



Society of  
Claims  
Professionals  
Standards. Professionalism. Trust.

# Exploring Public Trust in Technology & Data



# Contents

Foreword	3
Introduction	4
The background	
Our research	
Key findings	5
Recommendations	9

## The Chartered Insurance Institute (CII)

The CII is the largest professional body for the Insurance and Financial Planning professions, with more than 127,000 members in over 150 countries.

Our purpose is to build public trust in insurance.

We do this through the provision of insightful leadership, relevant learning and an engaged membership.

This report forms part of our programme of insight – delivered with and on behalf of the profession – to drive positive action in support of society’s experience of insurance.

[www.cii.co.uk](http://www.cii.co.uk)

## The Society of Claims Professionals

This report has been produced on behalf of the Chartered Insurance Institute’s Society of Claims Professionals which has over 9,000 members and which encourages and promotes progression to qualified status and the maintenance of good practice, the highest standards of competence, expertise and professionalism for staff at all levels of experience. The Society, which has an advisory board made up of key market practitioners provides members with a host of relevant

and timely information in a range of formats, covering high level research, technical and legal developments, through to topical debates and seminars – all designed to keep you up to date with your chosen area of expertise through market relevant CPD offerings.

For more information on joining the Society of Claims Professionals go to [www.socp.org.uk/membership/before-we-start/](http://www.socp.org.uk/membership/before-we-start/)

## Contacting the CII

If you have any queries regarding the content of this report please contact Matthew Connell, Director of Policy and Public Affairs, CII email: [matthew.connell@cii.co.uk](mailto:matthew.connell@cii.co.uk)

## Disclaimer

All authors named contributed to this report in their own personal capacity. The views expressed are their own and do not necessarily represent the views of their respective employers or the Chartered Insurance Institute.

## Report prepared by:

Chartered Insurance Institute  
New Generation Programme 2018-2019  
Sally Blake, Zurich  
Kuldip Kang, Allianz  
Mike Wilson, Pacific Life Re

# Foreword



“The CII’s New Generation programme brings together some of the best and brightest talent from within the sector to tackle some of the key issues facing our members today. With groups covering broking, claims, underwriting, and the London market, participants carry out a research project intending to provide insight and stimulate further discussion.

The 2018/2019 claims cohort identified two key issues to investigate: how increasing digitisation impacts the claims process, and to what degree the public is willing to trust technology and automation to deliver the best outcomes.

The group gained some fascinating insights from the public. Whilst many are happy to see the claims process largely automated, they still expect to be able to engage with a human if something goes wrong. This is a trend we have seen across the insurance sector: the public want to see technology delivering efficiency and accuracy, but the judgement of skilled professionals will always be highly valued.

It’s clear to me that these are encouraging results, as long as we bring the public along with us as the claims sector continues on its journey of digitisation. This research concludes with three key recommendations, and I would encourage all readers to consider how these recommendations can be reflected when they are dealing with their customers and clients.

I would like to take this opportunity to thank Sally Blake, Kuldip Kang and Mike Wilson for their hard work and dedication to producing an excellent report.”

**Tony Emms,**  
Society of Claims Professionals  
Advisory Board Member

# Introduction

In 2018 the Chartered Insurance Institute published research into public trust in insurance which found public perceptions of the sector were negative and recommended insurers take action to address this. The Claims New Generation 2018/19 Group sought to build on this work by exploring public trust in insurers' use of consumer data for digital claims processes. We found that whilst there is interest in processes which make the claims and insurance journey easier, consumers are also highly sceptical.

## The background

Our initial review included existing publications by industry bodies such as the Association of British Insurers (ABI) and the British Insurance Brokers' Association (BIBA) as well as news articles, podcasts and blogs relating to technology and data, both inside and outside the sector, in addition to the CII's new Digital Code of Ethics. Our research showed that the insurance customer service landscape has been significantly disrupted in recent years by technological advancements in service capabilities. Customer expectations have shifted and procedures which were once innovative are now expected. However, some of these processes are now also being questioned and scrutinised by the public. This is in part due to a misalignment between the expectations of retail customers (driven by their experiences of more digitally advanced industries), and their understanding of the data complexities required to deliver similar experiences in

insurance. Whilst digital insurance has the potential to build and strengthen relationships with customers, it could also alienate people if done badly.

