

Customer-Centric Insurance

Capstone Project Summary

Table of contents

Customer-Centric Insurance	3
1) Formative factors	3
Customer expectations	3
Shareholder considerations:.....	3
2) Capstone's recommendation	4
ORGANIZATIONAL TRANSFORMATION: From rules to groups	4
SALES NETWORK TRANSFORMATION: From products to demands	4
UNIQUE SELLING PROPOSITION: From mass production to mass customization	5

Customer-Centric Insurance

The basis of the Capstone project is the key message of Generali's 2021 strategy, which is Life-Time Partnership., i.e. customers ensuring their future with Generali, sales representatives building a profitable career here, and our colleagues being loyal to each other and to the company and understanding the expectations of our clients and partners.

In the Capstone project, I present the Hungarian implementation of the Life-Time Partnership program, which aims a customer-centric Generali.

1) Formative factors

Customer expectations

Trust and transparency: Clients do not trust insurance companies due to the “agent conflict”. However Client's pay their insurance premium, they feel that their interests and insurance companies' interest will diverge if a claim occurs. Insurance companies only pay if they must. When they suffer a loss, clients feel they have to prove their truth and run after papers. Clients expect an insurance company to deliver on the promise without fine prints. Should they have duly paid their fees, they expect the insurance company, to pay without excuses and to take care of the corresponding tasks by itself. It is in the insurance companies' interest to change this reputation to build customer loyalty, which may be the basis of long-term confidence. It is the insurance company's opportunity to communicate articulately, to strengthen the solution-oriented operation, where they do not ping-pong and pass over client requests, and to increase the number of tasks that can be arranged online.

Customization: We do not want to pay for things we do not need. Clients feel that they pay for things they do not need. Clients also feel that they cannot cover their needs properly. It is the insurance company's opportunity to listen to people, to understand their needs, and to work out solutions that can be flexibly assembled and changed. Clients should assemble a policy according to their needs, they should define the insurance premium they are willing to pay, or clients should receive customized services.

Harmonizing digital and personal channels: Digital channels have an increasing role in client–insurer relationships. Clients use the personal channels to obtain sufficient information for an important decision or to arrange a task which is not possible or too complicated to do online. The insurance company uses the personal channels for sales. However, in the case of young generations, there is an increasing demand for autonomy. They do not want to be convinced; they just buy what they need with one click. It is the insurance company's opportunity to make the E2E solution for more and more problems available on the internet simply and quickly, to make the sales of more and more products digitally available, and to digitally support personal sales.

Shareholder considerations:

Distinctive brand: The values insurance companies offer are not distinguishable: At the client interviews, everyone said that insurance companies are the same. It is the insurance companies' opportunity to provide a distinctive brand experience to their clients, because without this, clients will decide on the basis of pricing.

Strong customer relationship: It is in the insurance company's utmost interest to keep in touch with clients. Behind the partner networks, the MLM and banking channels, the new market players, and the manufacturers' warranties, the insurance company may become a white-label service provider without

tight customer relationships in the long run. At the same time, in a so complex world partnerships are inevitable.

Efficiency: In the 21st century, 24/7 operation, real-time services, and easy accessibility are client requirements. The conditions of these are the reconsideration of existing processes and the improvement and simplification of the supporting IT infrastructure. The number of human decisions should be minimized in the simplified processes, because these can already be automated. Should we assess how much of the insurance company's operation is dedicated to insurance value creation and how much to the operation of processes, we would get a depressing picture.

