Deliver a Better Claims Experience by Uncovering Frequently Asked Questions

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hi marley

OUR HYPOTHESIS

Carriers Can Improve the Claims Experience by Anticipating Customers', Most Frequently Asked Questions

Knowing claims consumers' most frequently asked questions helps carriers improve the claims experience by taking proactive actions based on the customers' highest priority needs. This approach also boosts efficiency and saves time by providing better process explanations, setting clearer expectations and answering common questions before they are asked.
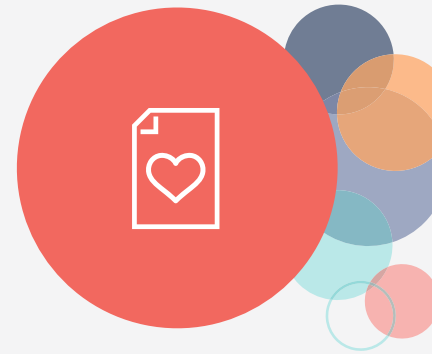
EXECUTIVE SUMMARY
The Claims Experience Impacts Customer Retention

Poor claims experiences drive customers to switch insurance carriers. Accenture's 2022 report found that 77 percent of claimants that reported being dissatisfied with their home and auto insurance claims handling experiences—representing up to $34 billion in premiums annually—said they had switched or were considering switching insurers.

Additionally, Bain & Company says a positive claims experience can boost customer retention. In its Q4 2021-Q3 2022 NPS Prism® US Insurance survey, around 50 percent of customers satisfied with their claims experience say they're likely to renew, compared to only a third of dissatisfied customers. Bain noted, "Industry leaders will improve those experiences by focusing on clear and helpful communication, expectation setting, and optimal timing."

Hi Marley's analysis of 25,000 claims customer satisfaction surveys revealed that four categories have the most significant impact on customer satisfaction: **Timeliness of Service and Resolution, Communication, Process Effectiveness and Adjuster Attitude and Approach.**

Carriers can continuously improve customer satisfaction by leveraging existing conversational data to anticipate customers' needs, questions and concerns and proactively tailor communications throughout the claims process.
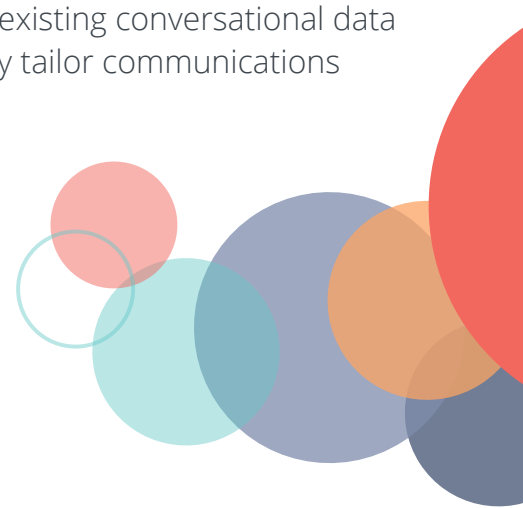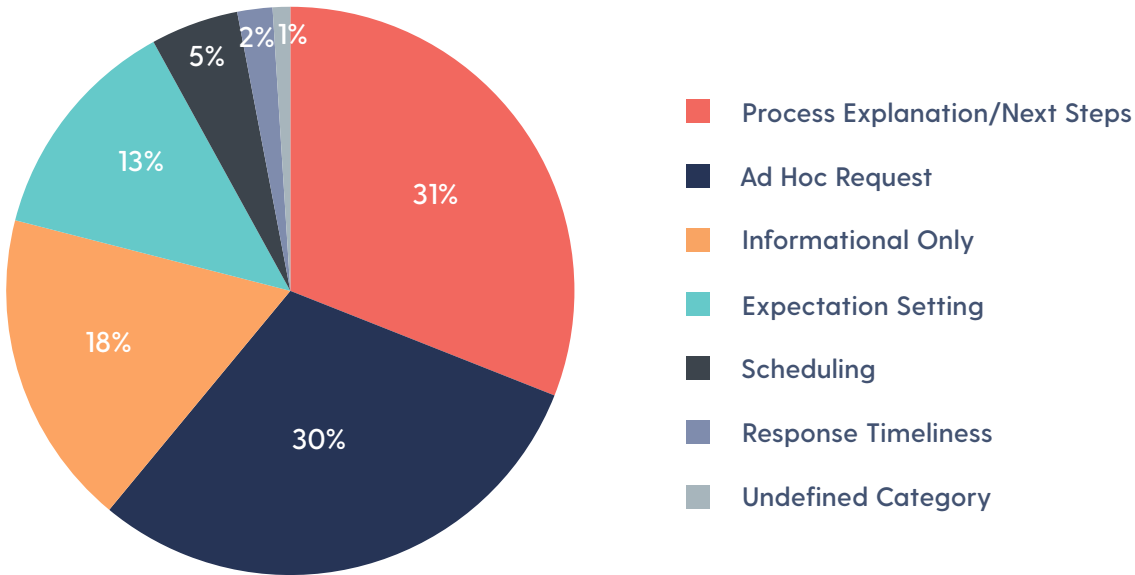
Analysis

