



Measuring Customer Trust in Insurance

**A TRUST INDICATOR STUDY REPORT
FROM THE INSURANCE CULTURE AND CONDUCT STEERING COMMITTEE**

July 2023

Comments from ICCSC and MAS



Dr Khoo Kah Siang

Chairperson of the Insurance Culture and Conduct Steering Committee, CEO of Manulife Singapore

“Results of the inaugural Insurance Trust Indicator Study show that the industry can certainly do more to bolster trust among consumers and businesses alike. The best practice papers rolled out by the ICCSC will be a good starting point for insurance companies to adopt and act upon. It is our collective responsibility to strengthen relationships with the public by elevating culture and conduct standards in Singapore,”



Mr. Marcus Lim

Assistant Managing Director (Banking and Insurance), Monetary Authority of Singapore

“Trust is at the heart of a well-functioning financial sector. The value of trust is far from illusive, and the ITIS demonstrates that trust has a tangible quality that is measurable. We commend the ICCSC’s sustained efforts to foster strong, long-term relationships between insurers, insurance intermediaries and customers,”

Research Objectives and Methodology

Insurance Trust Indicator Study 2023

This is a commissioned study conducted by Forrester Consulting on behalf of ICCSC

This study focuses on answering 5 key questions that help drive awareness of trust performance in Singapore's insurance industry

5 key questions that will help drive awareness of trust levels:



What are the **industry-level trust indicator scores** for General and Life insurance in Singapore across each segment (Consumer, SME, Corporate) ?



How does the trust levels between **insurers** and **intermediaries** differ?
Does perception of intermediaries' competence impact trust?



How does the trust performance differ across various **sub-segments**?
(e.g., consumers with claims experience vs. without)



What are the **levers** behind the industry-level trust indicator scores for both insurers and intermediaries?



What are the **key action areas** that insurers in Singapore should focus on to **improve trust**?

Customer, Employee, and Citizen relationships with respective institutions are based on **Trust**



Organizations that understand this will reap financial, competitive, and reputational benefits when their customers' trust is strong.

What Is Trust?

Forrester defines trust as –

“Confidence in the high probability that a person or an organization will spark a specific positive outcome in a relationship.”

Trust can be earned and Forrester has identified the **7 Levers of Trust** that may help organizations to do that...

Accountability	The confidence that an organization takes responsibility for what it does and says; provides satisfactory reasons for its words, decisions, and actions; and is ready to bear the potential consequences
Competence	The recognition of an organization for its expertise and the belief that such expertise enables it to do something successfully or efficiently
Consistency	The expectation that an organization will always behave or perform in a similar way, so that individuals can confidently rely on the expected behavior or performance in their own plans, actions, and assumptions
Dependability	The expectation that an organization will be available, reliable, and able to predict and meet individuals' needs and demands
Empathy	The perception that an organization is emotionally connected to its customers, employees, and partners and understands and shares their feelings and experiences
Integrity	The belief that an organization acts honestly and according to values that individuals can easily recognize and that those values permeate the organization's brand, decisions, and operations
Transparency	The perception that an organization is doing business in an open way and is making every effort to share information about the business that is based on accurate, verifiable facts



Source: "[The Trust Imperative](#): The Opportunities Of Creating A Deliberate Trust Strategy And The Risks Of Leaving It To Chance"

We tested 9 scenarios that represent breaches of trust to understand how they will affect the sentiments and actions taken by consumers, SMEs, and corporates

Breaches of Trust Scenarios

1. Find a **product or service error** from [insurer/intermediary]
2. Observe [insurer/intermediary] saying or doing something that appears to **contradict the values the company stands for**
3. Observe [insurer/intermediary] saying or doing something that is **opposite to the values I personally stand for**
4. See news about **poor employee working conditions** within [insurer/intermediary]
5. See news about a **legal / regulatory breach** in [insurer/intermediary] (*e.g., insider trading, money laundering, GDPR or PDPA non-compliance, etc.*)
6. See news about a data breach by [insurer/intermediary] **exposing confidential information of customers**
7. I had a dispute with [insurer/intermediary] over their **practices** (*e.g., disputes on liability, claim amount awarded, and non-renewal of services / underwriting, etc.*)
8. I had a dispute with [insurer/intermediary] over their **market conduct** (*e.g., inappropriate advice / misrepresentation / disclosure issues, etc.*)
9. I had a dispute with [insurer/intermediary] over their **service standards** (*e.g., experienced a delay / failure in processes, etc.*)

Study Results and Insights

Insurance Trust Indicator Study 2023

We conducted quantitative surveys with 2,046 consumers, 314 managers from SMEs, and 219 managers from corporates in Singapore to cover:

Consumers	<ul style="list-style-type: none">• >20 years old• Own insurance products currently• At least 10% of customers must have claims experience for GI
SMEs	<ul style="list-style-type: none">• ≤ SGD100M in global annual revenue• ≤ 200 employees across the organization worldwide• Manager level and above with influence or buying authority for insurance purchase• Own insurance products in Singapore that are currently in-force• At least 10% of customers must have claims experience for GI
Corporates	<ul style="list-style-type: none">• > SGD100M in global annual revenue• > 200 employees across the organization worldwide• Manager level and above with influence or buying authority for insurance purchase• Own insurance products in Singapore that are currently in-force• At least 10% of customers must have claims experience for GI

Notes: All respondents across all target groups must fulfil the following conditions:

- (a) Have an existing relationship with the insurance brand across one or more of their products
- (b) Have interacted with the insurance brand in the last 12 months

List of intermediaries

Insurance agent of [insurer]

Independent financial adviser (IFA) (e.g., Promiseland, Financial Alliance and Providend, etc.)

