

CUSTOMER SERVICE

Chapter Introduction

In this chapter you will learn the importance of customer service. You will learn the role of agents in providing service to customers. You will learn different grievances redressal mechanisms available for Insurance policyholders. You will also learn how to communicate and relate with customer.

Learning Outcomes

- A. Customer service - General concepts
- B. Insurance agent's role in providing great customer service
- C. Grievance redressal
- D. Communication process
- E. Non-verbal communication
- F. Ethical behaviour

After studying this chapter, you should be able to:

1. Illustrate the importance of customer services
2. Describe quality of service
3. Examine importance of service in the insurance industry
4. Discuss the role of an insurance agent in providing good service
5. Review grievance redressal mechanism in insurance
6. Explain the process of communication
7. Demonstrate the importance of non-verbal communication
8. Recommend ethical behaviour

A. Customer service - General concepts

1. Why Customer Service?

Customers provide the bread and butter of a business and no enterprise can afford to treat them indifferently. The role of customer service and relationships is far more critical in the case of insurance than in other products.

This is because insurance is a service and very different from real goods. Let us examine how buying insurance differs from purchasing a car.

| A Car | Insurance of the car |
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| It is a tangible good, that can be seen, test driven and experienced. | It is a contract to compensate against loss or damage to the car due to an unforeseen accident in future. One cannot see or touch or experience the insurance benefit till the unfortunate event occurs. |
| The buyer of the car has an expectation of some pleasure at the time of purchase. The experience is real and easy to understand. | The purchase of insurance is not based on expectation of immediate pleasure, but fear/anxiety about a possible tragedy. It is unlikely that any insurance customer would look forward to a situation where the benefit becomes payable. |