

# **CII Customer Experience Index**

## **General Insurance Retail & SME**

### **The ongoing story**

**January 2016**



**CII**



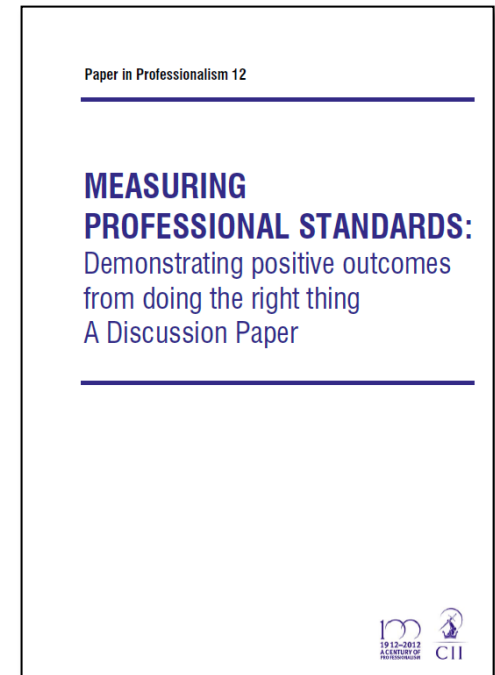
# Why?

- To track whether and to what extent raising professional standards in GI improved the experience / outcomes for retail and SME consumers
- Do they:
  - **Value** insurance more?
  - Find insurance easier to **access**?
  - Find **information** more understandable?
  - Have the **cover** they need?
  - Get better **service**?
  - Have more **confidence** in the industry?
- What lessons can the industry learn about professionalism?
  - Which changes would improve the consumer experience most?
  - What other factors are influencing attitudes and outcomes?



# What have we done?

- 2011-2012: Initial feasibility into measuring professional standards in general insurance. Resulted in paper published Feb 2012: [www.cii.co.uk/10179](http://www.cii.co.uk/10179)
- 2012 Baseline surveys of both retail and SME consumers
  - 1000 retail consumers / 300 SMEs with quotas for different product holdings: mix of attitudes and experience of GI (including claims)
  - Scores developed using statistical technique (principle component analysis)
- 2013 Retail and SME
  - Index scores replicated using same model
  - Analysis focused on changes over time
  - Can begin to understand what could change scores going forward
- 2014 Retail and SME:
  - 521 consumer interviews (467 online, 54 phone); 255 SME interviews (all online)
- 2015 Retail and SME
  - 506 consumer (461 online, 48 phone); 249 SME (all online).



# Key Findings

## SMEs

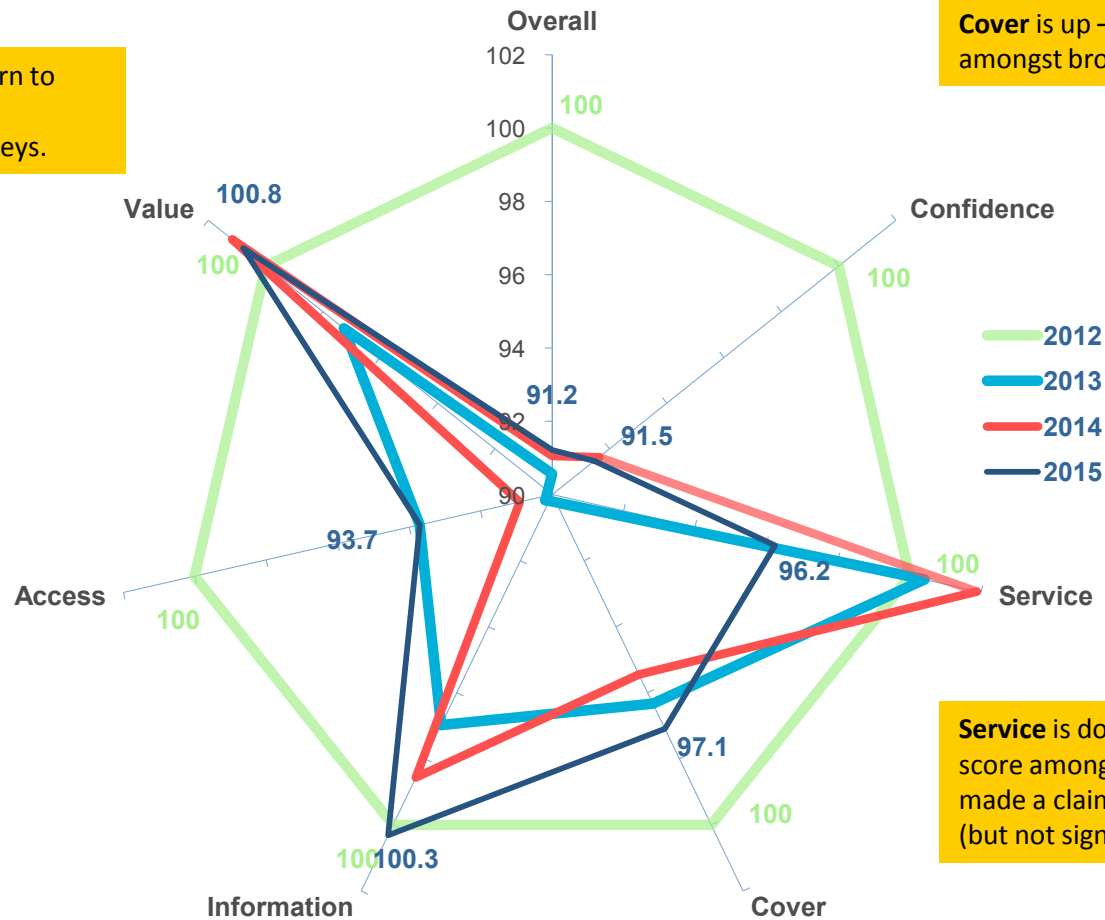
- Those using brokers (chartered and non-chartered) score significantly higher than the overall average. Those going direct score significantly lower.
- **Confidence:** again, those using brokers (chartered and non-chartered) score significantly higher than the overall average. Those going direct score significantly lower.
- **Service:** Those using non chartered brokers score significantly higher than the overall age. Those going direct again score significantly lower. Users of Chartered brokers score slightly lower than non-Chartered brokers but this is not a significant difference.
- **Cover:** both users of Chartered and Non-Chartered brokers score significantly higher than the overall average. As with Confidence, those going direct score significantly lower.
- **Information:** a different result here, those going direct score significantly higher than the overall and those using brokers who are not chartered. In fact users of brokers who are not Chartered actually score lower than the overall average.
- **Access:** here we seen users of Chartered brokers scoring significantly higher than all other groups, Again, direct customers score significantly lower than all other groups.
- **Value:** users of brokers who are not chartered score significantly higher than all other groups here. Direct customers again score lower for value.

## Consumers

- For the first time we see a decrease in those taking out a new policy and an increase in those renewing.
- Scores remarkably close to the first 2015 wave although **Confidence** is up. A result of an increase in those renewing or a cause?
- Across the board scores are very close to those we say in the first wave. But there are small differences – those with the same policy/ renewing showing small variation to those with a completely new insurance.

# SME: Overall Outcome Score

Overall we see a similar pattern to 2014. This is good: suggests a consistency between the surveys.



**Cover** is up – significantly higher amongst brokers.

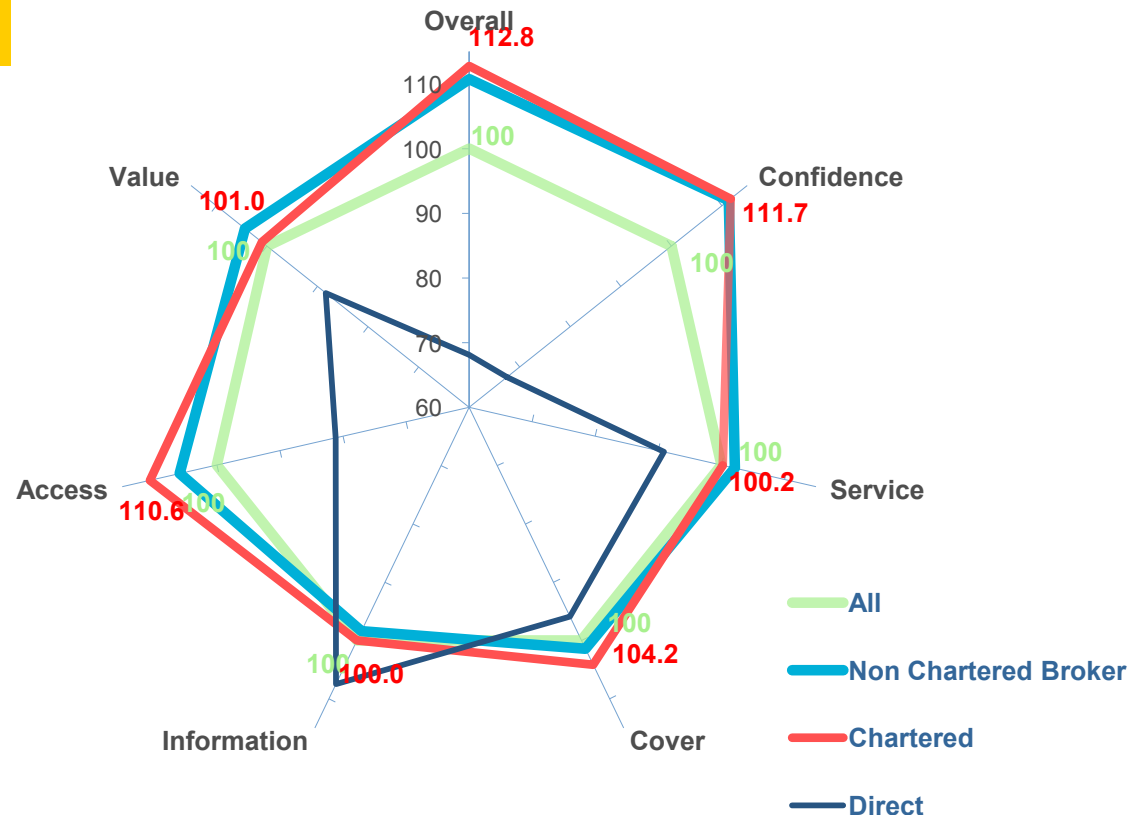
**Service** is down. We see a higher score amongst brokers; those who made a claim report a lower score (but not significant).