Financial adviser associated with AIA / Great Eastern / Manulife / Singlife

Bank

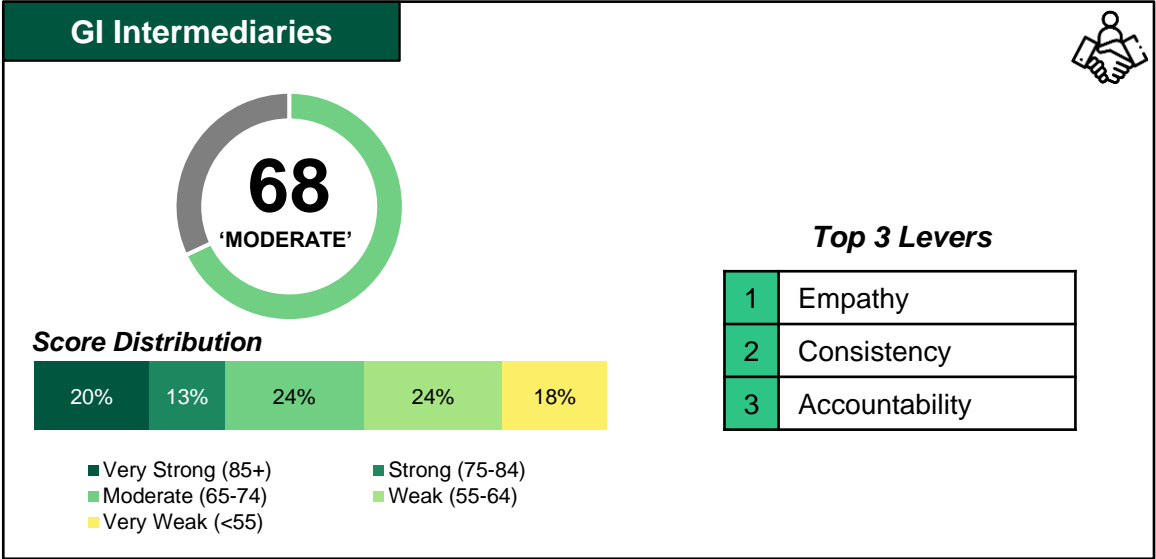
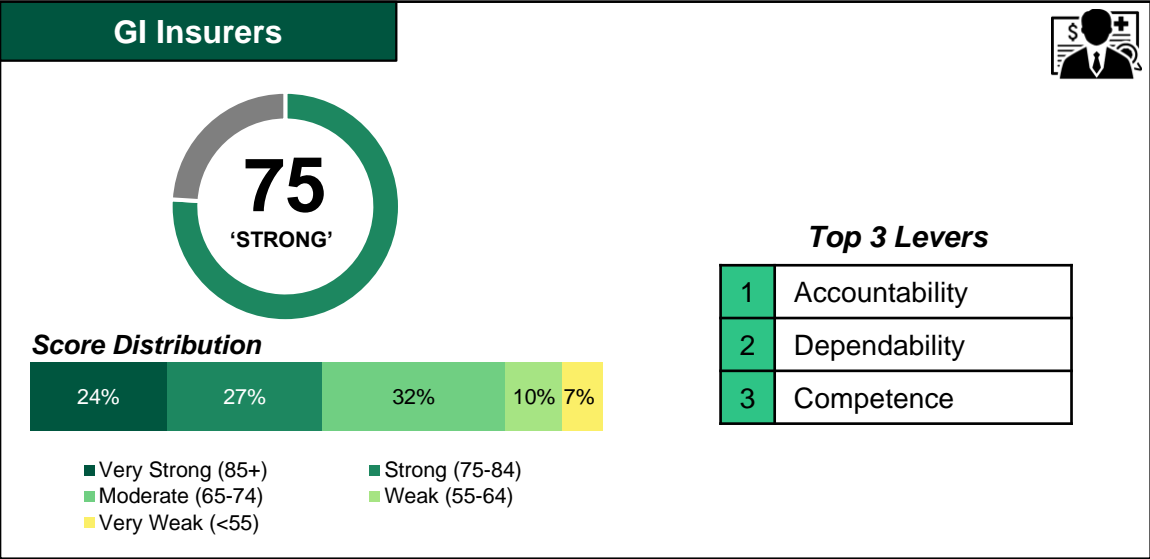
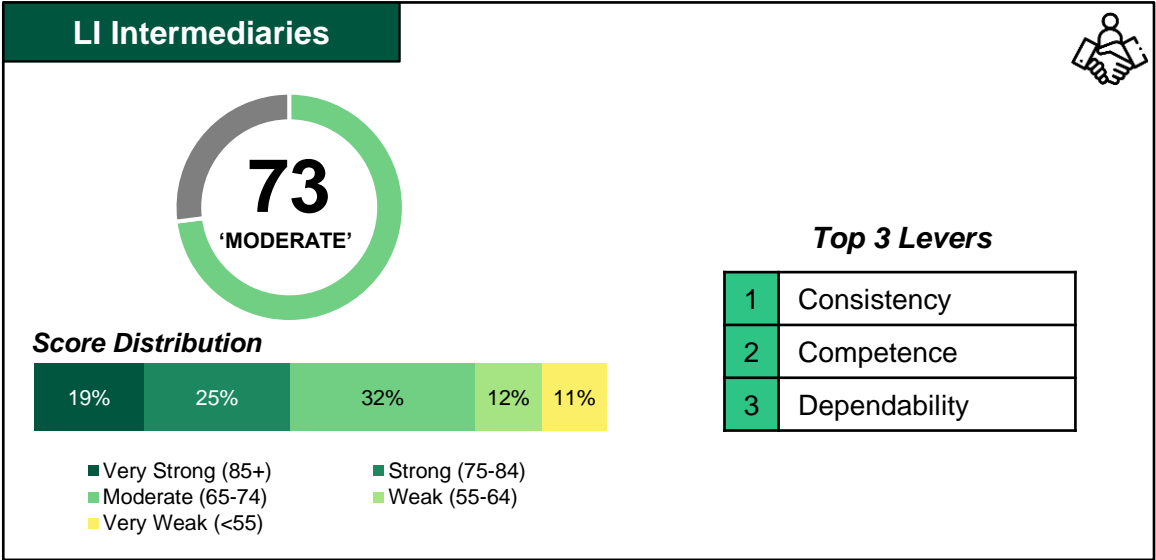
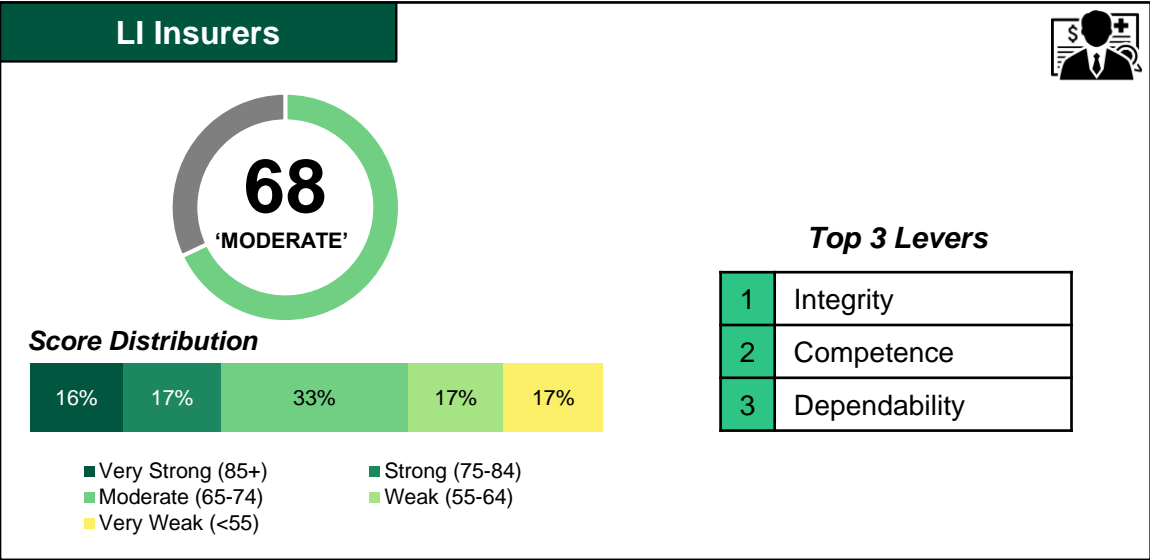
Broker (e.g., Marsh McLennan, Howden Group Holdings, and Willis Towers Watson, etc.)

