



WHITE PAPER

CONSUMER AND
CARRIER CX INSIGHTS:

What Drives 1-Star and 5-Star Customer Satisfaction Scores in Claims

Mark Snyder, Claims Subject Matter Expert, Hi Marley
Arin Kim, Business Analyst, Hi Marley
Ujjval Patel, Director, Solutions Consulting, HI Marley



For insurance carriers, customer acquisition costs nine times more than customer retention.^I With policyholder churn ranging from ten to 16 percent, raising the bar in customer service, keeping policyholders satisfied and exceeding their expectations aren't nice to haves, they are must-haves.^{II}

Driving customer satisfaction in claims is particularly challenging. Leading consulting firm Capgemini surveyed 15,000 insurance customers and found, "In most regions, customers who had made a claim in the previous year reported significantly lower satisfaction levels than customers who had not made a claim."^{III} Furthermore, Accenture reported that 41 percent of policyholders plan to switch their carrier after one claim, even if they had a good experience, that number jumps to 83 percent if they are dissatisfied.^{IV}

Carrier success depends on customer satisfaction—it all comes down to creating positive, lovable experiences for policyholders. To better understand what drives claims consumer satisfaction, Hi Marley conducted an analysis of aggregate customer data.

We analyzed nearly 25,000 claims survey responses in Hi Marley's database from more than 50 P&C carrier customers to reveal the biggest drivers of optimal and sub-optimal claims experiences as seen through the lens of the policyholder. This report explores key findings and the potential impact on carriers and claims customers.

Methodology: How Do We Know What Drives Customer Satisfaction?

Hi Marley customer surveys measure customers' satisfaction with their experiences on a 1-5 scale, with 1-star representing low satisfaction/not satisfied customers and 5-stars representing high satisfaction/extremely satisfied customers.

Our analysis used data from 24,636 customer surveys comprised of all 1-and-5-star survey responses with comments in Hi Marley's database. Across the results, 1,177 or 5 percent were negative, 1-star customer experiences, and 23,459 or 95 percent represented positive, 5-star customer experiences.

We analyzed and categorized each comment based on customers' sentiment about their experiences. This sentiment analysis examined what customers mentioned as the primary reason for their high or low satisfaction scores.

The most frequently cited factors that had the most significant impact on customer satisfaction fell into four main categories: **Timeliness of Service and Resolution, Communication, Process Effectiveness and Adjuster Attitude and Approach.**



Results: What Factors Lead to 1-Star Vs. 5-Star Ratings?

Category	Primary 5-Star Drivers	Primary 1-Star Drivers
Timeliness of Service and Resolution 	Timeliness of overall service including fast response, prompt resolution <p>"Handled claim in a very timely manner. Also allowed me to focus on continuing daily life without worries about the incident."</p>	Untimely service, long waiting time for response, resolution took too long <p>"It took 16 days for you guys to tell me my car was a total loss. Still waiting on day 19 to be contacted regarding settlement. Told repeatedly someone will contact me to settle my claim and no one ever does."</p>
Communication 	Excellent and effective communication from the carrier/adjuster <p>"Communication #1 and being informed about everything from the next step to any delay as well. Once when she called for rental info, she quickly knew my hands were full with an upset baby, she made the call quick and made sure I got the info by texting it to me so I could get back to the baby. And overall quickness of the claim was great!"</p>	Ineffective or sub-optimal communication from the carrier/adjuster <p>"Communication is VERY lacking. Only received one call. Had requested to speak with a manager and never received a call or email. Cannot get any answers. Had to do ALL the leg work to find a shop and organize towing to that shop. The list goes on."</p>
Process Effectiveness 	Claims process and expectations were clear and effective <p>"Easy process, I like the fast response and the text directly to my agent. My agent handled my claim great."</p>	Poor claims process explanation, lack of expectations <p>"It wasn't fully explained to me how the process worked with it being the other person's fault that had insurance. I was told to file a claim through my insurance."</p>
Adjuster Attitude and Approach 	Positive adjuster attitude and/or empathetic handling approach <p>"Adjuster was professional and helpful. She was very reasonable in dealing with my requests. I think she did a great job. I am very happy with [carrier] because of the customer service I have experienced. Thank you."</p>	Negative adjuster attitude or approach <p>"Teach your claims reps to have a little compassion. Our claim wasn't covered, and the woman was beyond rude. This is more than just a 'claim.' Behind this claim is a heartbroken child who had something he worked hard for stolen. I am looking to change insurance companies because the customer service was beyond despicable."</p>

