

# Customer Experience as a Competitive Edge in Insurance: A Discussion with Northwestern Mutual's Lori Brissette and Jay D'Aprile of Slayton Search Partners



Customer experience is integral when looking to thrive in today's increasingly competitive insurance market. A client-first attitude ensures better client outcomes, stronger customer relationships, and overall, a more profitable business. I discussed the advantages of focusing on this competitive edge with Lori Brissette, Senior Vice President of Client Advocacy Services at Northwestern Mutual and President of Northwestern Mutual Investment Services, in order to get further insight.

**Jay:** One of the biggest trends impacting the insurance industry over the past years is consumerism. It really changes the way insurance companies think about how they sell and service policyholders. Lori, could you explain to us what

customer experience is and how an insurance carrier should view it?

**Lori:** Customer experience today is table stakes. A really great client experience absolutely changes the relationship the client has with the company. It changes how a client feels, what they do, and how they act. Building the customer experience comes from a combination client research (focused on what the client wants) and design thinking (focused on what the client needs). Ultimately, a great client experience delivers on a business outcome, a business value. Greater customer loyalty will drive relationships and revenue.

**Jay:** What's been a main driver of the customer experience trend?

**Lori:** I think for everybody, it's the competitive environment. That competition is no longer just from companies within your industry. The digital environment that clients are interacting with changes their expectations. Also, for us, the driver of customer experience is our clients' need. At Northwestern Mutual, we truly believe that if we want clients to achieve financial security, they're going to do better if they do more with and through our company. If we can achieve this for the customer, then we are serving our mission.

**Jay:** We've talked about the policyholder. Is creating a strong customer experience focused only on the policyholder, or does it also impact your captive agency force?

**Lori:** Absolutely both. For the client, we want to build that end-to-end integrated experience that drives them through pre-client, to onboarding, to relationship building, and loyalty. For advisors, it's just as critical to give them the tools, systems, and experiences they need to run their business effectively and efficiently, so that their focus can be on the client and not on the tools or the friction of the experience.

**Jay:** Lori, I think commonly insurance is thought of as a "set it and forget it" policy. The only two times that you think

about your insurance policy is when you pay your premium or when you have a claim.

What is Northwestern Mutual doing in between those two events to impact customer experience?

**Lori:** We are definitely delivering on things like accelerated underwriting and electronic delivery of application all the way through the contract. Even before the purchase experience, we are changing the planning experience to be more of a relationship driver – it’s huge for us. A specific example is our life insurance policy, which is what we call a “Swiss Army knife” of life products. It’s a product that can really be used throughout your life, whether you want to use the cash value to buy a car, fund a new business, or even take advantage of things like COVID-19 situations. Because of that, we know our service experience is actually part of the purpose of the product. We say life happens between planning events – and the claim experience is only one part of the ultimate delivery of our promise.

**Jay:** I was just looking at a whole life policy, and to be quite honest with you, the process was rather painful. I had significant questions that I wanted the agent to answer for me. Everything was done on paper, and it was always, “I can get you that answer, but it will take another week.”

To me that was a horrible client experience, and it actually prevented me from buying that policy.

Is Northwestern Mutual helping their agents through those types of situations?

**Lori:** We are several years into creating an in-house proprietary planning tool. It’s all about getting that up-front experience right to kick off the relationship, but doing it in a way that sets the foundation for a continued relationship, a continued conversation. Instead of an annual check-in, that planning experience should be the integration of seamless experiences every time they go on the app and check their status.

**Jay:** That’s fantastic. I read an article recently from PricewaterhouseCoopers about measuring the success of customer experience strategies. Are there certain metrics that you leverage to make sure that you are impacting those strategies?

**Lori:** Yes. So, obviously we look at net promoter score like most people do, but more and more we see that those scores

tend to be lagging and fail to really give us any specific information. I absolutely agree that any business needs their customer experience to work effectively in order to deliver on business outcomes. So you have to measure not just new clients, but things like retention, household revenue, and more. For example, in the claims space, reinvestment of death claim proceeds is a critical metric. We're really trying to measure the number of beneficiaries who choose to reinvest some of those proceeds in a Northwestern Mutual product. We know that if we deliver the right experience, we won't just see more beneficiaries become clients using the funds that we paid to them, we will actually see them aggregate the other funds they have and deepen their relationship with the company.

**Jay:** We're in a brave new world in the insurance agency. I think there has been more change driven in the last 5 to 10 years than there has been probably in the last 50 years. That requires different skill sets. My clients are thus looking for talent that comes from outside the insurance industry.

What type of talent are you looking for that helps impact customer experience strategies?

**Lori:** Not only is our focus on client experience changing our talent strategy, but COVID-19 is too. As a result of this, we've brought in senior leaders from startups, as well as leaders from companies like Google, Alibaba, Microsoft, and Amazon. We think it is absolutely critical to have a good mix of deep historical industry knowledge and new thinking and new behaviors. From a COVID-19 perspective, we have gone remote so easily. In the past we would have said, "If you want to work with us, you need to be in Milwaukee or New York." Now we are saying, "We get to go to where the talent is." So that will really open it up.

**Jay:** So with this drive for new talent and having the ability to now look outside of New York and Milwaukee for talent into Silicon Valley, maybe you can address how Northwestern Mutual is leveraging data technology and AI to deliver personalized experiences that are more relevant to policyholders?

**Lori:** We continue to look for ways to personalize the experience and make it seamless and more engaging. Data technology and AI are obviously very critical pieces to that. For example, in the contact centers, we are using it to not only allow us to have an experience where we clearly know our client better when we're on the call with them, but also to

serve up information to the CSRs, so we can start a conversation and get them to an advisor for a deepening conversation. We are using things like speech analytics to continually improve not only the quality of service but help drive individualized coaching specific to the kind of conversations that CSR is having, helping us better understand the customer experience. The best place we've used historical data so far is in the purchasing experience. We are looking to not only historical data, but advanced analytics, and predictive models, looking beyond the application and medical information. This has allowed us to reduce our underwriting time, for a significant number of our applications, from 28 days to one. So, I think we are using it both in the purchase and service experience.

**Jay:** If you could take out your crystal ball and look at the insurance industry over the next 10 years, what do you think that looks like?

**Lori:** I think that if insurance companies do it right, it won't be a "set it and forget it" experience. Insurance companies will be playing more of an ongoing advisory role for their companies. Think of John Hancock with Vitality, or USAA's comprehensive app experience. We don't want to be the "set it and forget it" industry. We want to be there when you don't even know that you need us.

**Jay:** You mentioned John Hancock and their acquisition of Vitality. I think insurtechs have gone from taking over the insurance industry to realizing that they are better off partnering with legacy carriers. Are you doing those types of investments for Northwestern Mutual?

**Lori:** Northwestern Mutual Future Ventures is our \$200 million venture capital fund. It focuses on engaging startups whose technologies have the potential to transform how consumers experience and achieve financial security. \$20 million of that is devoted to female-founded startups because we have a significant focus on diversity. Since launching that originally in 2017, we've made more than 15 investments to gain insights from partners to help us evolve our business. That's a significant commitment to ongoing innovation through relationships with startups.

**Jay:** Lori, this was a fantastic conversation. Thank you so much for joining me today. We appreciate your time.

**Lori:** Thanks, Jay!

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