# SME: Outcome Score – Chartered vs Others

Combined results of those who used brokers across all five waves

From a statistical viewpoint it's important however to establish which of these differences are *significant*.

Customers of both Chartered and Non Chartered brokers score better than the overall average and in all but one cases, higher than those using channels other than a broker



Important to note: respondents did not necessarily know they were dealing with a Chartered broker.

We got the information by asking the respondents 30 questions about these indicators and comparing against a list of Chartered firms that was active when the fieldwork was carried out.

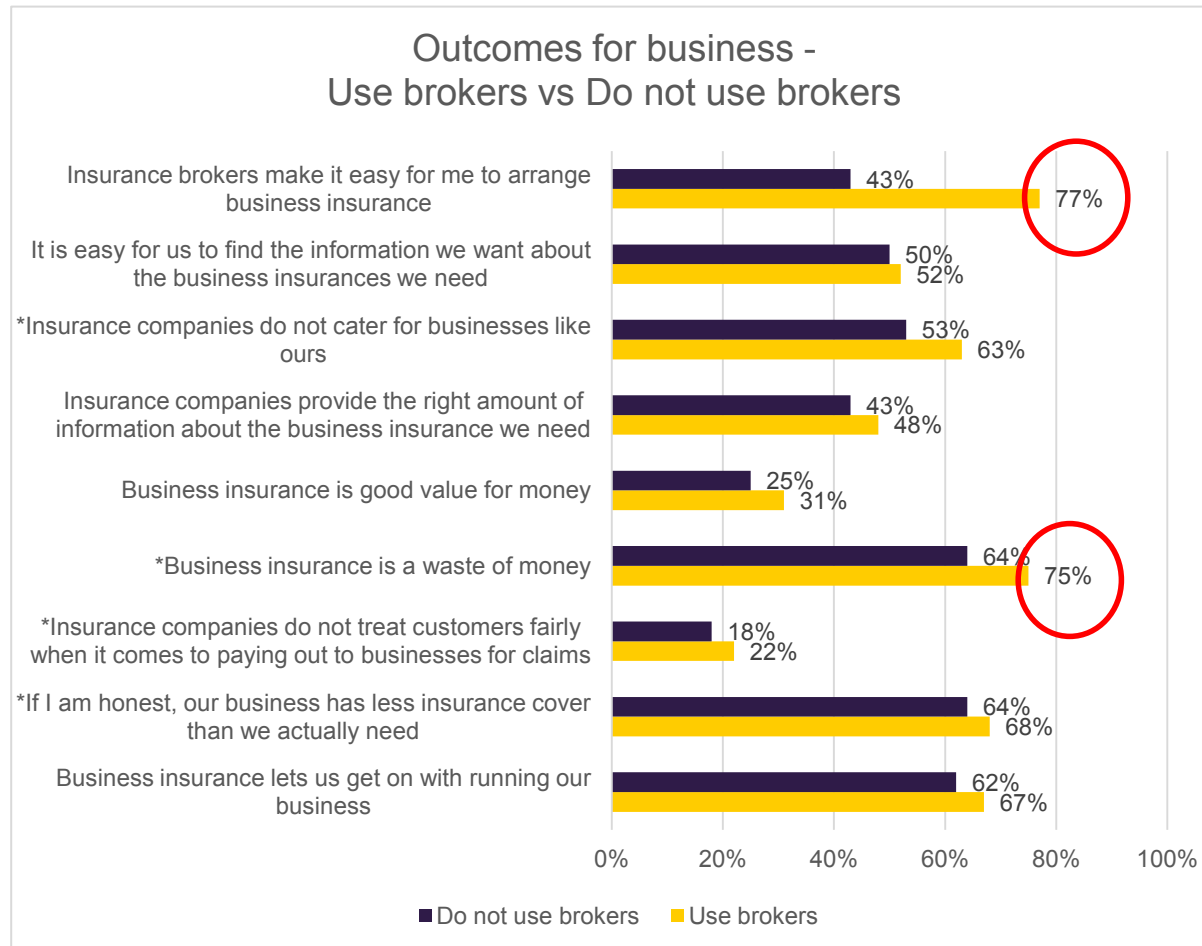
## Base Sizes:

Users of Chartered Brokers = 142

Non Users of Chartered Brokers = 972

# SME: Overall Outcome Net Scores

Shown below is the shift we have observed in **Overall Outcome** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



www.critical.co.uk

- Since an initial drop was observed 2012-2013, results have stabilised.
- This time we see a drop in scores (small) for those going direct and an increase in those using a broker.
- Scores in other key groups remain relatively constant.
- Overall, firms who have used brokers gave more favourable ratings towards insurance across all statements than those who had not used a broker.
- However, differences are only significant for three of the 9 statements. In particular, firms using brokers more strongly disagree with the views that business insurance is a waste of money, and that insurance companies do not cater for the likes of their business.
- Firms using brokers are significantly more favourable towards the benefits of using a broker, as expected.

## Key indicators

Comparing against 2012:

