

WHITE PAPER

METRICS THAT MATTER:

Unlocking the Value in “Time to First Contact”

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OUR HYPOTHESIS

Time to first contact can provide a window into the soul of adjusters' overall approach and help predict how well they will handle a claim throughout its lifecycle.

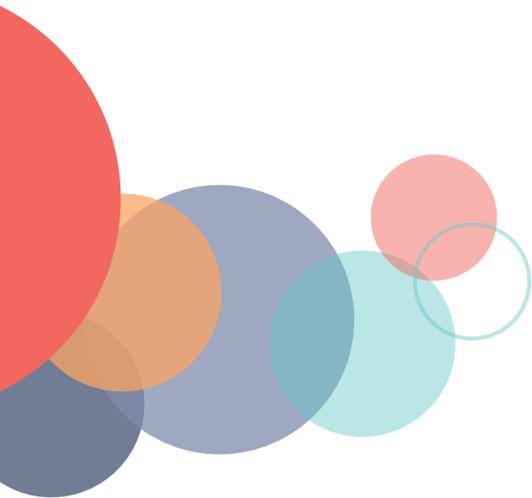


EXECUTIVE SUMMARY

Why Carriers Should Focus on Time to First Contact

We validated our hypothesis by analyzing Hi Marley's structured and unstructured customer data to understand the impact of first contact timeliness on the customer experience and claims handling efficiency. We found that adjusters who engage with customers quickly are more likely to take an empathetic approach and provide timely service and excellent communication throughout the claims process, ultimately driving higher customer satisfaction, lower cycle times and cost savings.

Conversely, lengthy times to first contact resulted in a higher propensity for sub-optimal communication and a trend toward poor responsiveness throughout the claim's lifecycle, longer cycle times and lower customer satisfaction scores.



METHODOLOGY

Time to First Contact's Impact on the Claims Experience

Time to first contact (TTFC) is defined as the length of time it takes for the adjuster to contact/engage with the insured or claimant via text messaging after the customer opts into texting via Hi Marley.

To test our hypothesis and better understand the impact TTFC has on overall claim handling and the customer experience, we analyzed real-time data and analytics captured in Hi Marley's database. As the cornerstone of our analysis, we identified a random but representative sample of 100 high-caseload adjusters from across our carrier customers. The size of each company determined the number of adjusters represented in the sample.

We categorized the adjusters into two performance groups based on their median TTFC in 2021.



Highest Performing Claim Adjusters (HPCA)

Top 25 percent of adjusters with the lowest 2021 median TTFC



Lowest Performing Claim Adjusters (LPCA)

Bottom 25 percent of adjusters with the highest median 2021 TTFC

We then examined more than 2,500 customer survey responses, and categorized conversation length and cycle times by each group to identify how time to first contact (TTFC) impacts customer satisfaction, cost savings, process efficiency and more.

RESULTS

TTFC Indicates Adjusters' Overall Attention to Customer Service



Highest Performing Claim Adjusters Demonstrate Consistency in Timely Contact, Reducing Cycle Time

When it comes to the customer experience, policyholders are placing growing importance on carrier responsiveness. Increasing 11 percent compared to 2020, nearly 80 percent of the consumers surveyed in CapGemini's [World InsurTech Report 2021](#) said they would switch carriers if their responsiveness were "less than stellar." Furthermore, [our report](#), "What Drives 1-Star and 5-Star Customer Satisfaction Scores in Claims," revealed that timeliness of overall service, including fast response and prompt resolution, is the second biggest driver of 5-star satisfaction ratings.

On average, the highest performing claims adjusters (HPCA) respond to 50 percent of their cases in or under three minutes. They demonstrate consistency in time to first contact, responding to 80 percent of their cases in under three-and-a-half hours (206 minutes). Conversely, lowest-performing claim adjusters (LPCA) take roughly two days (43 hours) or more to respond with first contact on 50 percent of their cases.

Overall claim conversation length (beginning of the text conversation to closing of the case) in Hi Marley shows that HPCA resolved claims 10 percent faster than LPCA, averaging three days of reduced cycle time.

A three-day reduction in cycle time is significant. Take an auto claim, for example.



An average daily loss of use rental rate associated with most auto insurance policies is **approximately \$45 per day**. A three-day delay for 10,000 claims at an **average of \$45 per rental day can cost a carrier \$1,350,000 per year**.

Leveraging text messaging from the beginning of the claim to quickly, efficiently and effectively text with applicable claims ecosystem partners benefits both carriers and their customers.