To uncover trends and reveal the most frequently asked questions, who they involve and how carriers can get ahead of these inquiries, we categorized a random sample of 1,040 auto and property claims in Hi Marley's database by the root cause of what drove the customer inquiry.

| Root Cause	Sample Inquiries
31% Process Explanation/ Next Steps Inquiry resulted from an unclear understanding of the process and next steps	• When can I start to get this work done on my house? Do you send me a check or pay each contractor? • I did have a question, the auto shop asked us to sign a form giving them "power of attorney" rights. Have you heard of this before? It seems fishy.
30% Ad Hoc Request Inquiry related to a specific issue or topic	• What is the promotion code for a rental car? • Is there any way to also add my husband to this thread? I'm back in school on Monday, so he and I may have to tag team this issue.
18% Informational Only The customer did not ask a question, but they required a response or acknowledgment	• Here are some pictures of the camper and fire, smoke and water damage. I am still trying to figure out how to reach a non-emergency number for the fire department to get the fire report #. • I sent the towing company the paperwork to release my car to AAA.
13% Expectation Setting Unclear expectations drove the customer question	• Am I responsible to pay any part of this rental other than the accidental? • How long can I keep my claim open?
5% Scheduling Inquiry related to coordinating schedules for a phone call, response appraisal or other needs	• I'm at work now until 9pm. Is 10am tomorrow morning good? • I just opened this attachment and I'm trying to make sense of it on my phone since I don't have a laptop right now. Can I get back to you early tomorrow?
2% Response Timeliness Customer indicated urgent need for a response, or expressed frustration with lack of outreach	• I have literally no details on what is happening. I sent you info and never heard back. I'm guessing the Suburban wasn't totaled? • I emailed you all last week and I have yet to hear back from the insurance company on our request. Can you or someone on your team please provide an update on our claim?
1% Undetermined There was not enough context in the inquiry to determine the root cause	• Hello? • ??

Root Cause of Customer Inquiries

- Process Explanation/Next Steps
- Ad Hoc Request
- Informational Only
- Expectation Setting
- Scheduling
- Response Timeliness
- Undefined Category

We then identified which claims involved additional parties and, if so, which entities. While 65 percent of the inquiries related only to the individual posing the question, 35 percent involved other parties.

The remaining inquiries are spread among different categories, including police department, other carrier, towing and salvage, appraiser, contractor and bank. However, we found a significant number involved the body shop (48 percent) and rental car provider (25 percent).

Entities Involved in Customer Inquiries

- Body Shop
- Rental Car Provider
- Other Carrier
- Towing/Salvage
- Appraiser
- Contractor
- Police Department
- Bank
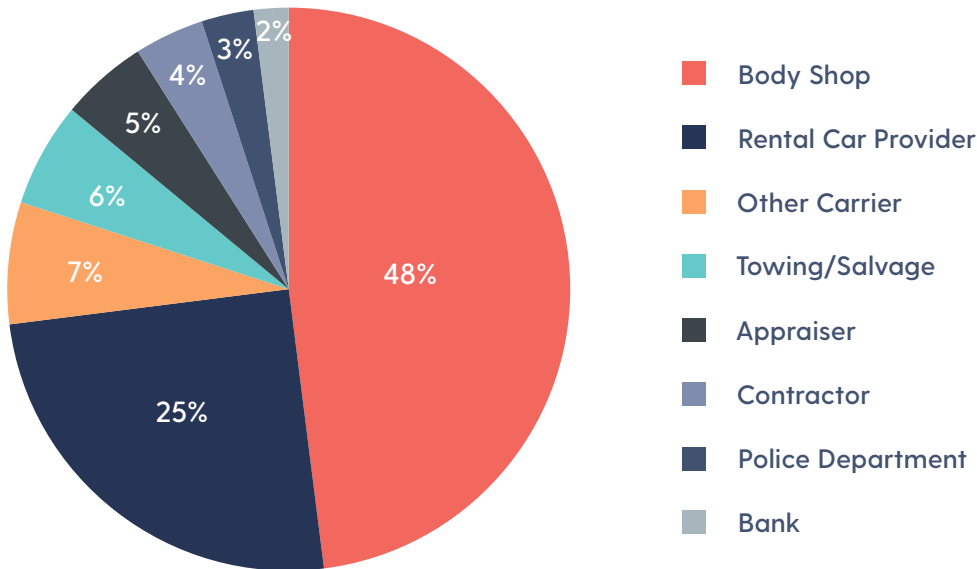
We also looked at the customer questions to identify the exact inquiry and action needed by the carrier and found trends among 39 inquiry categories.

