**VOICE OF THE POLICYHOLDER
SURVEY REPORT**

How Insurers Can Keep Up with Customers' Evolving Service Expectations

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P&C Insurers Can Elevate the Service Experience

For P&C Insurers, customer service interactions are brief—typically under seven minutes. Yet, policyholders often struggle to find carrier contact information, and once connected, they waste time navigating the Interactive Voice Response (IVR) options, waiting on hold, dealing with transfers, repeating details, and more, creating a frustrating experience.

There's an opportunity for carriers to transform these customer interactions, add value, and drive satisfaction, loyalty and retention.

Hi Marley surveyed 1,000 homeowners, renters and automobile insurance policyholders to learn more about their recent service experiences and openness to different communication options for handling their service requests.

How 1,000 Policyholders Interacted with Insurance Carriers Over Six Months

ASKED A QUESTION ABOUT THEIR POLICY OR COVERAGE
"Does my homeowners' insurance cover water damage?"

43%

MADE A BILL PAYMENT
"I need to pay my monthly bill."

54%

MADE A POLICY CHANGE
"I need to update coverages, limits, or deductibles."

46%

41%

33%

REQUESTED A DOCUMENT
"I need a copy of my homeowners' insurance declaration to provide to my mortgage lender."

ASKED A QUESTION ABOUT THEIR BILL
"Can you help me understand this amount due or price increase?"

The survey results highlight customers' service expectations and preferences, including a dramatic shift in policyholders' perception of using artificial intelligence (AI) for insurance requests. This report reveals insights that can help carriers rethink how they provide service through communication options and AI-driven support to automate tasks to improve speed, efficiency and customer satisfaction.
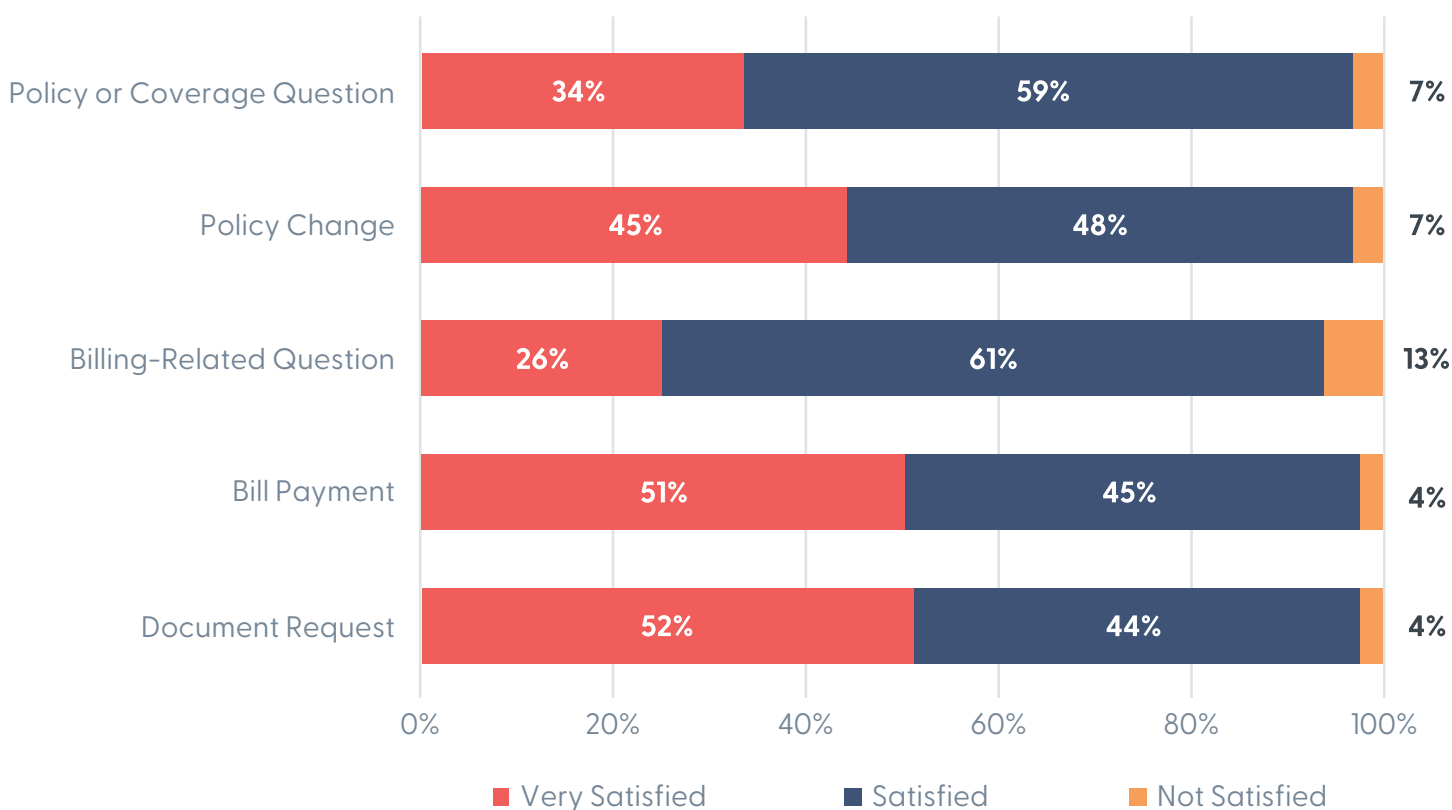
Type of Service Request Impacts Level of Customer Satisfaction and Requires Different Handling Approaches

