

Customer retention in the insurance industry:

Why customer recovery is at the centre of the dunning process (2/2)

You can download the first part of the FutureTalk [here](#)

A digital roundtable in the run-up to the GDV conference on payment transactions on the 19th and 20th May 2022 in Cologne

How do insurers deal with their defaulting customers and their payment-disrupted contracts? Is there a strategic approach to customer retention, or are these customers lost in the long term? Is it communicated with this customer group at all and if so, how exactly? The fact is that at the end of a customer journey, consumers with impaired insurance contracts still quickly land on the siding. Strategic customer recovery measures are obviously still not a top topic for many insurers despite the immense sales potential. We talked to proven industry experts about this topic and the state of digitisation among insurers. Read in Part 2 of the digital roundtable how atriga offers an AI-based solution for the first time with CRM-driven retention, with which insurers can win back defaulting customers specifically via a dynamically controlled process.

» THE PARTICIPANTS

Has anyone ever thought about whether and how a receivables manager can support communication and customer retention insurance?

Prof. Dr. Hans-Wilhelm Zeidler: I was sensitised to this topic when atriga explained to me what is affordable. My eyes opened and I asked myself: Why haven't we used these opportunities in the past, which a specialised and qualified provider opens up here? There are so many valuable approaches for a direct, fast and professional approach to customers. And I have repeatedly heard that customer retention and

customer satisfaction are at the centre. For me - I come from the sales side - this is exactly the aspect I appreciate and need. Therefore, I do not know why insurers have not adequately sojourn this for a long time. In the houses from which I come, a lot was made in-house and hand-knitted. And when a payment disruption finally ends up in the final settlement, it is very difficult to retrieve a dissatisfied customer.



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Is it because both poles - sales and receivables management - are so far apart in the financial customer lifecycle? Don't they even talk to each other?

Harald Weber: They certainly talk to each other. When I was responsible for the payment process, we often talked to sales about the payment disruptions. About what possibilities there are. But they were not ready to think about further measures in terms of customer care and addressing for a long time. I would like to raise this a little higher. What is actually important to the customer when he has to do with insurance? Normally, the classic customer takes out insurance and no longer hears from it if he has no damage. So you have to make sure that the customer is really enthusiastic about every contact. And this also applies to receivables management, when the customer realises: Oops, I am now being addressed

in a way that I would not have expected. I am even offered solutions that are tailored exactly for me so that it fits and I don't get into trouble. The worst thing is if the customer has paid his contribution well for twenty years, a payment disruption has now occurred for some reason and he receives a letter from a debt collection company in which he feels like a „criminal“. He doesn't understand writing. The address does not fit. So the insurer must do everything possible to address the customer in a different way. And atriga has many possibilities to surprise the customer positively and offer suitable solutions.

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Christoph Overmann: In my opinion, it is not only about the customer feeling comfortable by the way he is addressed. But it is also about the efficient interaction between the insurance company and the receivables service provider: Will the information

be returned? Can the insurance company generally use this for all current and future customers? It takes a much deeper exchange and an agreement on how to deal with these customers. In Addition, the information must flow from both directions.

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Christoph Ruoff: This is what we call atriga Closed Loop. In fact, this is not a linear process that starts at the front of the acquisition area and eventually ends in the back of a payment disruption. One can intelligently incorporate and advance the experience from the processing of a payment disorder purely mathematically and statistically, to then initiate customer reviews and similar processes. In my opinion, not much of this can be seen in the insurance industry yet. On the other hand, such paths can already be observed in e-commerce. There you turn the otherwise linear model into a circuit. Is such a thing even known from the insurance industry? This really targeted customer

recovery after a payment disruption? We are talking about a CRM-driven retention, i.e. a retention that requires qualification. This means that not every customer is gladly received by every insurer after a payment disruption. So I have to be able to implement this in a qualified manner. Our yardstick would then be, for example, that the customer has the same economic conditions after payment of the open claim as a normal new customer who is at the front of the door and wants to conclude a contract. Of course, this can also be supplemented by customer value information from the insurer. Do you know insurers who have already implemented something like this with their service provider?

Prof. Dr. Hans-Wilhelm Zeidler: So where I worked, no. Overall, the philosophy at all levels is not yet as

customer-oriented as it would be desirable to keep the customer permanently in the company.

Harald Weber: That actions went through sales out of a payment disruption? My answer: No. This is because on the one hand there is a lack of understanding. On the other hand, the topic of data is still neglected by insurance companies. For example, as a debt collection service provider, you give an insurer

information about why the customer dropped out. And they tell him ways of recovery and what approaches they see for it. This feedback as the basis for coordination with the client could already lead to a rethink. But I think this is still an extremely lengthy process.

Christoph Ruoff: It's not just about me generating a list of proposals for the insurer. Our CRM-driven retention goes so far that we can set up a process with the insurer with which we ensure customer recovery through our system. Of course, there will also be customer relationships, which are so complex, I cannot necessarily cure them with a simple digital process. If necessary, I have to choose a

different process step and create a proposal list that will be delivered to the insurer. Sales or another department must then be available there. We mentioned earlier that a customer relationship costs a lot. If such a rich institution as the insurance industry says that, then it really has to be a lot of money. I wonder: Why don't such approaches exist yet?



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Christoph Overmann: I believe and fear that this has not yet reached the insurers, has not yet been

realised at all. And that you should tackle the topic with companies like atriga.