Key Findings

Improve Process Effectiveness with Better Process Explanation and Expectation Setting

If carriers effectively explain processes and set claim-handling expectations up front, they will experience far fewer questions later in the process.

Better Process Explanation Top Driver of Customer Inquiries

The top root cause for customer inquiries centered around the need for better process explanations. The most common inquiry categories that required further explanation include:

Inquiry Category	Sample Inquiry
23% asked about the status of their claim, with **10%** specifically related to payment status	Is this on hold until October when the repair takes place? Just wondering as I have not received any transfer of funds.
9% wanted to know the next steps	The other carrier has been in contact with me and I'm getting the repairs right now. The estimate has been completed by them. I've also gotten the rental car. Is there anything else I need to do on my end?
8% asked what type of documentation consumers need to send to the adjuster to get their claim handled	Do I need to submit all receipts together??

In addition, 17 percent of all inquiries requested contact from the carrier (Ex: "Hello, can you please call me?"). Carriers can mitigate these requests with better process explanation and expectation setting in the beginning, which ultimately reduces the number of incoming and outgoing phone calls.

## Unclear Timelines Result in Body Shop–Related Inquiries

In our study, 171 inquiries needed or shared information regarding the body shop entity:

Inquiry Category	Sample Inquiry
20% related to repair status	So what's going on with getting my bumper fixed?
11% pertained to inspection status	The garage has an estimate. Now what?
8% asked about the auto claim next steps in the context of the body shop	Do I need to submit all receipts together??
6% requested an update on the payment status of the body shop	Hi Ryan, has the check for repair been sent to the car shop, or are you still waiting on the car shop?

Forty-five percent of body shop-related inquiries could have been avoided by better process explanation and expectation-setting earlier on.

Additionally, most towing and salvage questions revolved around tow-process explanation (64 percent), which, again, ties back to process explanation and expectation setting.

This study indicates that adjusters can avoid most inbound inquiries that require further explanation by being more proactive, thoughtful and detailed in terms of initially explaining the process and setting customer expectations as to what will occur, when it will happen and who will need to do what.
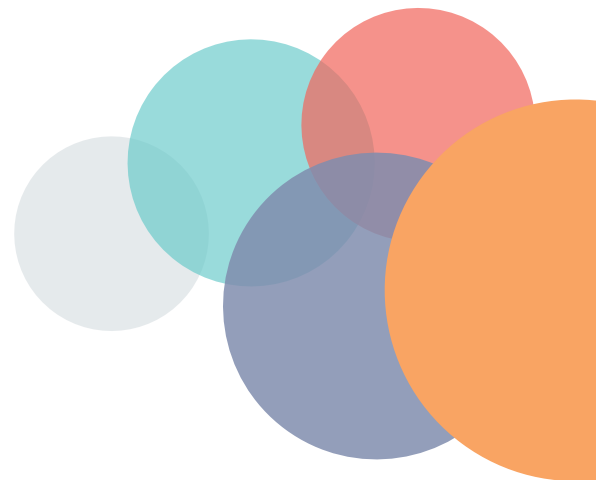
Rental Car–Specific Inquiries Show Clear Trends in Frequently Asked Questions

Several rental car-specific inquiries included questions related to rental extensions (19 percent) and rental charges or coverage (15 percent), while the majority (64 percent) revolved around rental car scheduling.

As part of the initial auto claim setup, carriers can leverage predefined text message templates that proactively provide the type of information that the customers regularly request, including:

- Available rental coverage (and what the coverage does and does not pay for)
- The scheduling, pickup and delivery processes
- Rental car vendor locations
- Rental extension process and managing extension expectations if it takes longer to fix the car than initially thought

By anticipating these questions and providing pertinent information up front, carriers can proactively address 98 percent of rental-specific inquiries, significantly reducing the number of inbound questions. With text message templates, adjusters no longer need to type out generic responses, saving time and enabling them to focus on high-value claim-handling activities and make more frequent contact with policyholders. And consumers will have all the information they need in one place and can refer to it again in the future.

Enhance Communication Through Automation and Standardization to Help Customers Feel Heard

Customers need support and want to feel heard. In our analysis, 23 percent of the inquiries were not requests or questions, but comments that required acknowledgment of receipt or confirmation of information they sent to their claim handler.