Clear trends emerged amongst the type of service requests and the level of satisfaction with the service experience. While most service interactions are straightforward and transactional, some emotionally charged requests, like wanting clarity around a price increase, require handling with empathy and care.

Billing Inquiries Had Lowest Satisfaction Among Service Requests

Given the sensitivity around premium increases, it's no surprise that only 26 percent of respondents who asked a question about their bill reported feeling "very satisfied" with the experience. Thirteen percent of respondents who had a billing-related question reported being "not satisfied," which is more than with any other service request. This low satisfaction likely stems from a rate increase that triggered the initial question, leaving the policyholder frustrated before contacting the carrier.

Customer Satisfaction by Type of Service Request

Type of Service Request	Very Satisfied	Satisfied	Not Satisfied
Policy or Coverage Question	34%	59%	7%
Policy Change	45%	48%	7%
Billing-Related Question	26%	61%	13%
Bill Payment	51%	45%	4%
Document Request	52%	44%	4%

Furthermore, 17 percent of people could not resolve the question about their bill in one interaction; this happened more often than with any other service request, which could also contribute to a poor experience. If policyholders need to call back to resolve an inquiry, they usually start from scratch with a new representative. And without a record of the original conversation, the customer must repeat their question, and all details related to their request, leading to a frustrating experience.

Self-Service Excels for Simple Tasks, While More Complex Requests May Require Human Support

On the other hand, more than half of the respondents reported being very satisfied with their bill payment experience (51 percent) and document request experience (52 percent). People were also most likely to use the insurance carrier's web portal for these two service request types, which may mean straightforward instructions and self-service options that allow policyholders to complete requests quickly and easily, creating more satisfactory experiences.

Phone calls are the most common channel to handle more complex requests, such as questions about policy or coverage (56 percent), questions about bills (57 percent), or a policy change (52 percent). While the popularity of phone calls for questions and policy changes could imply that people want to work directly with a human representative for clarity and confirmation, it also offers an opportunity for carriers to make a personal connection and improve customer satisfaction.

