



Why Organizations in the Insurance Industry are Choosing a Cloud Telephone System

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INTRODUCTION

While it does not get the same media spotlight as other industries such as people moving (e.g. Uber) and hospitality (e.g. Airbnb), make no mistake: the insurance industry is undergoing unprecedented disruption and transformation. This is primarily driven by the need for organizations to:

- **Cut costs and do more with less.**
- **Enhance customer experience, value and service delivery.**
- **Increase employee productivity, performance and engagement.**



While these challenges are difficult and pressing, they do not by any means spell “doom and gloom” for the insurance industry. On the contrary, they present an incredible opportunity for organizations to make strategic investments that unleash cross-the-board improvements, and ensure that their best years are yet ahead — not behind. And one of the most important and high-impact strategic investments available is a state-of-the-art cloud telephone system.

In this brief ebook, we highlight the key reasons why a cloud telephone system is making the future bright, strong and successful for organizations in the insurance industry.

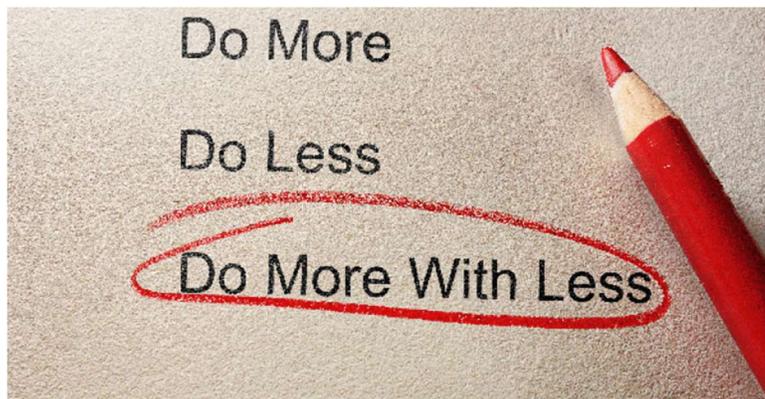


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Cloud Telephone Systems in the Insurance Industry: Helping Organizations Do More with Less

Organizations in the insurance industry are under relentless — and unprecedented — pressure to cut costs and do more with less.

As noted by [Forbes](#), since 2014 premiums for U.S. insurers has fallen at an annual average rate of 4%, the industry's return on equity has been flat, and persistently low interest rates continue to depress returns.



At the same time, according to [Bain & Company](#) since 2010, agent commissions and distribution costs — which account for about 60% of a typical insurer's overall operating costs — have climbed at an average rate of 5%. And [PWC's 20th Annual CEO Survey](#) found that a higher percentage of insurance CEOs than those in any other industry are extremely concerned about the threats to their growth prospects from over-regulation, the speed of technological change, changing customer behavior, and competition from new market entrants

There are factors why a cloud telephone system dramatically lowers telecommunication costs, and empowers organizations in the insurance industry to do far more with much less:

- **No On-site Private Branch Exchange (PBX) to Purchase and Install**

With a cloud telephone system, all hardware is housed off-site with the cloud telephone system vendor, which means that organizations are not forced to spend tens of thousands of dollars to purchase and install an on-site private branch exchange (PBX) system. When all of the cost-saving numbers are crunched, organizations in the insurance industry that make the switch to a cloud telephone system often save from 20-50% per year; and in some cases, the savings are larger. Furthermore — and just as importantly — these massive bottom-line savings are not forecasted years or decades into the future. They start accruing immediately. The path-to-value and ROI with a cloud telephone system is not just straightforward, but it is remarkably short as well

- **No Ongoing Maintenance or Technical Support**

With a conventional phone system, organizations must either have on-site experts to handle maintenance and technical issues or, they must purchase service agreements that can cost tens

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of thousands of dollars a year — especially if multiple on-site technical visits are required. But with a cloud telephone system, all maintenance, upgrades, innovations and technical support is automatically and continuously provided by the vendor. In addition, through a managed router many technical support issues can be handled remotely during off-hours to minimize or eliminate any disruption to normal day-to-day operations.

- **No Long Distance or User-to-User Costs**

Long distance costs can quickly add up into the thousands of dollars a year. With a cloud telephone system, all domestic long distance calls are free, and international long distance costs are priced well below conventional phone company rates. Plus, user-to-user calls are not counted against allotted minutes. Regardless of where they are located, staff members can connect and collaborate as often as they want, and for as long as they want — and always at no additional cost.

- **Out-of-the-Box Advanced Features**

Cloud telephone systems provide out-of-the-box advanced unified calling (UC) features that are excessively costly when added to conventional phone systems. These features include (but are not limited to) voicemail-to-email, voicemail-to-text, auto-attendant, video conferencing, instant messaging, group calendars, and many others..



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Cloud Telephone Systems in the Insurance Industry: Helping Organizations Close the Gap on Customer Experience

We are in the era of optimized customer experience (CX). Whether they are individuals or businesses, customers want — and increasingly demand — responsive support, along with value-added services and solutions that are uniquely built around their current and future needs.



