

# Multi-Line Insurers' Best-Kept Secret

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**Insurers need to get smarter about engaging customers in the cross-sell dialogue, a consultant says.**

**F**or decades, diversified insurers have doggedly pursued the Holy Grail of their industry—getting customers to purchase multiple types of coverage.

Success has been elusive, and a recent study by LIMRA offers a surprising explanation why: Many consumers don't have a clue that their insurer even offers other products.

Only 48% of consumers surveyed by LIMRA were actually aware that their multi-line insurer offered life insurance. The study also found that 1 in 3 people who purchased life insurance from a company other than their auto insurer, did so because they didn't even know their auto carrier sold the product!

Talk about a deflating revelation. For all these years, could the root of the property and casualty industry's cross-sell struggle be this simple?

Many insurers and their representatives would probably scoff at this prospect, arguing that they routinely advise customers about other available coverages, through advertising as well as live interactions. Even LIMRA noted the disconnect, referencing an earlier study which found that 90% of multi-line exclusive agents say they always tell clients about other product offerings.

The problem is, insurers and agents may be talking—but customers aren't listening. And so, despite multi-line carriers' best efforts, their diversified product line ends up being their best kept secret.

## Consumers Bombarded

Consumers are bombarded with thousands of marketing messages each day. It's no wonder if they disregard a life insurance mailer, or their agent's passing reference to disability coverage. If the relevance of the message isn't immediately clear, our brains are wired to just tune it out.

Cognitive scientists call this "filtering"—and while it may be the bane of marketers, it's an awfully useful evolutionary trait that enables us to function in a distraction-filled world. (Try talking on a cell phone in a noisy room without these filters.)

So how can multi-line insurers achieve relevance, increasing the likelihood that a customer actually absorbs the cross-sell message? The answer is they need to focus on the moment rather than the mailer.

A simple message conveyed in the right context can have a lot more relevance and impact than even the most gorgeous marketing piece sent out at a seemingly random time.

What is the right context? Here are three examples of customer touchpoints to which insurers should pay greater attention:

## 1 The Welcome Package

Policy delivery is often viewed as an administrative exercise, rather than as a platform to instill confidence in consumers about their purchase decision. (Let's face it, many policy delivery packages are more daunting than welcoming.)

What's significant about policy delivery is that it's one of the few times, outside of claims, where customers can actually be receptive to learning about their coverage and their insurer. It marks, after all, their first touchpoint as a policyowner, and presents an opportunity for customers to verify that "what they got" aligns with "what they thought they bought."

Insurers should use this moment to deliver more than just a stack of complex policy pages. A thoughtful and inviting welcome package can plant the seed about other available products at a time when the policyowner is primed to listen.

## 2 The Annual Review

Coverage anniversaries provide another moment of truth when customers are more receptive to actually reading something from their insurer or agent. It's a chance to convey information about premium changes, new discounts, and other policy developments.

As with welcome packages, thoughtfully designed annual review materials offer multi-line insurers a good platform for reminding the policyowner of other available coverages. Insurers that view annual renewal communications as just another transactional touchpoint are missing a key opportunity to reinforce the policyowner's purchase decision and retell the multi-line story.

## 3 A New Personal Narrative

The third touchpoint isn't a single event, per say, but a happening. It's those instances where a customer's behavior implies a change in their personal narrative—marriage, divorce, having kids, buying a home, etc—something that makes a conversation about insurance more timely and relevant.

This might sound like standard "life event" marketing, but many companies apply that discipline as a blunt instrument, messaging customers based not on their individual behavior, but their demographic characteristics. A more surgical, behavioral approach is far preferable, but not something many insurers seem to embrace.

Take, for example, my experience trading in a Volvo sedan for a Toyota minivan. Amazingly, my longtime auto insurer (one of the largest multi-lines in the industry) never used the moment to engage me in a conversation about life insurance. The minivan purchase was a clear signal that my family was expanding. Yet—other than an unintelligible policy summary and premium notice—the insurer was silent.

I, like so many others in LIMRA's survey, ended up purchasing life insurance from another carrier. My auto insurer—to whom I had developed great loyalty—wasn't even in my consideration set, for all the wrong reasons.

## Allure Undeniable

The allure of cross-selling is undeniable—lower acquisition costs, better retention, improved profitability. The strategy is particularly appealing in today's growth-challenged environment.

Many point to sophisticated customer analytics as the ultimate solution to these industry woes. But while better technology can help, it's not the only answer.

You don't need a computer to tell you that a renewal package will garner more attention than a generic mailer. And a million dollar system isn't required to interpret customer behavior, if you've got empathetic, insightful and well-trained representatives working with the public.

Insurers need to get smarter about engaging customers in the cross-sell dialogue, putting down the megaphone in favor of a more thoughtful conversation. That means speaking to customers when they're more likely to listen... and listening to customers to know when it's time to speak.

**About the Author:** Jon Picoult is the founder of Watermark Consulting, a customer experience advisory firm specializing in the financial services industry. Jon previously held executive roles in service, technology, sales and marketing at Fortune 100 insurers. He is a frequent writer and speaker on issues facing the insurance industry. Learn more, or read Jon's blog, at [www.watermarkconsult.net](http://www.watermarkconsult.net).