Top Drivers of 1-Star and 5-Star Ratings

5-Star Claims Experiences



Forty-six percent of 5-star satisfaction ratings mentioned positive or empathetic adjuster attitude and handling approach as the primary reason for their satisfaction score, followed by timeliness of overall service (18 percent), excellent and effective claims communication (16 percent) and process effectiveness (12 percent).

1-Star Claims Experiences



The top driver of 1-star reviews came down to communication, with 34 percent of 1-star reviews mentioning ineffective or sub-optimal communication by the carrier or adjuster. A negative adjuster attitude or handling approach drove 23 percent of 1-star reviews, followed by poor claims process explanation and expectation setting (21 percent) and untimely service or resolution took too long (12 percent). These four categories represented 90 percent of all sub-optimal experiences in the sample of negative survey responses.

Timeliness of Service and Resolution

Long Wait Times, Lack of Response Correlate Directly with a Negative CX

Our analysis found that the 21 percent of customers who primarily rated their experience as negative due to timeliness of service and resolution issues also waited longer for adjusters to respond to their claim.

Responsiveness and fast resolution are crucial factors in driving customer satisfaction. According to Capgemini's World InsurTech Report 2021, "80 percent of customers surveyed said they would switch carriers if their insurer responsiveness were less than stellar."^v That's a lot of potential churn that carriers can avoid and should prevent because customer acquisition is expensive. Several industry studies have found that it costs some insurers up to \$900 for each new customer."^{vi}

Implementing the right tools and strategies to improve communication and responsiveness will pay off in the long run.



QBE North America Enhances Speed and Convenience of Claims Service with Text Communications

QBE North America partnered with Hi Marley to launch a service called TextQBE to help enhance conversations with customers during the claims process and move QBE customers through the claim process faster.

"We know that speed and convenience of communication is key to delivering the experience of excellence for our customers, and the intelligent conversation platform helps us take it to the next level," said [Alyssa Hunt, Senior Vice President](#), Technical Operations at QBE North America. "We're able to give the customer the option to communicate how they prefer."

As a result, customer satisfaction scores have averaged 4.6 out of 5 – many with comments such as "Great customer service, fast and friendly, answered all my questions."



Ohio Mutual Expedites Claims to Resolution and Earns 5-Star Ratings from Customers

Property and Casualty insurer Ohio Mutual leveraged Hi Marley's intelligent conversation platform to enhance claims handling customer experience. After only a few weeks into the pilot, the response was overwhelmingly positive, with 9 of 10 customers giving Ohio Mutual a rating of 5 out of 5 stars. Claims associates also reported being more effective and efficient while using the platform to reach busy customers.

"Hi Marley promised an easy deployment of their intuitive system with fast results, and they delivered," said [John DeLucia, VP of Claims](#) for Ohio Mutual. "Once we began using Hi Marley, our Claims team had fewer voicemails to return, were able to move claims to resolution faster, and our customers were happier."



Communication

Customers Want Options, Including Human Interaction

While communication is the top driver for 1-star reviews, it also plays a hand in all drivers of customer satisfaction. According to LexisNexis research, "Technology is enabling a more human touch by opening convenient channels of communication. More than half of the carriers interviewed as part of the 2021 Future of Claims Study are currently using a Text/SMS solution to allow their customers to easily activate a claim, upload photos and provide channels for adjuster/customer communications, with another one-third expressing interest in implementing a Text/SMS solution."

However, LexisNexis also found that only 18 percent of its survey respondents perceived not having to speak with a live person as part of the claims experience as a benefit. Put another way, it means that 82 percent felt that it would be important to speak to a live person if necessary.

