

Disruption Ensured

Covid-19: The Challenge for Insurance

 **Capita**



As the economic and societal impacts of the Covid-19 pandemic continue to be felt, the UK government has been compelled to impose ever-tighter restrictions on its citizens' freedom of movement and assembly. More and more people are now coming to terms with the reality of enforced isolation – a restrictive but necessary means of protecting themselves and their loved ones.

Home confinement for large swathes of the population has significant implications for those who work in and interact with the insurance sector. It affects everyone from employees to customers, agents/brokers to distributors, reinsurers to suppliers.

What does this mean for the industry?

- Insurers must respond to the crisis on multiple fronts – as claims payers, employers and capital managers.
- Insurance workers need the right tools, access and assets if they are to work from home successfully.
- Protecting the health and safety of insurance company employees and distribution partners in the agent/broker community is paramount.
- Insurance companies may experience staff shortages if employees fall ill or need to take care of children whose schools are closed.



“ Insurers know this is an incredibly difficult time for families and businesses. They are supporting and advising their customers constantly... doing everything in their power to keep their operations running as fully as possible and to offer clear and up-to-date information to their customers.”

Association of British Insurers

(Source: abi.org.uk March 2020)



With many office locations now closed, one of the biggest challenges facing insurers is to provide alternative working arrangements for their employees. Companies need to quickly determine whether their employees can access the systems, files and support they need to conduct business effectively from remote locations.

As insurers move to widespread remote working, they need to give their workers the following capabilities:

- A laptop or desktop computer, preferably issued by the company
- A virtual private network (VPN) to securely and remotely connect to critical business applications
- Collaboration tools to enable audio, video and screen sharing
- An adequately equipped and staffed IT support team to answer employees' questions and help them do their jobs remotely
- Conversational messaging solutions to triage and prioritise customer response, meet customer expectations and enhance business outcomes

The industry faces many challenges during this unprecedented period, particularly around the agent/broker relationship. Agents, brokers and financial advisers will all be facing many of the same risk-management and logistical challenges as their carriers, especially since many of them may also have to work from home.

Insurers must enhance their planning and training programmes, in anticipation of a potentially longer-term period of social distancing. This distancing will shift how intermediaries connect with their clients, how they prospect for referrals and how they serve clients under financial strain.

Staffing is also a challenge. Firstly, call-centre employees from insurance companies typically work together in large numbers with systems designed for campus-style working. They rarely work from home and may not have the systems or the cultural experience to do so successfully. Secondly, large numbers of specialist staff – including assessors and claims agents – have roles that require them to be out and about in public places, interacting with members of the general public. If they fall ill or are required to self-isolate, they cannot do their jobs.

The insurance industry faces extraordinary challenges in a volatile, unpredictable operating environment. How individual companies respond to these challenges will to some extent determine their success – or otherwise – in the near to medium term.

Business UNusual

At Capita, our priority is to support our insurance clients to ensure that critical infrastructure, businesses and services are kept running smoothly.

We are here to help and support you and your teams.

We can provide solutions that are quick to deploy and can immediately solve some of the specific challenges faced by the insurance sector. We can help you protect your financial position, boost your business-resilience and risk-reduction strategies, and ensure you meet your commitments to customers. Looking to the future, we can help you adjust to new working norms post-Covid-19 and help manage new expectations from your business and consumer customer base.

“ Our priority is to protect the well-being of our colleagues, clients and partners – and to carry on serving the communities and societies in which we operate. Despite the uncertainty we are all facing across the world, our business operations are resilient. Our colleagues are doing everything they can to carry on serving our clients and helping them to maintain the vital services they provide to customers and citizens.”