## Our research

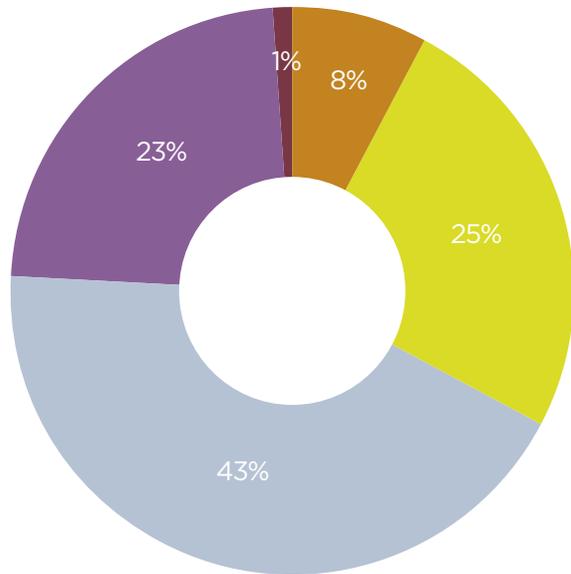
To challenge and refine our initial review, we issued a survey to gauge the public's understanding about automation and their feelings towards it. We asked consumers what they really want, need and are worried about in order to identify the main concerns they have about the use of their data in new technology. Although the focus was on claims, we wanted to reflect that claims is one part of the customer journey, and therefore included several more broad questions to provide a benchmark. The survey was aimed at people in the UK of all ages working across a wide spread of industries.

We were able to procure 289 responses, of which:

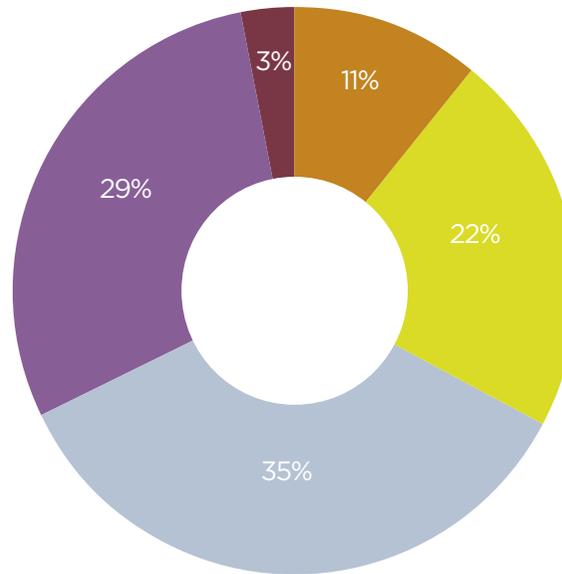
- 93% were aged between 18 and 60. This gives us a good sample for consumers of working age, however it does limit the insights available for GenZ and the ageing population; arguably the consumer groups who are likely to have the greatest concerns about insurance and data.
- 24% were employed in financial services or insurance, although there was a good spread for the remaining 76% amongst other industries.

# Key findings

Our results show clearly that there are opportunities for insurers looking to make more use of technology. 80% of people say they find modern technology easy to use and a similar number expect to be able to interact with insurers using this technology. 66% of people said they would rather submit a claim online than over the phone, although 64% were worried they wouldn't be able to speak to a human if they needed to.



*"I would rather submit any insurance claim online rather than over the phone"*



*"I worry that it will become harder to speak to a human when I need help"*

- Strongly disagree
- Disagree
- No strong feelings/not sure
- Agree
- Strongly agree

## Key findings - continued

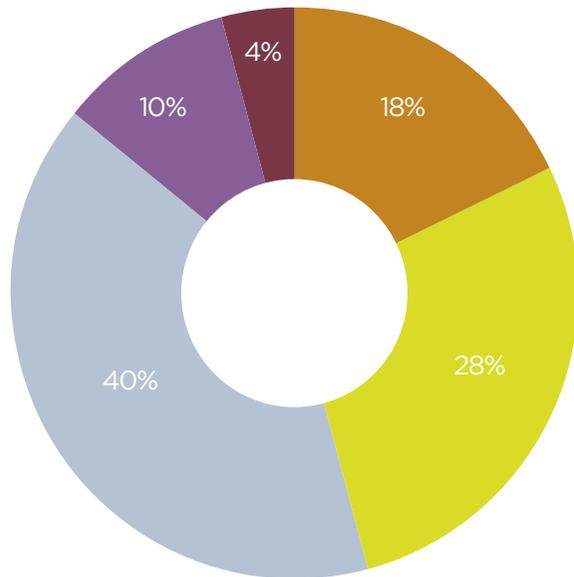
Customer appetite for technology in the claims process is high. Only 7% of people do not support the use of any automation in claims. Of the remaining respondents, less than 15% would prefer automation was restricted to collating initial information. In fact, more than 24% are happy to see the entire claims process handled by computers, including appeals.