"Most people don't have claims. They don't expect to have claims they don't know what to expect when they have a claim. So you need to have that human touch," said [Irene Bianchi](#), CEO and President of Peel Mutual. "Artificial intelligence is great when there are no issues, but when you have something that's bespoke when you have a problem, you need to have that human factor, the empathy and the trust really to make sure that everything resolves for the customer."

To increase satisfaction, carriers must offer the option to reach out to a human throughout the claims process.

Examples of Carriers Driving 5-Star Experiences Through Communication



Utica National Uses Innovative AI-powered Texting Tool to Simplify Communication with Customers

Steve Mraz, Assistant Vice President at [Utica National](#), said Utica's customers wanted a fast and convenient way to communicate through the claims process. "By offering a simple texting option, we're giving our customers a method of communication they've been asking for, and one that will make their lives easier."

One Utica policyholder wrote in a customer satisfaction survey, "Great communication. Speedy pay-off for damages and my claims representative was very sweet and understanding."



Plymouth Rock Enhances Communication and Customer Service with Text Messaging

Plymouth Rock, known for its friendly customer service with a unique human touch, enlisted Hi Marley to meet a growing customer preference to conduct business and conveniently handle nearly all aspects of the claims process via text message.

"While we can't prevent accidents from happening, we can make the claims experience as fast, fair and fearless as possible," said [Mary Boyd](#), President and CEO of Plymouth Rock Assurance. "Hi Marley is helping us do that by enabling our customers to communicate with us about their claim in a way they often prefer – via text message. This customer-focused process allows our claims adjusters to be incredibly responsive, reducing the complexity that customers often associate with settling a claim, and accelerating the time to get our customers back into their repaired or replaced vehicles."



Process Effectiveness

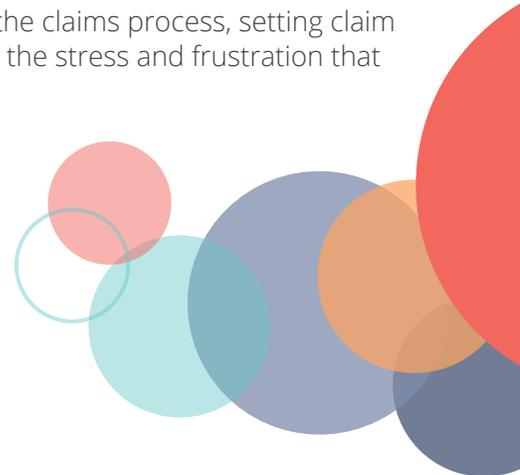
Combining Technology-Enabled Efficiencies with Human Touch Creates Claims Success

Our analysis revealed that while consumers enjoy the streamlined workflows and ease of doing business benefits from technological advances, they also value empathic, kind human touch, clear communication and claims process explanations.

At the claims moment of truth, no amount of technology or process efficiency can replace an adjuster's approach and ability to effectively communicate.

Adjusters are the critical link in delivering empathetic communication, explaining the claims process, setting claim handling expectations and providing a much-needed advocate when dealing with the stress and frustration that inevitably accompanies an auto accident, property loss or another type of claim.

Carriers who most effectively balance technology and high-quality human touch will drive customer satisfaction in the claims process.



Example of Carrier Driving 5-Star Experiences Through Process Effectiveness



LWCC Uses Innovation to Improve the Workers' Compensation Claims Experience

LWCC, a single-state, private mutual workers' comp company, understands the value of seamless communication for its policyholders. "With most people dealing with an accident on the job, it's their first experience, and they are scared, anxious and vulnerable," said Paul Buffone, LWCC Senior Vice President and Chief Claims Officer. "From the first point of contact through the entire claims process, we aim to ease that burden and instill confidence and trust; Hi Marley is helping us do that."

Hi Marley helped LWCC build efficiencies into its daily workflows, allowing claims reps to be more proactive and efficient so they can get to a resolution faster. It also enables reps to communicate more often with policyholders and build deeper relationships.