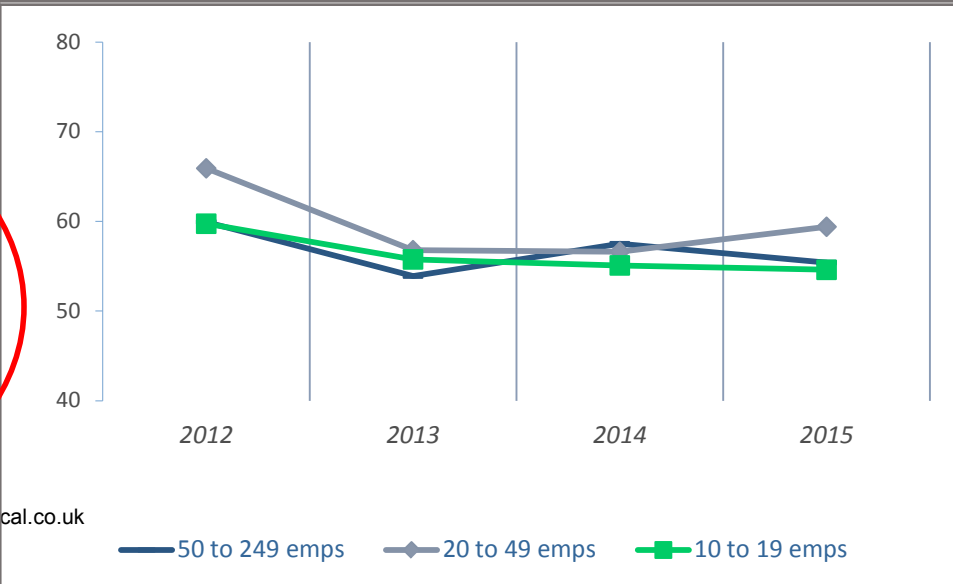
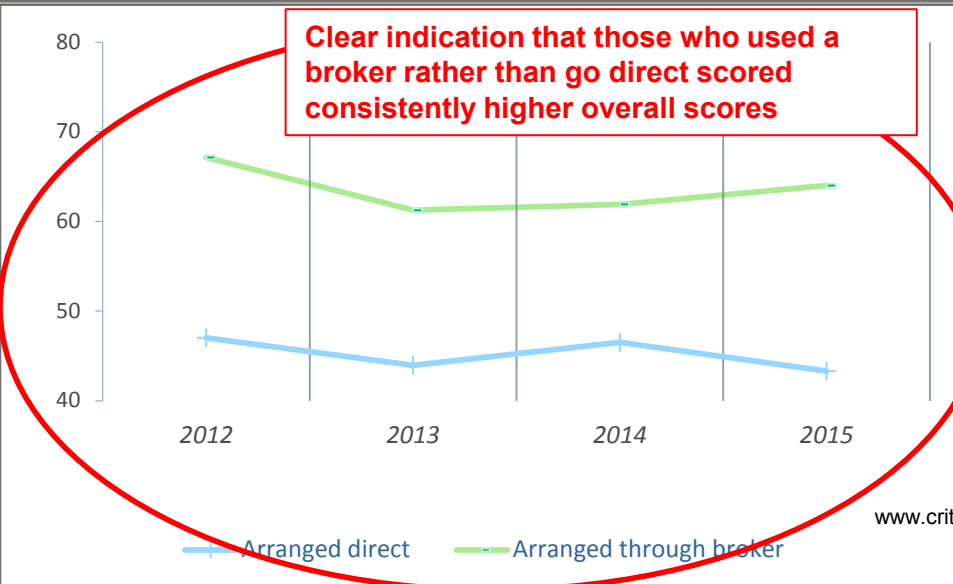
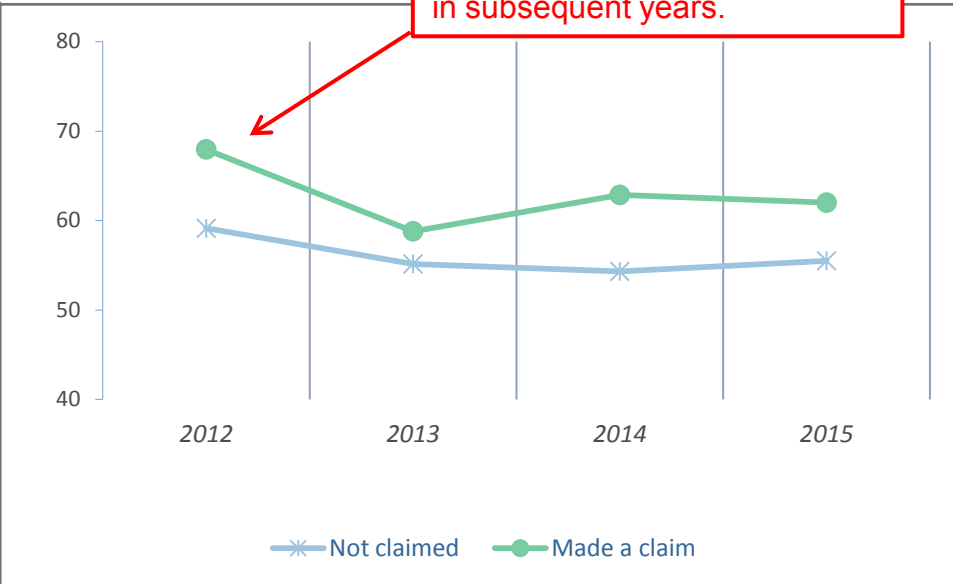
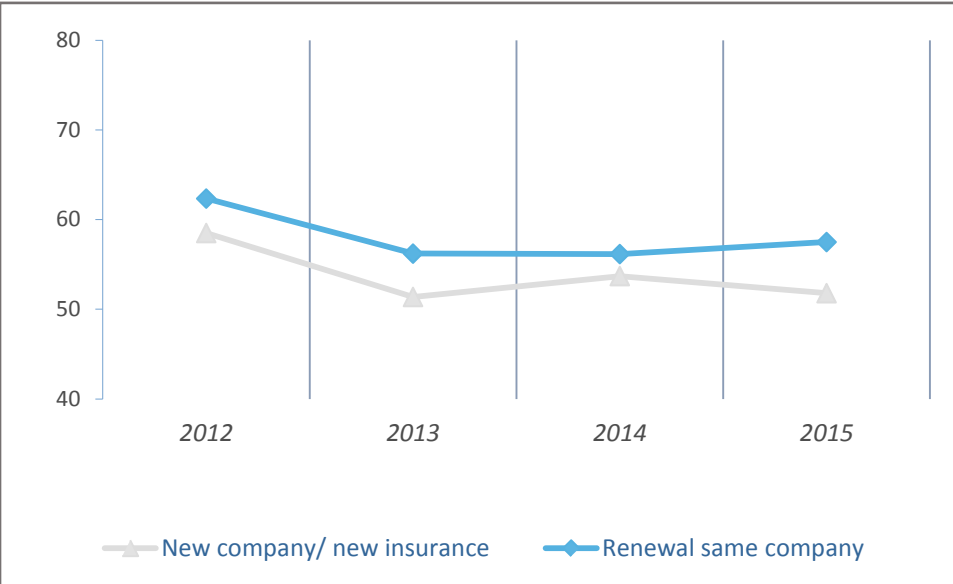
**Information and Value up.**

**All others down.**

**Service shows a reasonable drop over 2014.**

# SME: Overall Outcome Score

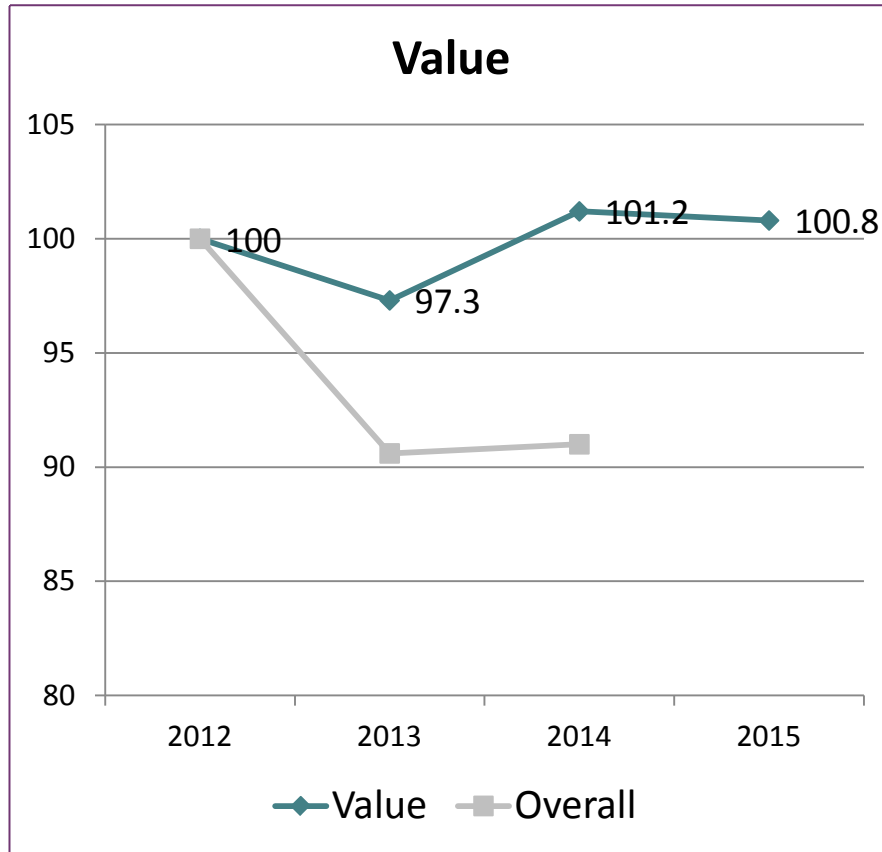
Seems a general positive "blip" in 2012 across the board compared to consistent levels in subsequent years.





# SME: Value Net Scores

Shown below is the shift we have observed in **Value** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



- Value maintains the same level we observed in 2014.
- But we see a drop in scores for those going direct and a slight increase in those using a broker.
- Scores amongst those making a claim also show consistency whereas elsewhere we see these drop off (service in particular).