Third-party affiliate (e.g., buying a motor insurance through a car dealer)

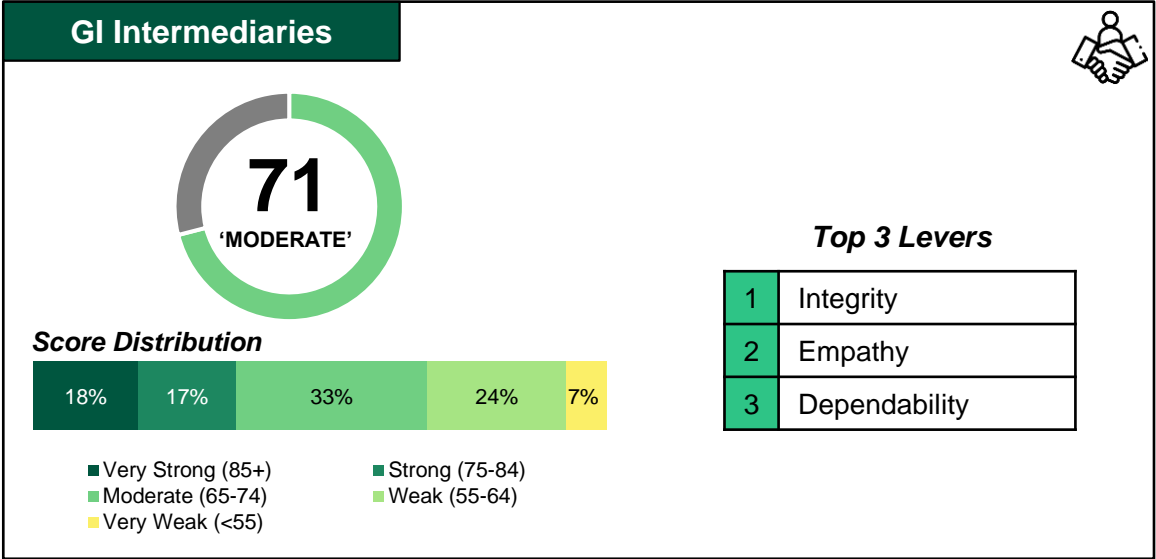
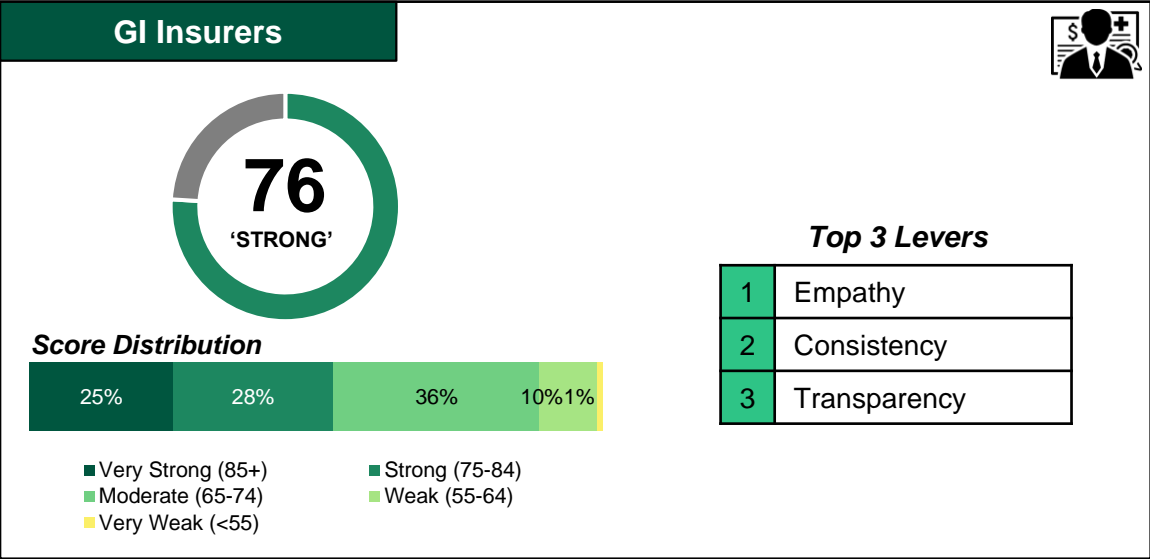
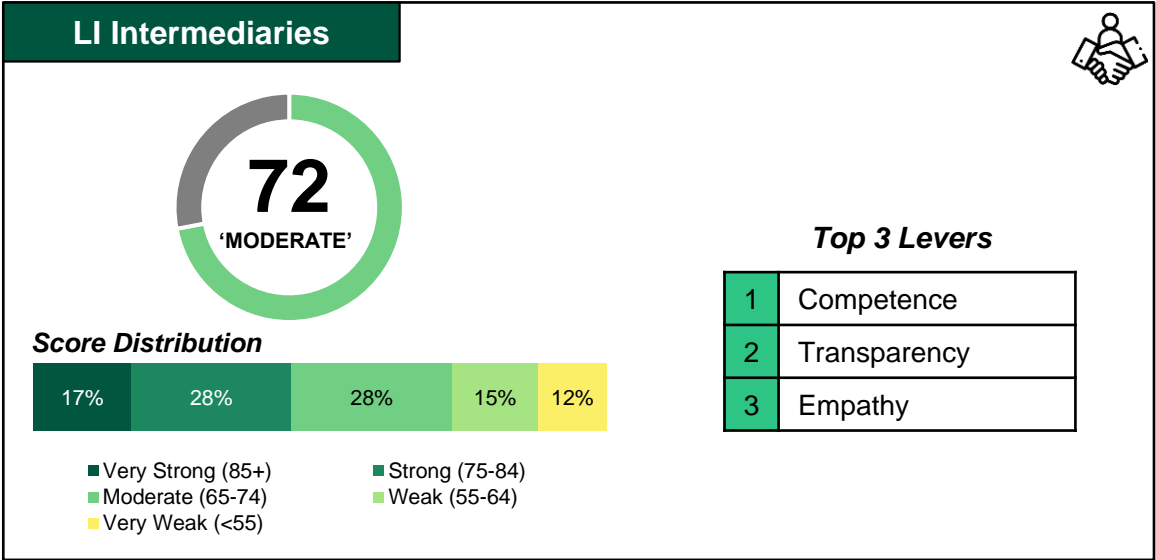
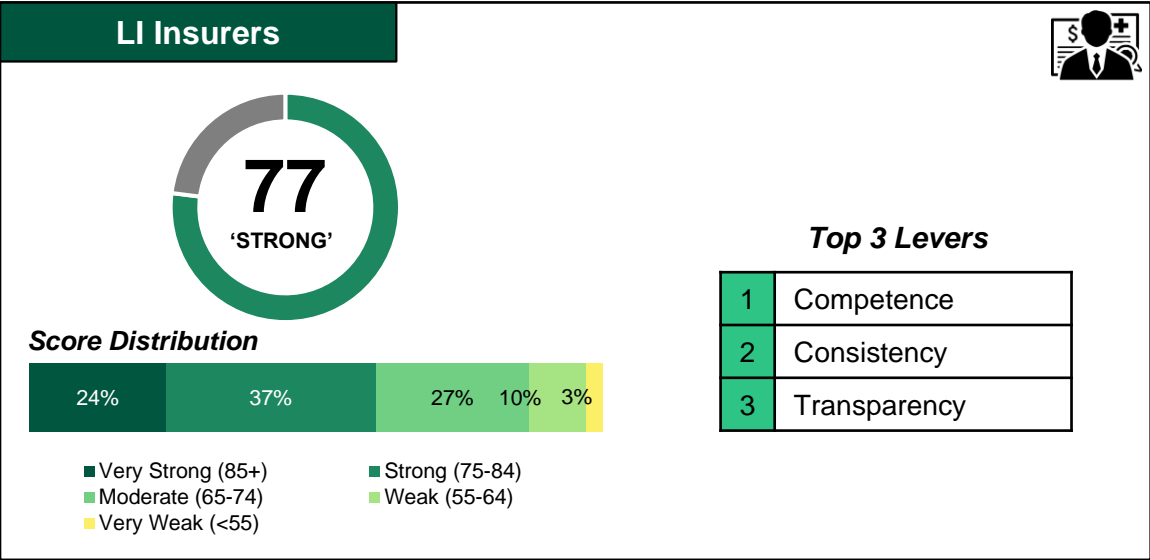
Examples of insurers