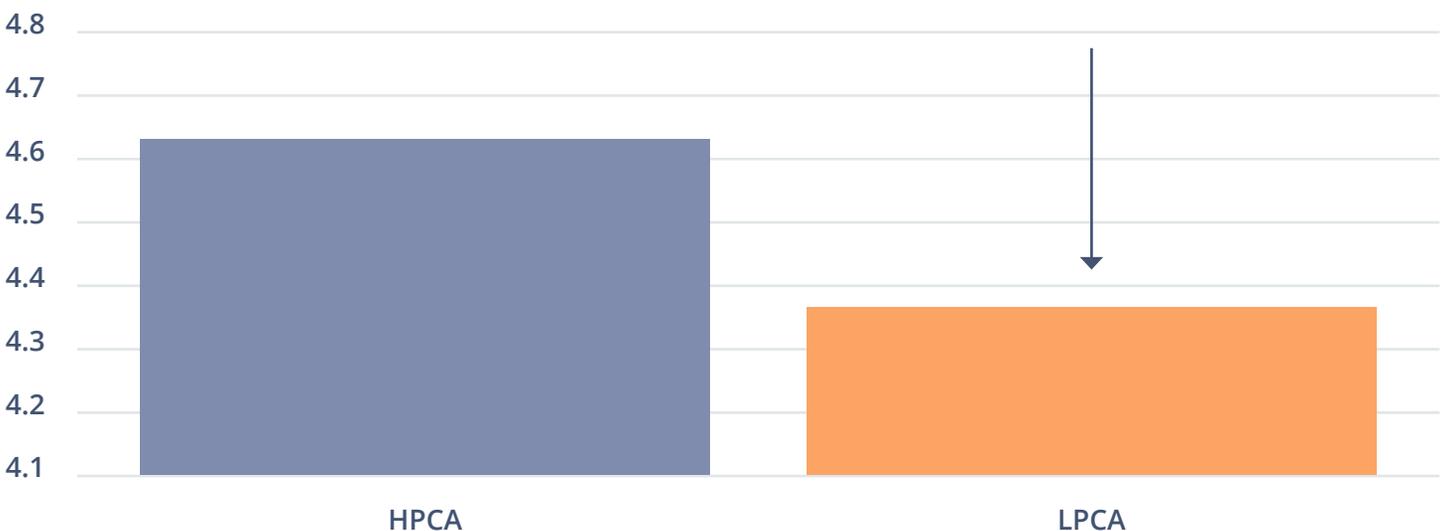
Responsiveness Correlates with Customer Satisfaction

While all customer journey touchpoints offer carriers opportunities to provide exceptional customer service, five-star experiences matter most in the claims process. According to EY's Global Consumer Insurance Survey, [87 percent](#) of policyholders say the claims experience impacts their decision to remain with insurers. If carriers want to significantly impact customer satisfaction and retention, they need to start at the beginning of the claim, exceeding customer expectations from the first interaction.

Fast and effective TTFC and reducing the claims lifecycle are proven ways carriers can improve the claims experience.

For adjusters performing in the top 75 percent of median TTFC, average customer satisfaction survey scores were six to eight percent higher than LPCA.

Average Customer Satisfaction Survey Score (Out of 5)



Policyholders want the ability to reach their carriers when they need them. In [Hi Marley's survey](#), the majority of consumers said speed of response is the most important expectation when texting with an insurance provider, followed by 24/7 availability.

At the 80th percentile of first contact times—generally considered an adjusters' mode of operation —HPCA responded on average five days faster than LPCA. Imagine if you were the claimant who got in a car accident; how would you feel if it took your insurance provider five days to get in touch with you after your accident?

At the claims 'moment of truth,' nothing can replace the support and availability of a top-notch adjuster. 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.

Adjusters are the critical link in delivering empathetic communication—explaining the claims process, setting claim handling expectations, answering lingering questions and acting as a much-needed advocate for customers dealing with the stress that accompanies a claim. When an adjuster is responsive, policyholders feel that they care, resulting in higher customer satisfaction.

Responsiveness is a crucial factor in driving customer satisfaction and retention. Accenture found that [81 percent of consumers](#) feel loyal to brands that are there when they need them.

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“Being there when our customers need us is our number one priority. With Hi Marley, **we can reach our policyholders faster and provide all of the information they need right away**, without going back and forth playing phone tag.”

RICHARD LORD

Vice President, Claims, NLC Insurance Companies



Regardless of the line of business or claim complexity, at the end of the day, the claims lifecycle includes three main components: completing a series of tasks, analyzing and evaluating task output and results and making decisions around how to best resolve the claim. Wrapped around the entirety of this process is the need for timely and thorough communication with claims consumers. Adjusters who consistently made timely first contact usually carried that sense of urgency, attention to detail, responsiveness and sensitivity to customer needs throughout the remainder of the claim lifecycle.

