



REPORT

# Accelerate Customer Satisfaction in Auto Total Loss Claims

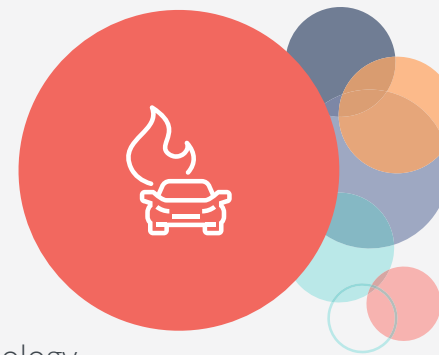
## Today's vehicles are safer than ever, yet the number of totaled automobiles is rising.

Automobile manufacturers continue to introduce an increasing number of Advanced Driver Assistance Systems (ADAS) into their newer models with safe-driving features like cameras, traffic alerts and other sensors. This technology, combined with today's supply chain issues—specifically the global microchip and semiconductor shortage—creates challenges for auto repair shops to obtain the parts they need to replace ADAS. As a result, insurance carriers are experiencing prolonged cycle times and avoidable fees in the auto total loss and salvage process.

LexisNexis [2023 Auto Insurance Trends Report](#) noted a steady increase in auto total loss claims year-over-year since 2016, with total loss comprising 27 percent of all auto claims in the first nine months of 2022, a trend that will likely continue.







Hi Marley, creators of the first intelligent conversational platform built for P&C insurance, found that the total loss cycle time has also increased, going from 15 days to 20 days between the first notice of loss and vehicle release on average today. And, with average total loss claims costing \$54 per day, expenses add up quickly.

Read on to learn how Hi Marley's research, data and expertise in total loss can help carriers streamline the total loss process, lower costs using tools that reduce settlement time from weeks to days, and improve the customer experience and overall satisfaction.



## Total Loss Process and the Customer Experience

Driving customer satisfaction in claims is inherently challenging for P&C insurers, and dealing with total losses magnifies those challenges. Auto total losses have the lengthiest cycle times of all claim types; they include six steps that require multiple contacts and touchpoints throughout:

- |                                                                                                                 |                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
|  1. First Notice of Loss      |  4. Customer Release |
|  2. Total Loss Determination |  5. Title Transfer   |
|  3. Total Loss Assignment    |  6. Payment          |

“In speaking with our customers, we quickly learned that the delays are the biggest challenge in total loss claims,” said Hugh Allen, Principal Product Strategist at Hi Marley, noting that delays and communication breakdowns consistently appeared during the second, third and fourth steps of the total loss process: total loss determination, total loss assignment, including clearing belongings from the vehicle, and customer release.

A total loss may be a carrier customer’s first claim experience. They do not know what to expect, and they are often left wondering what to do next, unclear on when they will receive a check or be able to start shopping for a new car.

“Enabling internal and external collaboration through digital communications would help solve the complexity and communication silos that exist at various points in the total loss process,” said Allen. “Moving the claimant, carrier, salvage coordinator, and other parties, including ecosystem partners, from phone and email to a single communication thread makes for streamlined communication. As a result, carriers experience faster escalation, authorization and resolution, reduced storage fees and call volume, enhanced employee productivity and improved customer service.”

With network integrations, Hi Marley sends personalized, automated messages based on the salvage vendor and other partners’ alerts—ensuring everyone involved in the process is informed in real-time.



Compared to claims that do not use texting, **carriers who use Hi Marley during the total loss process—from FNOL to vehicle release—reduce claim cycle time by 35 percent.**

By enabling asynchronous single-thread communications throughout each phase of the total loss experience, including customized alerts, carriers can drive clarity, improve customer service and reduce total loss cycle time. Streamlined communication and improved collaboration throughout these steps result in less confusion around claim ownership and faster interactions.

### **Step 1: First Notice of Loss (FNOL)**

FNOL presents the opportunity for carriers to make a positive first impression through their approach and set expectations for the rest of the claims process. Most carriers take FNOL communications over the phone or through their website (e-FNOL) or mobile app.

“At this step in the total loss process, there’s a myriad of questions that need answers,” said Allen. “Not enough information, photos of the damage, or video of the scene are ever collected using those channels for the adjuster to understand whether the vehicle is a total loss.”



Hi Marley found that only **ten percent of carriers ask for photos or videos at the time of FNOL via phone**, and 30 percent ask after the customer already submitted their total loss claim.

