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Time for a service rethink: Beazley research reveals businesses’ changing expectations of insurance partners

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A new report from specialist insurer Beazley, published today, highlights that clients’ service expectations of their insurance partners are increasing. In addition to financial protection, they are looking to their insurance partners to provide them with more risk insight, risk management-related services and flexible coverage that better meets their business’ changing needs.

The findings are based on research commissioned by Beazley involving 1,000 senior executives and insurance buyers in the US & UK, from across 10 different industry sectors, plus additional insight from in-depth interviews with a panel of seasoned risk and insurance industry experts. The report confirms that the days when risk transfer via homogenized policies and a reliable claims service are enough to satisfy commercial insurance buyers are gone; balance sheet strength, a solid reputation and a smooth claims handling process are mere table stakes. Today’s businesses want insurance partners to demonstrate solid understanding of their operations and the risks they face, and for insurers and brokers to add value through risk management tools, insights, services and flexible coverage that better meets their changing needs.

However, almost half (48%) of those surveyed said their trust in insurance has increased since the start of the pandemic, but only 54% believe that insurance is meeting their businesses’ challenges very well.

The findings are published in Risk in a new world order: How can we meet clients' changing needs?, the second in a series of reports focused on changing attitudes to risk & resilience among insurance buyers. The report examines how Covid-19 has shaped business leaders' expectations of insurance and their insurer partners, and explores ways in which the insurance industry can respond and adapt to better meet clients' expectations.

This report demonstrates that clients need more from their insurance relationships as:

- A quarter of business leaders struggle to understand what coverage they need
- 19% find it hard to get insurance tailored for their sector or specialist business
- 44% don't think their insurers understand their business
- The top three asks from insurance partners are:

1. A deep understanding of risk by sector and size
2. Specialist risk advisory services as part of their policy
3. Comprehensive, straightforward cover

According to the research, the top five buying factors for insurance are:

- A policy designed for my type of business
- A long-term insurer partnership
- The cost of insurance
- Fast, responsive claims service
- Ease of understanding cover

Lou Ann Layton, Beazley's Head of Broker Relations and Marketing, said: "While it is encouraging that trust in insurance has increased since the start of the pandemic, it is a concern that only about half of our survey's respondents feel that the insurance industry is meeting their needs very well. Our report highlights that it is time for a service rethink. No longer can the industry take a one-size-fits-all approach; instead, clients want a more nuanced, tailored and responsive service. To deliver what they want will require us to strengthen our relationships and improve communication with clients. Only by listening to them and demonstrating our expertise and insight into how they can better manage their specific, sector-based risks can we build our reputation as trusted risk partners delivering a valued service."

Bethany Greenwood, Head of Cyber & Executive Risk and Interim Co-Chief Underwriting Officer at Beazley, said: "This report provides detailed insights into how our industry can work with and better support clients at a time of significant change. Digital technology is more and more entrenched in insurance operations and distribution, unleashing huge potential for service improvement and efficiency. As insurance providers, how we harness claims and risk insight data will be critical in improving the services and solutions we develop for clients.

“There will always be a place for cost-effective standard coverage, however where our industry will add value in the future will be through a service based on a combination of technological and human factors.”

Beazley’s Risk & Resilience series provides a benchmark for business resilience to and appetite for risk post pandemic and how insurance can better protect clients’ evolving needs. Keep up to date with the latest findings on the website: www.beazley.com/risk-resilience

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