Insurance

Decoding and influencing mis-selling

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The Big Picture

The Insurance industry relies heavily on large number of sales-staff who sell insurance policies after face-to-face discussions with prospects. This large private sector insurance company was no different, with 10000+ sales-staff. It had been struggling with rampant complaints, internal and external, about sales-staff indulging in mis-selling.

The company was invested in utilizing strict punishments as a compliance mechanism, exemplified by surprise audits, multiple levels of disciplinary actions (cautions, warnings, and terminations), etc. Even with these policies in place - new employees joining the company were seen doing the same kinds of malpractices which older and more experienced hands were doing. The numbers of people cautioned, warned, and terminated rose every quarter with no downward trend. The organization commissioned us to unearth behavioral drivers of integrity issues and to design interventions to reduce mis-selling.

Client

Leading private sector general insurance company in India

Challenge

Reduce mis-selling cases

Solution

Diagnosed factors leading to rampant mis-selling and utilized that understanding to design interventions aimed at inculcating integrity in the system, leading to a reduction in integrity related issues for 60-80% of managers

Transformative Solution

The vast majority of prevalent research tools depend on respondent's ability to introspect, deliberate and consciously provide responses and analysis. Unlike these, our research methodology is game-based to go beyond "Say-Do" gaps - the difference between what consumers say and what they do.

Conundrum Ethnolab research tool is a group exercise designed to eliminate participants' personal filters and capture responses representative of the emotions, mental models and biases underlying behavior. We deployed the Conundrum Ethnolab among 110 employees across 4 regions to understand true drivers of sales-staff decisions.

We discovered that because mis-selling was the norm in branches, one emotion that could have prevented such practices, was conspicuous by its absence: Guilt. Because of which, while employees knew their actions were illegal, they did not feel that their actions were immoral.

We designed and deployed interventions (structural and tactical) that aimed at reducing mis-selling by increasing guilt associated with mis-selling, increasing organizational memory of fairness, engineering a ritual to embed learning of "right" actions.

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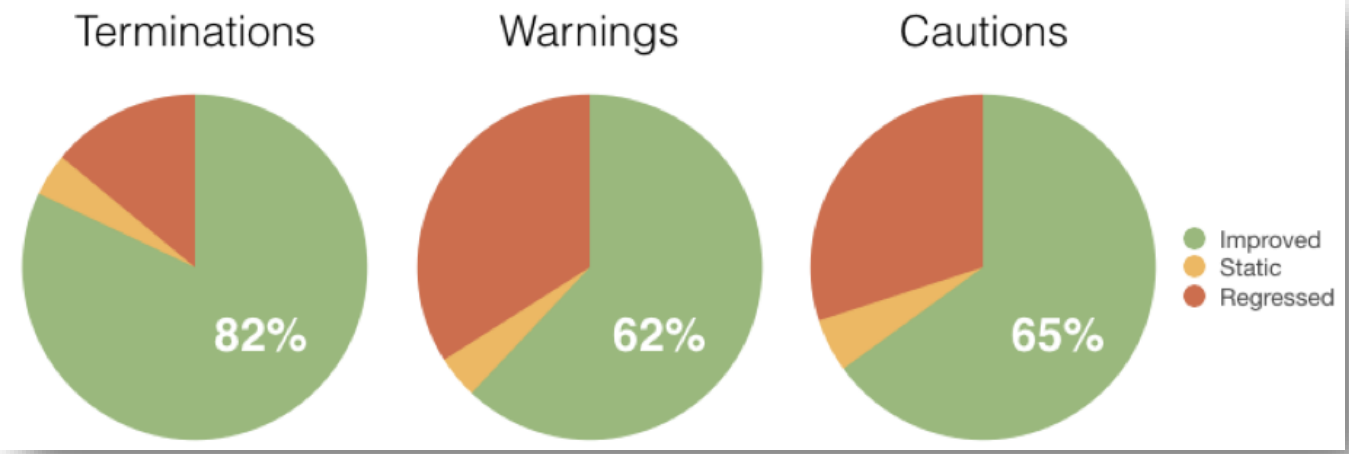
The Change

Interventions were deployed across 400+ branches of the organization, since some structural interventions involved creation of organizational roles and responsibilities which could not be deployed only to a part of the organization. Leading and lag metrices related to mis-selling was defined. Data was captured across all branches for 8 months. Past data was churned to provide a baseline to compare against.

We saw that about 60-80% managers had reduced Terminations, Warnings and Cautions in 8 months following the intervention compared to the baseline.



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