

Insurers Innovate: the proof of the pudding is in the eating (for the customer only the actual results count)

Why Insurers Innovate?

Since 2007, the confidence in insurers is under pressure. These days, due to the ongoing discussion regarding investment insurance, followed by the credit crisis, customer confidence in financial services is no longer self-evident. In 2003, 80% of the customers felt positively about insurers. In 2007 the confidence levels decreased to 69% and since 2009 fluctuates at 50%. Lower confidence levels hit all financial sectors. Hardest hit was the insurance sector, because it relies solely on customers' trust and confidence. Therefore, the key focus of the insurance sector should be regaining trust from our clientele.

Structure of the program Insurers Innovate, phase 1

Several innovative initiatives were introduced in recent years to secure, and where necessary, re-establish the confidence. To make the multitude of existing and new initiatives more transparent and more effective, we bundled these initiatives in 2008 in an umbrella program called 'Insurers Innovate'. The activities of the program were in the first phase divided in:

- Proofpoints: incentives that put customers' interests first.
- Priority files: activities to restore situations where the customers' interests were not served properly.
- Promise: activities to bring the social role of insurers out into the open, based on our core values.

To speed up the process of change we have focused on:

- More Involvement - Major changes require energy, ideas, support and pressure from the bottom up.
- More incentives - Collection of critical sounds of stakeholders and customers to inspire leaders of change within the insurance industry to proceed with this change.
- More Leadership - Active involvement of CEO's and directors with Insurers Innovate. The change must be actively supervised, propagated and brought up to results.
- More Narrative - Restoring trust requires positive performance and tangible results for customers and a fitting narrative that can communicate the efforts by the sector.

Evaluation at the end of 2012

By the end of 2012 the program Insurers Innovate existed four years. The earlier identified activities were already performed that time or were in the final phase. But our and other studies showed that the effect on the recovery of trust was still insufficiently clear. Notwithstanding all the praise we received for the design, timing and implementation of Insurers Innovate, interviews with stakeholders in the autumn of 2012 however, also revealed that the changes initiated were still not sufficiently translated into positive customer experiences.

Furthermore, there were still the necessary threats to the sector that had to be resolved before consumer confidence could be restored. Our members were positive about their own changes, but did not see their efforts reflected in increasing confidence of the customer (which was at the beginning of 2013 51 %).

Therefore the call of members and stakeholders was to continue the program, to put and implement the core values of our industry in a more central basis and to make them visible in concrete customer contacts.

Second phase program Insurers Innovate: *the proof of the pudding is in the eating (for the customer only the actual results count)*

The follow-up program elaborates on the first phase of Insurers Innovate. The idea is to establish a lasting connection between the client, the insurer and the community as a whole.

The goal remains to restore trust. More than in the primary phase the individual insurer has the lead role: the insurer alone can show his customer the effects of the changes initiated in the sector. Insurers Innovate: *the proof of the pudding is in the eating (for the customer only the actual results count)* must hereby inspire en facilitate the members of the Association.

The follow-up program is based on the following pillars:

1. Working on improved quality of products and services.
2. Improve customer communications.
3. Expose the social involvement and role of insurers.

Proof Points

1. Cost Transparency (Models- De Ruiter)
Improving the information about the costs and performance of products by introducing the Models-De Ruiter in June 2007. As of January 1, 2010, insurers are transparent about the price structure of all complex products (introduction of Bgfo 2). This information has since been constantly updated.
2. Customer communication: information transparency on product comparison
Information about a product should be correct, clear and not misleading, so that the customer can make an adequate assessment of the product. This is in line with the core values of the Code of Conduct. One of the initiatives resulting from this is the introduction of product guides in 2009. Since then, the product guides are regularly updated.
3. Information Transparency on Policy Conditions
In consultation with the members directives are drafted which may help members to formulate policy conditions which are more clear and more readable for the customer.
4. Customer Satisfaction Survey Private Market
Since 2009, annual implementation of a customer satisfaction survey among approximately 35,000 customers, of which the results are published so that the performance of insurers can be compared by consumers. Since 2012, the research has been extended to the business market.
5. Financial Education
Several programs around financial education. For example, the introduction of the Policy Check in January 2010 and the game Fix-Your-Risk with primary school pupils (since 2010).
6. Focused Insurance Quality Label
Initiative for the Insurance Quality Label with independent assessment. Early 2013 more than 50 insurers are allowed to carry the label. The label was founded on March 4, 2010 (first labels were given in September 2010).
7. Customer Satisfaction Survey Business Market
Expanding the Customer Satisfaction Survey Private (see number 4) to the market for business insurance.
8. Sustainable Distribution
Development of a vision on sustainable distribution where we started with a successful plea for a legal ban on commission for complex products by 1 January 2013; so customers can count on independent advice when taking out insurance

