



SOCIETY OF ACTUARIES

Article from:

Reinsurance News

July 2011 – Issue 70

How Do You Communicate? Insurers Jumping On Social Media

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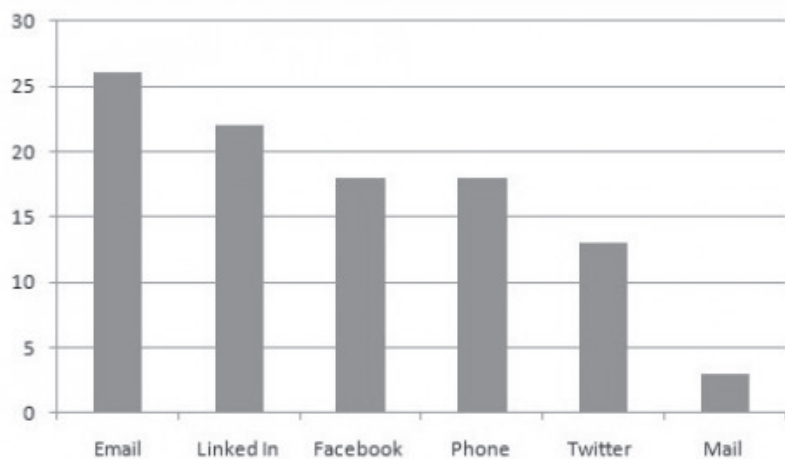
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During our annual Freedom to Think reception at LOGiQ³ this year, we had the opportunity to poll our community of clients, partners and staff on “How do you communicate?” We asked each of our attendees to select a name tag with a pre-printed icon that represented their preferred form of communication.

As a business, we want to ensure we are using the right form of communication channel to reach out to our community. With the rise of several social communication channels, such as LinkedIn, Facebook and Twitter, we wanted to see what the current preferred communication tool is.

I am sure many businesses share the same challenge as LOGiQ³—operating in the Web 2.0 world but servicing a traditional industry, such as ours—Life Insurance. However, to our surprise, the LOGiQ³ community is more progressive than we had thought! Here are the results to our poll, expressed as a percentage:

LOGiQ3 Survey Results: Preferred Communication Method



Twenty-six percent of our attendees preferred to use email communication (not a surprise), but followed tightly by LinkedIn at 22 percent, Facebook and phone calls, both at 18 percent, Twitter at 13 percent and lastly, traditional postage at 3 percent. This is certainly insightful information for us as a business, as it allows us to focus our communication to these preferred channels.

It also allows us to connect with our network on a real time basis, provide relevant content, and listen to what is being said on their preferred channel.

LOGiQ³ has presence on LinkedIn, Facebook, Twitter and most recently launched our THiNK Blog, but how do we compare to the rest of the industry?

I did a quick search on LinkedIn inputting the key words Life Insurance and Life Reinsurance under the company search option, and it returned 125 results. Of these 125, it included companies such as ACE (4,954 followers), Sun Life Financial (7,280 followers), Swiss Re (5,924 followers), AEGON (5,226 followers), RBC Insurance (1,302 followers), and Partner Re (677 followers). I performed the same exercise on Facebook and Twitter, results were definitely not as compelling as LinkedIn, only a handful of companies have a presence on Facebook and Twitter. However, there were a lot of mentions by consumers on these two sites, meaning that people are talking about life insurance and life reinsurance. Companies should be proactive in leveraging these tools to listen to consumers' feedback.

Though our industry is not yet as progressive as others, those companies who are innovative are leveraging social media to make their businesses better.

The Insurance Networking News webpage published a blog in February, 2011 by Craig Beattie. It speaks about an event hosted by Celent in London, “How Digital & Social Innovation Challenge the Insurer Business Model,” with the first presentation given by Chris Denison, managing partner at AXA Innovation Hub, and Manjit Rana, partner in Innovation Hub. The presentation explained how AXA UK plans on utilizing social media and other technologies to determine individual digital profiles, define target challenges and identify solution generators.

Life insurers are also using social media networks to detect fraud in submitted claims. Investigators are now using sites such as Facebook to investigate suspicious claims. They're looking for clues that don't add up to the claim submitted, such as someone bragging about running a marathon while having submitted a claim for

an injured back, etc. Though data gathered on these sites are useful, they can only be used as insight and never as final proof of fraud.

There have also been talks that social networking data could be used to help price policies. Insurers could use information posted on social networks posted by an applicant and compare it with lifestyle choices and medical histories actually filled out on their application.

Many businesses are treading lightly with the use of social media because there is a lack of concrete measurements on the value it brings to a business. It is difficult to measure the success of implementing a social media strategy.

I don't believe social media is a must, more so it is another communication channel (talking and, more importantly, listening) to reach out to our community of clients, partners and staff. ■

Call for Papers

The Reinsurance Section invites you to participate in a Call for Papers competition. Our goal is to generate thought and discussion on topics of interest to the reinsurance industry of today and tomorrow.

Capital may be more readily available again, but have we fully recovered from the financial crisis? What about risk mitigation and enterprise risk management? How does reinsurance play into the global economy?

The topic is yours to choose, but it must be related to the reinsurance industry. Stay focused, as the papers can be no more than 1,500 words. This competition is open to all SOA members and provides awards for worthy papers: \$5,000 for 1st place; \$3,500 for 2nd place; and \$1,000 for one or more (but no more than three total) Honorable Mention awards.

Complete contest rules are posted on the Reinsurance Section Web page. Good luck to all!

Larry N. Stern, FSA, MAAA

Chairperson
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