AIA, Great Eastern, Income, Manulife, Prudential, AIG, MSIG, Chubb, etc.

Consumer – Trust indicator scores & top 3 trust levers

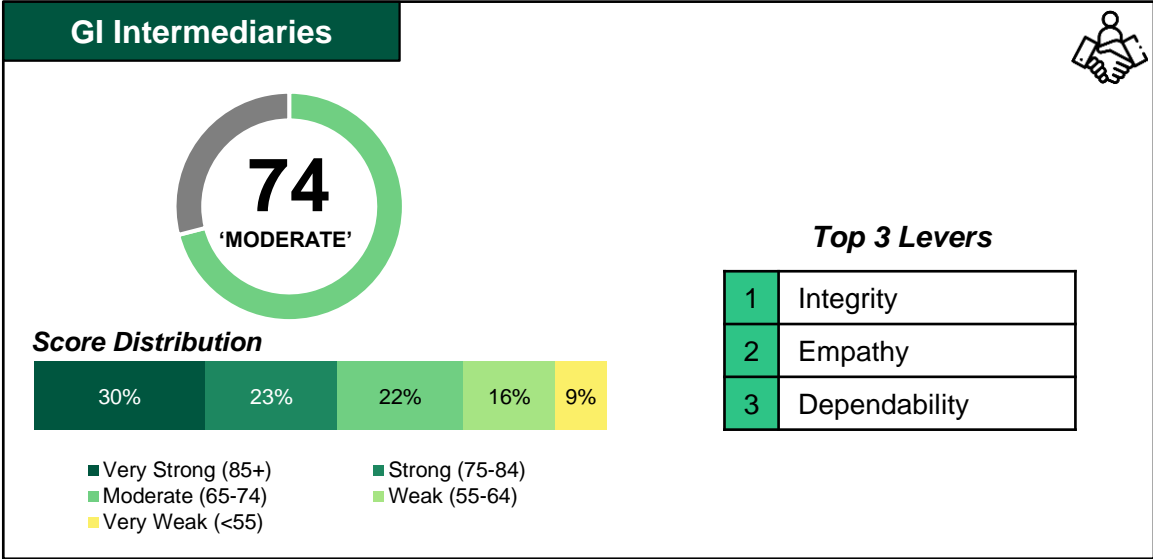
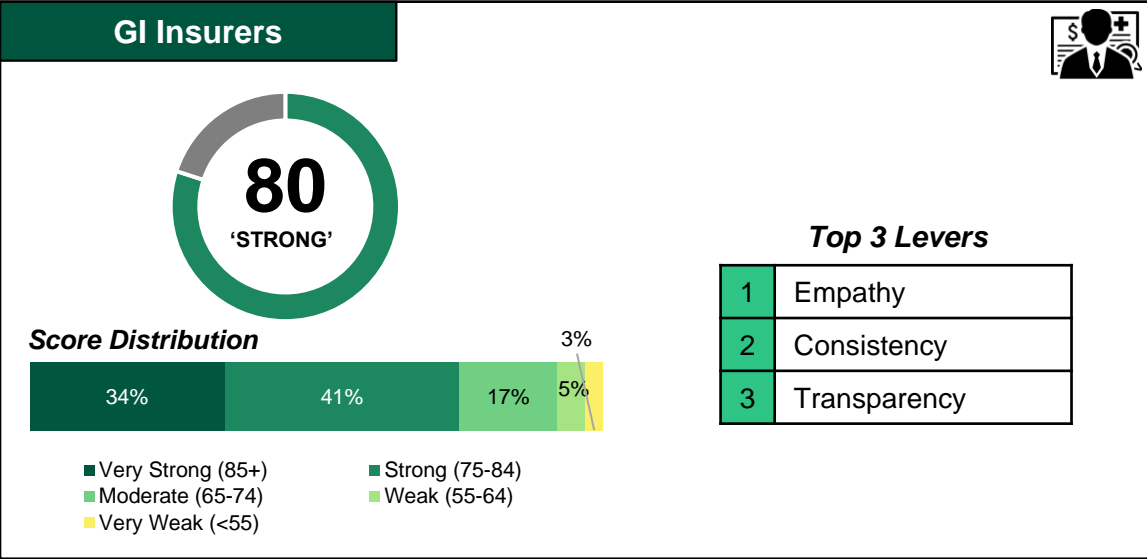
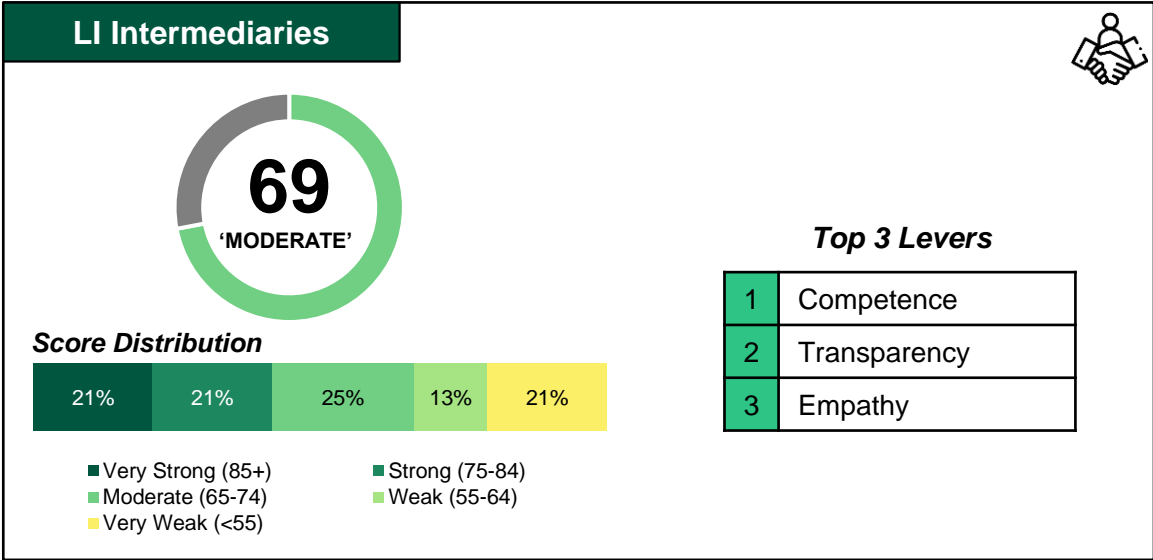
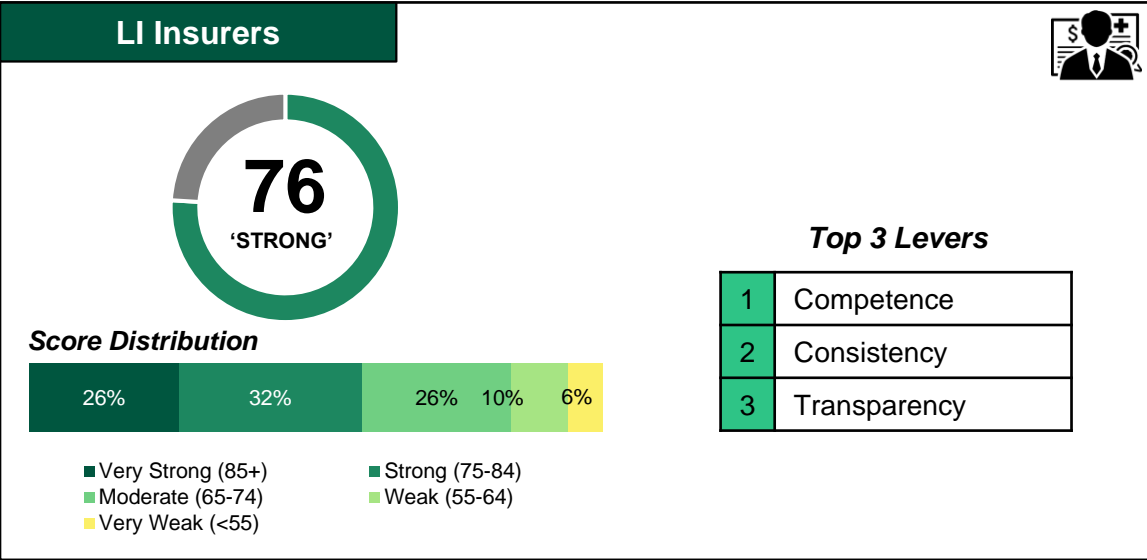


