

# INSURANCE: A CX LATE BLOOMER'S GUIDE TO SUCCESS

How Canadian Insurers Can  
Win Hearts and Wallets

2025



# A QUICK SUMMARY: WHAT WE LEARNED

The Canadian insurance industry is undergoing a transformation driven by technology integration and evolving consumer needs. Insurers are embarking on generative AI for fraud detection and customer service, while emphasizing empathy and protection coverage. Such initiatives have created an impact on end customers resulting in an **increase in likelihood to recommend (NPS®) Canadian insurers from (-12) in 2022 to (-5) in 2024**. This improvement signals an uplift in customer sentiment, but nevertheless, the industry still sits with a negative score, and trends consistently behind other sectors\*, indicating further room for improvement.

Insurers have made strong progress building trust and processing claims, especially with increased digitization. However, there is an opportunity to build stronger connections. To differentiate, insurers should focus on prioritizing key experience drivers such as **clear and personal advice, easy-to-understand products, a straightforward claims process, creative rewards, all of which demonstrate true value for money**. Ipsos's CSI Insurance study indicates that customers don't always feel valued and proud to be a customer of their insurer. Providers **need to move beyond transactions by addressing customers' emotional needs through the six forces that influence attachment** : Certainty, Fair Treatment, Control, Status, Belonging, and Enjoyment. Enhancements like **personalized policy guidance, seamless digital interactions, timely support, and consistent communication can transform relationships with customers from one of apathy to genuine partnership**.

Additionally, **empowering customers with tools and resources to avoid claims and ultimately achieve their policy goals can create a more engaged and loyal customer base**. Canadian insurers must move beyond meeting basic needs by enhancing the overall customer journey and creating lasting emotional connections.

NPS® is a registered trademark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld

\*Ipsos's CSI Brand Benchmark shows that Insurance ranks 10 out of 11 sectors when it comes to NPS.



# HOW INSURERS CAN WIN HEARTS AND WALLETS

Canada's insurance industry is undergoing a significant transformation, driven by heavier technology integration, changing customer needs, and a variety of societal challenges. Among those challenges are rising auto thefts, extreme weather events, and evolving healthcare demands, just to name a few.

In Canada's dynamic insurance landscape, Canadians are increasingly seeking coverage for a wider range of needs and are willing to engage with multiple providers in search of the best value. With a challenge like this, there is a clear need for providers to do more. What does that mean?

Insurers recognize that the north star for their experience lies in providing a personalized service characterized through digital convenience, tailored policy recommendations and efficient claims processing. Insurers are taking steps by investing in Generative AI to automate tasks, detect fraud, enhance customer service via chatbots, and improve risk assessment and digital self-service tools, such as online quote generators.

Canadian insurers are creating solutions that are not solely focused on digital tools and policy features, but also on the human aspect of insurance – recognizing that **insurance, at its core, deals with protecting people during vulnerable moments**. There are many examples. For instance, RBC's Anonymous Claims Advice Line connects customers with advisors anonymously to discuss their options and receive advice before filing a claim, ensuring their best interests are prioritized, while allowing customers to share only what they feel comfortable revealing during a challenging time. CAA Insurance's "CAA MyPace" highlights their customer-centric approach, reflected in a "pay as you use" program linking driving habits, tracked through apps, to insurance premiums.



Belairdirect's "Simpler Than Parking" advertisement campaign highlights the ease of submitting and tracking a claim via their mobile app, making it quite literally simpler than parking. Desjardins' campaign around care, "Insurance with a heart so big, it shows," emphasizes dedication to providing not just what's dictated by policies, but genuine care and support when it's needed most.

While these example campaigns build trust and emphasize an understanding of customer needs beyond the transaction, their potential extends past the screen. This approach transcends mere customer service; it fosters lasting relationships based on connection. **Ultimately, in an industry built on mitigating risk and providing peace of mind, demonstrating empathy can be the most valuable policy an insurer can offer.**

Still, many insurers face a challenge in capturing a larger share of customer wallet, **evident**

**through the finding that less than 20% of insured Canadians give over 75% of their insurance business to the same provider.** This is driven by several factors, including unsatisfactory experiences, price sensitivity and the historically broker driven nature of the industry. We saw many insurance providers responding, though later than other industries, with digitized customer channels. The hope was that such investments would drive customers to renew and expand their portfolio.

The reality is that while insurers are investing in digital enhancements, service expansion, and improved problem-solving, these features have become standard industry practices and basic customer expectations. The damage from a poor online claims experience is far greater than the reward from a good experience. Ipsos's ongoing CSI Insurance tracking study has gone deeper to explore components of the experience that yield real differentiation.



It comes to no one’s surprise that enhancing the most impactful experience drivers, will secure the biggest improvements across CX metrics and provide the greatest ROI.