Of course, organizations in the insurance industry are well aware of the importance of delivering exceptional customer experience across every touch point and through every channel. However, this does not necessarily mean that customers are consistently reaping the rewards, and that they are continuously impressed. As noted by the [IBM Institute for Business Value](#),

Today, everyone in the insurance industry understands the need to pay attention to customers as their first priority – beyond risk management, regulatory compliance, cost reduction and process efficiency initiatives, customers come first. Consequentially, most insurance companies may understand “customer centricity” in concept – but in practice they are still struggling.

[Yet] Insurance customers disagree with the self-assessment of insurance companies on how insurers are doing taking care of the customer needs. This is a big gap that insurers must bridge – and the leaders of the future are the first one to “do it right” in terms of customer centricity.

There are several key ways that a cloud telephone system eliminates the customer experience gap to prevent frustrated customers, and instead generate raving fans. These include:

- **Reduced or Eliminated Hold Times**

With a conventional landline phone system, customers are forced to wait in a line-up (in the on-site PBX) until the next available staff member is available. However, many customers will not wait for longer than about 30 seconds — and some will not wait at all, *period*.

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Furthermore, customers that do wait are typically those that have no choice — i.e. they to ask a question about their policy, file a claim, or take care of another priority task. As such, the longer they wait, the more frustrated they become, and the more likely they are to vent their unhappiness on staff members. This makes things worse for everyone.

A cloud telephone system instantly routes customers to any available staff member, regardless of where they are located. The result is that customers spend less — or ideally, no — time on hold, and more time having their important needs addressed and solved as quickly and pleasantly as possible. Everyone wins.

- **Route Customers to the Right Department the First Time**

A cloud telephone system features a built-in customizable auto attendant, which picks up calls on the first ring, professionally greets customers, and makes it easy for them to choose the department they wish to reach (e.g. filing a new claim, checking on an active claim, quote on a new policy, etc.).

Not only does this help customers quickly connect with the team person the first time, but it makes things much more efficient for staff members who spend more time making customers happy, and less time — or ideally, no time — transferring them to another department.

- **Enable Customers to Connect Directly to Staff**

Many organizations in the insurance industry — and especially small and mid-sized firms — have more people than they do available phone lines, which means that some staff members do not have their own phone number.

Or at the very least, given the high cost of adding new lines — especially of the on-site PBX is at maximum capacity and hardware changes are necessary — new hires must often wait weeks or months before they get their own phone number. While this is obviously bad news for affected staff members, it's even more frustrating for customers who may want to quickly and easily reach an individual vs. a department (i.e. the specific agent they were talking with yesterday or last week).

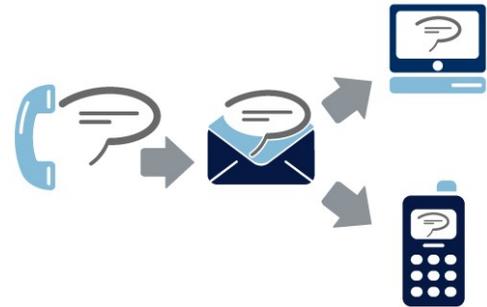
A cloud telephone system avoids this massive and costly customer experience pitfall. Within seconds and with no hardware changes or upgrades, new staff members can be assigned a unique and dedicated phone number, which they can immediately share with customers, add to their email signature, put on their business card, and so on.

Furthermore, staff members can easily forward incoming calls to their smartphone when they are on-the-road or working from home. And when they call customers, the name and number of their organization appears on the recipient's caller ID.

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- **Boost Response Times with Voicemail-to-Email**

There are times when staff cannot easily check voicemail, such as when they are away from their desk, when they are on a conference call, when they are attending a workshop, and so on. As a result, several hours pass before voicemails are picked up — which frustrates customers to the point that they start exploring other options with a competitor.



A cloud telephone system features voicemail-to-email, which instantly captures voicemails in an audio file and emails it to the designated staff member (or multiple staff members if desired) so they can pick it up on-the-go and respond quicker. Staff members can also forward the audio file to a colleague to take rapid and appropriate action.

- **Centralize Multiple Locations**

Organizations with multiple locations can use a cloud telephone system to connect all offices on a single, secure and centralized platform. As a result, while they are serving customers staff members can gather information from their colleagues through real-time chat vs. put customers on-hold.