**Tedros Adhanom
Director General, World Health Organisation**

(Source: capita.com, March 2020)



CASE STUDY

Contact Centre Support

One financial services business contacted by Capita recognised the need to respond to a surge in negative media coverage by boosting its internal complaint-handling capability. Starting with an additional 10 handlers, it quickly realised it would need a larger resource pool — including managers and a dedicated fraud-investigation team — for a total headcount in excess of 30 full-time staff. Within two weeks, Capita helped it to recruit an enlarged complaints team and put it in place at the client's premises. Within six weeks, a team of 80 full-time operatives had been brought together across multiple workstreams and two client sites.





Supporting your Customers

Insurers need to deliver customer services quickly and effectively. This is true in normal circumstances but is even more acute during a crisis. Managing and resolving high-volume calls and queries, and surges in demand, are among the biggest challenges they will face during this pandemic.

We use the latest digital technologies and best-in-class strategic and analytical thinking. Capita stands ready to assist our insurance clients to maximise their capabilities.

These capabilities include:

- **Conversational Messaging** — During periods of social distancing and self-isolation, with fewer staff and increased contact volumes, we can implement and advise on the optimal use of messaging apps, social media, speech-based assistants and chatbots. Automating communications and creating personalised customer experiences enables teams to deal with surges in demand quickly and at scale. On average, our messaging and AI capabilities

allow teams to field additional call volumes of 39%, which means fewer customers on hold and greater levels of customer satisfaction.

Messaging is fast and direct, deflects from IVR and websites, and allows you to move from voice conversations to SMS or WhatsApp (for Business). Not only is this asynchronous, it is also automated and remotely accessible, and provides a rapid response to Covid-19 disruptions.

- **Contact Centre Support** — We can bring in our own experienced call-centre agents to supplement your team and triage the first-line response, freeing up your specialists to solve more complex issues. This can be scaled up and down quickly and easily, as required. As pressure increases on customers' personal finances, it is anticipated that some may experience challenges keeping up their premium payments. Capita Customer Management has a dedicated unit that specialises in case handling, remediation and complaints management and resolution.

“ Our new WhatsApp Health Alert has now attracted 10 million users in just four days since we launched it, delivering reliable health information directly to their mobile phones.”

Tedros Adhanom
Director General, World Health Organisation



- **Remote Working Support** — Through softphone enablement, we can help you ensure that all calls are re-routed to your employees' mobile devices and laptops, allowing conversations to be accommodated intuitively between desktops and mobile devices. Virtual meetings can be convened spontaneously and enriched with high-definition video and media, allowing for significant time savings. This enables employees to work effectively from home and to continue to deliver best-in-class service to your customers. Call centres can manage

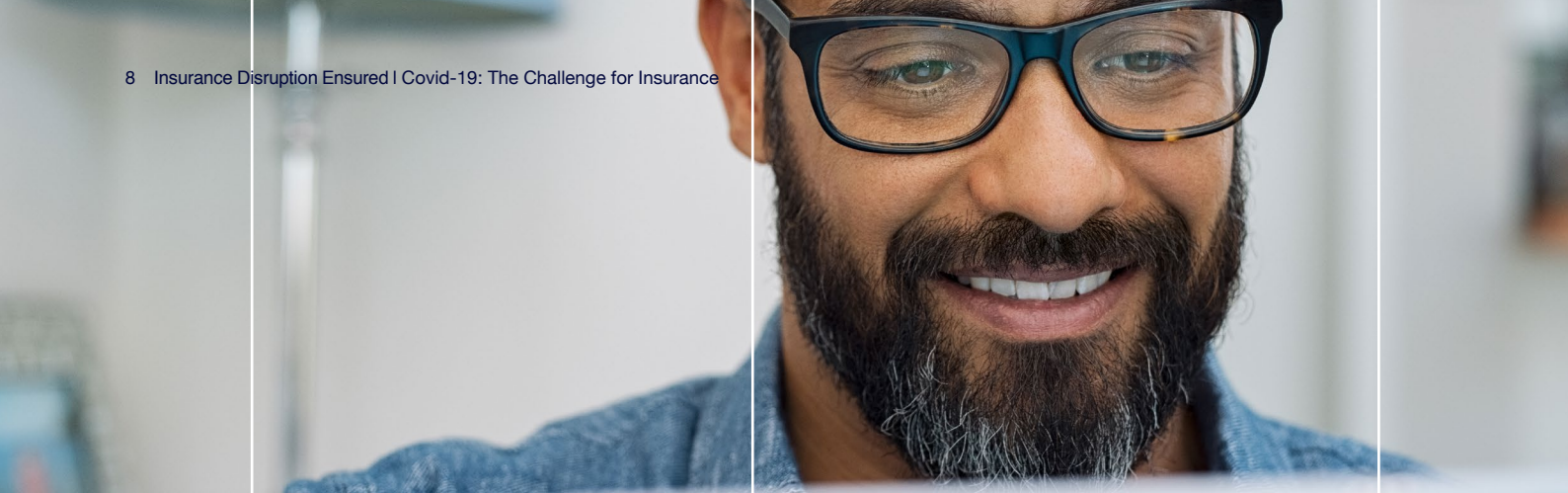
their services via the WhatsApp platform, obviating the need for staff to log into on-premises CRM systems. This is particularly useful for insurance companies with large claims and operations centres that need to remain open and available to customers.