With which statement do you agree the most?

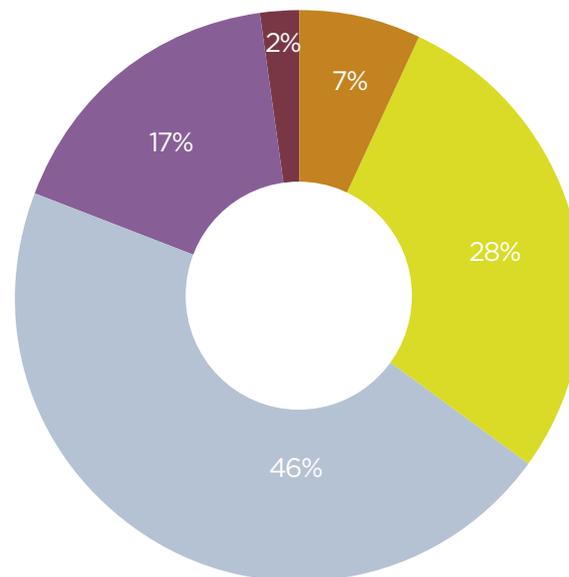


## Key findings - continued

However, the public do not approve of all technology equally, and insurers making the wrong choices could lose customers' trust. 50% of people worry that computers will make incorrect decisions and 90% trust computers less than humans.



*"I worry that computers will make more decisions, and these will be incorrect"*



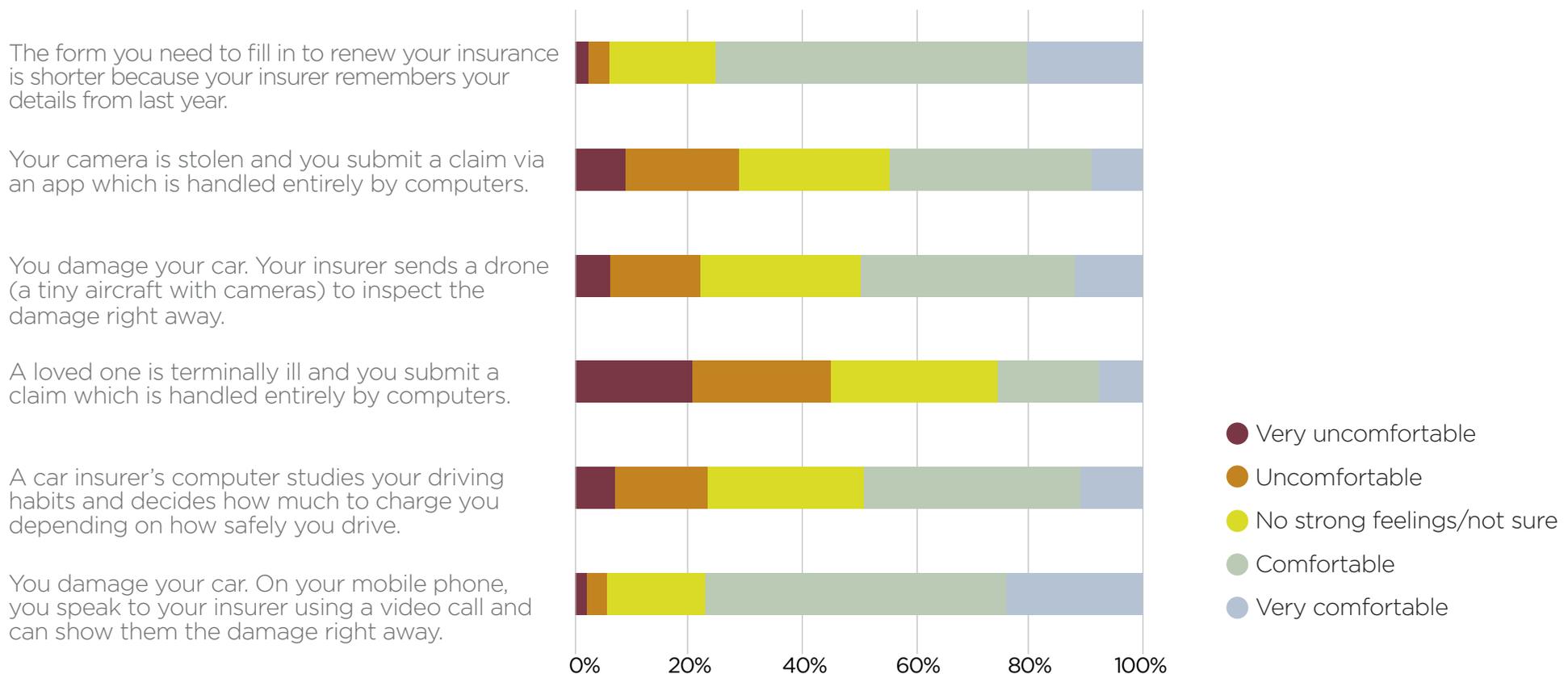
*"I generally trust humans to make better decisions than computers"*