Business (SME) – Trust indicator scores & top 3 trust levers



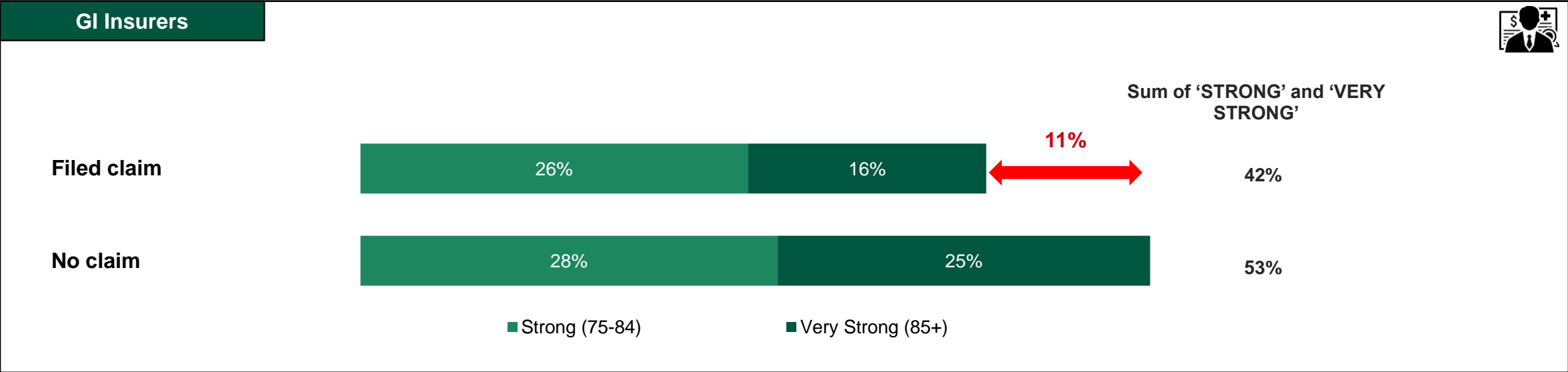
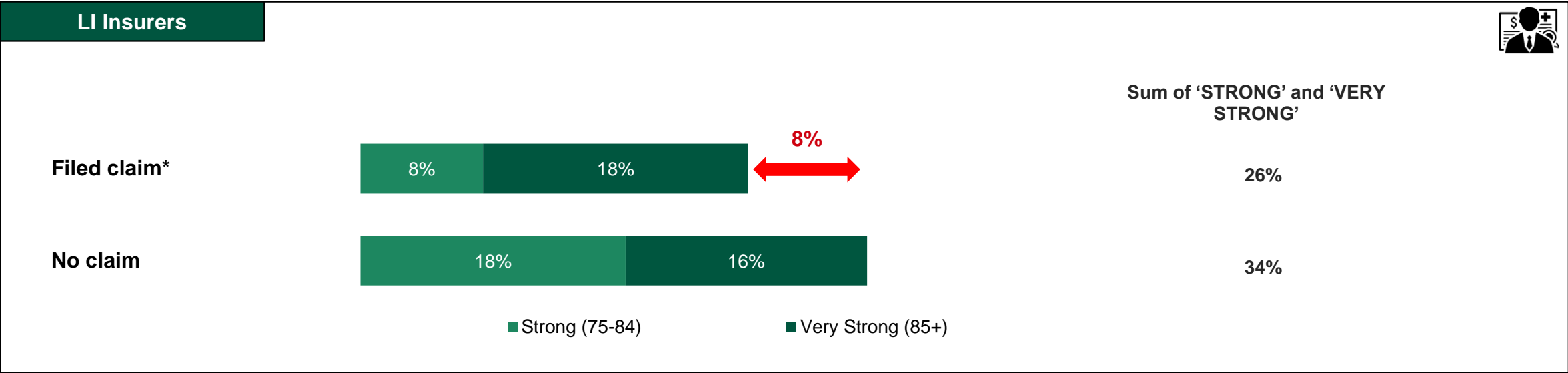
Notes: (1) Trust lever rankings for SMEs and Corporates are similar across insurance segments due to analysis done at an aggregated business level