## Key indicators

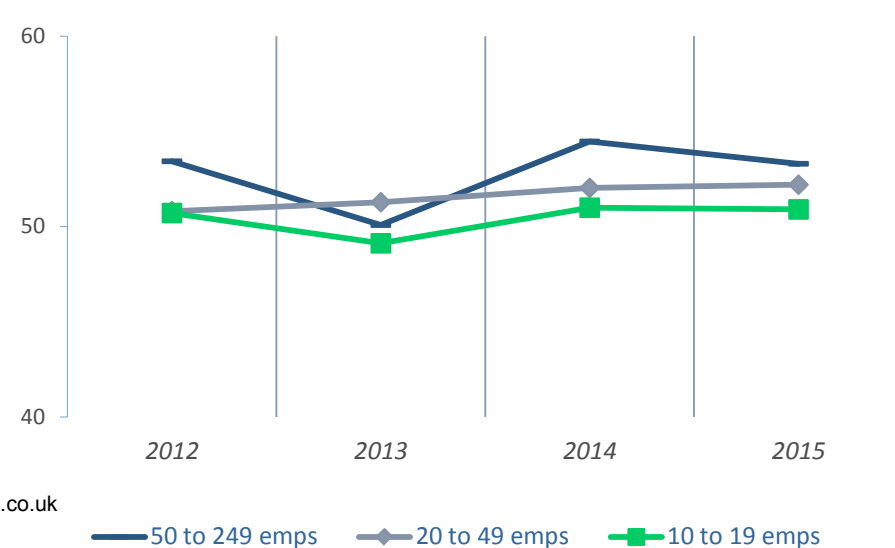
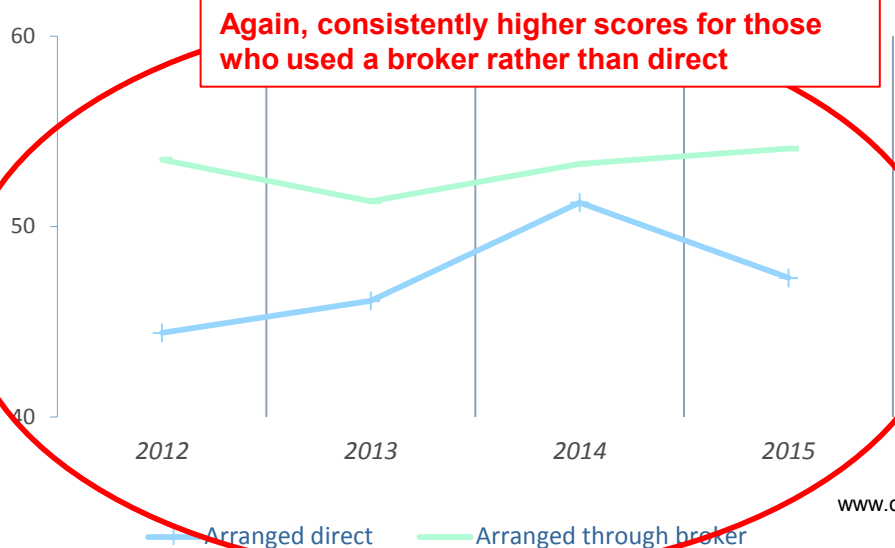
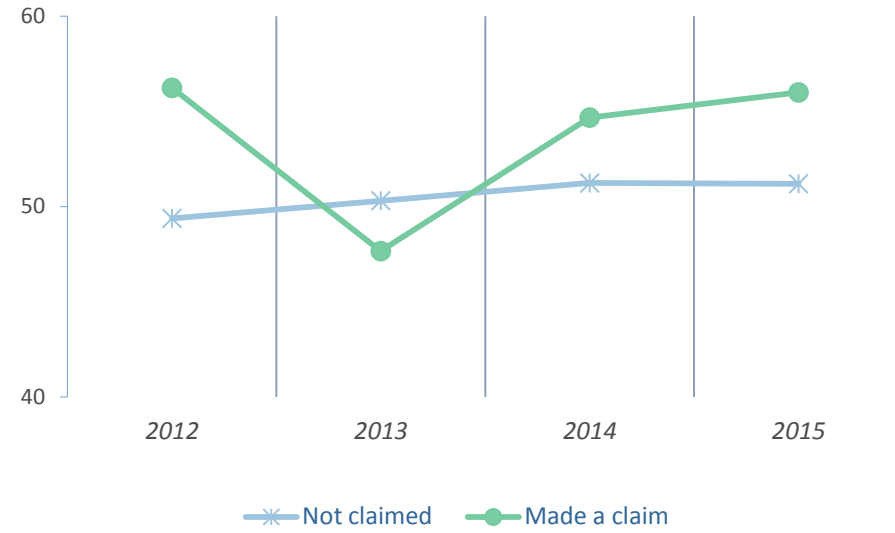
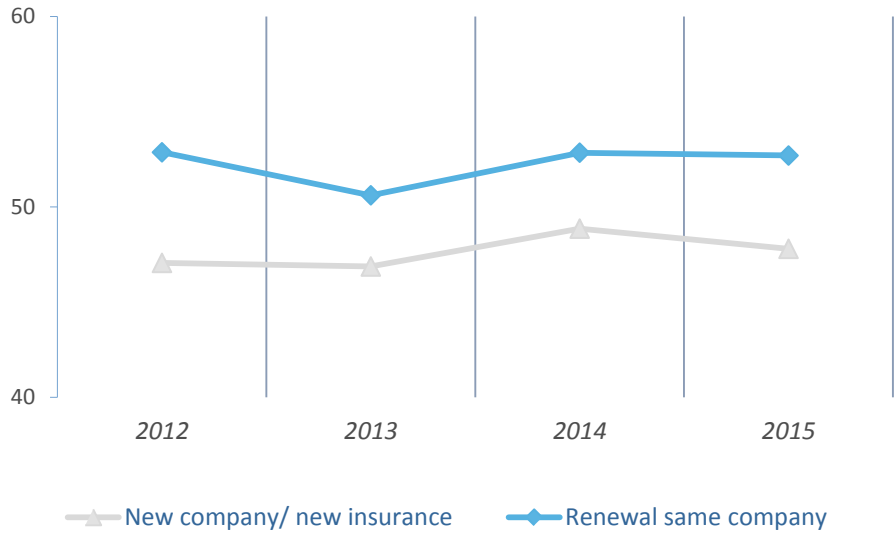
**Less insurance that we need:** Sig. higher than 2012

**Business insurance waste of money:** Sig higher than 2012

**Good value for money:** Sig higher than 2012/ 2013

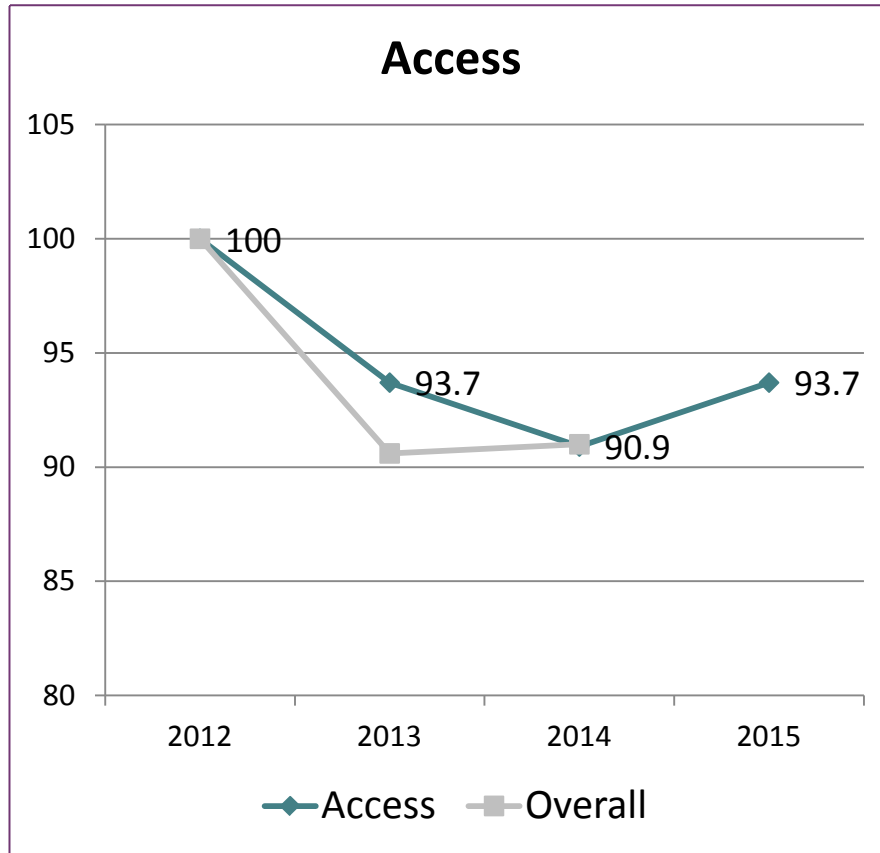
**Broker good value for money:** Sig lower than 2012

# SME: Value Outcome Scores

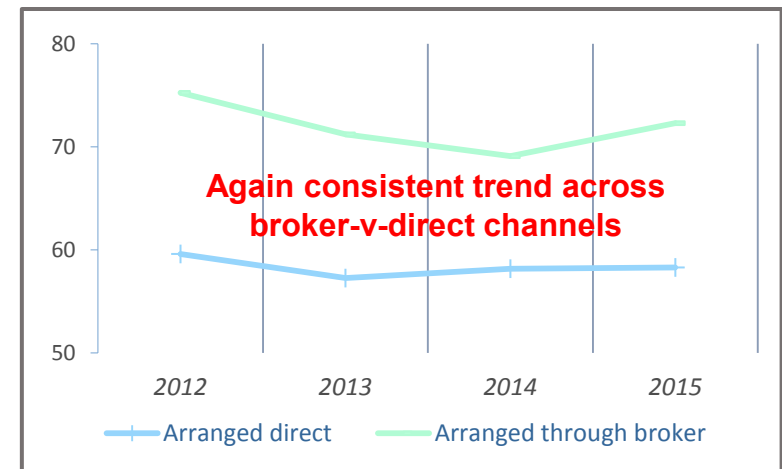


# SME: Access Net Scores

Shown below is the shift we have observed in **Access** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



- Access shows a small increase overall.
- We do see a small increase in those using a broker.
- Encouraging for the industry and brokers overall?
- Other scores remain relatively constant in our key groups.