Priority Files

9. Abolition Waiting Time Medical Acceptance
Elimination of waiting time at medical underwriting, the so-called Van Leeuwen Covenant.
10. Directive standard costs defined contribution scheme
Establishing a key standard for costs in the past of defined contribution and improving information and transparency of these schemes (together with the Foundation of Labour).
11. End to Tacit Renewal
End to tacit renewal of insurance by launching a Conduct Informed extension and Contract Limits for both private and business customers.
12. Quality Code Legal Assistance Insurance
Launch of a joint, binding quality code by legal expenses insurers.
13. Enhancement Information " Double Coverage "
Improving information on potential ' double coverage ' with partly overlapping insurance.
14. Clarification Information ' Depreciation '
Clarification about the system of depreciation that insurers use in judging travel claims.
15. Enhancement Information Disability Insurance
Improving information on rights and obligations belonging to the disability insurance through a special protocol; how to handle in case of injury.
16. Improving Health Statement
Improvement of the standard health certificate in life and disability insurance by making these more concrete, shorter and more readable.
17. Lost Policies
Study on solutions for 'lost policies', so that customers are able to find their policy more easily.
18. Protocol Transparency Funeral Insurance
Introduction 'Protocol transparency funeral insurers', meant to improve the provision of information about the financial aspects of a funeral for the customer.
19. Restriction En Bloc-clause
Limiting or clarifying the use of the collectively clause, which allows insurers in certain cases to adjust unilateral policy conditions.
20. Introduction website Verzekerenvoorzelfstandigen.nl
Introduction www.verzekerenvoorzelfstandigen.nl. This website is intended to inform freelancers about the risks of underinsurance.
21. Introduction Safety Net Insurance for freelancers
Introducing of a safety net insurance for freelancers who have difficulties to get insured.
22. Repair Investment Insurance
Development and implementation of ' flankerend beleid' on investment insurance, in order to help customers to realize their intended capital.
23. Revision 24 -week limit
Advice to revise 24-week limit for lifeless born children in funeral insurance.
24. Compulsory Registration Target Capital
Commitment to register the intended end capital in traditional life insurance, so customers have a direct insight into the actual performance of their insurance.

Promise

25. Shared Values
Drafting and adoption of the core values of the industry: provide security, making it possible, socially involved.
26. Governance Principles
Introduction of Governance Principles, which include strict demands on the remuneration of directors.
27. Revised Conduct for Insurers
The Code has been revised based on the core values. Compliance is mandatory for members of the Association.

Inspiration, acceleration and deepening

28. Seminars
Organization of numerous thematic meetings on various topics as simple policy conditions, product development and approval process, and complaints handling.
29. Website Verzekeraars.nl/vernieuwen
Communication about the program Insurers Innovate in progress via the website www.Verzekeraars.nl/Vernieuwen.
30. Insurers Contact Network
Formation of special contact network of directors, strategists, marketing and communications directors working for insurers as ambassadors. Main goal is the exchange of best practices in focusing on the client's interest
31. Network Young Insurers
Introduction of a network 'Young Insurers' where young high potentials can exchange ideas in order to renew the sector.
32. Information cards 'Restoring Trust'
Development of information cards 'Restoring Trust', which members must inspire with guidelines and best practices on measures for improving client's interest.
33. Customer group Seminars
Organization of customer group seminars with discussions between the CEO's of the insuring sector in the Netherlands, and for example youth, freelancers, elderly and families, to share their experiences and to discuss about specific areas for improvement.
34. Strategic Advisory Board
Setting Strategic Advisory Board. This College consists of external experts. The College recommends solicited and unsolicited advice on activities and views of the sector.

Since the start of phase 2, starting 2013

Working on improved quality of products and services

35. Operationalization Code of Conduct Insurers
Operationalization of the 29 principles of the Code of Conduct Insurers in dialogue sessions with members and stakeholders. Of course, the client's interest is leading.
36. Pilot Simplification Products
Run a pilot on simplification of products after research under consumers for improvement measures.
37. Improvement Kifid
Identifying areas for improvement by quantitative analysis of complaints presented to Kifid (national complaints institute for insurers).
38. Development Insurance Quality Label
Drafting vision of desired development of the Insurance Quality Label (see number 6).
39. Dialogue sessions Reputation Management
Organization of dialogue sessions and programs on reputation management with representatives from the sector.
40. Customer group Research
Creating understanding of needs and expectations of specific customer groups (freelancers, pension participants, etc.) to provide products and services that are more adapted to their needs.
41. Optimizing Product Approval Process
Supporting the introduction of Product Approval and Review Process with members by developing a reference and risk indicator-system. Besides that inspiration sessions will be organized for this purpose and knowledge working groups will be introduced.
42. Improve Customer Communication
43. Intensifying Financial Education

- Intensify activities in the field of financial education (Money Week, musical 'If I grow up', 'Pensioen3Daagse', obligation financial education for secondary education, book 'Smart Secured' written by Annemarie van Gaal, etc.).
44. Intensify Consumer information Intensify objective consumer information, by, among other things, the revision of the consumer website www.allesoververzekeren.nl.
 45. Improve Information Transparency
Further enhance information transparency, inter alia, by updating and expanding the range of product guides (see number 2).
 46. Encouraging Innovative Customer Communication
Encourage development of innovative ways to communicate with customers by sharing knowledge from inside en outside the sector with members.
 47. Expose the social involvement and role
 48. Event 'Certainty in an uncertain future'
 49. On June 12, 2013 the Association organized a dialogue between members, stakeholders and customers. The aim of the dialogue was to define 'the customer of the future', so that we are permanently able to focus on the client's interests.
 50. Communicate Facts & Figures
 51. Propagating facts and figures on social relevance actively and consistently.
 52. Public campaign
Launching of a public campaign. The aim of the campaign is to inform the public about the social role of insurers.
 53. Dialogue Sessions Client's interest
Organization of public dialogue sessions to deepen the theme of ' customer focus ' with and for stakeholders based on good practices in the branch.
 54. Solutions for Social Issues
Developing visions about the intended role of insurers on social issues such as pensions safety and housing