Business (Corporate) – Trust indicator scores & top 3 trust levers



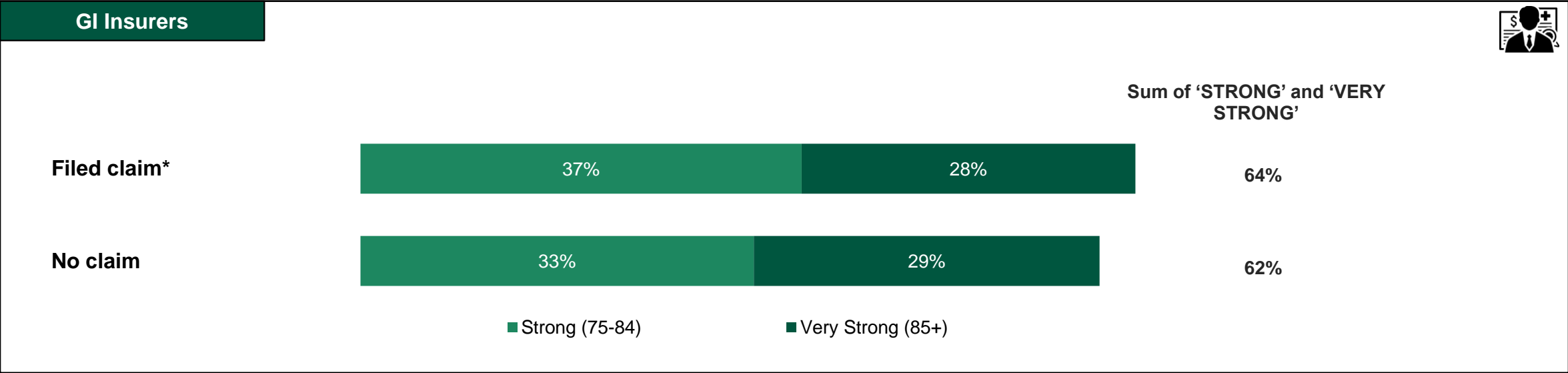
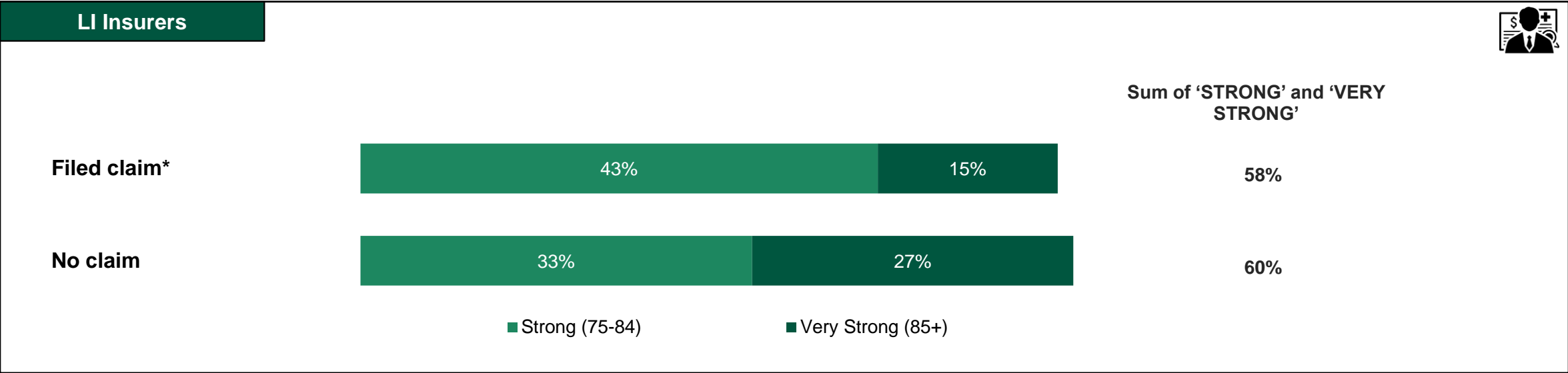
Notes: (1) Trust lever rankings for SMEs and Corporates are similar across insurance segments due to analysis done at an aggregated business level

Consumer – Fewer post-claim consumers have high trust in their insurers



* The sample size for consumers who have filed a claim with their life insurers is less than 100 (n=73)

