

Tower Insurance Phase 2: Creating a Better Customer Experience for the Pacific Islands

Executive Summary

Tower has supported the Pacific for 140+ years. The general/ property & casualty insurer covers New Zealand (NZ) and seven Pacific Island nations, supporting more than 300,000 customers, selling products through multiple channels and partners.

Prior to the EIS platform rollout, most customer interactions were face-to-face and paper based. More than 35,000 customers in eight different territories were serviced through local offices, leveraging a 1980s legacy system. With the aim of extending its reach to a large, uninsured and underinsured population, Tower adopted EIS Suite™ as part of a wider digital and data transformation in 2019.

Based on its success, Tower accelerated its migration of Pacific domestic products, resulting in unprecedented growth across a vast, geographically diverse area.

“ In collaboration with EIS and leveraging Tower’s digital capabilities, we were able to effectively scale our modern NZ proposition across all operations, including the Pacific, making insurance more accessible through our market-first and market-leading, simple online portal and easy payment.”

– **Eli Hirschaug**

Head of Strategy & Governance
@ Tower Insurance

Impressive Results

On the new all-digital product and service platform, Tower drove a huge increase in business performance

HY22 digital highlights:



63%

of Tower Direct sales are now digital



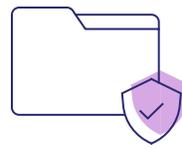
41%

increase in Tower Direct online quotes from HY21



+50%

more than half of tasks and transactions completed digitally (NZ)



47%

of claims now lodged online (NZ)



165k

customers now registered for My Tower NZ



≈ 3x

new business via the digital platform rose to 88% from 23% (Fiji)

FY20-FY21 digital highlights:



13% points

Net Promoter Score rose to more than 40% from 27%



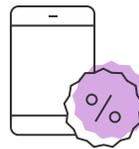
59%

digital sales increase over the year



31%

increase in Tower Direct quotes



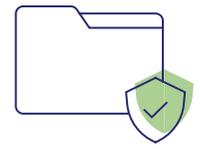
6% points

Quick Quote conversion rate increased to 24% from 18%



11% points

digitally completed tasks rose to 51% from 40%



8% points

digitally logged claims increased to 31% from 23%

Challenge

To drive customer interaction and growth, Tower had to replace multiple legacy systems that supported personal and commercial policies for quoting, policy administration, billing, claims, customer management and engagement.



Solution

A Single Platform

EIS' Azure-based coretech platform replaced Tower's legacy systems, providing customers with a fast, seamless sales and full lifecycle service experience via its new My Tower customer portal.

Tower leveraged EIS DXP®, a digital experience platform, to expose headless core business functionality, create apps/portals, and an intuitive customer journey, putting users in control of their experience.

The new platform enabled Tower to offer digital and data-led commercial and personal motor, home, content, and landlord products, within a simplified, convenient customer Journey.

EIS Suite™ Components:

Delivery

The image shows a dark blue horizontal bar with six white icons and their corresponding labels: POLICYCORE®, BILLINGCORE®, CLAIMCORE®, CUSTOMERCORE™, COREVELOCITY™, and EIS DXP®. To the right of this bar is a white box with the Azure logo and the word AZURE.

Outcomes

Embracing Simplification

Tower revolutionized its quote process:

- Only 7-9 questions needed for car, home, and contents insurance
- New online quote-to-buy capability enables customers to address all their insurance needs at once
- Motor, home, contents, landlord and boat can be bundled into one quote, with coverage options for each product available at time of purchase

The improved customer journey and increased cross-sell opportunities, enabled by a single, multi-product, quote-to-buy experience have driven revenue growth from banks and other white label, affinity, and B2B2C partners.