Adjuster Attitude and Approach

Responsive Carriers With Human Empathy and Kindness Drive Positive Customer Experiences

As the top driver for 5-star reviews (46 percent) and the second biggest driver for 1-star reviews (23 percent), adjuster attitude and approach have the most significant impact on customer satisfaction.

"The insurance industry needs to catch up in terms of offering the same type of virtual experiences that many other industries already provide," said Bill Brower, Vice President, Head of US Auto Claims Strategy at LexisNexis Risk Solutions. "At the same time, insurance customers want to be assured there is a human at the end of the line when they need one. Carriers who can digitally transform to meet both of these objectives will continue to lead in the market, driving greater profitability and more satisfied customers."

Carriers with multi-channel communication best practices in place that effectively leverage texting solutions to deliver clear, timely communication with human kindness and empathy will be the winners in driving world-class customer experiences.

Example of Carrier Driving 5-Star Experiences Through Adjuster Attitude and Approach



Union Mutual Focuses on the Customer's Experience at All Stages of Interaction

Union Mutual uses Hi Marley to streamline the claims process and continually improve the customer experience. Using Hi Marley, Union Mutual claims adjusters quickly and easily communicate with policyholders through text messaging to review and settle insurance claims. The carrier noted shorter claims cycle times and increased positive customer feedback data as two of the most compelling results they've been tracking.

In a customer satisfaction survey, a Union Mutual customer named Donna shared her experience with the carrier, "Five [stars] of course. You have restored my faith in insurance people. You have been honest and straightforward while dealing with me, and I appreciate it."

The Future of Claims and Customer Experience

For policyholders, the claims experience is the moment of truth. Overall, our analysis, research and conversations with carrier partners found a positive outlook toward automating and digitalizing claims workflows to create faster and more efficient services.

Digital, automation and self-service tools help speed up the claims process, ultimately creating a better experience and enhancing customer satisfaction.

LexisNexis Risk Solutions 2021 Future of Claims Study found that the perceived benefits of automated claims processing continue to gain traction with consumers. Sixty-two percent of consumers value the ability to submit a claim anytime, anywhere, and 55 percent see the benefit of faster claims settlement.^{vii} However, while consumers appreciate the convenience of online and self-service tools, the report notes, “threaded throughout our research is the consumer desire for an intermixing of virtual and self-service with human adjuster interaction — a hybrid claims processing model. No matter how great the technology is, consumers still want a human touch when they need it.”

Increasing automation narrows the number of touchpoints carriers have, making each of those human interactions even more important.

Insurance is a people-oriented, people-focused business, so it’s crucial to not lose the human element. When dealing with people’s emotions and vulnerability in a time of need, nothing can replace empathy. Carriers that implement a hybrid approach combining the benefits of automation and digital transformation, while providing personal touch where necessary will have the best opportunity for claims success and competitive advantage.

ⁱ The Independent Insurance Agents of Dallas, “Customer Loyalty and Retention Primer,” Lynn Thomas, <https://www.iiadallas.org/page/75>.

ⁱⁱ Amsive, “How to Retain Insurance Customers in the Digital Age,” September 28, 2021 www.amsive.com/2021/09/28/how-to-retain-insurance-customers-in-the-digital-age/

ⁱⁱⁱ Capgemini, “World Insurance Report- Past Present and Future,” 2018, <https://worldinsurancereport.com/>

^{iv} Accenture, “Satisfaction with Insurance Claims Settlements Not Enough to Keep Customers Loyal, According to Accenture’s Global Insurance Customer Survey,” October 13, 2014, <https://newsroom.accenture.com/news/satisfaction-with-insurance-claims-settlements-not-enough-to-keep-customers-loyal-according-to-accentures-global-insurance-customer-survey.htm>

^v Capgemini, “Property and Casualty Insurance Top Trends 2022,” December 6, 2021. <https://worldinsurancereport.com/>

^{vi} Amsive, “How to Lower Customer Acquisition Cost in the Insurance Industry,” September 14, 2021, <https://www.amsive.com/2021/09/14/how-to>

^{vii} LexisNexis Risk Solutions, “Future of Claims 2021 Report,” April 2021, Bill Brower.

