IBM InfoSphere: Solutions for insurance

Creating a single view of the insurance customer with data integration and master data management

Highlights

- Create a single view of the customer to improve customer service, produce targeted marketing campaigns and tap into new cross- and up-sell opportunities

- Adapt to changing consumer demands and provide a seamless experience across multiple customer touch points, including independent agents, call centers and the web

- Reduce operational costs by eliminating redundant information and streamlining customer service

Competition is fierce in the insurance industry. With infrequent interaction between insurers and their customers, companies must maximize the value of each and every customer touch point.

From midsize firms to large, multi-line insurers, insurance companies need ways to strengthen customer relationships and accommodate changing consumer demands in order to retain current customers and capitalize on new cross- and up-sell opportunities.

Yet as companies embark on new customer-centric initiatives, many face the challenge of bringing together customer information from numerous disparate, disconnected data systems. Creating a single view of the customer can help insurers improve customer service, generate targeted marketing campaigns, reduce operational costs and ultimately stay competitive.

Understanding customers and adapting to change

To attract and retain customers, insurance companies must put customers first. Building strong relationships and understanding the needs of individual customers—and households—is key for reducing churn and increasing the number of insurance products carried by each customer.

Insurance companies also must keep up with the changing communication and buying preferences of their customers. Customers want—and have been given—more ways to interact with insurance companies. Insurance companies must ensure that local agents, call-center agents and online systems can access all customer information, collected through all previous interactions, to provide a seamless experience for customers, reduce attrition and drive new sales.

Building a single customer view

Unfortunately, at many insurance companies customer information is scattered across multiple, disparate systems. Information pertaining to different types of policies and collected through different communication channels is disconnected. The scattering of information will only increase as insurance companies add new lines of business, such as new types of insurance policies, Internet banking services and mobile self-service applications.

Without bringing together that customer information into a single, 360-degree view of the customer, insurance company representatives miss important opportunities to strengthen customer relationships and sell more products during customer interactions. For example, if a customer contacts a call-center agent to discuss property insurance, that agent might have little to no information about the customer's previous in-person interaction with a local agent. The customer will have to spend time repeating information already provided. The agent might also be unaware that the caller's spouse was recently investigating life insurance online and might be interested in additional follow-up information.

Lacking a single customer view, insurance companies are also unable to deliver information to customers in the ways that they want it. For example, online, self-service capabilities enable customers to access all of the policy information for their household, including multiple types of policies. Without the ability to create a single customer record, insurance companies cannot easily provide that information, nor can they easily generate multi-policy discounts or targeted marketing campaigns.

Leveraging IBM InfoSphere solutions

Implementing data integration and master data management solutions from IBM helps insurance companies address information challenges and create a single view of the customer. IBM® InfoSphere® Information Server is a data integration software platform that helps organizations derive more value from the information spread across their systems. It integrates high volumes of data across multiple data sources and target applications, and it ensures systems deliver accurate, complete information to business users across the enterprise— capabilities that are critical to creating a single view.

IBM InfoSphere Master Data Management (MDM) brings together customer information from across policy lines, business channels and service locations, creating a single, centralized record for each customer to help improve business process and application efficiency. That single record can be a virtual record (in which changes to customer information continue to be made through individual policy-based systems), a physical record (in which the record is maintained in a centralized hub) or a hybrid record (in which only part of the record is centralized). In this way, InfoSphere MDM gives insurance companies the flexibility to manage customer data in the way that makes the most sense for their business.

Improving cross- and up-sell opportunities

With a single, comprehensive view of each customer and an understanding of the relationships of people within each household, insurance companies can generate new cross- and up-sell opportunities. Companies can use MDM-powered applications to provide customer-facing agents with the information they need, when they need it.

For example, a call-center property insurance agent could access and act on information collected through a life insurance query submitted online by the caller's spouse. That agent could also offer auto insurance quotes for a child nearing driving age. With a complete view of the household, the agent can provide more personalized service in real time while offering additional services and multiple-policy discounts. Ultimately, a complete view of each household can help agents increase the average number of products that households buy, which could have a tremendous impact on overall revenues.

Adopting a customer-centric approach and increasing marketing effectiveness

When insurance companies know their customers better, they can quickly introduce customized products, promotions and marketing campaigns. Because targeted efforts are more likely to be effective, they can help increase revenues while reducing costs.

Insurance companies also gain the flexibility to create new products and offers faster, and better adapt to their customers' changing needs. For example, companies can implement MDM-powered applications that generate new offers and multiple-product bundles based on collected customer information. In addition, companies can provide customers with new online modes of managing their policy and claim information while ensuring the same high level of service quality across channels. By improving responsiveness to individual needs and consumer trends, insurance companies can better attract and retain customers.

Enhancing operational efficiency and reducing costs

Implementing an MDM solution and creating a single view of the customer also helps insurance companies reduce costs. A single, holistic view of the customer can improve the efficiency of claim processing, enabling companies to quickly and cost-effectively assess whether an insurance claim affects more than one policy. Using MDM to correctly link information and eliminate duplicate records, companies can avoid redundant marketing efforts and potentially reduce hardware needs.

Producing a single customer view for targeted marketing

With operations in Australia and New Zealand, Suncorp-Metway Ltd is a diversified financial services group that offers general insurance, banking, life insurance and wealth management services. The company needed to create a single record for each customer to reduce duplication of marketing efforts across its growing number of product lines.

Suncorp-Metway adopted IBM InfoSphere MDM to bring together customer information from 23 source systems. By creating a master data hub, 23 million source records were reduced to roughly 9 million unique accounts. With a single record for each customer, Suncorp-Metway reduced direct mail and operational costs, saved approximately AU$10 million annually on data integration and associated costs, and generated more targeted campaigns.

"Mergers and acquisitions in the past decade have increased our customer base by 200 percent. Having a single view of the customer, we're more accurately able to target and cross-sell across our brands."

—Richard Delisser, Executive Manager, Suncorp-Metway Ltd

Access to cross-policy information also supports more efficient call-center processes. With accurate information available on demand, agents can get straight to customers' questions and generally spend less time on the phone requesting duplicate information. And with cross-policy information easily available to all agents, there is less need for specialists for each type of product. The result: higher productivity, consolidated agent resources and lower costs.

Reducing risk and achieving compliance

Connecting information from multiple systems has another benefit: helping insurance companies discover fraudulent activity. For example, MDM-based solutions that use entity, hierarchy and relationship management capabilities help identify relationships among all participants in claims and analyze social networks to find possible fraudulent insurance claims.

In addition, centralizing customer information can help companies support regulatory compliance. Through the process of creating a single customer record, companies can improve the accuracy of information and help ensure that customers are receiving the correct rates. By removing duplicate records, companies may also avoid fines for marketing to people who have opted out.

Keeping the customer happy

To maintain a competitive edge, insurance companies must continue to put the customer first. By creating a single, 360-degree view of the customer with IBM InfoSphere MDM, insurance companies can gain a deeper understanding of customer needs, increase cross- and up-sell opportunities, develop targeted marketing campaigns, more easily adapt to consumer trends and enhance the efficiency of operations. InfoSphere MDM can play a key role in strengthening customer relationships and delivering better service while reducing costs.

For more information

To learn more about IBM InfoSphere MDM for the insurance industry, visit: **ibm.com**/software/data/infosphere/industry/insurance

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