- **Virtual Support** - Our remote expert-support solution allows clients to send text messages to a customer-service agent to enable live video streaming and photo uploads. Easily deployable from the Cloud, this enables quicker, better decision making and prioritisation. Staff can also use the service to call on remote expert advice to assist, if required.



“UK travel insurers expect to pay a record £275m to customers this year as Coronavirus grounds flights across the world. Cancellation payouts are likely to be twice as high as those recorded for the whole of 2019, and will easily dwarf the annual record of £148m paid in 2010.”

(Source: theactuary.com, 25 March 2020)



Supporting your Operations

None of the day-to-day challenges of running your business go away during a time of crisis. In addition to the extraordinary measures being implemented to ensure a company survives and thrives during the pandemic, it's still 'business as usual' for large parts of the enterprise.

To this end, we can provide comprehensive operational support to help you keep the show on the road, whilst mitigating against new challenges that may arise.

This support includes:

- **Cyber Protection** — We will work with you to ensure your systems and people are protected from the threat of cyber attacks while remote working, through rigorous testing to check that this kind of working isn't exposing your network to unnecessary security risks.

- **Regulatory Compliance** — Our risk and compliance framework for insurance customers is a continuous process that is integrated with the business in a seamless manner. This includes identification and mitigation of risks, monitoring and evaluation of the effectiveness of internal controls, and improvement of the control environment based on data-backed insights. To enable the framework to function effectively, our specialists offer operational risk, information security, and business continuity-planning services to all our clients.

- **Business Continuity** — Our stress-testing service allows you to test your business-continuity plans to the limit, putting them under intense levels of strain to reveal any flaws.

Once this outbreak has passed, each insurer's risk—management team should assess how quickly and effectively they were able to respond. They should also determine any additional steps that may need to be taken to adapt their organisations and make them even more resilient if faced with future crisis scenarios.

“This is only the tip of the iceberg. The WHO is warning of cybercriminals cashing in on topical news stories [about the pandemic] to send emails asking for sensitive information or including malware.”

(Source: mondaq.com, 2 March 2020)





CASE STUDY

Supporting Home Working in Life and Pensions

Working in collaboration with Zurich, we've been able to quickly roll out new technology to better support the account team and life business. Soft phones and hybrid mail have enabled effective home working and maintained a positive customer experience.

The account team handled 38,802 calls in April and successfully delivered another tax year end for its wealth customers. It has remained open for protection business supporting the IFA community and new customers applying for a range of protection products. Importantly we have continued to support policyholders and their families recently bereaved by Covid-19 and have made a massive contribution towards Zurich's UK life business achieving a market leading Net Promotor Score in the first quarter of 2020.