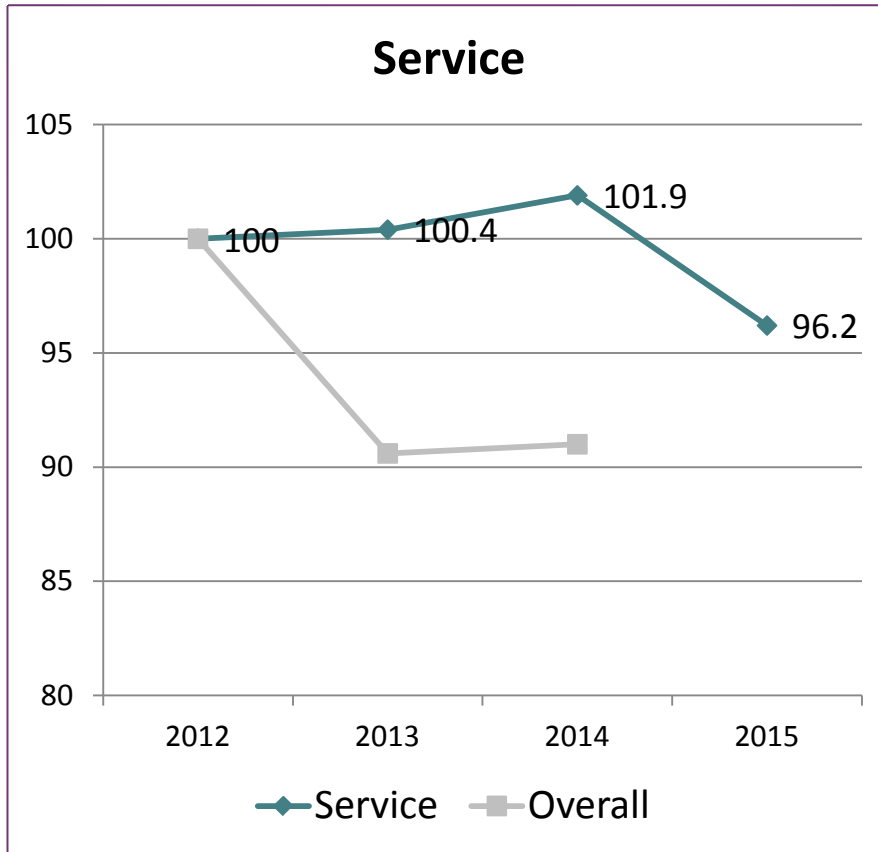
## Key indicators

**My broker makes securing insurance an easy process** (sig lower than 2012)

**Insurance brokers make it easy to arrange insurance** (sig lower than 2012)

# SME: Service Net Scores

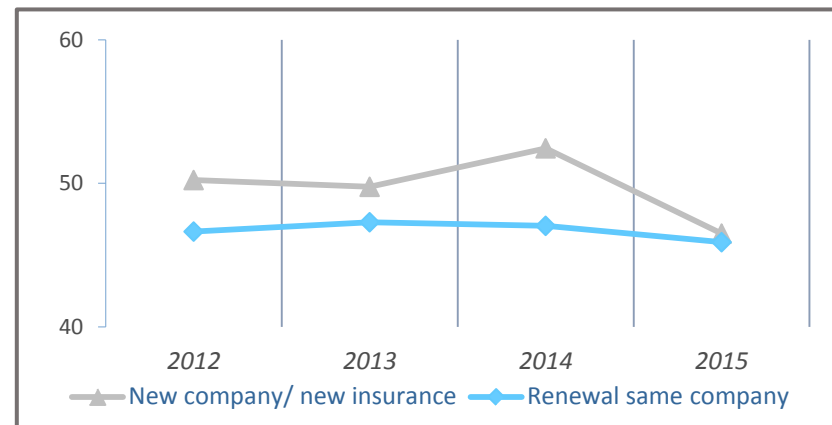
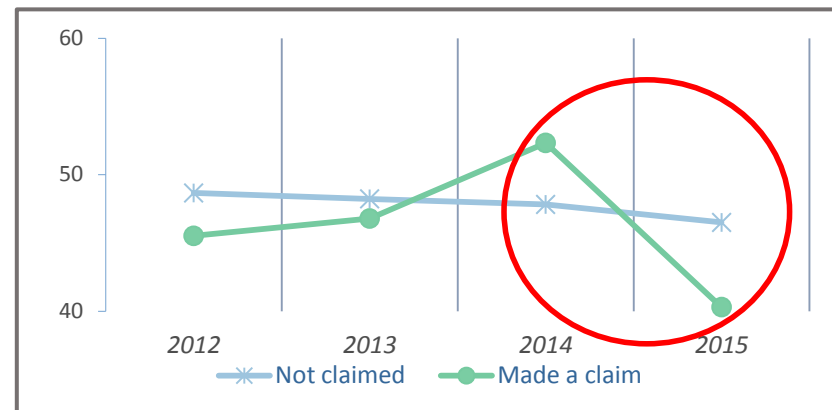
Shown below is the shift we have observed in **Service** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



## Key indicators of fall

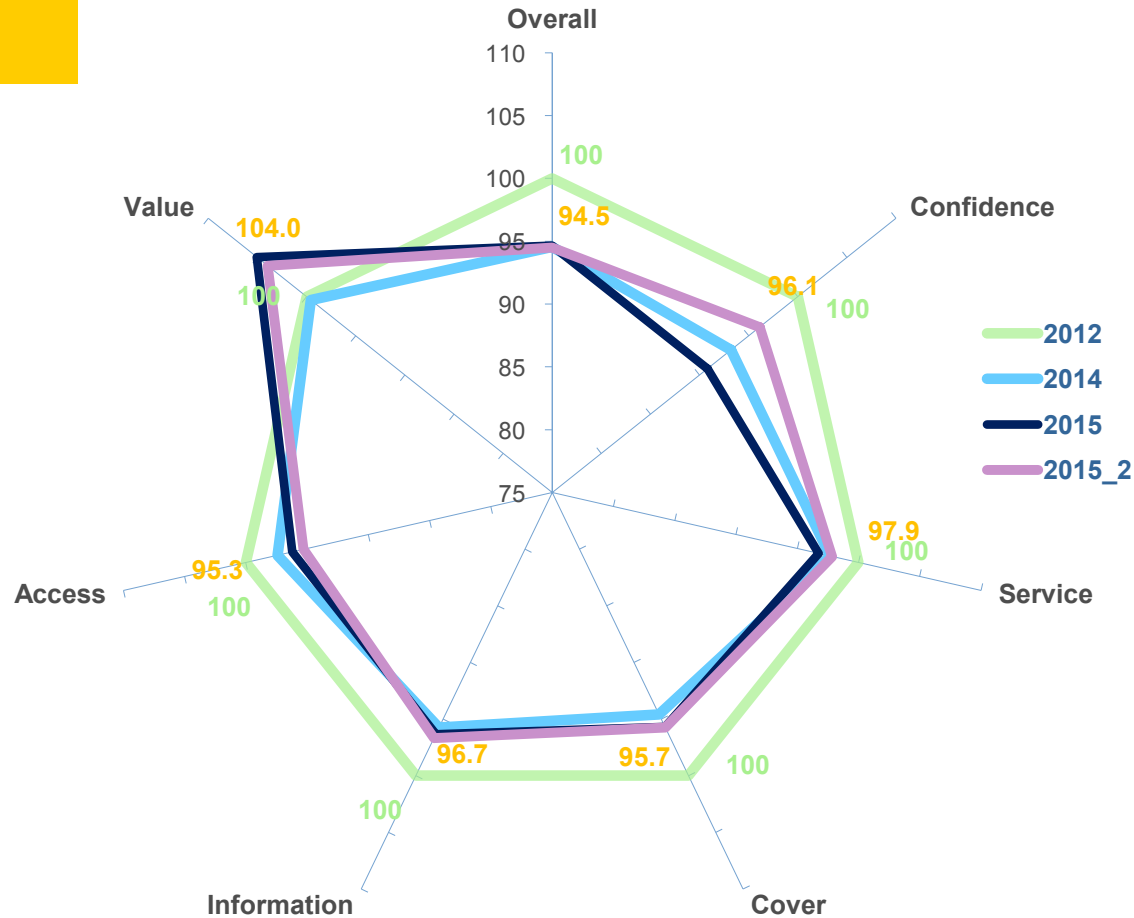
Broker understands needs (sig lower than 2012)

- Service has fallen, against the grain for other Outcomes in 2015.
- Worth noting up front that the drop is not significant. But what is driving this? It's hard to see...
- Those with a new company show a stark decrease.
- And those who made a claim also show a fairly large decrease too.