An inefficient FNOL process delays damage assessment, introduces incremental staffing costs and leads to frustrated customers who are often stuck waiting in call center queues, playing phone tag and sifting through emails to find the correct link.

And most customers want to text. According to a [Hi Marley survey](#), 71 percent of people said they would prefer to interact with a business they have an existing relationship with via text rather than phone or email.

“

The total loss team is committed to getting their claims settled fast, so it's beneficial to be able to get immediate contact and answers via text. With Hi Marley, they can quickly receive videos of an accident or photos of the damage; it makes the process so much easier and enables those speedy settlements.”

**DEREK PRIOR**

Claims Shared Services Manager, Mutual of Enumclaw Insurance



Offering text messaging during FNOL allows carriers to communicate with customers how they prefer and quickly collect the crucial information needed to assess the claim. Hi Marley found that seven percent more policyholders who leveraged text messaging found this process “less complicated” than customers who did not use Hi Marley.

Policyholders can expedite their claims over text with Hi Marley's Conversational FNOL. The claim representative will verify the claimant's identity, and then the customer can provide details about the accident and send photos and videos via text messaging. From there, the claim rep can quickly determine the accident's severity and pull in additional partners to the conversation, such as salvage and rental car providers.

 **Step 2: Total Loss Determination**

Total loss determination can often take up to ten days. Enabling customers to complete FNOL via SMS allows carriers to collect more information to gain a better scope of the damage and understand the severity of the claim faster, reducing total loss determination time by 25 percent.

During this step in the process, carriers can enhance customer satisfaction through adjuster attitude and approach. Allen noted that carriers often believe that a total loss determination requires a phone call to the customer because there may be an emotional response. However, with the rise of robocalls, most people won't answer a phone call from an unknown number.

“While I see how a phone call and verbal conversation can feel more personal, relying solely on a phone call can lead to delays because people don't answer their phones,” said Allen, noting that it takes carriers two days, on average, to communicate the total loss to the customer. “Carriers should always quickly follow that phone call with a text message because it shows the customer a sense of urgency; it also helps ensure they understand what's next and the steps they need to take to move the claim along.”

Studies have shown that [90 percent](#) of texts are read within three minutes. Using text messaging to set expectations and explain the next steps during this phase can also accelerate the process.

“Total loss claims, in particular, have a lot of moving parts, but text messaging makes it easier for the adjuster to quickly provide updates and keep the customer informed at each stage. With Hi Marley, our adjusters can set up templates that explain the process and remind the customer of things like instructions on where to send the title, settlement information and more.”

**STEVE LIN**

Assistant Vice President of Claim, Arbella Insurance





### Step 3: Total Loss Assignment

The third step, total loss assignment, often happens in three ways:

1. The original adjuster retains the quarterbacking of total loss for the customer via original claims assignment.
2. The claim is transferred to a total loss-specific adjuster.
3. The carrier outsources the total loss assignment through a salvage vendor whose reps work on specific pieces.

In the third scenario, most carriers only provide a fraction of the information the salvage vendors need.

With Hi Marley, carriers can add ecosystem partners to the related case, including the salvage vendor coordinator, field adjusters and appraisers, or any other support staff. The new user can access text conversations and details relevant to their total loss claim, enabling them to collaborate and quickly get up to speed, driving timeliness of service and resolution for the customer.

“At this step in the process, the carrier has already asked the customer plenty of relevant and detailed questions about the claim,” said Allen. “The information available in the existing communication thread would answer 70 percent of the newly assigned support staff questions during this stage, saving a lot of potential back and forth.”

### Clearing Out The Vehicle

Carriers can also use text messaging to provide claimants guidance about gathering their personal belongings from their vehicles. “In our discovery, not a single person who experienced a total loss was told what to bring with them or when to collect their belongings from their vehicle,” said Allen.

### Settlement Offer and Agreement

Communication around the settlement process is typically done through email, where claimants are provided with links to “like” vehicles to understand vehicle worth. When those conversations are handled in Hi Marley, instead — resolution and cycle times are faster as customers are already interacting on their mobile devices.

**Checklist for Clearing Out a Totaled Vehicle**

**Bring:**

- ✓ Screwdriver & other tools
- ✓ Flashlight
- ✓ Gloves & proper footwear
- ✓ All keys to the vehicle
- ✓ Boxes for belongings

**Collect:**

- ✓ Toll transponder
- ✓ Garage door remote
- ✓ Parking passes
- ✓ License plates
- ✓ Cables & electronics

Adding to the stress, **20 percent of the customers involved in total loss cases were charged a fee for being unable to remove license plates** because they were unaware they were responsible for this step and did not know to bring a screwdriver.