**Top experience drivers include relevant advice, policy simplicity, coverage understanding, and ultimately helping customers get what they need out of their policies.** Effective targeting of these areas is surely going to propel the experience, increasing positive word of mouth

and driving emotional outcomes such as feeling proud to be a customer, feeling appreciated and improving perceptions around value for money. “Feeling proud to be a customer of a company” is a powerful driver of NPS, but Canadian insurance customers are just not there yet, citing reasons such as profit-focused practices, high costs, and a lack of personal connection, leaving customers feeling apathetic. This disconnect fosters an environment in which customers make premium-driven decisions vs. experience-driven ones.

## Top Strengths of the Canadian Market<sup>1</sup>



## Key Areas of Improvement<sup>1</sup>



## Key Elements To Enhance Value For Insurance Customers



<sup>1</sup>The key areas of strength and areas of improvement have been determined based on a statistical key driver analysis using the results of 18000 quantitative interviews with insured Canadians conducted over the course of 2024.





Value for money has long baffled CX experts. How do we activate it? Is it just based on price? In an industry that has suffered from premium price wars, more customers today are willing to pay for a better experience. Instead of thinking price think smart rewards and discounts. Take Manulife's Vitality program which allows customers to turn basic health activities such as riding a bike into redeemable points. Beyond rewards, value is about evoking a sense of status, through honesty, respect and personalization. So, value is more than price, it's also about key journey moments. It is commonly believed that customers that file claims tend to be the biggest contributors to detractor share. However, **our research shows that customers who filed a claim in a given period are more likely to recommend their providers, resulting in a higher NPS score for this segment.** The claims moment is an opportunity to deliver on the brand promise.

**NPS among those who filed a claim is 8**  
**NPS among those who did not file a claim is -1**







But a claims interaction is not the only opportunity to do so. **A complete mindset shift is required here and an understanding that a journey is not about touchpoints and channels, but rather an opportunity to build lasting memories.** By avoiding prolonged periods of corporate silence except at renewal, customers are more likely to keep their insurer as top of mind. Communication is key, claims or no claims.

While an insurance policy is designed to provide financial safety in case of unexpected events, customers ultimately hope to never use it. It's increasingly important to think about how insurers can empower customers to avoid needing to use those policies in the first place. This is one way to foster a sense of partnership between the customer and insurance provider. For auto insurance, this might include offering programs for young drivers that reward safe driving habits with lower premiums and providing real-time updates on high risk driving routes to avoid hazardous conditions. Home and property insurance providers can educate customers on routine checks and best practices for home maintenance, fire safety, and security measures, and offer specialized coverage, such as protection against unexpected appliance or home system failures, providing peace of mind.

Even after an accident, genuine care can differentiate the experience. Offering resources like anonymous advice lines empowers customers to navigate the complexities of claims and make informed decisions about filing, providing impartial guidance when they need it most. Recognizing the emotional toll an accident can take by extending insurance policies to include mental health coverage offers invaluable support during a difficult time. These initiatives demonstrate a commitment to customer well-being that extends beyond traditional insurance coverage, ultimately influencing their emotional connection with the brand.

Research conducted by Ipsos revealed that there are 6 *Forces* that influence emotional attachment and relationship strength between customers and their insurance providers. These forces are not isolated; they are interwoven throughout the customer journey to build





meaningful and lasting connections. While they are all important, some need to be dialed up more than others depending on the lens being used to examine the experience. In other words, certain forces are better “differentiators” depending on the journey.

CX Forces		Insurance Examples
	Certainty	Having a dedicated customer service line for urgent inquiries reassures customers that support is readily available when they need it most.
	Fair Treatment	As simple as paying the claim. Providing policy transparency. Custom programs such as customers receive introductory discounts while existing customers be rewarded with personalized policy enhancements.
	Control	It could involve having easy access to reliable online tools where they can manage their policy, make payments, or file claims at their convenience.
	Status	It could involve offering a "VIP" tier for long-term customers, granting them access to personalized financial advice or exclusive events.
	Belonging	Personalized communication acknowledging life milestones, like birthdays or anniversaries with the company, can make customers feel valued and connected.
	Enjoyment	Customers could earn points for safe driving behaviors tracked by telematics devices, which could be redeemed for discounts or other perks, making it a gamified experience.

## Imagine you are in a car accident.







You were driving back home from work on the highway, and you've been rear-ended. You aren't severely injured, but you're in shock. You see that the trunk of your car has been impacted. You exchange details with the driver of the car that collided with you and head home. The next day, you call your insurance provider and decide to file a claim. However, you are apprehensive about the claims process – you want to feel in control, kept informed and have a smooth and worry-free process. Where do you start?