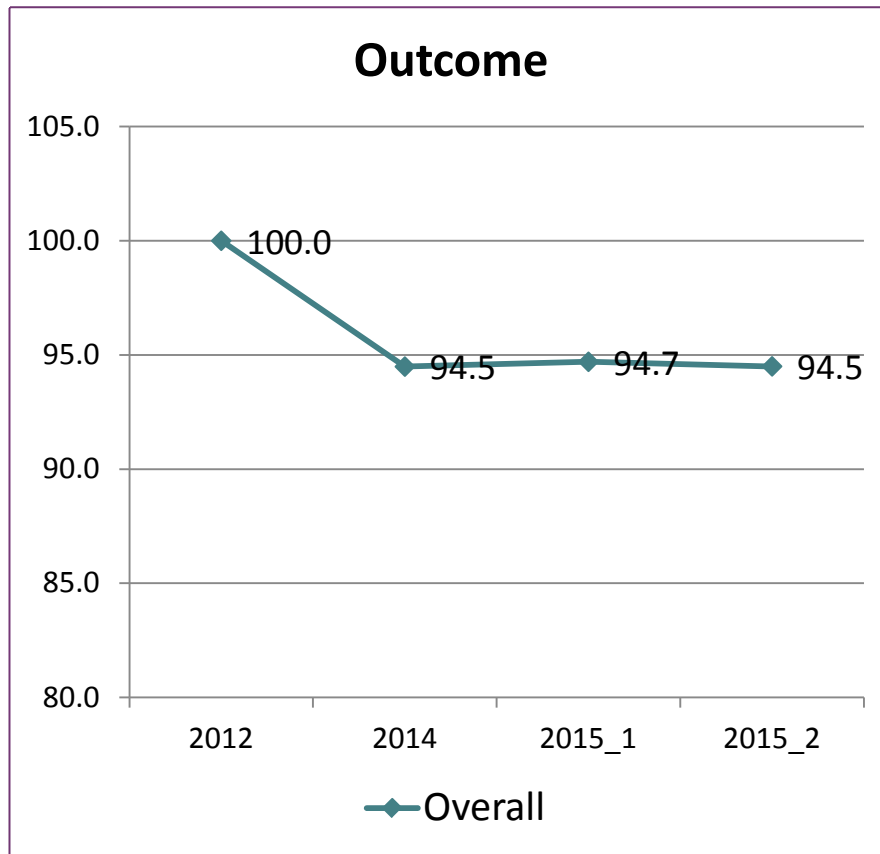
# Consumers: Overall Outcome Score

The 2015 waves are very similar indeed.



# Consumer: Overall Outcome Net Scores

Shown below is the shift we have observed in **Overall Outcome** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



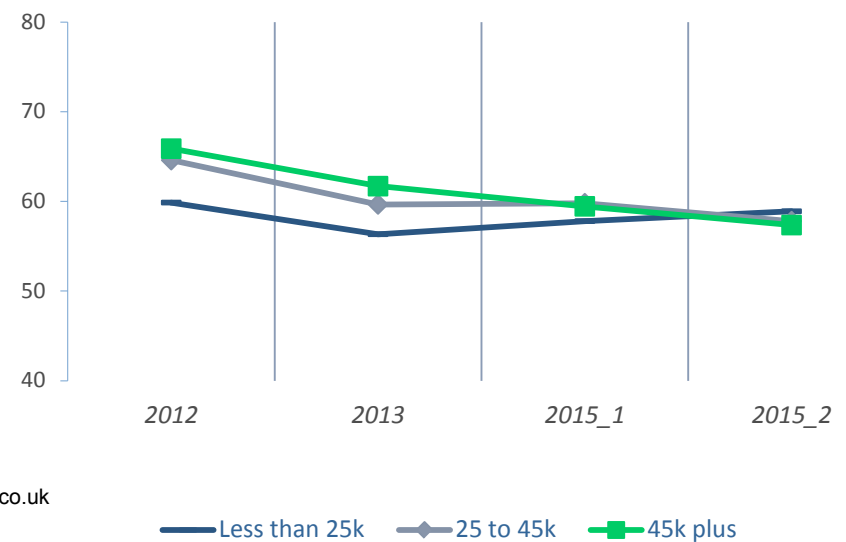
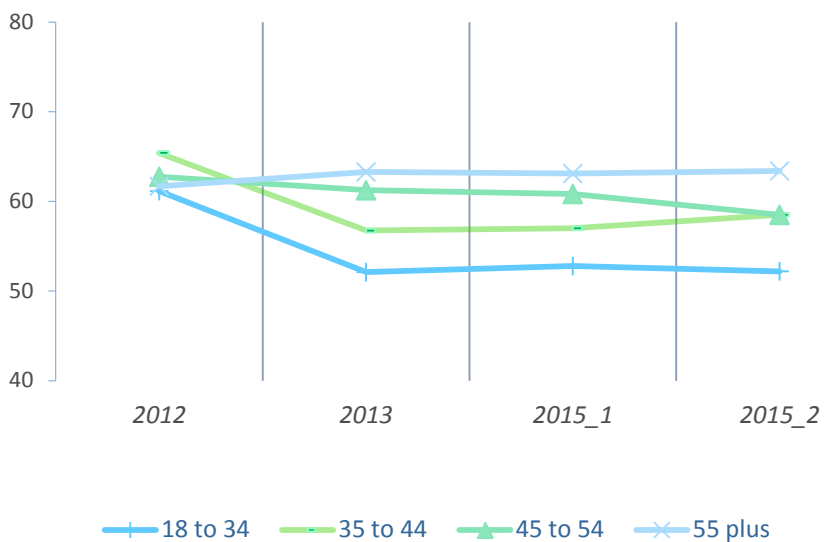
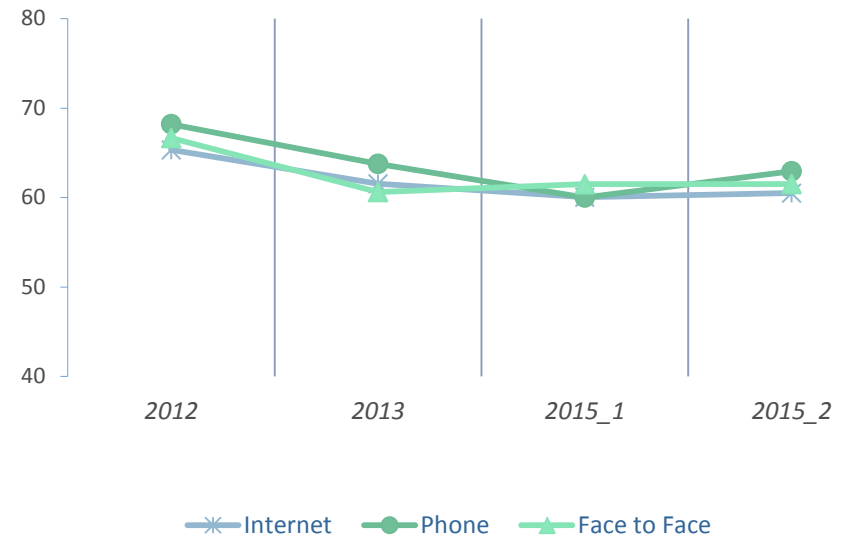
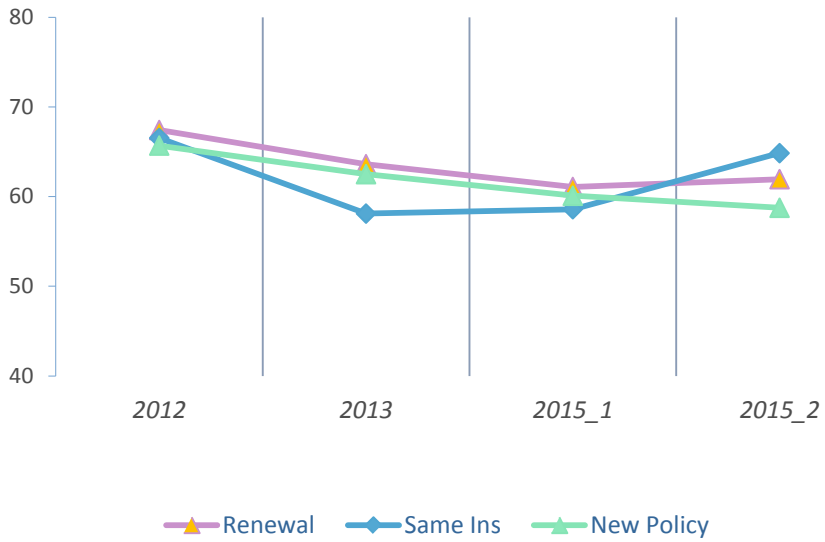
- Scores since 2014 are almost identical follow a drop after 2012.
- Those people who have taken out the same insurance with a new company and those who've renewed go against the grain however and show a slight increase in scores.