⚠️ Simple reminders to retrieve their license plate or double-check shop or yard hours can save a lot of time and frustration down the road.



### Step 4: Customer Release

During step four, customer release, improved communication and collaboration saves time, money, and helps the carrier achieve a faster resolution for the customer.

A totaled vehicle is typically stored in one of three standard locations.

Three Standard Locations for Totaled Vehicle Storage	
<b>Driver's Home</b>	In less than 15 percent of cases, a total loss vehicle is stored at the driver's home and assigned to a salvage vendor for pickup. While carriers may assist the salvage vendor in this scenario, their main priority should be keeping the customer informed about the pickup and what to expect.
<b>Preferred Auto Shop</b>	Based on carrier/shop network relationships, the total loss vehicle may also be stored at a preferred shop. While storage fees are controlled, space is often limited, so the salvage vendor needs to work with the shop to schedule a pickup quickly.
<b>Non-Preferred Auto Shop</b>	In most cases, a total loss vehicle is stored at a non-preferred auto body shop. In this scenario, the carrier and salvage vendors have seven interactions per claim on average just to support the release.

According to Allen, customer contact and release delays can lead to storage fees—averaging \$70 for 2.5 days—often one of these shops' primary sources of revenue. As a result, a subset of non-preferred shops may try to hold vehicles for as long as possible, creating additional delays and fees.

During the customer release phase, most questions can be answered by all parties having access to a unified conversation thread, replacing email and phone communications with collaboration on a digital platform. By inviting all relevant network partners into the existing customer texting conversation, carriers can simplify interactions, reduce carrier fees in total support, move the vehicle transfer along faster and reduce confusion for customers.



### Step 5: Title Transfer

During the fifth step, title transfer, carriers can improve the experience by focusing on process explanation. Communicating clear expectations like reminders to locate and obtain their vehicle title and registration—which they will need to receive payment—makes for a better claims experience.

Carriers can also use SMS during this step to obtain the vehicle title faster. Policyholders can snap a photo of their title and text it to the carrier, confirming that the title exists. Once the carrier has confirmation, they can send payment out days or even weeks ahead of time.

In many states, digital title transfers are becoming a great option for carriers to reduce cycle time and transfer complexity. Hi Marley continues to examine digital title transfers in order to introduce straight-through processing steps in the digital total loss claims experience.



Hi Marley speeds up the total loss determination. We can easily gather lienholder information, account numbers, banking permissions and more, as well as confirm features on the vehicle—all small details that, **if gathered quickly, help to finalize the total loss assessment and resolve claims faster.**”

**ELIZABETH FITZGERALD**

Senior Auto Damage Team Lead, Electric Insurance



### Step 6: Payment

The final step in the total loss process is payment. Hi Marley found that most claimants receive their total loss settlement through paper bank checks.



In 30 percent of cases, **the claimant had to sign for the check when it was delivered to their home**, either causing interruption or creating potential delays if they were unavailable.

With digital payment platforms that exist today, such as [One Inc.](#), carriers can shift paper payments to same-day deposits. Rapid payments drastically reduce the cycle time and improve the customer experience.

Some carriers noticed that when policyholders start their claim using Hi Marley, they are far more likely to engage with the carrier’s other digital tools throughout the claims process, such as electronic fund transfer (EFT) payments.

“Those digital tools provide **a better customer experience**. And it’s better for us. It’s more efficient. The higher we can get that Hi Marley utilization, the better we are downstream.”

**TONY RANAURO**

Director of Analytics, Plymouth Rock Assurance





## A Better Total Loss Process Improves Customer Satisfaction

Hi Marley's [recent study](#) of customer satisfaction surveys revealed four factors that can make or break the customer claims experience: timeliness of service and resolution, communication, process explanation and expectation setting, and adjuster attitude and approach. When carriers use Hi Marley throughout the total loss process, they impact all four factors and enhance customer satisfaction and, ultimately, customer retention.