Policyholders Have Diverse Customer Service Expectations

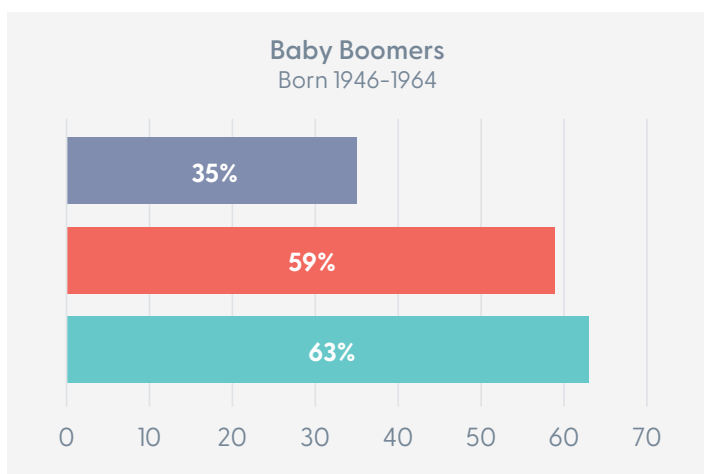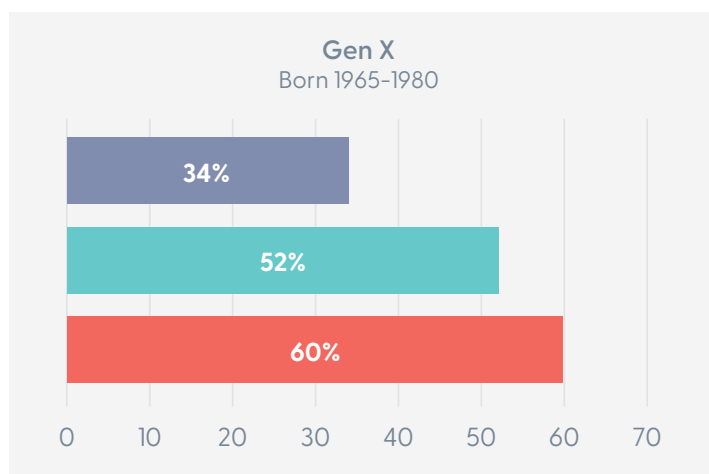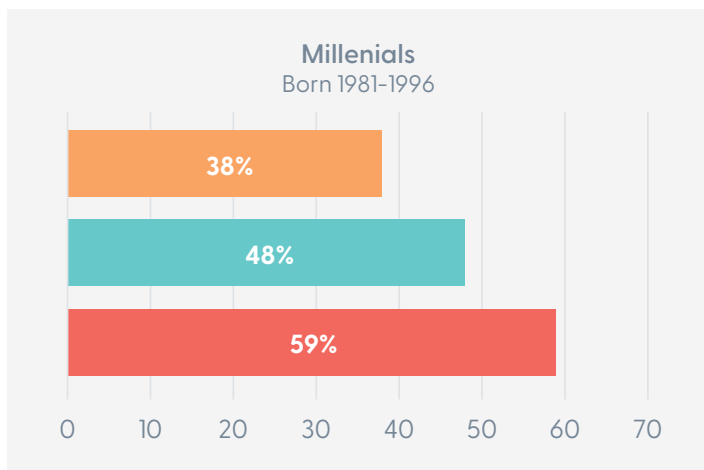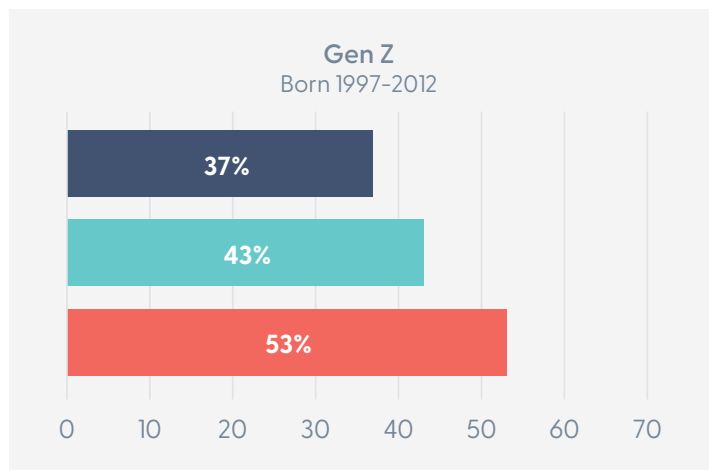Policyholders expect speed and efficiency.

Survey respondents said the **speed of resolution (59 percent) and the ability to communicate with a human representative (54 percent)** are the most important factors when selecting a channel to handle a service request.