Outcomes pt. 2

All-Digital Do-over

On the new all-digital product and service platform, Tower drove a huge increase in business performance:

- 20% (50k) of customers used the My Tower online sales and service portal in less than a year of launch, registrations increased to 132k by FY21
- FY20: 8% GWP growth to \$385m, 11% growth in new customers
- FY21: 5% GWP growth to \$404m, 5% growth in new customers
- Market share growth to FY21: 9.2% from 8.3% in FY19

Business Efficiency

- 90% of Tower Direct customers on the new cloud-based platform, EIS CloudCore
- 80% of workloads moved to cloud
- HY2022: MER 35.8%, compared to 37% at FY2021

Improving Customer Interactions

At any time, Tower operates approximately 50 customer engagement campaigns interacting with approximately 90% of customers. Results include:

- Post storms, personalized URLs enabled customers to make claims from mobile devices, reducing processing times
- 30% increase in on-time payments from premium collection and retention campaigns, including premium payment related campaigns
- Premium cash-backs due to lower driver mileage during the pandemic
- Customer data quality and personal information refresh campaigns to increase communications efficiency and effectiveness

Scaling Tower's Pan-Pacific Rollout

The Pan-Pacific rollout of the EIS platform began in Fiji. Tower adjusted its motor insurance within a few months to local requirements, launching the Pacific's first digital quote-to-buy website, late 2021.

Based on its success, Tower accelerated its migration of Pacific domestic products, helping extend its reach to a large, uninsured and underinsured population. Each subsequent country launch resulted in unprecedented growth across a vast, geographically diverse area.

The EIS rollout is now completed across all products for Fiji, Vanuatu, Tonga, and Samoa.

Outcomes pt. 3

Pacific digital business highlights:

- Since adoption, 88% of new business has been purchased via the region's first digital insurance platform (Fiji)
- EIS first piloted in Fiji with motor insurance, since adding house and contents in EIS (August 2021), Fiji's EIS assisted sales volumes have increased to 508 (April 2022) from 100 (August, 2021)
- Fiji EIS online sales increased to 106 from an average of 21 sales per month, when house and contents were added to the online portfolio in March 2022 (excludes EIS assisted sales)
- As of April 2022, 90% of sales were processed in EIS instead of VNIMS, up from 26% in April 2021
- Total sales for Fiji now exceed pre-COVID levels, primarily driven by strong growth in EIS sales. April 2022 sales (EIS Assisted, EIS Online and VNMS) were the highest in the Fiji business since January 2019
- Vanuatu started active sales in EIS in March 2022, with April sales at 13% compared to 6% in March

“The Pacific Islands have extremely low insurance penetration at less than 10% of households, despite being one of the most vulnerable regions in the world to weather related perils. The introduction of a digital end-to-end, integrated insurance quote, purchase, and view solution with EIS and My Tower in Fiji, means Tower can reach customers we couldn't previously with a brick and mortar distribution network.”

— **Veilawa Rereiwasaliwa**, Head of Pacific Digital Distribution @ Tower

“With the launch of EIS as our core customer and policy management system, we've made getting and accessing insurance much simpler, improved our product offering, automated policy versions and processes, modernized and introduced realtime communications, improved controls, and helped reduce fraud.”

— **Johannah Benton**, Platform Lead Core Insurance & Digital @ Tower

Outcomes pt. 4

Frontline response:

Tower has built-in regulatory requirements, product comparison features, and price levers into the customer purchase and self-service journey so, they get the most appropriate solution and price for their insurance needs. The delivery of EIS and My Tower in Fiji is revolutionary due to several firsts in Fiji's insurance industry.

Tower is the first to provide:

- Digital end-to-end quote and purchase platform
- Purchase journey without any forms or documents requested
- Self-service price levers, including No Claims bonus Automated interested-party notifications
- Automated customer notifications
- Online payment options using cards, online banking, or third-party mobile wallet
- Digital kiosks in retail outlets for customers without smart devices to get a quote and purchase insurance online
- Customized version of Tower's digital platform for distribution partners to use on their intranets or websites
- Dynamic product and pricing comparison features
- Self-service installment options with no credit cost

Go further.

Case Study - Phase 1: Digital Transformation and Fiji Rollout of EIS Suite

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