**By leveraging Hi Marley during the total loss process, carriers not only benefit from cost savings—\$125 per total loss claim on average—but also reap the rewards on NPS.** Based on survey data gathered by J.D. Power and Hi Marley comparing Hi Marley texters and non-texters, results showed:



Average claim index score **increased four percent.**



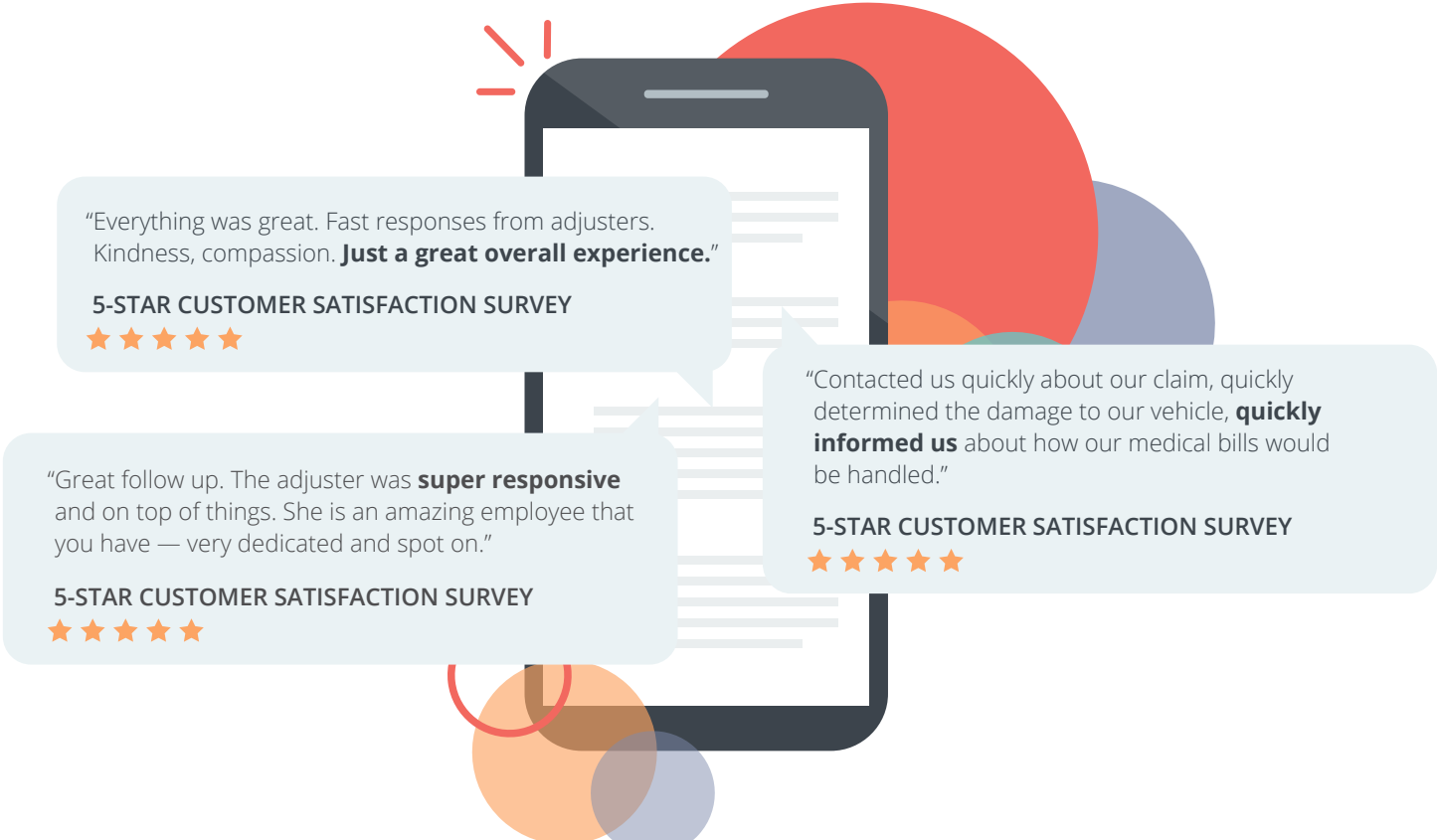
Average total loss index scores **increased four percent for overall satisfaction and five percent for the settlement process.**



For NPS, detractors **reduced by four percent**, and promoters increased **by seven percent.**

Furthermore, LexisNexis 2023 Auto Trends Report noted that claims impact customer satisfaction, with 33 percent of policyholders switching insurers following their total loss claim experience. **In our discovery, customers who were likely to renew or purchase from their insurer increased by seven percent when using Hi Marley, and customers who were likely to recommend their carrier increased by five percent,** proving that text messaging positively impacts the claims experience.

