Capgemini Press contacts:
Marta Saez (EMEA)
Weber Shandwick
Tel: +44 207 067 0524
E-mail: msaez@webershandwick.com

Cortney Lusignan
Weber Shandwick (NA and all other regions)
Tel: +1 212 445 8192
E-mail: clusignan@webershandwick.com

Efma Press Contact:
Karine Coutinho
Efma
Tel: +33 1 47 42 69 82
E-mail:karine@efma.com

Seventy Percent of Insurance Customers' Loyalty at Risk as Retention Challenges Escalate finds World Insurance Report 2013

Fifty percent of Insurers look to Mobile and/or Social Media in next two years to strengthen customer experience

Paris, New York – February 27, 2013 – With an average of only 30 percent of customers globally reporting having positive customer experiences with their insurers, insurers will need to address multi-distribution and customer experience concludes the sixth annual World Insurance Report 2013 (WIR 2013) released today by Capgemini and Efma. The report also finds that mobile and social media channels are gaining traction with insurers in terms of early adoption rates. These distribution channels can help insurers provide better customer experiences as well as capture operational efficiencies. The WIR 2013 is based on 16,500 customer surveys, research data from 41 markets, and interviews with 114 insurance executives.

According to the WIR 2013, the insurance industry's focus is shifting from pure cost reduction and operational efficiency initiatives to revenue building and brand loyalty strategies while lowering mounting customer acquisition costs. Heavy emphasis is on multi-channel distribution strategies with keen interest on how to leverage lower-cost sales channels like mobile, internet, and social media. Mobile and social media are a priority for more than 50 percent of insurers surveyed globally over the next two years.

Positive Customer Experience is More Meaningful than Just Measuring Customer Satisfaction

Customer experience reflects the entire customer lifecycle while customer satisfaction is just a one-time measure of how products and services meet or surpass customer expectations. On average, the WIR finds that approximately only one in three customers across 30 countries studied in the report's new Customer Experience Index (CEI) had a positive experience with their insurance company, while 62 percent registered positive customer satisfaction levels. Additionally, the WIR finds that nearly two out of three customers are at risk of retention with only a neutral and/or negative customer experience. *"When customers have neutral or negative experiences with an insurer, opportunities are created for insurers to 'court' other carrier's customers, and customers may switch even for minimal extra benefits,"* says Jean Lassignardie, Chief Sales and Marketing Officer, Capgemini Global Financial

Services. “Even in the US, the country with the highest customer experience ratings, insurers still face a risk of retention rate of 50 percent meaning no one is immune.”

Mobile and Social Media are Opportunities to Increase the Customer Experience

A majority of insurers are viewing mobile as an important access point for supporting the overall customer experience (especially in areas like quotes, claims, and relationship management) rather than just as an additional sales channel. And while insurance customers prefer online for activities like finding best price and comparing policy coverage, they still prefer physical distribution networks (agents and brokers) when it comes to gaining brand trust. The top five reasons for insurers to invest in the mobile channel are: anytime/anywhere/any device demands; keeping up with the competition; customer service costs; increased smartphone adoption; and cross-selling/up-selling opportunities.

The report explores four key mobile focus areas from insurers categorized as: ‘early winners and must haves’ (areas with high ROI potential) to evolving areas such as ‘must watch’ and ‘wait and see.’ Among insurers surveyed, the leading mobile services offered today and those with high ROI potential over the next two years include: product information via mobile (43 percent today/91 percent by 2015), claims services (16 percent today/73 percent by 2015), quotes (23 percent today/70 percent by 2015), Straight through Processing (9 percent today/55 percent by 2015), and policy changes (9 percent today/52 percent by 2015).

Similarly, social media offers insurers new ways to increase their market penetration and increase the effectiveness of their customer retention/acquisition strategies. According to the WIR, a majority of global insurers (59 percent) are already leveraging social media but very few have integrated it into their overall enterprise-wide CRM strategies leading to sub-optimal results. The report suggests integrating social media strategies with traditional CRM will create “social CRM” enabling enhanced positive experience for customers’ and insurer branding propositions. Patrick Desmarès, Secretary General, Efma adds *“Another possible way for insurers to improve their customer experience ratings would be to look at the banking industry model. Even though banks have many more interactions with customers, their high customer experience ratings indicate best practices in data analytics, market segmentation, and cross-channel integration are being implemented.”*

Ongoing industry efforts to improve Operational Efficiency

2011 was a year of many catastrophic events such as the tsunami triggered by an earthquake in Japan and extreme weather conditions in the US and Australia resulting in a total economic loss of US$370bn of which US$116bn was insured. These external events had a negative impact on operational efficiency[1] in the insurance

[1] Operational efficiency is calculated by totaling the insurance operating costs and then dividing by the gross written premiums. When the costs are high (such as from insurance claim payouts) then the operational efficiency is not as good.

industry overall. However, insurers in geographies not affected by these market events have continued to make significant headway in making operational improvements in areas like underwriting and claims. These operational improvements efforts are working and should continue. Areas that have paid off in operational improvements include: systems and technology investments; realigning distribution channel strategies, claims transformation, and productivity improvements.

About Capgemini
With more than 125,000 people in 44 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2012 global revenues of EUR 10.3 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.
Learn more about us at www.capgemini.com.

Rightshore® is a trademark belonging to Capgemini

About Capgemini's Financial Services Global Business Unit
Capgemini's Global Financial Services Business Unit brings deep industry experience, innovative service offerings and next generation global delivery to serve the financial services industry. With a network of 21,000 professionals serving over 900 clients worldwide Capgemini collaborates with leading banks, insurers and capital market companies to deliver business and IT solutions and thought leadership which create tangible value.

More information is available at: www.capgemini.com/financialservices

Rightshore® is a trademark belonging to Capgemini

About Efma
As a global not-for-profit organization, Efma brings together more than 3300 retail financial services companies from over 130 countries. With membership from almost a third of all large retail banks worldwide, Efma has proven to be a valuable resource for the global industry, offering members exclusive access to a multitude of resources, databases, studies, articles, news feeds and publications. Efma also provides numerous networking opportunities through work groups, online communities and international meetings.

Visit: www.efma.com

###