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# Empathy lends a human touch to claims

Empathy is a vital skill in insurance claims handling. With it, insurers can build strong and trusted relationships with their customers. Moreover, technology-based solutions combined with the human connection enable the relationship to be long lasting. **Bajaj Allianz General Insurance's Mr Tapan Singhel** spoke to *Asia Insurance Review* about how best to humanise the claims handling process.

By Anoop Khanna



**A**n insurance claim signifies an unfortunate happening and a loss event. The policyholder, while filing a claim, is very often neither physically nor mentally in a position to deal with the bureaucratic rigmarole. An insurance customer only desires a humane touch and quick closure of the whole process.

The customer desires to be shown empathy and expects to be given reassurance. Insurers should be able to provide customer an experience that they need and expect.

### Empathy in every activity

Speaking to *Asia Insurance Review*, Bajaj Allianz General Insurance Company managing director and CEO Tapan Singhel said, "Insurance is an industry that deals with life's uncertainties and we insurers are in the business of paying claims. The very nature of our work requires us to handle situations that are often emotionally and financially

challenging for our customers."

He said, "One area, though, needs a bit more attention. It's bringing in empathy. As insurers, we must infuse empathy into everything that we do, especially our claims settlement processes. We need to go beyond the process and humanise the claims experience."

In 2022-23, the industry paid more than 25m claims worth INR750bn (\$9bn).

Mr Singhel said, "Empathy in insurance is not just about expressing sympathy; it is about understanding the customer's situation and providing support that goes beyond the transactional nature of the business.

"This involves clear communication, timely responses and a willingness to go the extra mile to help customers navigate the complexities of their claims. An empathetic approach can transform a potentially frustrating experience into a positive interaction, fostering long-term loyalty and trust," he said.

### Challenges exist

Health insurance and personal accident lines require a high level of sensitivity and understanding, as these areas often involve critical and emotional situations for policyholders.

Mr Singhel said, "Unfortunately, things do not always unfold as customers would like. Delays, misunderstandings and bureaucratic hurdles as well as elaborate processes and documentary requirements can exacerbate an already stressful situation."

The Indian insurance sector faces unique challenges in adopting an empathetic approach to claims settlement.

Adding to this complexity is the issue of fraudulent claims, which pose a significant challenge to the industry. Fraudulent claims not only result in financial losses for insurance companies but also undermine the trust of customers.

Mr Singhel said, "An empathetic

approach to claims settlement must be balanced with rigorous fraud detection and prevention measures. While we strive to provide swift and compassionate service to our customers, we must also remain vigilant against fraud to protect the interests of all stakeholders.

“At the end of the day, it is public money, so insurers must strike a fine balance between absolute empathy and strict adherence to using technology for detecting fraud, ensuring that genuine customers do not have to suffer.

“The question remains: Are Indian insurers ready to adopt a strategy that places empathy at the forefront of their claims settlement processes? There are encouraging signs that the industry is moving in this direction,” he said.

#### Developing empathetic skills

By being empathetic, proactive and efficient, the insurer’s claims team can improve the quality of life for the affected person and their family. This in turn boosts the chances of patient’s recovery and helping them to make it through a difficult time.

Mr Singhel said many insurers are investing in training programmes to enhance the soft skills of their claim handlers, emphasising the importance of empathy and customer-centricity. Additionally, technological advancements are enabling insurers to streamline their processes and improve the overall customer experience. Some insurers even have dedicated relationship managers at high-volume hospitals to make the whole hospitalisation process smooth for their customers. Some even have virtual relationship managers to manage this experience remotely for them.

Soft skills can help the claims handling teams to improve and empower themselves to deliver a high-quality service to the customers.

You will see organisations that focus on risk management and have robust business metrics, especially low combined ratio and high frequency, often are the ones that offer the best services.

Research has shown that when physicians show empathy, it leads to better clinical outcomes. A study, published in a recent issue of JAMA Network Open, reveals that the impact of empathetic behaviour by attending doctors can be even more effective than some clinical therapies.

#### Some solutions in place

Mr Singhel said, “Adding to the positive steps by individual companies, is the recent initiative announced by the General Insurance Council of India, promoting the concept of ‘Cashless Everywhere’. This initiative aims to provide cashless services across a wide network of hospitals and healthcare providers, ensuring that customers can avail themselves of medical treatment without the burden of upfront payments.

“This move is a testament to the empathy and commitment of the entire industry towards alleviating customer worries and simplifying the claims process. By enabling cashless transactions, insurers can

offer timely and stress-free access to medical care, further demonstrating the industry’s dedication to customer-centricity.”

It is expected that with National Health Claims Exchange becoming operational soon, all ecosystem players will come on one platform soon to serve the customers better, and quicker through an end-to-end digital solution, this will add full transparency to the system.

Mr Singhel said, “A lot of organisations, including ours, believe in actively seeking out customer feedback, and we take any negative feedback that we may get as an opportunity to improve, and this adds to the empathy quotient.

“You will see organisations that focus on risk management and have robust business metrics, especially low combined ratio and high frequency, often are the ones that offer the best services.”

He said such organisations do not cut claims to sustain, they rather go the extra mile to ensure that customers are taken care of and innovate in that direction. Very often these companies shine as beacons of customer-centricity with low grievance ratios.

Mr Singhel said, “When the thought process is about caring for the customers, empathy is not a choice but a habit.”

The adoption of an empathetic approach to claims settlement is not just nice-to-have; it is a necessity for the Indian insurance sector. By putting empathy at the core of its operations, the Indian insurers can not only improve customer satisfaction, but can also build greater trust in the system.

“As the industry continues to expand and evolve, we must keep going back to the roots of our business. We must facilitate claims and service such that our customers live a long, good quality life of dignity,” said Mr Singhel. ■