

Despite being a rather overused term, 'empathy' continues to be a key ingredient when it comes to solving problems, designing products and building relationships. This is especially true for life insurers as we continuously re-evaluate traditional models and processes to better suit modern risks and needs.

In the traditional product development lifecycle, actuarial and data insights are often the primary informers. And rightfully so; this information is foundational to building sustainable life insurance products. However, actuaries can be distanced from the business as a whole, only seeing needs and solutions through their specific lens. An empathetic lens would see needs from the client's perspective before looking for solutions.

From silo to collaboration

As an actuary myself, it has been my experience that great ideas often come from unexpected places, casual chats, and anecdotal evidence from people in the business, especially those who are client-facing – and who better to report on your customers' actual needs than your sales and claims teams, and your network of financial advisers, who talk to your clients every day. In addition, those who see products and needs from the viewpoint of an underwriter, an IT engineer, or a business developer, for example, also have valuable insights. Combined with the data, these different perspectives are crucial for taking product development out of a silo and into a collaborative space and aiding an understanding of how a product is going to land with financial advisers and their clients.

Engaging with every individual who interacts with an insurer's products creates a constant feedback loop that allows the insurer to understand the causes of any issues or frustrations and respond appropriately with improvements and enhancements. An empathy-led insurer would actively seek this input and then sift through the details, filter out the 'noise', look for trends and patterns, identify real needs, and then build solutions to meet these needs.

Empathy must encompass humility

And here's where a personal opinion of mine comes into play: empathy must also encompass humility. As an insurer, while striving to meet more needs, remain relevant and affordable, and improve your bottom-line, it's quite likely that some changes and innovations may not land as you envisaged. Even if you think your solution is cutting-edge, you need to be humble enough to get feedback from your clients, and everyone who interacts with your products, and to go back and sharpen your blade where necessary.

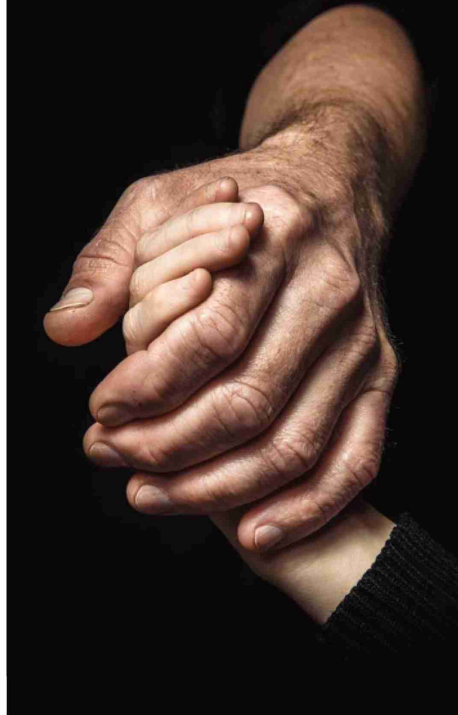
Being humble also means being open to the possibility that your idea or your product, may fail. It means being able to admit that some issues remain larger than your proposed solution. Most importantly, it means actively seeking constructive feedback and being willing to go back in and implement any viable suggestions in order to improve your offering.

It is also critical to really understand the intricacies of the systems that support your product distribution. Be realistic about what the business can do; its operating capabilities and constraints. It does not matter how good an idea is, if you cannot deliver it practically, efficiently and cost-effectively, call it. Over-promising and under-delivering, whether it be to other business units, advisers or clients, will override the empathy that's guided you to that point, and instead create mistrust.

Collaborative product creation

Solving problems, creating products, and building relationships from a position of empathy gives everyone in the life insurance value chain an edge. It's been a driving factor, influencing numerous product launches and enhancements, and will continue to be the crucial component in delivering upcoming product updates in the weeks and months ahead.

EMPATHY-DRIVEN PRODUCT DEVELOPMENT IN LIFE INSURANCE



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