However, looking at generational differences, the ability to communicate with a human representative is more important to older generations, as 63 percent of Baby Boomers said it's one of the most important factors when choosing a communication method to complete their service request. All other generations viewed speed of resolution as most important to their channel choice.

The ability to reach my carrier from anywhere is more important to Gen Z when choosing a channel to handle a service request (37 percent) versus 22 percent of Millennials, 16 percent of Gen X, and 18 percent of Baby Boomers.

Generations' Top Considerations When Choosing a Channel to Handle a Service Request

Gen Z
Born 1997–2012

- 37%
- 43%
- 53%

(x-axis: 0 10 20 30 40 50 60 70)

Millenials
Born 1981–1996

- 38%
- 48%
- 59%

(x-axis: 0 10 20 30 40 50 60 70)

Gen X
Born 1965–1980

- 34%
- 52%
- 60%

(x-axis: 0 10 20 30 40 50 60 70)

Baby Boomers
Born 1946–1964

- 35%
- 59%
- 63%

(x-axis: 0 10 20 30 40 50 60 70)

Legend:
- ■ Ability to Reach my Carrier from Anywhere
- ■ Ability to Communicate with Human Representative
- ■ Shortest Wait Time
- ■ Speed of Resolution
- ■ Ability to Self-Service

Differences Amongst Policyholder Priorities Highlight the Importance of Offering Options

Carriers should consider these shifting communication preferences. The differences amongst age groups and population segments demonstrate the importance of offering optionality so that the service experience caters to what the customer wants, driving satisfaction and loyalty.

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Texting Can Help Carriers Streamline Communication and Improve Efficiency for Repeatable Requests

Forty percent of respondents said they contact their carrier monthly or every few months; 66 percent contact their carrier for a bill payment, 57 percent for a question about policy or coverage, 52 percent for a policy change, and 50 percent for a question about their bill. With a significant number of policyholders getting in touch with their carriers regularly for repeatable, simple requests, the asynchronous, accessible nature of texting can accelerate these transactions.

Customers Show Strong Interest in Text Messaging, but Few Carriers Provide the Option

People are also open to using text messaging for service. More than half of respondents would feel comfortable using text messaging to handle a document request (51 percent), followed by questions about policy or coverage (43 percent) or their bill (42 percent). Yet, only five percent of respondents used texting to handle their service needs. This gap highlights a significant opportunity for carriers to offer text messaging as a communication option for service requests more often.

Texting Provides the Easiest Service Experience

Texting offers customers the easiest service experience, compared to other channels. While more respondents reported using web chat for service requests, only 46 percent said it was easy to use. In contrast, 57 percent of those who used texting rated the experience as easy when interacting with professional service providers.

In addition to supporting ongoing conversations and giving customers a trusted contact they can reach out to anytime, for any reason, texting also lends itself well to the automation of simple transactions or questions, creating efficiencies for carriers and fast resolution for customers.

Policyholders' Comfort with AI is Growing

The growing role of AI in insurance can also completely transform service rep conversations with customers, driving efficiency and delightful customer and employee experiences.

The survey results show a dramatic perception shift regarding AI.

65% **Sixty-five percent of all policyholders are comfortable or very comfortable** using conversational tools powered by AI for insurance requests. In comparison, only fifteen percent of respondents said they are very uncomfortable.

Five Factors Influence Policyholders' Comfort Levels with AI

In an open-ended question, the survey asked respondents to briefly explain why they said they felt very comfortable, comfortable, uncomfortable or very uncomfortable using conversational tools powered by AI for their insurance requests. Key trends emerged among the responses, as familiarity with, or trust in, AI, along with perceptions of its ease of use and accuracy, as well as preference for human interaction, influenced comfort levels.