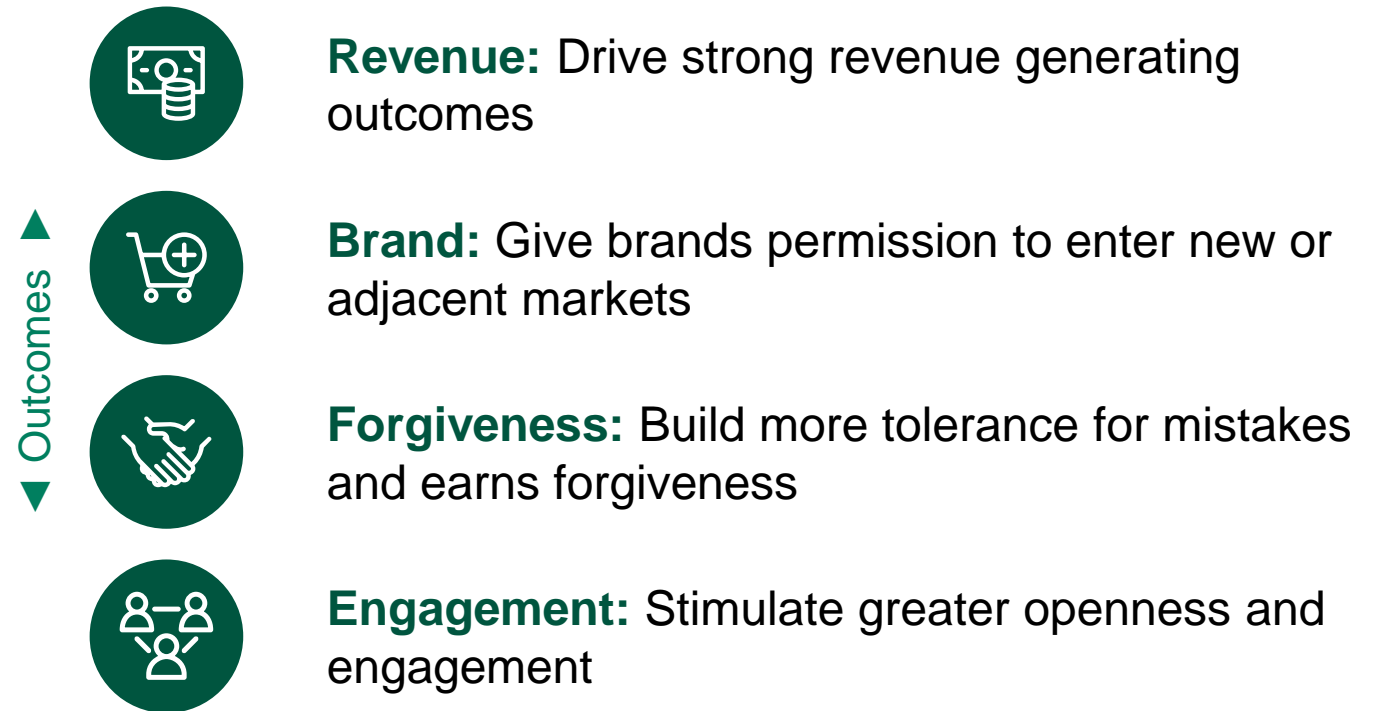
Business – Trust levels remain consistent post-claim



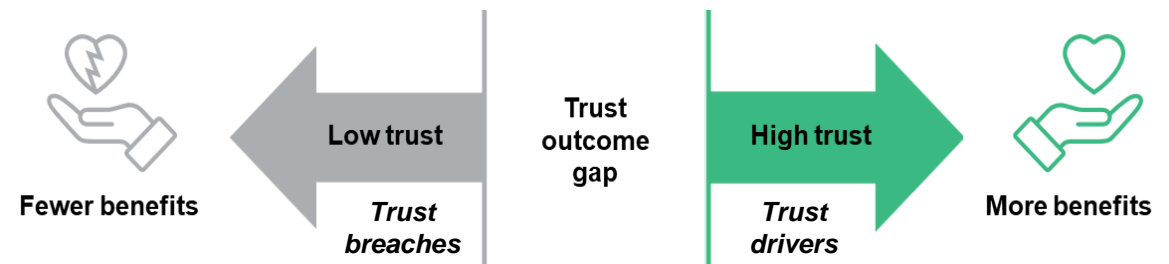
* The sample size for businesses who have filed a claim with their life and general insurers is less than 100

Customer trust is linked to revenue & other important outcomes





Customer Trust Matters Because It Can Drive Positive Outcomes...







But, the gap between High & Low Trust affects these outcomes



Recap: Top 3 trust levers by segment

TRUST LEVERS	CONSUMER			
				
	LI Insurers	LI Intermediaries	GI Insurers	GI Intermediaries
Accountability			1	3
Competence	2	2	3	
Consistency		1		2
Dependability	3	3	2	
Empathy				1
Integrity	1			
Transparency				

Top 1 Top 2 Top 3 Outside of top 3

BUSINESS (SME + CORPORATE)			
			
LI Insurers	LI Intermediaries	GI Insurers	GI Intermediaries
1	1		
2		2	
			3
	3	1	2
			1
3	2	3	

Recommendations for the 7 trust levers (1/2)

	ACCOUNTABILITY	COMPETENCE	CONSISTENCY	DEPENDABILITY
1	Develop a SWOT analysis of accountability-related customer values and your organization's protocols	Review your product and service competencies that customers prioritize	Assess customer expectations of their insurer / intermediary across key service scenarios and current gaps where they might exist	Understand customers' needs and demands of their insurer / intermediary across pivotal moments & events
2	Create procedures, timelines, rapid survey instruments, and messaging strategies in the event when a product/ service/ conduct- related mistakes occur	Develop and enforce qualitative (not just efficiency) metrics that track performance by these product- and service-related competencies	Build a strategy that delivers consistent customer experiences across type-specific interactions (e.g., claims, sales, advisory), and channel touchpoints, incl. your 3-rd party distribution partners.	Consider the benefits of trust and consequences of breaches of trust in your customer commitments and internal SLAs
3	Set case-by-case operating principles to align your organization's response to customers and regulatory bodies to ensure and uphold accountable behaviors (for individuals employed by your organization and for the brand as a whole)	Enhance your organization's expertise in these competencies to meet customers' evolving needs and expectations	Align operating processes, human and system capabilities to guarantee consistency by design	Create robust scenario prevention and mitigation protocols in the event of an unforeseen disruptions

Recommendations for the 7 trust levers (2/2)

EMPATHY

INTEGRITY

TRANSPARENCY

1

Conduct regular in-depth reviews on customer priorities, needs and challenges.

Gain a deeper understanding of what social and personal values customers care about

Test and develop a set of “value statements” that reflect customers’ expectations pertaining to “transparency”. They can be used as design principles for your organization’s stance on transparency. Refer to Forrester’s Transparency lever definition as a starting point.

2

Develop measurable metrics that track and help to articulate whether customers believe insurers / intermediaries understand their unique feelings and needs.

