

Tele-interviewing - a significant contributor to Treating Customers Fairly

The following explains the practice of Tele-interviewing and how it can be used to deliver a major improvement in Treating Customers Fairly (TCF) in the protection market.

Tele-interviewing, and its kin Tele-underwriting, is the practice of interviewing applicants for protection products over the phone to obtain their medical history and occupational information. It can be undertaken as an additional activity to existing application forms, or as an alternative to the medical and occupational questions on application forms.

Over the last two years most of the major protection providers have been running pilots and limited Tele-interviewing services in various formats. These have been very successful and it is now the accepted position that Tele-interviewing will be adopted across the industry.

Collecting information at application not at claim

A fundamental principle of Tele-interviewing is to collect all the relevant information at the application stage with the aim of avoiding misunderstandings and disputes at the claim stage. Traditional approaches often collect minimal information at the application stage, but when a claim arises and the circumstances are scrutinised, there is often a gulf in customer expectation resulting in dissatisfaction and disputes so often highlighted by the consumer press and TV. If we take a TCF philosophy, we must aim to minimise the expectation gap with the consumer, and hence, we should undertake a thorough application process, so we have all the information we need to make an underwriting decision.

Taking responsibility for collecting information

The traditional application process includes extensive application forms with the last pages containing extensive legal disclaimers. This approach lays the responsibility for providing the appropriate information with the applicant, although it is known that these legal pages are rarely read. This is fundamentally unfair, as the applicant (or the intermediary advising them) does not know what “appropriate information” should be disclosed.

Separation of sale and collection of information – a conflict of interests

There is a direct conflict in the selling of a policy and the collection of medical and occupational information. This conflict is known and it is unfair on the customer that it is continued. Any advisor who is paid on a commission basis is motivated to “get the policy on the books” and they naturally wish to avoid any rejections or delay in applications which will hinder the process. It is hence in the interest of the advisor to keep the applicants’ disclosures to a minimum .

Evidence trail

Good Tele-interviews are voice recorded, thus providing a clear record of what was said at the application stage, and should there be any dispute at a later date. This

evidence trail is used for continual monitoring, as part of the on-going TCF monitoring procedures, as well as a vital part of the claims and complaints process.

Assisting customers to disclose all relevant information

Traditional approaches rely on the “stick” approach of warning customers that, if they do not disclose all relevant information, their claim may be rejected. This is also made clear in Tele-interviewing, but in addition a “carrot” approach is also adopted. Subtle questioning techniques are used, asking open questions which invite customers to think carefully and disclose information even if they are not sure if it is necessary. In this way the onus is taken away from the advisor or applicant to know what may be relevant to the insurer. In addition, prompts are provided to help customers remember information, and the same information may be sought in other parts of the call by using other separate questions.

Treating customers as individuals

The Tele-interview approach tailors the interview to the applicant, thus treating them as an individual. Traditional paper application processes try to dovetail all customers to one application form, a process that has proved troublesome for many years, as seen by the continual redesign of the application forms. Each interview is tailored to the individual, only asking relevant questions, probing for more detail where required, advising what level of detail is required, and what is not, and interpreting complex medical terms and drug names. Information is taken from applicants in their terminology and the way they recall it and then reported into the “standard” format for underwriters and automated underwriting engines.

TCF Audit channel

As well as collecting the medical and occupational information the Tele-interview can include an independent audit of the customer’s experiences to-date by adding simple questions to the interview. These may include questions on their understanding of the product they are buying, the level and standard of advice, and many more customer focused issues, and can be a valuable and integral form of Management Information.

People or systems

When considering TCF issues the quality of the Tele-interviewer, their training, conversation management skills and rapport are paramount. In the UK to-date many Tele-interview initiatives have been driven by IT systems and automated processes often omitting customer service considerations and missing the opportunity to play a significant part in improving TCF.

Conclusion

Good Tele-interviewing can considerably assist companies and intermediaries in delivering TCF improvements for protection products and can be implemented quickly. As it costs less than traditional approaches to collecting medical evidence, the difficult cost/benefit analysis for TCF initiatives can be avoided as it is fully cost justified in the savings in medical budgets. Companies are encouraged to consider and implement the TCF principle when considering Tele-underwriting initiatives.