Policyholders' Comfort Levels Correspond with Perceptions of AI Across Five Factors

	11% Very Comfortable	**54%** Comfortable	**20%** Uncomfortable	**15%** Very Uncomfortable
Ease of Use	**Appreciate how AI tools can provide fast answers,** handle simple requests instantly and help avoid long wait times.	**Believe AI tools are easy,** straightforward and intuitive. Favor AI for basic, routine, or non-sensitive tasks.	**Frustrated with AI's limited capabilities,** scripted, generic answers and inability to handle nuance.	**Find AI tools frustrating, slow,** or incapable of handling complex or non-standard issues.
Familiarity	**Use AI regularly** for work, research and more.	**Use AI regularly.** Many willing to adapt because AI is becoming standard practice.	**Do not use AI enough,** or do not understand how it works, leading to hesitation or resistance.	**Unfamiliar with how AI works,** which creates fear or avoidance.
Trust	**Interested in technology,** and excited about using modern tools; has high trust that AI is secure, smart, and well-developed.	**Trust AI to handle certain tasks,** but draw the line at personal, financial, or sensitive issues.	**Mistrust the accuracy, safety, security, privacy or intent of AI tools.** Broader concerns about AI replacing humans and taking jobs.	**Does not trust AI;** concerned about data collection, surveillance, and unauthorized sharing of personal information, and AI becoming too dominant.
Accuracy	**Believe AI tools are accurate and reliable.**	**Somewhat skeptical of accuracy,** but overall tolerant because AI usually works "well enough."	**Believe AI tools cannot think critically,** and lack empathy and contextual understanding.	**Feel AI doesn't understand context,** has no emotional intelligence, and gives robotic or off-topic replies.
Human Interaction	**Appreciate AI's 24/7 availability** and not having to talk to a person for routine issues, but want the option to communicate with a human.	**Value quick answers, no waiting,** and 24/7 availability; say AI is a good first step, as long as it can escalate to a human when needed.	**Desire to talk to a real person over AI in most situations,** feel that humans offer better understanding, empathy, and assurance.	**Strongly prefer human interaction,** believe only a person can understand their questions fully, show empathy, or provide tailored responses.

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AI Presents an Opportunity for Carriers to Improve the Service Experience

Introduce AI Starting with Simple Tasks

Since the technology is still new and somewhat unfamiliar, most respondents prefer using AI-powered solutions for simple tasks over complex ones. However, as policyholders' comfort with AI continues to increase, insurance carriers have the opportunity to transform how they deliver service and consider ways to automate certain interactions.

This insight suggests carriers would be most effective by introducing AI and automation for simple, straightforward service needs like document requests, billing date questions, amount due questions, or policy coverage questions. Starting with using AI for low-complexity service needs will drive efficiency while maintaining an excellent customer experience through fast resolution.

Ensure Transparency and Maintain the Human Connection

While even the most comfortable respondents expressed trust in AI, they still appreciate the ability to escalate their request to a human, creating a safety net.

In fact, not being able to contact a live person when needed was the top reason that would cause Baby Boomers (52 percent), Gen X (48 percent), and Millennials (42 percent) to consider switching carriers.

Although AI presents enormous opportunities and potential benefits with increased efficiency, streamlined communication and lower costs, customers still have reservations and apprehensions. Carriers must be transparent about how they're implementing AI tools to maintain trust and ensure that customers can easily escalate to a human when needed.

Combining the Benefits of AI with Personal Touch Will Elevate Service Experiences

Regardless of the speed and efficiency AI enables, insurance is still a people-focused business; it's crucial not to lose the human element of interactions. Carriers that combine the benefits of AI and personal touch will be best positioned to meet evolving customer expectations in service.

To learn more about how Hi Marley can help your service team drive efficient, lovable customer experiences, visit **himarley.com/service.**

In the past six months, did you make any of the following insurance service requests through your insurance carrier? Select all that apply.