## Key indicators

**Value** is the only Outcome to have increased since 2012.

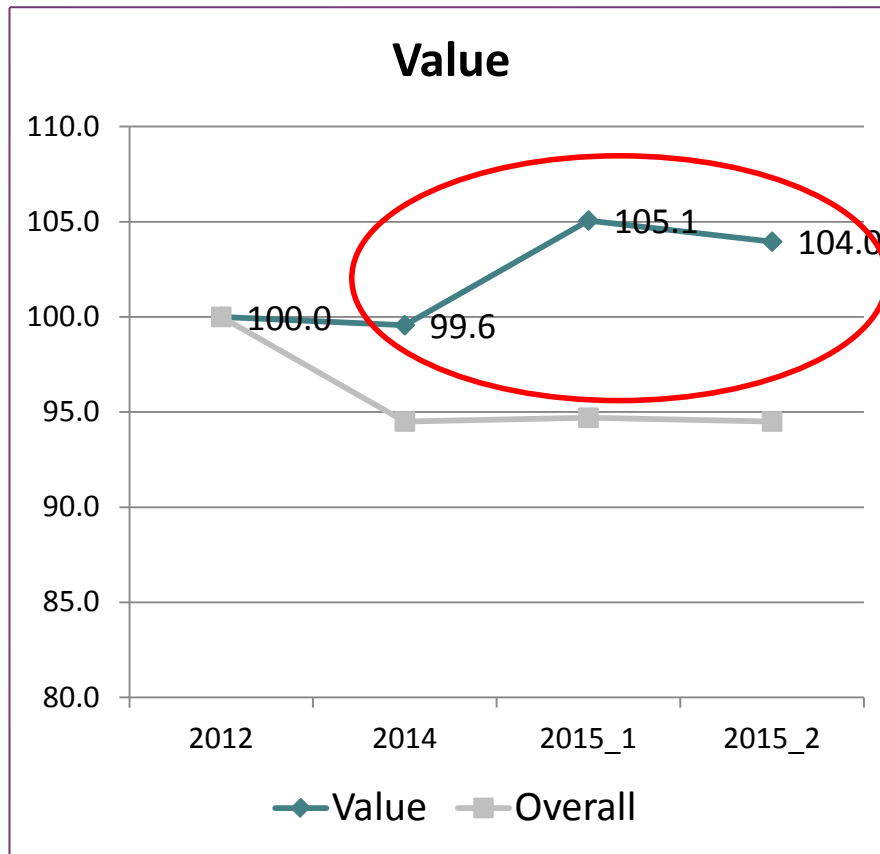
**Confidence** has increased again following a sharp drop in the first 2015 wave.

# Consumer: Overall Outcome Score



# Consumer: Value Net Scores

Shown below is the shift we have observed in **Value** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



- Value scores remain consistent and at the levels seen in the first 2015 wave. Both of these are higher than in 2012 however.
- No real differences in any of our sub groups.
- Therefore indicates that **all consumers, regardless of channel, value, renewal/new policy, and age have answered the questions below fairly consistently.**

## Key indicators

**Helps you sleep at night:** Sig higher than 2014

**Less cover than I need:** Sig lower than 2012 (good)

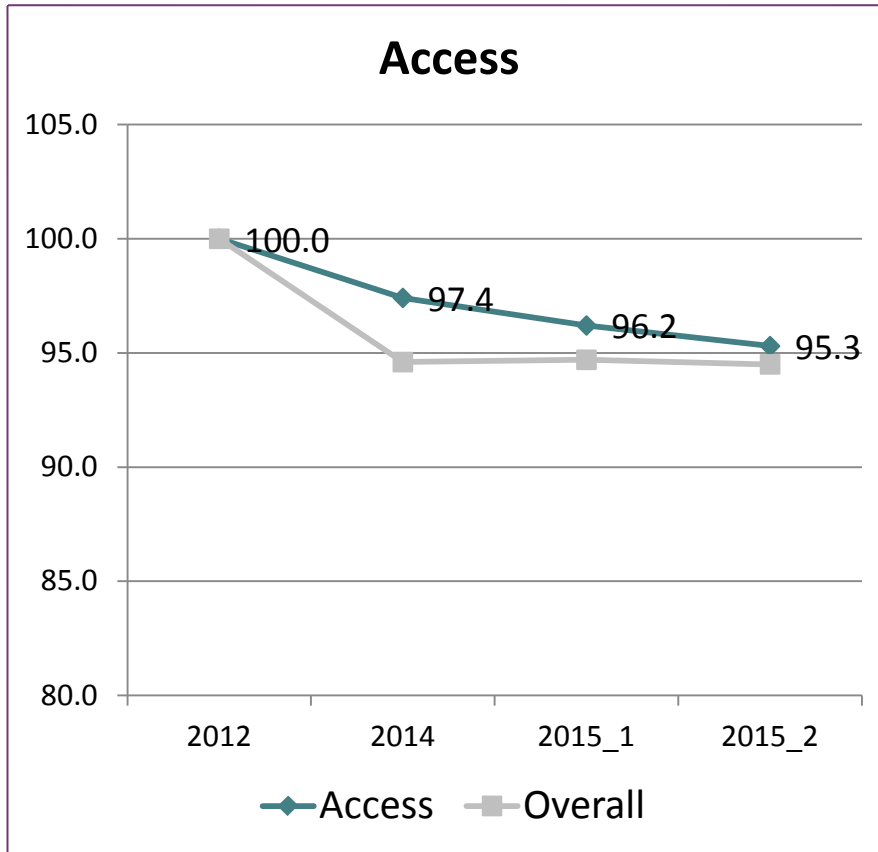
**Waste of money:** Sig lower than 2012 (good)

**Good value for money:** Sig higher than 2012 and 2014



# Consumer: Access Net Scores

Shown below is the shift we have observed in **Access** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



- Another small drop in Access score.
- Those obtaining insurance via the internet show an increase in scores however compared to those who went face to face who show a decrease.

## Key indicators

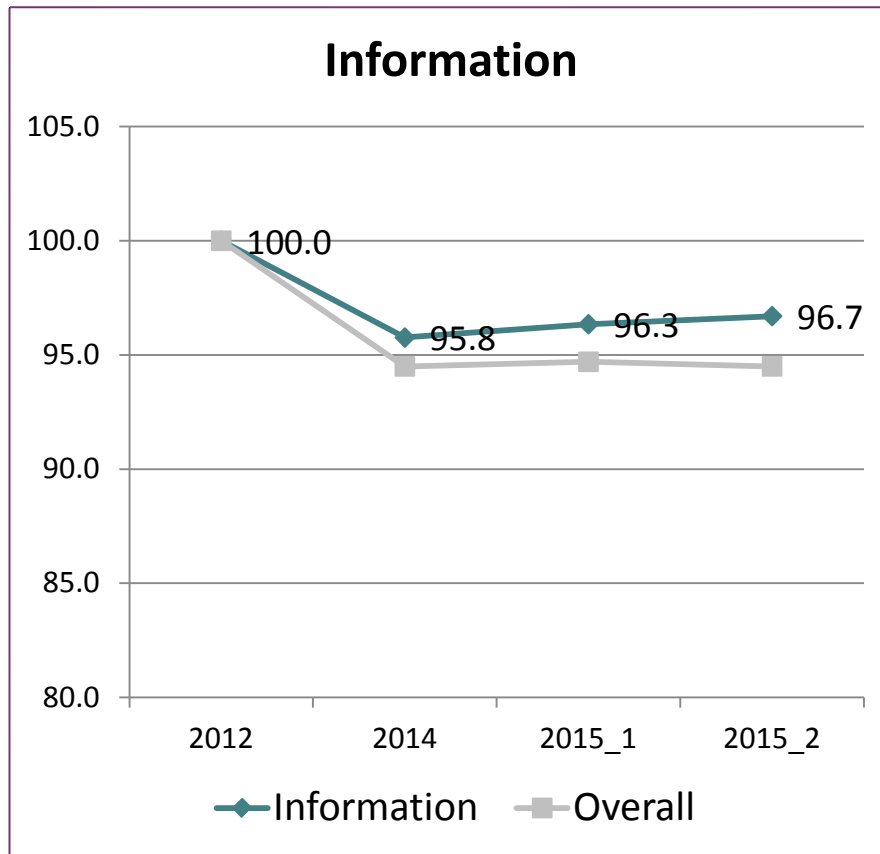
**Easy to find information:** Sig lower than 2012

**Do not cater for me:** Sig lower than 2012 and 2014

**Ease of obtaining:** Sig lower than 2012 and 2014

# Consumers: Information Net Scores

Shown below is the shift we have observed in **Information** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



- The Information score has not changed significantly from 2014 onwards.
- Again we see a small increase in scores amongst those renewing or taking out the same insurance with a new company.