And if they do need to transfer a call, staff members can check their colleagues' status (available, busy, away from desk, etc.) to ensure that customers will not be sent to voicemail. Or if this is unavoidable, then customers can be made aware of this beforehand and give their consent— e.g. *"I see that the agent that you spoke with last week is currently away from his desk. I can direct him to call you back, or you can leave him a detailed voicemail if you prefer and he will get back to you as soon as possible."*

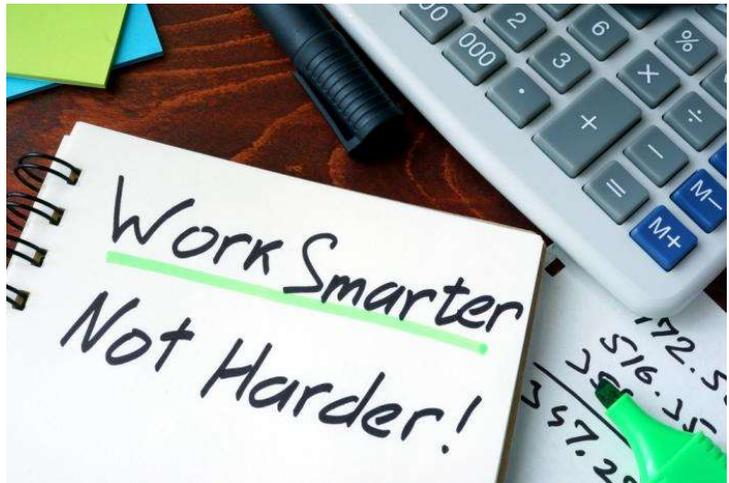
- **Time of Day Routing**

During normal business hours, organizations can use time of day routing to direct calls to certain phones or individuals using a distinctive call pattern. And after hours, they can streamline the ring pattern and route calls (together with a customized greeting) to a virtual call center or a priority voicemail box. Time of day routing can also be used for holiday closures as well.

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Cloud Telephone Systems in the Insurance Industry: Helping Organizations Drive Productivity

According to [Bain & Company](#), the productivity of insurance agents — who handle 90% of all policy sales — has slumped since 2010. And as noted by [InsuranceJournal.com](#): “Among all the things that an insurance agency owner or manager needs to pay attention to, employee productivity is often considered, but not properly addressed. This is curious because maximizing employee productivity has a direct impact on the bottom line.”



There are multiple ways that a cloud telephone system helps organizations in the insurance industry maximize employee productivity, while also boosting performance, efficiency and engagement. These include:

- **Automatic Call Logging**

Call logs are automatically captured and organized, regardless of whether they are made from the office, the road via a smartphone, or even a home-based landline. As such, staff members do not have to manually enter or remember call durations or time/date details.

- **Conference Calling**

Staff members can invite as many people as they wish to participate in a conference call, which can be recorded for reference, record-keeping, quality assurance, security and compliance purposes.

- **Web & Video Conferencing**

Staff members can launch web or video conferences anytime and from anywhere, so they can connect with colleagues, customers or any other party. At the same time, this connectivity can greatly reduce the need for staff travel, which is both convenient and cost-effective.

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- **Voicemail-to-Email and Voicemail-to-Text**

As noted in the previous section, staff members who are in meetings or on-the-go can miss important voicemails — which is a drain on productivity and also has a negative impact customer experience. But with a cloud telephone system, they can have all voicemails converted into audio files and sent via email, or transmitted as text messages.

- **Enhanced Carrier-Grade Features**

A cloud telephone system offers a full range of enhanced carrier-grade features that dramatically improve staff productivity and drive efficiency. These features include (but are not limited to): instant messaging, video conferencing, desktop sharing, calendaring, interactive voice response (IVR), call forwarding, live call transfer, and one number service. These are all in addition to basic features, such as call waiting, voicemail, call display, and so on.



- **Total Mobility**

Staff members can stay connected wherever they are, and wherever they are working. They can make/receive calls on their smartphone or computer, transfer live calls to their vehicle's Bluetooth system, and forward calls to any number including a home office landline.

- **Business Continuity**

A cloud telephone system features multiple levels of redundancy, so that staff members and teams can stay productive in the event of a local power outage due to severe weather, power company problems, or even natural disaster. While this is beneficial in all industries, it is critical in the insurance space because in the aftermath of a negative event insurance companies need to be accessible to customers, and ready to help them move forward. If insurance companies fail to do this, with some customers they may never get another chance.

- **Multiple System Integration**

In addition to seamless integration between devices, a Cloud Telephone System integrates with other systems into the information ecosystem, such as Lync, Google Apps, database applications, and more.

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The Bottom Line

Organizations in the insurance industry need to embrace proven technology-led solutions — otherwise, they will fall behind competitors and lose customers. As noted by [McKinsey & Company](#):

For a long time, the traditional insurance business model has proved to be remarkably resilient. But it too is beginning to feel the digital effect. It is changing how products and services are delivered, and increasingly it will change the nature of those products and services and even the business model itself. We firmly believe that opportunities abound for incumbent insurance companies in this new world. But they will not be evenly shared. Those companies that move swiftly and decisively are likely to be those that flourish. Those that do not will find it increasingly challenging to generate attractive returns.

Ensuring that they flourish is not a matter of luck. It is a matter of making the right strategic investments. A cloud telephone system is not the only piece of this puzzle, but it is certainly one of the most important because it significantly and sustainably helps organizations:

- **Cut costs and do more with less.**
- **Enhance customer experience, value and service delivery.**
- **Increase employee productivity, performance and engagement.**

On today's fast-moving, customer-centric and hyper-competitive business landscape, achieving all of the above without exception isn't just important for success. In the big picture and long run, it's essential for survival!

To learn more, contact the DigitalPhone.io team today. Your consultation with us is free.

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