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# Chairperson's Corner

By Michael Mulcahy

In the year's first issue of Reinsurance News I talked a bit about what the Reinsurance Section Council had planned for 2015. For the third and final issue in November, I'll most likely give a recap of what the council accomplished during the year. For this "middle" issue, I'm going to give a short editorial comment on the middle market. Specifically, I want to talk about service to the middle market based on my own experience.

There is (and has been for years) a tremendous amount of talk about the middle market. Much of that talk is focused on streamlining the underwriting process to make it faster and less invasive. And the industry is finally making progress in that area. Reinsurers are often leading the way, providing research or stepping in to take less defined risks. The improved underwriting process is expected to make it easier to find alternative distribution systems to "reach" the middle market. This will be increasingly important with the younger generations. They want to do everything on the Internet, without ever talking to anyone, no less stopping to see someone in person.

Our industry wants to be able to reach the middle market, but will we be ready to provide them with the ongoing service that they expect? If my experiences are the norm, I'm afraid the answer is no.

My wife and I have three term policies between us, with three different insurance companies. All the purchases were started through Internet searches. Here's a list of items I find lacking in the way these policies are serviced:

1. None of the agents involved has ever reached out to me after the policies were issued.  
  
If the companies were contacting me directly, this wouldn't be an issue. But as I discuss below, they are not. The lack of follow up is probably to be expected given that I went through independent websites to pick a policy and got assigned an agent. Clearly insurance companies can no longer rely on agents to be their primary point of contact with their middle market clients.
2. The only item I receive in the mail is an annual bill.

This applies for all three companies. The bill shows the amount of the premium due. That's it. No face amount. No projection of expected premiums due in the future (or date that the level premiums period expires. No letters asking me if I have other insurance needs they can help with. Nothing.

3. None of these companies contact me by email.

I don't even know if the companies have my email address. So when I moved and forgot to change my address with one of the companies, I only found out when the lapse notice eventually was forwarded to me two months later. Then I had to go through reinstatement.

4. I don't know how to access my information online for any of the policies.

Note, I didn't say "I can't access my information online." Maybe there is a way to do it. For at least one of the policies I tried but gave up in frustration before even finding out if it was possible. For every other financial company I deal with, "online" is the primary (if not only) way that I access my account information. Banks, brokerage accounts, credit cards, mutual funds, IRA's, 401k's—everything. Even old accounts I don't pay attention to. The financial companies provided me with information by mail and encouraged me to sign up for online access and I finally did. And when I log in, I am encouraged to consider other available

products. Some may find the promotions annoying, but it's easy to ignore them, and once in a while the promotions have value.

From my listed complaints above it appears the companies issued the policies and then forgot I existed. They don't care about me. Maybe my experience is not typical and I just have three behind the times insurers. But I've asked others and I have heard of similar experiences.

We in the insurance industry need to improve the way we interact with our customers so we can catch up with the rest of the financial world. The old distribution systems that have failed to reach the middle market are also not suited to service that market. If we don't give our clients access to policy information in a way that is in line with what they expect, we may find when we finally reach those in the middle market we aren't able to keep them. ■



Mike Mulcahy, FSA, MAAA, is vice president, Marketing with Canada Life Reinsurance in Blue Bell, PA. Mike can be reached at [mike](mailto:mike.mulcahy@lrgus.com).

[mulcahy@lrgus.com](mailto:mulcahy@lrgus.com).