How health insurance companies can save their customer relationships

Private health insurance companies have been fighting for their customers for many years. Acquiring new customers is becoming increasingly difficult, and the challenge of retaining existing customers is becoming ever greater. Several factors play a role here. On the one hand, the effort required by customers is significantly lower for statutory health insurance companies. On the other hand, the user-friendliness of digital applications cannot keep up with customer expectations.

In order to attract and retain customers, a key question arises: What do customers want and how should private health insurance companies respond to this?

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STATUS QUO OF PRIVATE HEALTH INSURANCE

In the event of a claim, privately insured persons have their hands full trying to get through the submission and reimbursement process. In doing so, they experience negative touchpoints with their insurance company. When submitting an invoice or treatment plan, it must be created in the app. However, payment cannot be made in the same step, but must be resolved manually by the customer using a banking app or transfer slip. This means that before the insured person can finalize their request, they have not only left the app and thus the insurance company's platform, but have also gone through a great deal of extra work. What's more, many people go through this process several times, for example with insured family members or children. In addition to the reimbursement process, there are other touchpoints for customers that can be perceived as complicated or negative. These include a cumbersome user interface on the overview page of submissions and a misleading or, in the worst case, even incomprehensible notification of benefits, which sometimes arrives with a significant delay. It is also not uncommon for invoices to be paid twice by mistake or, at the other extreme, for reminders to be issued because it is not immediately clear which outstanding claims have already been processed.

The effects of this are clear: customer satisfaction and loyalty are increasingly and cross-selling of insurance products is also faltering. This is despite the fact that the app is a well-functioning channel for upselling and cross-selling in many other industries. The hurdles are therefore obvious. The important thing now is to find the right way to overcome them.

WHAT THE INSURED THINK

In order to better understand users, we conducted a study to find out how the user experience can be improved. When examining the results of the study, several findings stood out. In particular, there are clear differences in several aspects between customers who use a PKV app (43%) and those who do not (54.2%). The question about satisfaction with private health insurance makes this very clear. Here, 32% of customers who do not use the app state that they are very satisfied with their private health insurance. Among customers who use an app, over 50% are very satisfied. App use therefore increases the proportion of very satisfied customers by 18%.

In order to gain an even more precise insight into the thoughts of customers, we asked which criteria are most important to customers in the submission and creation process. At 37%, the most important criterion was "Ease of submitting receipts and invoices" was rated as the most important. This was followed by the speed of reimbursement at 25%.

In order to find out to what extent the use of the health insurance app is linked to customer satisfaction with private health insurance, we filtered out which groups overlap here. It was significantly noticeable that **88.7%** of people who use an app are also rather satisfied or very satisfied with their private health insurance.

If you look at the results in isolation for the "Very satisfied" value, it becomes clear how big the difference is here compared to customers who do not use the app or have not installed it. The proportion of non-users who are very satisfied with the PKV is 17.8% lower (31.9% compared to 50.5%). This suggests that the use of an app may have something to do with overall satisfaction with private health insurance.

In order to increase customer satisfaction, it is almost obligatory to offer an app to map processes.

To find out more about user behavior with an app, a final question presented functions that could be part of an app. Customers were asked the question "How valuable would you consider the following functions in your health insurance app to be or do you consider them to be valuable?". **61.4%** of those who already use an app state that a **better overview of submitted invoices is valuable or even very valuable**. Accordingly, invoice management plays a major role for over ¾ of app users. This shows that it is not only important to offer an app and convince customers to use it, but also to constantly optimize the app and respond precisely to the needs of customers in the app.

An important point that is often forgotten is payment. We have provided the function "**Pay the bill to the doctor, therapist, etc. directly from the health insurance app**" for selection. Here **46.1%** of app users indicated that this function would be valuable or very valuable. This means that around half of users are bothered by the fact that invoices can be sent via the app, but payment requires an extra step.

WHAT IMPACT DO APPS HAVE ON PHCS

Based on the findings of the study, there is a clear correlation between the use of private health insurance (PHI) apps and customer satisfaction. It is clear that customers who use a private health insurance app tend to be more satisfied with their insurance company than those who do not use the app. This satisfaction is particularly pronounced in the group of customers who actively use the app: Here, over 50% say they are very satisfied with their private health insurance. In direct comparison, only 32% of non-users state that they are very satisfied with their private health insurance. This indicates that using the app has a positive influence on the user experience and strengthens customer loyalty. In particular, the ability to easily submit receipts and invoices via the app and the speed of reimbursement are of great importance to customers. In addition, the results show that the implementation of functions such as a better overview of submitted invoices and the direct payment of invoices via the app have the potential to further increase user satisfaction. However, app operators must always be aware that users will always measure their own app against others. Accordingly, a comparison is always made with apps that offer a very good user experience. An app with poor processes is more likely to cause customers to turn away from the app as a platform.

Another point should be emphasized here: the up- and cross-selling opportunities and the associated CLV (Customer Lifetime Value). The area of up- and cross-selling is particularly interesting for providers with many different insurance policies in their portfolio. We examined the circumstances under which private health insurance customers also have other insurance products with the same insurer. It is very clear here that people who state that they are (very) satisfied with their private health insurance are also more likely to have taken out another insurance policy with this provider.

51.3% of (very) satisfied private health insurance policyholders have at least one other insurance policy with the same provider.

Among (rather) dissatisfied customers, on the other hand, the figure is only 42%. So if it is possible to increase satisfaction with the insurance here, the opportunities for up- and cross-selling will also increase.

All these results show how important it is to continuously optimize the PKV apps in order to strengthen customer loyalty and increase customer satisfaction on the one hand and to increase customer lifetime value on the other.

WHAT PHCS NEED TO BUILD OR SAVE CUSTOMER RELATIONSHIPS

In order to strengthen customer relationships, private health insurance companies need to take action now. The focus here is on **optimizing the app functions and the consistent, customer-oriented improvement of the associated processes.**

The task of private health insurers is not only to make complex processes with high regulatory requirements largely invisible to the insured person, but also to think from the user's perspective. This optimization is an ongoing process that aims to continuously improve the user experience. Health insurers should introduce regular updates and improvements to ensure that the app is easy to navigate, loads quickly and offers all the necessary functions in a form that customers can understand. The issue of accessibility also plays a major role here. Only by constantly adapting and further developing the app for the various needs groups can private health insurance companies ensure that their app becomes and remains relevant and attractive to more customers - and thus also the insurance product itself. Another point is **communication and transparency** towards customers.

Customers can only make use of changes, functions and offers if they are aware of them. The communication of new functions and features has a correspondingly high priority. Health insurance companies should provide transparent information about all relevant information and changes relating to the app and the associated processes. This can be done, for example, through regular updates, email notifications or in-app messages. Marketing campaigns also help to increase the use of the app and increase customer satisfaction. In addition, health insurers should provide clear guidelines and explanations to show customers how to use the app effectively and what they can expect from it.

The data clearly shows where users' priorities lie, particularly in relation to mobile processes, and how overall customer satisfaction is faring. It is now the responsibility of private health insurers to take action and optimize processes to not only improve the experience of existing customers, but also to attract new customers.