### Here is an example of what we can expect from the customer journey.







Stage	What Customers Need	Pain Points	How Insurers Can help	The CX Impact
 <b>Claims Initiation</b>	Clear understanding of their coverage & the process.	Claims submission is complex and confusing.	Provide simple policy summaries and a step-by-step guidance through AI-powered chatbots.	 <b>Certainty:</b> Customers feel confident they're doing things right.
	Straightforward guidance on required documentation.	Long, complicated online forms.	Provide interactive tools that showcase necessary forms for specific situations, along with checklists.	 <b>Control:</b> They choose how and when they start their claim.
	Tailored, quick support	No one I can speak with who can provide a special fast track service.	Provide a VIP contact number that is available 24/7 for returning customers who have been renewing their policy for at least 5 year and have a strong driving record.	 <b>Status:</b> They feel like they are getting special treatment.



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Stage	What Customers Need	Pain Points	How Insurers Can help	The CX Impact
 <b>Document Submission</b>	Secure and easy way to upload their documents.	Technical problems with uploads and document compatibility.	Ensure seamless document upload functionality across various file formats.  Provide clear instructions and help resources.	 <b>Certainty:</b> Customers know their documents were received correctly.
	Confirmation that their documents were received.	No confirmation of receipt.	Send immediate confirmations upon document submission and offer online document tracking across channels.	 <b>Enjoyment:</b> A simple, worry-free submission process.
 <b>Claims Assessment</b>	Understanding how their claim is being evaluated.	Lack of transparency into the assessment process.	Clearly communicate assessment criteria.  Provide access to assessment progress.  Offer personalized explanations of the outcome.	 <b>Fair Treatment:</b> Customers understand the evaluation process
	Timely updates on the assessment progress.	Long wait times with no updates.	Set realistic and potential timelines upfront.  Send regular status updates.  Proactively communicate any delays.	 <b>Certainty:</b> They feel informed and, in the loop.

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Stage	What Customers Need	Pain Points	How Insurers Can help	The CX Impact
 <b>Claims Outcome</b>	A timely and clear explanation of decision on their claim.	Long delays in reaching a decision.	<p>Communicate decisions as per the provided timeline and provide updates if delays are expected.</p> <p>Provide clear, empathetic explanations.</p>	 <b>Certainty:</b> Customers receive a timely decision. Fairness: They feel the decision was made transparently.
	Easy ways to ask questions or appeal the decision if needed.	Difficult to get clarification or appeal the decision.	Provide accessible channels for questions and appeals. "Did we get it wrong? Tell us why"	 <b>Control:</b> They have options if they need to discuss or appeal the decision.
 <b>Claims Payout</b>	A fast and easy payout process.	Delays in processing the payout.	Provide consistent communication about timelines and procedures.	 <b>Certainty:</b> Customers know when and how they will receive their funds.
	Flexible payout options and regular updates (e.g., direct deposit, check).	Limited payout options.	<p>Offer multiple payout options (e.g., direct deposit, cheque, receiving payments in installments etc).</p> <p>Provide regular updates on payout status.</p>	 <b>Fair Treatment:</b> Customers feel confident that the payout process is accurate and unbiased.



The Canadian insurance industry is grappling with a rapidly changing landscape while striving to meet evolving customer expectations. While the industry has made significant progress in leveraging technology to enhance customer experience, a gap remains between customer expectations and industry performance. By leveraging the thinking around the CX Forces to respond to the emotional needs of customers,

insurers can transform their relationship with their customers from one of apathy to one of genuine partnership. To truly excel in this new era of insurance, providers must move beyond transactional, channel-based interactions and embrace a customer-centric approach that prioritizes the key drivers of the experience throughout the customer journey. This will help break the historical cycle of indifference that has long loomed over this industry.

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## NEXT STEPS

### **If you want to make to personalize the experience...**

- Stop looking at your customer groups through generic lenses.
- Find ways to leverage the power of technology to better understand your customers and allow them to tailor policies to fit their true needs.

### **If you want to make it more efficient/seamless...**

- Ensure consistent customer data is available across all channels.
- Provide timely and reliable support particularly during claims and renewals.

### **If you want to build lasting relationships...**

- Maintain consistent communication without prolonged gaps.
- Get creative in how you show up for customers in moments that matter in their lives.

# Not sure where to start? ...

Ipsos's expertise in customer experience extends far beyond traditional (CX) measurement and competitive benchmarking. Let's start by evaluating your organization's CX Maturity and guide you through developing your CX governance followed by assessing your overall CX measurement ecosystem, testing your journey work, and layering in the employee experience lens.



## CSI Insurance

Ipsos' CSI – Customer Satisfaction Index– Insurance tracker, now in its 14<sup>th</sup> wave, continues to provide a comprehensive analysis of the Canadian insurance market, across 40+ insurance brands. The results are based on an Ipsos survey conducted in 3 periods across 2024. A total sample of 18,000 Canadians aged 18+ were interviewed online.

### References:

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[CAA Insurance is Making Things Better](#)

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[Desjardins – Sizeable Care](#)

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# THANK YOU