## Key indicators

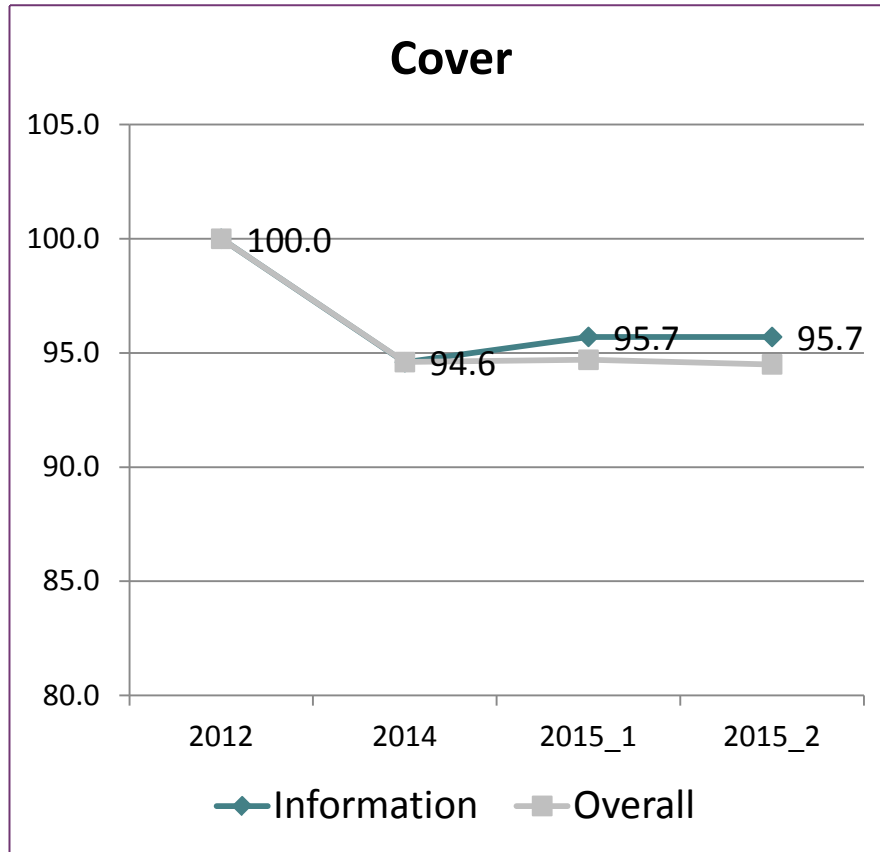
**Info helps understand products:** Sig lower than 2012

**Hard to access info:** Sig lower than 2012

**Info shows what policy covers:** Sig lower than 2012

# Consumer: Cover Net Scores

Shown below is the shift we have observed in **Cover** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



- The Cover score remains relatively consistent.
- As we might expect, those using the internet feel slightly less covered than those using face to face or phone methods.
- Those with the same insurance but a new policy also show an increase in scores. Do they have confidence now in the insurance they have?

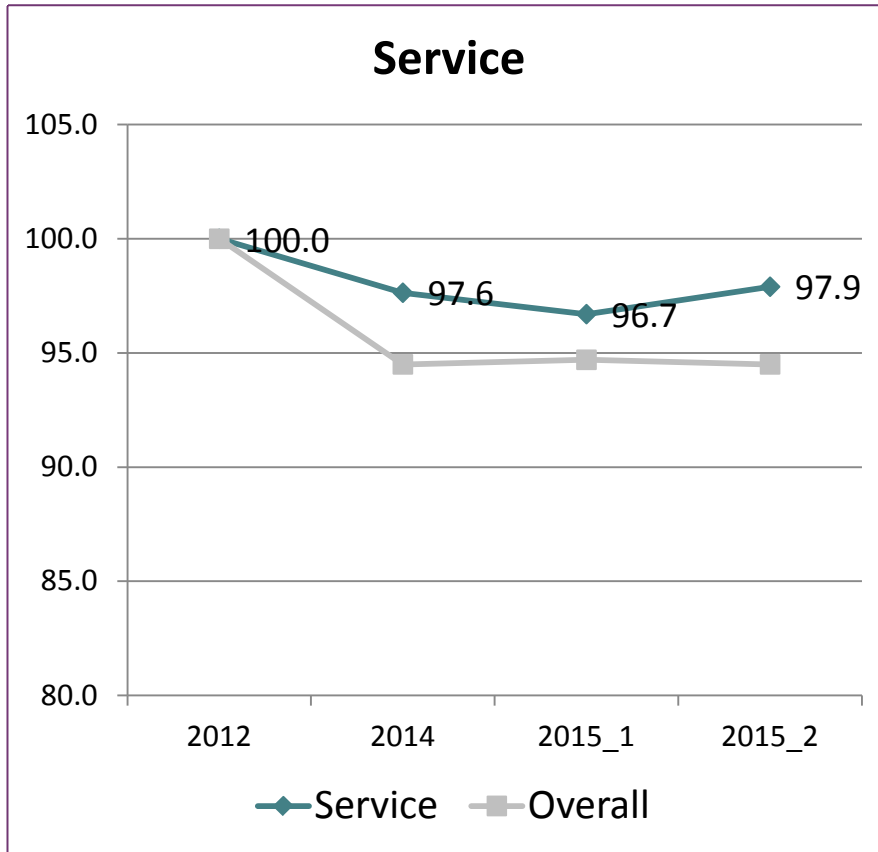
## Key indicators

**Suitable cover for me:** Sig lower than 2012

**Cover meets my needs:** Sig lower than 2012

# Consumer: Service Net Scores

Shown below is the shift we have observed in **Service** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



- After a small drop in 2014 and the first wave of 2015, scores have no again rise slightly.
- No real differences across the subgroups
- Therefore indicators that respondents of all types answered the questions related to this consistently.

## Key indicators

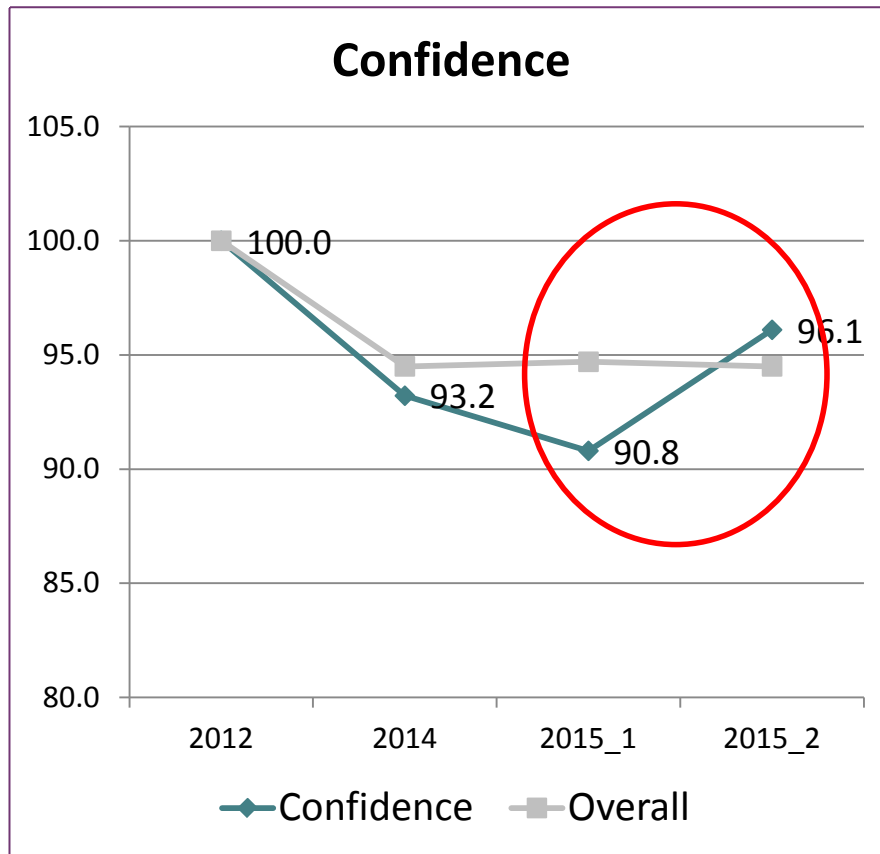
**Industry more profess. than it used to be:** Sig lower than 2012

**People have no concern for custs.:** Sig lower (improvement) than in 2012

**Treats me fairly:** Sig better than 2015 wave 1 but worse than 2012 and 2014

# Consumer: Confidence Net Scores

Shown below is the shift we have observed in **Confidence** scores since the inception of this study in 2012. The raw 2012 score is rebased to equal 100 presenting a reference point going forward.



- We see a similar (although slightly more marked pattern with confidence as we saw for service.
- Results quite consistent among all those types of respondents, with slight variance by age.
- Therefore “ski-jump” trend in the last wave down to variances in the questions below.

## Key indicators

**Insurance companies are honest in dealings:** Sig better than in 2014 and 2015\_1

**Never keep promises:** Sig better than 2014 and 2015\_1

**Dishonest in dealings:** Sig better than 2015 wave 1 but worse than 2012 and 2014

**Trust to do what is right:** Sig lower than 2012

**Serve your needs:** Sig lower than 2012

**People behave professional manner:** Sig lower than 2012

# Conclusions

What does this mean for the industry? We can think about this by exploring what these Outcomes mean:

- SMEs having **Confidence** in the industry can only lead to increased levels of trust. An entity that is not confident their insurer is doing the right thing by them or feels their brokers doesn't have their interests at heart, can easily become disenfranchised with insurance. Brokers appear to instil this confidence. Those using brokers score higher for this aspect against those who go direct.
- The **Service** outcome shows some interesting differences: Users of brokers who are not chartered) report the highest score here. With Chartered brokers we see a slightly lower score than these people and indeed lower than the overall. This is unexpected but with the relatively low base size, there could be a small group pulling this score down. Once again those, customers going direct score lower than others; we seen an emerging theme here.
- Having adequate **Cover** is important to understand the level of uninsured risks and the level at which SMEs feel they have adequate cover. It seems that those who use brokers are more likely to report a higher level of belief that their insurance is giving them the cover they need. So brokers are playing a role here; they are helping customers to be confident that they have the right insurance for their need.
- **Information** is interesting. Those going direct have a higher score here over those using a broker. One hypothesis could be that because they have organised the insurance themselves they are then compelled to read the information and policy details closely than if a broker had done it all for them.