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**SPEED READ**

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- Industry to highlight ‘value-added’ services
- Better customer communication



The insurance industry must do more to confront – and change – negative perceptions head-on, argues KAREN BIGWOOD.

**R**esults from the 2011 ‘Trust Barometer’ of global PR firm Edelman reveal that only 52% of people say they trust the insurance industry to do what’s right. This poor reputation is one that the industry has had – and has accepted – for far too long.

Some might say the insurance industry has been tarnished by the banking crisis and issues in the broader financial services sector. That may be true but the industry has had its own fair share of issues. It’s often quite easy to see where this public distrust comes from.

Take the media storm last year about some insurers accepting motor referral fees. Louise Ellman MP, Chair of the UK Parliament’s Transport Select Committee, was reported at the time as saying the insurance industry needed to abandon ‘sharp practices that push up premiums’.

This is frequently compounded by the defensive position that the insurance industry takes when these issues emerge. But the truth is that admitting something has gone wrong and explaining what’s being done to rectify it are more likely to garner support than trying to justify a bad situation.

Insurance is a complex business and commoditising purely on price doesn’t help people to understand what it is they’re

buying. As an industry, we need to be much better at highlighting the added-value services and demonstrating the positive impact they have.

The general public is probably not aware, for example, that many of the events they enjoy safely are, in part, down to the risk management support insurers, like Travelers, provide to their customers who organise large-scale events.

**‘IN TIMES OF CRISIS, MANY INSURERS ARE DOING ALL THEY CAN TO GET CUSTOMERS BACK ON THEIR FEET QUICKLY.’**

The same is true of the support provided when something goes wrong. Insurers responded quickly, helping customers recover from August 2011 UK riots. This was acknowledged in a Government-backed report, after the Riots, by the Riots Communities and Victims Panel, which praised the insurance industry for its response to those riots.

I know that, like Travelers, many insurers were phoning customers in affected areas

to check how they were and, as soon as it was safe to do so, were out assessing damage to help customers resume business as usual. In times of crisis like that, many insurers are doing all they can to get customers back on their feet quickly – and that’s something the industry should be shouting loudly about.

Brokers and insurers must work closely together to ensure that customers are receiving the best possible service. I don’t believe the industry is doing a bad job; rather we have to confront negative perceptions head-on and know we can change them.

We must collaborate to ensure that customers understand what it is they are buying, and know they’re supported by an industry that is passionate about protecting what matters to them most. ■