Steve Matthews, Head of Life Services Zurich: "I want to personally thank every one of the Capita team for their exceptional efforts over recent weeks as we've worked together to tackle the unprecedented impacts of COVID-19. The team has risen to the challenge of seamlessly meeting the needs of our customers and distribution partners while adapting to remote working and new technology."

Digital Disruption and the New Normal

The insurance industry has long presented flexible and remote working as an inevitable outcome of digital transformation and the demands of a digitally native workforce. Indeed, 'digital disruption' has been the favoured buzzword of many in the industry — but few could have predicted how a global pandemic would impact, or indeed advance, the concept so profoundly.

Covid-19 has effectively forced business' hand by creating a situation which obliges them to adapt to remote and flexible working if they want their enterprise to survive. It's hardly an ideal scenario — but it has advanced the digital agenda considerably.

When this crisis is over, things will not necessarily go back to normal. People may no longer be willing to remain deskbound in large offices miles from home for 40 or 50 hours a week. Many will not wish to relinquish the family, home-centric routines and work-life balances they have now discovered.

We must accept there will be new norms. Insurance and pensions providers will look to the industry for digital leadership, to ensure processes and systems catch up as quickly as possible, and to help their workforces through the transition.

It may not seem like it now, but if companies can learn from this crisis and make the strategic digital changes they have been considering for years, the future is potentially very bright indeed for Britain's insurance sector.



CASE STUDY

Combatting Cyber Risk

Capita was charged with bringing 58 business-critical applications on to a new platform before the cessation of Microsoft support for Windows 7 — an essential step if the client was to avoid operational and cyber risks. The project presented a complex and highly technical challenge for the account team, but was delivered three months early and half a million pounds under budget.

“The team took clear accountability and remained on top of project deliverables at all times, actively managing risks and performing the tricky balancing act of dovetailing resources from four partner companies.” Client’s IT Relationship Manager.



CASE STUDY

Supporting Life and Pensions customers

At the time of the COVID-19 outbreak, Capita Introduced a home working solution to support 9m life and pensions customers, working in collaboration with a number of well known financial services clients.

Working across over 20 locations, we have over 95% of our 4000 colleagues, both on and offshore. Capita were able to implement full home working solutions for front and back office staff.

The solution implemented returned operational service levels to 'Business As Usual' (BAU) within 4 weeks, with over 95% of customer request being processed within 5 days.

Furthermore, a number of new digital technologies in support of our solution were introduced and extended including, Softphone, Messaging and Chatbot, Electronic Verification and Digital Signatures and Scanning and imaging solutions.

Capita adapted the operational control frameworks and oversight model, ensuring quality levels were maintained at the same time as mitigating any increased cyber risk.

Integral to the programme was the introduction of a supporting leadership framework, and a coaching and support model, designed to support colleague mental health and maintain productivity levels.

Outstanding customer feedback has been received from these well-known financial services clients, and also from the Financial Conduct Authority (FCA).

Finally, customer TNPS scores during the period have been significantly improved, and there has been a reduction in complaints. A number customers commenting that they have received a superior quality of the service in comparison to other financial services organisations.



