the insurtech space as partners in driving new standards of performance that will result in an enhanced and dramatically improved customer experience.

“The world is changing at a rapid pace, presenting us with risk challenges that in some cases were unheard of a decade or two ago,” Fick said. “The rearview mirror is simply not going to tell us everything we need to know. As an industry, we are going to have to get more comfortable trying out new ideas and taking a few good, educated bets on behalf of our customers.”

*Want to know more about the risks facing your company? Zurich has collaborated with the World Economic Forum on the Global Risks Report. See [zurichna.com](http://zurichna.com).*

