

More customers satisfied with motor insurers last year

By **TEH SHI NING**

MOTOR and other general insurers who found themselves swamped with enquiries and claims after last year's flash floods, can now say their efforts there have paid off.

The opportunity to demonstrate responsiveness and showcase their ability to handle claims appear to have rewarded their customer satisfaction accounts. This group of insurers bucked the trend of falling customer satisfaction last year, and was the only sub-sector within the finance & insurance sector to see customers happier than they were in 2009.

From a score of 64.8 then, the sub-sector improved to score 67.1 in 2010, beating the finance & insurance's sector average of 66.6.

President of the General Insurance Association of Singapore (GIA) Derek Teo and NTUC Income's corporate office vice-president Peter Tay both agreed that the flash floods actually provided companies with the chance to demonstrate how they were able to fulfil their commitments to policyholders efficiently.

But the positive handling of a diffi-

cult situation was thanks to deliberate strategies and enhancements to service offerings put in place by the industry, said Caroline Lim, director of the Institute of Service Excellence at SMU (ISES), which analysed customer surveys on the sector in the final quarter of 2010.

She pointed out, in particular, motor insurers' moves to streamline the processing of motor insurance claims, which resulted in the lowering of motor premiums across the board. This Motor Claims Framework, introduced in 2008 to encourage prompt reporting of traffic accidents and claims, has sharply reduced the number of disputes over claims to the benefit of both insurers and motorists.

GIA's Mr Teo too, cited this framework as one example of how member companies have been "continually seeking ways and avenues to improve customer satisfaction". There has been a marked improvement in service standards and transparency during both the sales and claims handling processes of general insurers here, Mr Teo said.



FILE PHOTO

Mr Teo: *Says there has been a marked improvement in service standards and transparency*

ISES director Ms Lim said another development last year which has helped the sector improve customer satisfaction, was "service enhancements by many industry players such as the ability to purchase motor insurance online". 2010 saw the debut of

two online insurers – Aviva and DirectAsia.com, both of whom promised that the direct-to-consumer model would result in lower premiums by bypassing the traditional agent.

The "others" category such insurers fall under given the customer satisfaction index's classification, scored 67.1, on par with the sub-sector average and second only to Chartis Insurance's 67.4.

The "slower rise in motor insurance premiums in 2010 vis-a-vis the earlier years was certainly a contributing factor too", said Mr Tay. NTUC Income's motor and other insurance customers were happier in 2010 even though its life insurance customers had become less content.

Its improved customer satisfaction coincided with a strong turnaround in its motor insurance business last year. NTUC Income thus recently decided to offer a one-off \$50 rebate to 100,000 private car owners renewing policies this year – a total payout of \$5 million – which can only please customers.

ISES academic director Marcus Lee said that the increase in customer

satisfaction for the motor and other insurers' sub-sector this time round, was due to these companies meeting their customers' expectations better. They were closer to customers' ideal insurer in 2010 than they had been in 2009, he said.

At NTUC Income, Mr Tay said the company puts "substantial effort into improving customer satisfaction through its overall corporate branding". The main idea behind this was to build positive perceptions toward product and service quality, and has helped the company illustrate "value" to its customers. This possibly enabled it to better shape and thus meet customers' expectations, in the manner Mr Lee describes from ISES' analysis.

Mr Tay added that because the company's "social purpose" is to strive for the benefit of its customers, it takes a "holistic view" which "goes beyond mere service experience to encompass product value, the quality of service, and customer expectations".

This he said, comprises a range of factors including service levels, the value of the products, service quality, and expectations.