HPCA and LPCA Demonstrate Opposite Behaviors Throughout the Claims Lifecycle

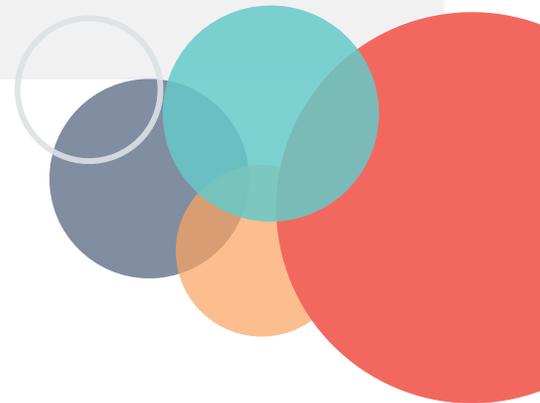
The customer satisfaction survey responses revealed that TTFC is indicative of follow-through throughout the claims process.

Twenty-one percent of surveys for HPCA mentioned response time, and the scores on those surveys were almost perfect, averaging 4.93 out of five stars. When survey responses did not reference response time, the average score was about eight percent lower (4.56), indicating that response time impacts policyholder satisfaction.

5-Star HPCA Customer Survey Responses	
TTFC 	Customer Comment 
3 Minutes	Answered my questions promptly and with great professionalism.
1 Minute	Liked the text and email communication, it was timely and efficient .
2 Minutes	Response time was quick , good guidance by representative.
1 Minute	The claim adjuster was polite and quick to respond , also everything has been done quickly.
4 Minutes	Overall, it was a good experience. Your response was timely . Very satisfied. Thank you.
4 Minutes	It was a quick response , and I don't have to call which I appreciate.

In addition to lower overall customer satisfaction scores, in the survey comments for LPCA, policyholders express frustration pointedly at issues of responsiveness beyond TTFC.

LPCA Customer Survey Responses	
Rating 	Customer Comment 
3 Stars	Communication wasn't as proactive as it could have been, and overall response time was a bit slow.
3 Stars	No communication to update on progress or confirm receipt of requested documentation. Field adjuster lost photos delaying the claim process and did not reach out within the communicated time frame.
2 Stars	I felt that issues or questions should be addressed. I felt ignored. I didn't [get] answers and ended up paying double what my deductible was. You need to let people know there may be extra charges. I had no clue there were betterment charges.



LPCA also seemed more likely to ignore customers' communication preferences. Survey responses showed that the LPCA leveraged phone calls with policyholders that opted into texting, whereas this behavior is not noted in survey responses for the top performers.



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When a policyholder submits a claim, it means they are managing a challenging situation. For many people, having **the option of two-way texting communication removes the stress** that can be associated with back-and-forth phone calls and trying to reach someone live.”

DAVID DELUCA

Vice President of Claims, Vermont Mutual



All claims are unique, so when interacting with policyholders, the key to [choosing the correct communication channel](#) is to use the method that fits the claim severity and complexity and most importantly, the end customer's preferences.

Claims consumers want the power to choose how they communicate; adjusters who leverage phone calls after a customer demonstrates a desire to use text messaging will ultimately impact customer satisfaction. Accenture found that [51 percent of consumers](#) stick with brands that interact with them through their preferred communication channels. Carriers that interact with customers where and how they want will improve customer retention.

As [Martin Ellingsworth](#), Executive Managing Director of P&C Insurance Intelligence at J.D. Power, said, "Satisfaction is highest when claimants have options to interact via the channel they choose and not feel forced into a one-size-fits-all experience."

OUTLOOK

TTFC and the Future of Claims

Improving the customer experience is ongoing. Success starts with organizations that continually seek to identify best practices that enhance customer service.

“When the claims process breaks down, consumer satisfaction falls and insurer costs go up – that is the penalty effect of a bad claims experience. In this sense, every claim is a ‘moment of truth,’” reported [EY in the Claims in a Digital Era report](#). “In the low-touch relationship between consumers and their insurance companies, **claims handling may represent the most important and meaningful interactions.**”

Our analysis confirms that TTFC offers a solid prediction of how an adjuster will handle a claim and ultimately their impact on customer satisfaction and cost savings:

 **HPCA demonstrate consistency in timely contact**, almost always getting back to consumers within a day (while LPCA take roughly two days or more) and resolve cases 10 percent faster than LPCA, resulting in three days of reduced cycle times.

 **Responsiveness correlates with customer satisfaction**; average customer satisfaction survey scores for LPCA are six to eight percent lower than the top 75 percent.

 **HPCA and LPCA demonstrate opposite behaviors throughout the claims lifecycle**; survey responses showed that the LPCA leveraged phone calls with policyholders that opted into texting, whereas this behavior is not noted in survey responses for the top performers.

HPCA are more likely to take an empathetic approach, offer excellent communication and provide five-star claims experiences throughout the process while claims handled by LPCA will likely take longer to resolve and leave customers with sub-optimal claims experiences.

Efficient communications, responsiveness and thoughtful interactions play a significant role in delivering excellent customer experiences while driving cost savings for the carrier. Improving performance in TTFC will yield measurable gains in customer satisfaction while also benefiting the business.



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