Harald Weber: It is really because there is still very conservative action here. As already mentioned, data is a huge topic: insurers have a volume of data, the importance of which they have often not yet recognised. So the possibilities that such data opens up. And this is exactly what should be discussed together with the insurer, emphasising again and again that the entire lifecycle process of the customer

relationship must be looked at. Many insurers are digitising their entire product world. This means offering transparent, simple and quickly detectable products. This is a gigantic project for the traditional houses. And the topic of payment, especially the payment disruption, is not a high priority.

Christoph Overmann: The understanding we are currently trying to achieve concerns the different areas in the company. Sales and marketing brings growth and new money to the company. The area of receivables management or Debt collection is not yet seen as an area that can ultimately also play into

the other areas. This closed loop is still missing in the minds. I have never heard in conversations with insurers that the sales board is also responsible for receivables management processes.

Prof. Dr. Hans-Wilhelm Zeidler: A payment disruption is in many cases associated with a human fate - divorce, bankruptcy, unemployment and so on. This means that the situation of the customers is similar to that in the event of damage: He needs help, he wants competent

support. And ultimately he wants to be able to continue in peace. The interests from the point of view of the customers are the same in many cases. And if you then come and say: We hand you a hand, then that is optimal.

Christoph Ruoff: If they treat a customer with a short-term illiquidity with a hammer, then that is unfortunate. He remembers this and then possibly looks for another insurer. This is exactly what it is important to recognise and look at what level of support I am currently in here. If the customer really has serious economic problems, then it probably boils down to retention not working. There we are again with our own data or also with the purchase of

information in terms of creditworthiness in order to be able to carry out a customer scoring. To possibly realise that the said customer is actually doing quite well economically. Which means that he would already be helped with a small extension. However, this is not really useful for someone who has long-term economic problems.

Harald Weber: For example, if someone gets into massive payment difficulties, what does he expect? That they talk to him about what possibilities he has now. For example, to change or cancel insurance. All

with the aim of getting out of his financial imbalance through advice. The customer will certainly listen very carefully and react positively.

Prof. Dr. Hans-Wilhelm Zeidler: An external service provider can act in this way. In the case of insurance, however, this presupposes that you identify exactly what profound problem the customer has. And then one should not entrench oneself behind the terms of the contract, but approach him and say: I have seen that there are economic upheavals here, I am happy to meet you. That would be fantastic. But then, of course, the employees in these departments also

need appropriate competencies. However, we must take into account in all measures that it is the sales department that gets money from the customer relationship. This cannot take place or in rare cases outside sales or autonomously. There must be interaction, because it is about massive income interests. This is a communicative process that must be observed, otherwise there will be resistance.

We would like to thank all participants for the close discussion and the exciting insights into the optimisation potential that the insurance industry can now exploit.

The participants



Prof. Dr. Hans-Wilhelm Zeidler began his career at Gothaer Versicherungen as an assistant to the CEO. This was followed by the appointment to the board members of Gothaer Lebensversicherung a.G. and Gothaer Allgemeine Versicherung AG. This was followed by 34 years of managing directors as Chief Executive Board member of the Gothaer Group, Berlinische Lebensversicherung AG, Inter Versicherungen, and Zurich Deutscher Herold Lebensversicherung AG, among others.



atriga Advisory Board Harald Weber has been an independent management consultant since 2018. Previously, he worked for more than 34 years at Allianz Deutschland AG in various functions, including as head of payment processes and responsible for In / Debt Collection and Receivables Management in Germany.



After his studies, Christoph Ruoff took on leading positions in the areas of advertising, marketing, sales and receivables management. Extensive studies on the German debt collection market, on debtor behaviour and on the psychology of debtors make him a sought-after contact. Since atriga was founded in 2003, Ruoff has been responsible for business development there and is part of the team of experts involved in the constant further development of the innovative atriga receivables management platform.



After his banking apprenticeship and studying economics, Christoph Overmann is entirely dedicated to the distribution of services in need of explanation. For example, he started as an insurance broker before he chose receivables management and debt collection as his field of activity more than 20 years ago. Christoph Overmann has been in leading positions in the industry for more than 10 years and still likes to face the challenges of customer acquisition and support.

About atriga

As a pioneer in customer-friendly and digital receivables management B2B/B2C, the independent atriga, together with other companies in the group, supports more than 25,000 clients worldwide. The company's own IT research and development department stands for groundbreaking innovation and leads corporations and companies of all sizes and industries 'TOTAL DIGITAL' into the 21st century.

Internationally active groups and companies from a wide range of industries (e.g. insurance, banking, e-commerce, healthcare, real estate, logistics, public transport, payment, telecommunications, publishing, mail order, utilities) value atriga's comprehensive expertise, particularly in the areas of receivables management, debt collection, law, software development and data protection.

atriga is a contractual partner of SCHUFA and most credit agencies, member of the Bundesverband Credit Management e.V. (BvCM), in the Bundesverband Deutscher Inkasso-Unternehmen e. V. (BDIU), in the Gesellschaft für Datenschutz und Datensicherheit e. V. (GDD) and in the Bundesverband der Dienstleister für OnlineAnbieter BDOA e.V. (BDOA).

atriga is a founding member of the e-commerce Leitfaden of the institute ibi research at the University of Regensburg.

Would you like more information on atriga CRM-driven retention?

We look forward to providing you with comprehensive information on this innovation in receivables management in the insurance industry.



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