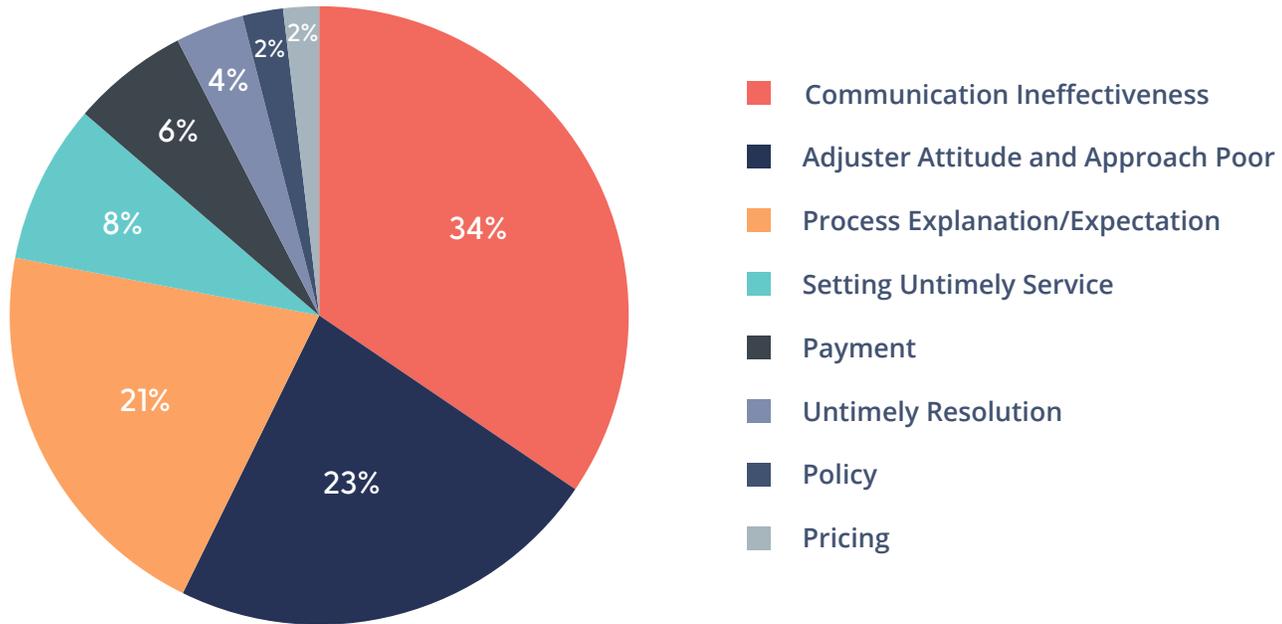


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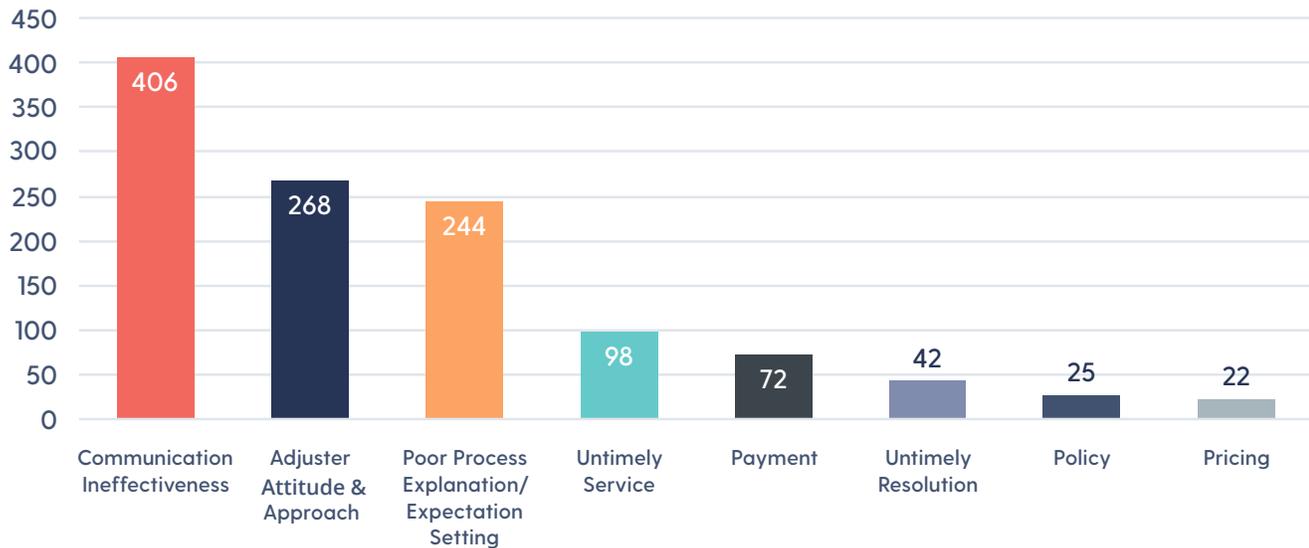
Appendix

Top Drivers of 1-Star Claims Experiences

1-Star Survey Response - Distribution