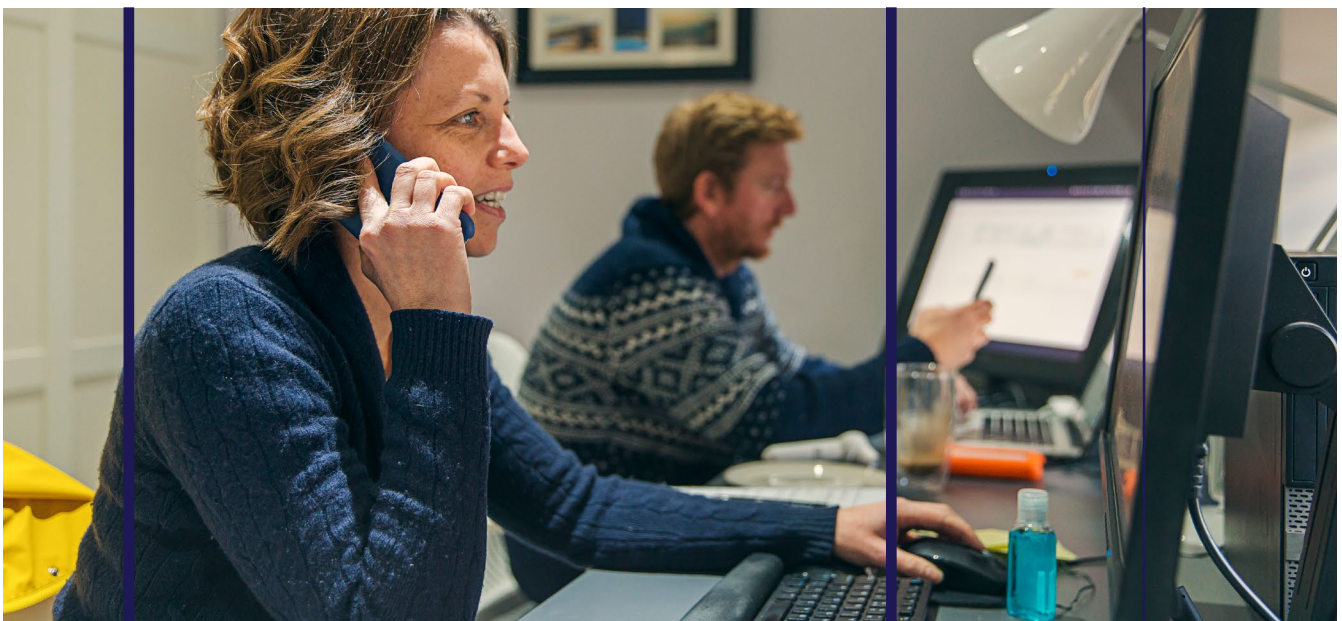
Increased need for flexible actuarial support in such a time of uncertainty - our people delivering to your priorities

Resourcing to meet changeable demand in highly specialist areas such as actuarial is a continuing challenge for many insurers, and particularly during times of uncertainty.

Many firms have come to rely heavily on actuarial consultancies and individual contractors to provide the necessary support for specific projects. In some circumstances a highly specialised skill set is needed, which justifies additional consulting. However, given the volatile environment during Covid-19, a more agile solution to create better outcomes was needed.

Capita Actuarial have provided an agile set of alternative solutions, making it easier to scale up and reduce down resources according to demand. A highly cost effective and flexible resource model has been provided to customers from a team of 100 actuarial staff that can be seamlessly embedded within customer teams. Capita have been able to quickly adapt to the new cultures and new ways of working, delivering flexible support to customer priorities.

Capita's team have considerable experience of working remotely and during the Covid-19 pandemic were able to rapidly transition to a working from home environment. Capita continue to support clients using technologies such as Microsoft Teams, and have been able to stay connected and to work collaboratively with each other and with client teams.






CASE STUDY

Improving efficiencies of non-standard calculation processes St. James's Place Wealth Management.

“Following an administration system migration, Capita Actuarial helped St. James's Place Wealth Management to improve the efficiency of non-standard calculation processes, saving time and significantly improving customer experience. Capita were able to provide an Actuarial Analyst with relevant experience who was able to support the team at short notice. Bringing experience from other roles, the dedicated resource was able to get up to speed on our products and processes quickly, enabling the team to use our own experts to develop process improvements, while maintaining 'Business as Usual' (BAU) volumes.”
St. James's Place Wealth Management

A decorative graphic consisting of a series of vertical bars of varying heights and colors (white and light blue) arranged in a row at the top of the page.

To learn more about how Capita can help you and your business in these extraordinary times, please visit our website or speak to your Account Director today.

The Capita logo, featuring a stylized 'C' made of three vertical bars of increasing height, followed by the word 'Capita' in a bold, sans-serif font.

Capita