These types of requests appeared

244 times

Resulting in

823 messages
exchanged to resolve the inquiry

If carriers proactively acknowledged receipt before a customer asked, they could potentially **save three messages per conversation on average.**

Carriers could satisfy these requests, provide better support and improve efficiency through automated responses if their core system were advanced enough to recognize a request type for confirmation of receipt.

Configuring automated replies removes a manual step for adjusters, creates timelier responses and puts the customers' minds at ease while making them feel supported.

Leverage Templates to Manage Expectations and Enhance Communication

To improve the claims experience, carriers can leverage predefined text message templates to handle frequently asked questions, keep customers informed and ensure they communicate relevant and correct information.

Templated messages help carriers accurately answer frequently asked questions and thoroughly explain standard processes in a friendly way.

For example, 26 percent of body shop-related questions asked for shop recommendations or reviews. Carriers can take this opportunity to proactively offer a list of preferred body shops with contact information, customer reviews and other details. This will strengthen the carrier's preferred network penetration rate, while also giving consumers peace of mind that they are in capable hands.

Impact Customer Perception of Timeliness of Service and Resolution with Regular Status Updates

The introduction of new technology like Advanced Driver-Assistance Systems (ADAS), combined with today's labor shortages, rising costs and supply chain issues, creates challenges for auto repair shops to obtain the parts they need to get vehicles back on the road. As a result, insurance carriers are experiencing prolonged cycle times and increased average severities.

Longer claims processes directly impact customer satisfaction. Accenture found that if a claim isn't settled within a month, dissatisfaction rises 30 percent. Furthermore, in our analysis of customer satisfaction surveys, Hi Marley found that 12 percent of 1-star customer satisfaction surveys cited "untimely service" or "resolution took too long" as the primary driver of their poor claims experience.

Managing expectations in claims is critical. J.D. Power's 2022 U.S. Claims Digital Experience Study found when carriers fail to provide regular updates, customers are three times more likely to say the claims process was slower than expected. Conversely, customers who are provided with regular status updates via digital channels are two times more likely to say the process was quicker than expected.

And with nearly 24 percent of all inquiries in our study relating to a status update, it's clear there's ample opportunity for carriers to improve the customers' perception of cycle time and enhance the claims experience.

To improve customer satisfaction, carriers can take simple steps like setting reminders to reach out to customers and schedule regular, proactive status updates–even if it's just an update that there is no progress. Letting customers know that you care and are paying attention is better than silence.

With simple reminders and proactive guidance, carriers will save time and reduce frustration.
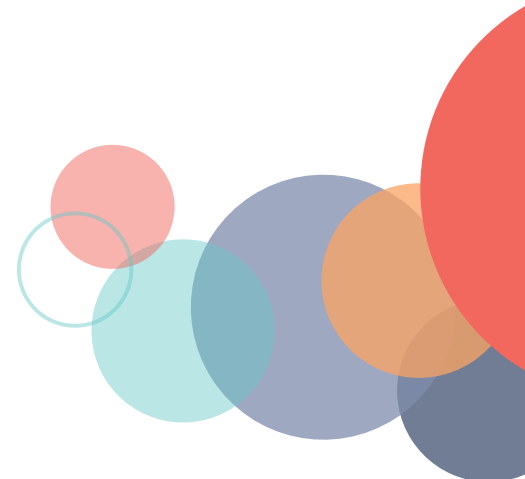
Know Your Audience to Provide Empathetic Support and Enhance Adjuster Attitude and Approach

Accidents happen. According to the Bureau of Transportation Statistics, almost 19,000 car accidents happen every day in the U.S., nearly 7 million in a year.

While adjusters may touch numerous auto claims every day, the average driver files an auto claim once every nearly 18 years. So, when a customer files a claim, it is likely their first interaction with their carrier, their first claims experience or an experience they last endured nearly two decades ago. Things that seem like second nature to adjusters, or a conversation they already had ten times that day, is often brand-new information for an insured or third-party claimant. **Adjusters who consistently show empathy and remember that customers do not know what to expect always provide a better overall claims experience.**

As Insurance Thought Leadership editor-in-chief and Pulitzer Prize nominee Paul Carroll wrote, "An awful lot of experts I've dealt with over the years, whether a plumber or a lawyer, have forgotten that they're experts. They assume I know things that I have never remotely experienced." According to Carroll, claims professionals will benefit from a frequent reminder that they:

- Need to start from zero as they're explaining the process to someone filing a claim

- Avoid jargon at all costs

- Set realistic expectations (or under-promise and over-deliver)

By understanding customers' needs, anticipating their questions, and providing proactive communication and information, carriers will drive a better claims experience and improve customer satisfaction.

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