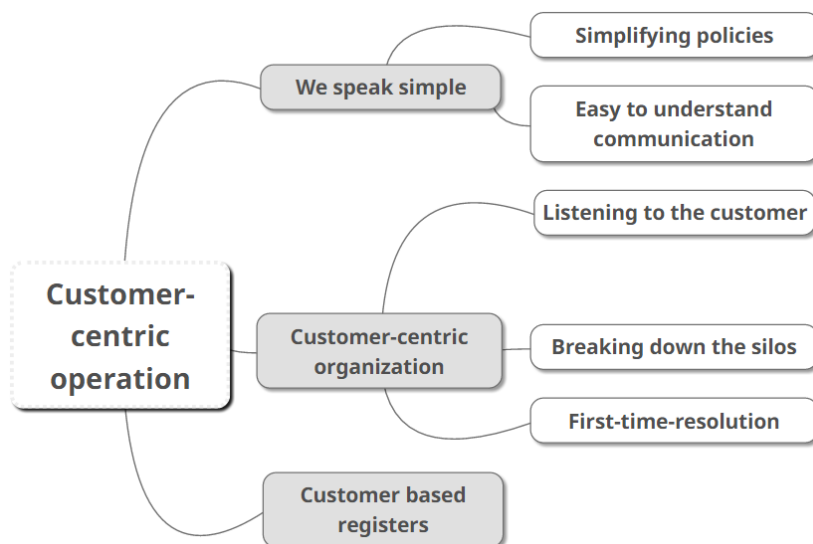
2) Capstone's recommendation

I worked out the main areas of improvement for the 2019–2020 strategic cycle of Generali Insurance Company, which would help us in becoming a lifelong partner to our customers, partners, and colleagues.

Its basis is our customer strategy, which regulates our operation on the basis of customer value and customer demand. We have to improve our internal operation, our sales network, and our products and services in accordance with the customer strategy.

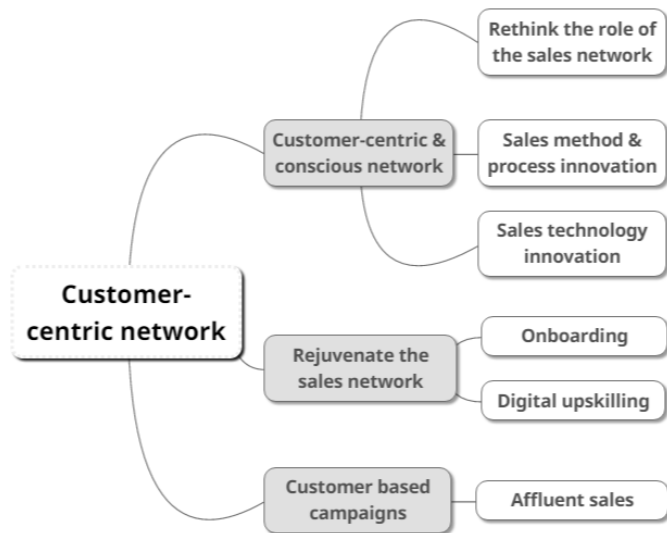
ORGANIZATIONAL TRANSFORMATION: From rules to groups

In a large organization, employees are far from their customers and far from each other. They follow the rules. We bring them close. Speaking the same language, listening to each other, and collaborating is our mission.



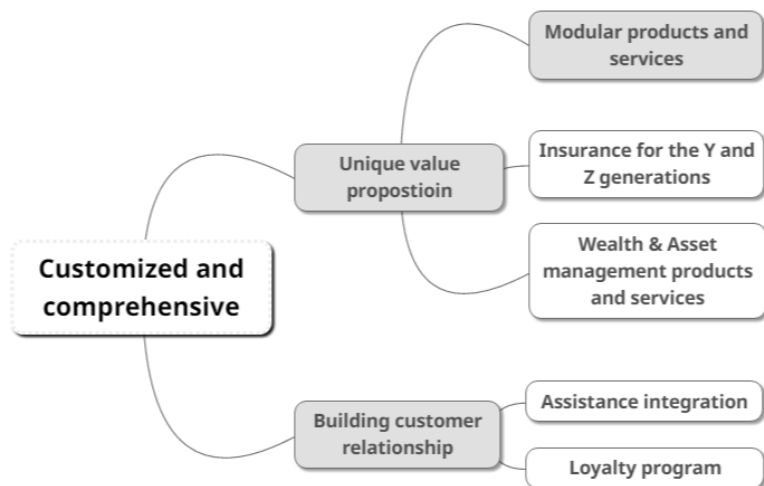
SALES NETWORK TRANSFORMATION: From products to demands

A network which is not product- but client-oriented, which does not sell but provides advice and builds connections, and which is conscious and active, addresses the younger generation, and successfully uses digital tools



UNIQUE SELLING PROPOSITION: From mass production to mass customization

We are building trust and loyalty with our customers by creating a product portfolio that covers the life span and can be customized to the needs of the customers.



Peter Kovacs

06.15.2019.