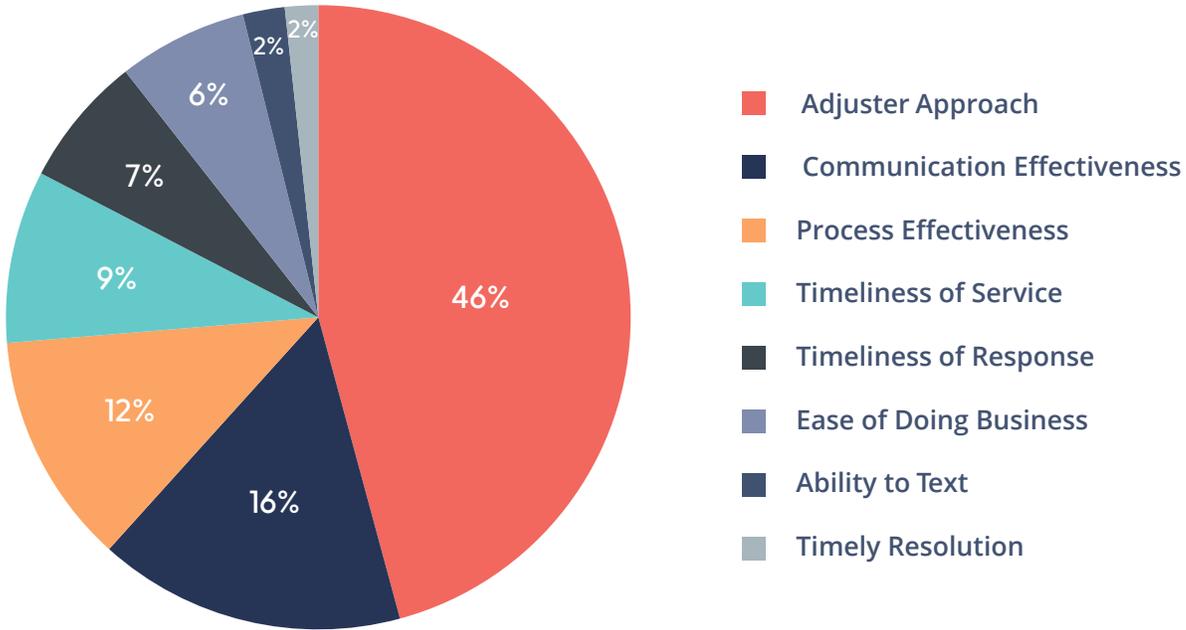
1-Star Survey Response - Volume by Category



Appendix- Continued

Top Drivers of 5-Star Claims Experiences

5-Star Survey Response - Distribution



5-Star Survey Response - Volume by Category