### Examples of 5-Star Customer Survey Responses When Using Hi Marley:



"Everything was great. Fast responses from adjusters. Kindness, compassion. **Just a great overall experience.**"

5-STAR CUSTOMER SATISFACTION SURVEY



"Great follow up. The adjuster was **super responsive** and on top of things. She is an amazing employee that you have — very dedicated and spot on."

5-STAR CUSTOMER SATISFACTION SURVEY



"Contacted us quickly about our claim, quickly determined the damage to our vehicle, **quickly informed us** about how our medical bills would be handled."

5-STAR CUSTOMER SATISFACTION SURVEY



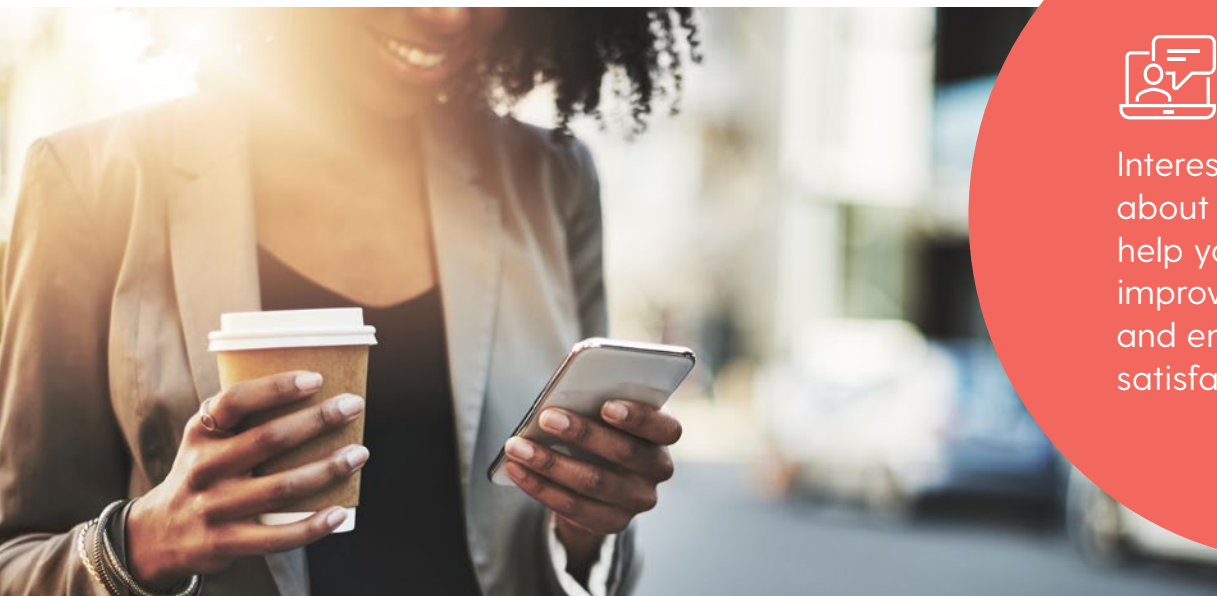


"I never anticipated that total loss claims would receive 5-star customer satisfaction reviews," said Allen. "Customers typically start the total loss process with a negative satisfaction score; total loss accidents are devastating. So the fact that Hi Marley can help carriers be clear, responsive and ultimately completely turn around the customer experience is an anomaly for total loss. Using Hi Marley in this process is not only improving customer satisfaction, but also satisfaction for the adjuster, carrier and overall network."

## The Future of Auto Total Loss Claims

While the supply chain and semiconductor production recover, total loss claims will continue to create challenges for insurers. "The automobile industry is undergoing a revolution," said Allen. "By 2035, most vehicles on the road will be newer electric/hybrid—that means all new ADAS, all new chips, all new parts; there will continue to be delays in these parts, production and knowledge for how to repair later model vehicles."

As auto total loss claims remain, carriers that take an empathetic approach, explain the claims process with clear expectations and next steps, provide regular updates, keep the customer informed and strive to achieve a prompt resolution will achieve high customer satisfaction scores.



Interested in learning more about how Hi Marley can help you reduce costs, improve cycle times and enhance customer satisfaction? [Contact us.](#)



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