- Strongly disagree
- Disagree
- No strong feelings/not sure
- Agree
- Strongly agree

## Key findings - continued

We asked customers to rate their comfort levels with different technological scenarios, both in insurance and further afield, with various degrees of data use or automation. Responses varied enormously. Around three quarters of customers were comfortable with simple technology that clearly benefits them. For example, 75% were happy for an insurer to remember details about them if it makes a future renewal form shorter.

On the other hand, other scenarios were less welcome, indicating that respondents still favour human oversight, particularly in situations where they might value expert advice. For example, fewer than half of respondents were happy for an insurer to send a drone to inspect damage to a car, and only 26% approved of a terminal illness claim being handled entirely by computers.



# Recommendations:

It seems there are still some hurdles for insurers looking to convince customers that technology is in their best interests. Simpler technologies, and those which augment rather than replace human involvement, tended to receive higher support from customers.

The CII recently published a Digital Code of Ethics, which sets out how the five core duties in their Code of Ethics should be applied in a digital context. This includes acting in the best interests of your client and ensuring that digital activities are not delivered at the expense of good customer outcomes. Our findings echo this approach, highlighting that whilst customers are generally open to technology which makes their claims journey less cumbersome, they are apprehensive about the use of their data and the loss of human oversight and interaction.

## Overall, we identified three key recommendations:

### Align digitalisation activity to your target customers

Our findings show that factors such as age can impact how amenable customers are to digital products and processes. Furthermore, the attitude of customers towards digitalisation varies according to the product or process in question. Given that products are often marketed towards a particular customer segment, it is important to consider at the design stage how those target customers might respond to increased digitalisation of the claims process. That said, even factors such as age are not a certainty as to how digitally confident a customer might be. The rise of the silver surfer is an example of this. It's therefore important to understand your own customers, rather than relying on generic datasets.

### Ensure digitalisation activity is inclusive

The results of the survey show that even those who are comfortable with extensive digitalisation still expect to be able to speak to a human if needed. Therefore, whilst technology such as online notification, automation and AI can support streamlining of the claims process, it is vital that customers are able to access their product via traditional methods without hindrance. This is particularly important given the potential harm or risk of dissatisfaction for vulnerable or elderly customers who may not be able to easily access technology.

### Transparency is key

One of the key themes from the survey was that customers are nervous about how decisions might be made by a computer. This was particularly true where decisions were based on personal information, such as health data from a wearable device. As stressed in the CII's Digital Code of Ethics, it is key that processes and decisions are clearly explained, transparent and deliver meaningful benefit for customers.

## Recommendations - continued

Insurers use customers' data in order to gain competitive advantages. We shouldn't hide away from this fact. It has long been a necessary part of our business. Recent technological advances give us the chance to collect and use data from exciting new sources. But we live in a consumer age. There must be something in it for our customers.

When customers feel they are being used, we make them feel uneasy. When we build technology for us, not them, they trust us less. If this happens, ultimately we all lose out. We feel our research strongly supports the development of exciting new technologies that benefit both insurer and customer. That way we can work with our customers, not against them, as we ready our businesses for the future.

The Chartered Insurance Institute  
42-48 High Road, South Woodford,  
London E18 2JP

tel: +44 (0)20 8989 8464

customer.serv@cii.co.uk  
cii.co.uk

 Chartered Insurance Institute

 @ClaimsSociety

© The Chartered Insurance Institute 2020

THE CHARTERED INSURANCE INSTITUTE, CII and the CII logo  
are registered trade marks of The Chartered Insurance Institute.