Mirror these values in your own culture, your stance, and external (public) posture, including your communications

Assess the tone and content of current and ongoing official communications and information-sharing activities via all channels to identify opportunities for more transparent communications (e.g., online, web and social media; outbound campaigns, marketing materials, billing statements, published reports)

3

Enhance insurers’ / intermediaries’ expertise building or enhancing your voice-of-the-customer program and feedback-loops to ensure a systematic approach to customer care

Ensure that your actions are in line with your words – customer values must permeate throughout your organization’s conduct by design

Create and align processes to ensure that all communications and information are shared in a timely, accurate, verifiable, and consistent manner to uphold transparency standards. Support these processes with adequate internal training provided by department that oversees transparency (e.g., Communications)

Key takeaways

Trust Perception and Trust Levels

Trust is more stable among business than consumers, with trust levels among businesses averaging higher than consumers. Life insurers achieved strong trust levels (defined by a score range of 75 to 84) among businesses but moderate trust levels (defined by a score range of 65 to 74) among consumers. For general insurers, while trust levels were strong across both consumers and businesses, the scores for businesses were higher.

Trust perception towards insurance intermediaries (e.g., brokers, banks, independent financial advisors) differs from insurers. Among consumers, trust indicator score for life insurers (score of 68) is lower than that of life insurance intermediaries (score of 73), while trust indicator score for general insurers (score of 75) is higher than that of general insurance intermediaries (score of 68). For businesses, trust levels towards insurers were higher than trust levels towards intermediaries across both life and general insurance industries.

Driving Trust and the Outcomes of Greater Trust

The trust blueprint rests on seven levers of trust, and the composition of this blueprint differs across segments. Within the life insurance industry, top three trust levers for consumers are integrity, competence and dependability while competence, consistency and transparency are key in earning businesses' trust. As for the general insurance industry, consumers expect accountability, dependability and competence while businesses require empathy, consistency and transparency.

Higher trust means an increased willingness to maintain and deepen relationships with brands. Consumers and businesses that have higher trust in their insurers and intermediaries are more likely to recommend them, stay with them and purchase additional products and services from them. Linkages between higher trust and positive outcomes around branding, engagement and forgiveness were also established in the study.

Key takeaways

Breaches of Trust

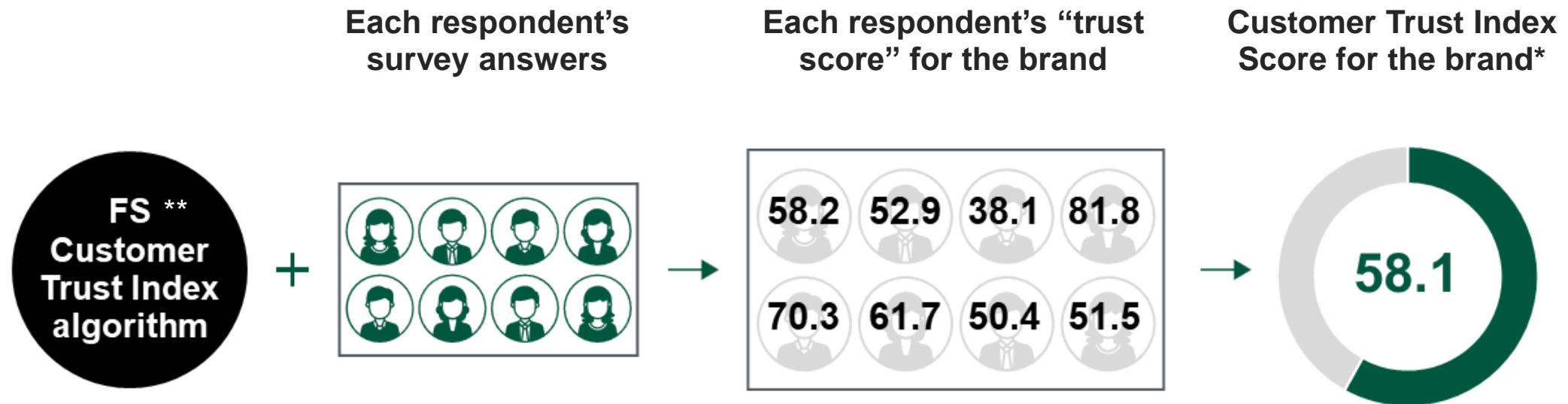
However, breaches of trust carry reputational and financial risks for the insurance industry. The study tested nine scenarios of trust breaches to explore both the triggers and relative breaking points of consumers and businesses' trust. Examples of trust breaches include legal, regulatory, and data breaches that expose customers' confidential information. Such breaches may result in consumers and businesses' decisions to reduce their current product holdings, limit additional purchases or seek alternative providers.

Appendix

Insurance Trust Indicator Study 2023

The Insurance Trust Indicator Study benchmarks customer trust using Forrester's proprietary algorithm for brand-level scoring

For illustrative purposes:



* The trust score is the average of all respondents' score in that industry.

** FS Customer Trust Index refers to Forrester's proprietary Financial Services Customer Trust Index framework.

Note: While the same set of seven levers are leveraged, the weights for the levers across Consumer and Business segments differ. Hence, Forrester does not recommend a direct score comparison across the various Consumer and Business segments.

Consumer – Ranking of trust levers by impact

Life Insurers		LI Intermediaries		General Insurers		GI Intermediaries	
1	Integrity		Consistency		Accountability		Empathy
2	Competence		Competence		Dependability		Consistency
3	Dependability		Dependability		Competence		Accountability
4	Accountability		Accountability		Empathy		Competence
5	Consistency		Integrity		Integrity		Integrity
6	Empathy		Transparency		Transparency		Dependability
7	Transparency		Empathy		Consistency		Transparency

Business – Ranking of trust levers by impact

Life Insurers		LI Intermediaries		General Insurers		GI Intermediaries	
1	Competence		Competence		Empathy		Integrity
2	Consistency		Transparency		Consistency		Empathy
3	Transparency		Empathy		Transparency		Dependability
4	Accountability		Accountability		Dependability		Competence
5	Integrity		Consistency		Competence		Accountability
6	Dependability		Integrity		Accountability		Consistency
7	Empathy		Dependability		Integrity		Transparency

About ICCSC

The Insurance Culture and Conduct Steering Committee (ICCSC) was established in December 2019 as an industry initiative involving the Monetary Authority of Singapore (MAS), General Insurance Association, Life Insurance Association and Singapore Reinsurers' Association to foster sound culture and strengthen standards of conduct among insurers in Singapore.

The ICCSC, chaired by Dr Khoo Kah Siang, Chief Executive Officer, Manulife (Singapore), comprises members from 12 insurers, reinsurers, financial advisory and consultancy firms in Singapore. These members have responsibilities in business, distribution, risk management, legal, compliance, operations and human resources. It monitors trends and identify emerging issues, collaborates with MAS on initiatives such as industry self-assessments and the development of good practice guides, and champions adoption of good practices by the insurance industry including distributors.

About Forrester

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