Bill Payment	Policy Change	Policy or Coverage Question	Billing-Related Question	Document Request
54%	**46%**	**43%**	**41%**	**33%**
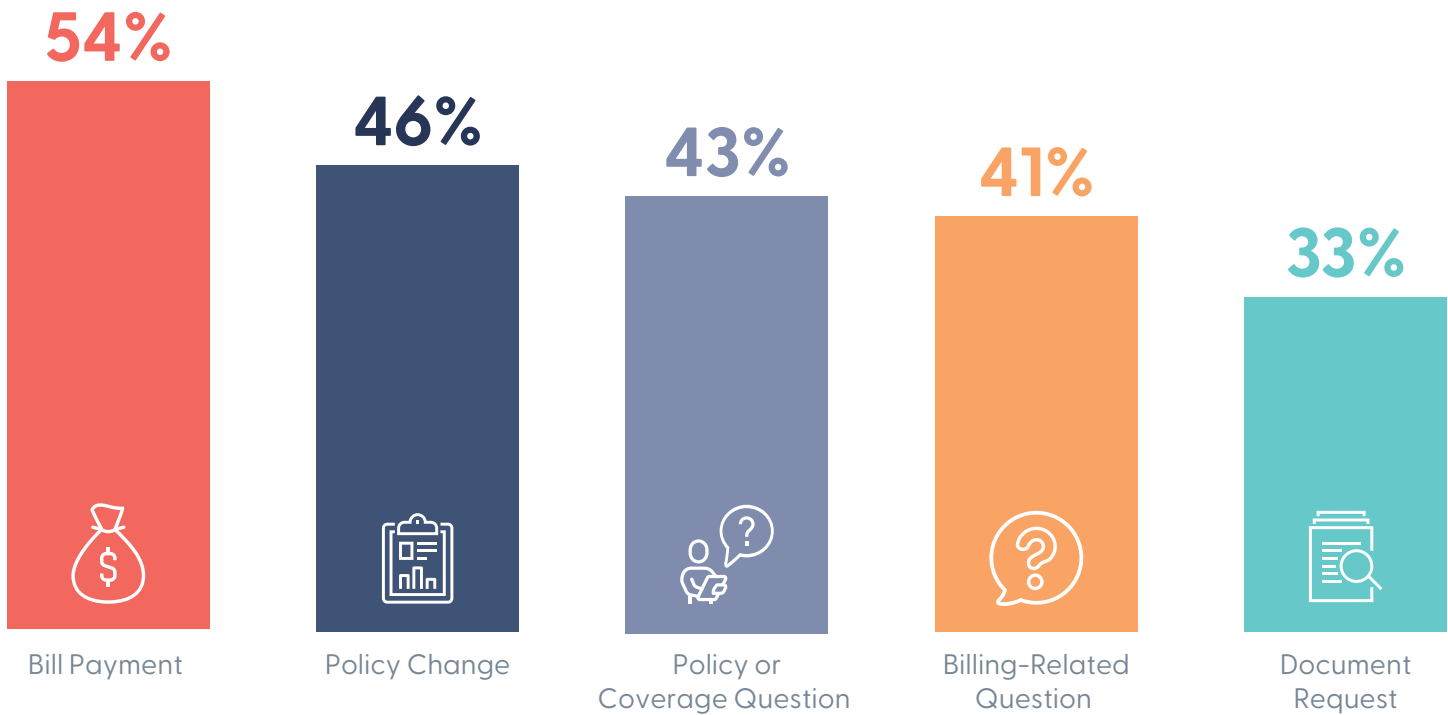
What primary channel/method did you use to complete your service request?

	Phone	Email	Web Chat	Insurance Carrier's Portal	Text Messaging	Insurance Carrier's Mobile App	Different Channel
Policy or Coverage Question	56%	17%	8%	8%	6%	4%	1%
Policy Change	52%	12%	6%	17%	5%	6%	2%
Billing-Related Question	57%	13%	10%	9%	6%	4%	1%
Bill Payment	22%	8%	6%	40%	4%	17%	3%
Document Request	22%	18%	7%	35%	2%	13%	3%

Legend:
- Phone
- Email
- Web Chat
- Insurance Carrier's Portal
- Text Messaging
- Insurance Carrier's Mobile App
- Different Channel

Could you complete your service request in one interaction?

Category	Yes	No
Policy or Coverage Question	90%	10%
Policy Change	86%	14%
Billing-Related Question	83%	17%
Bill Payment	96%	4%
Document Request	93%	7%

■ Yes ■ No

0%   20%   40%   60%   80%   100%
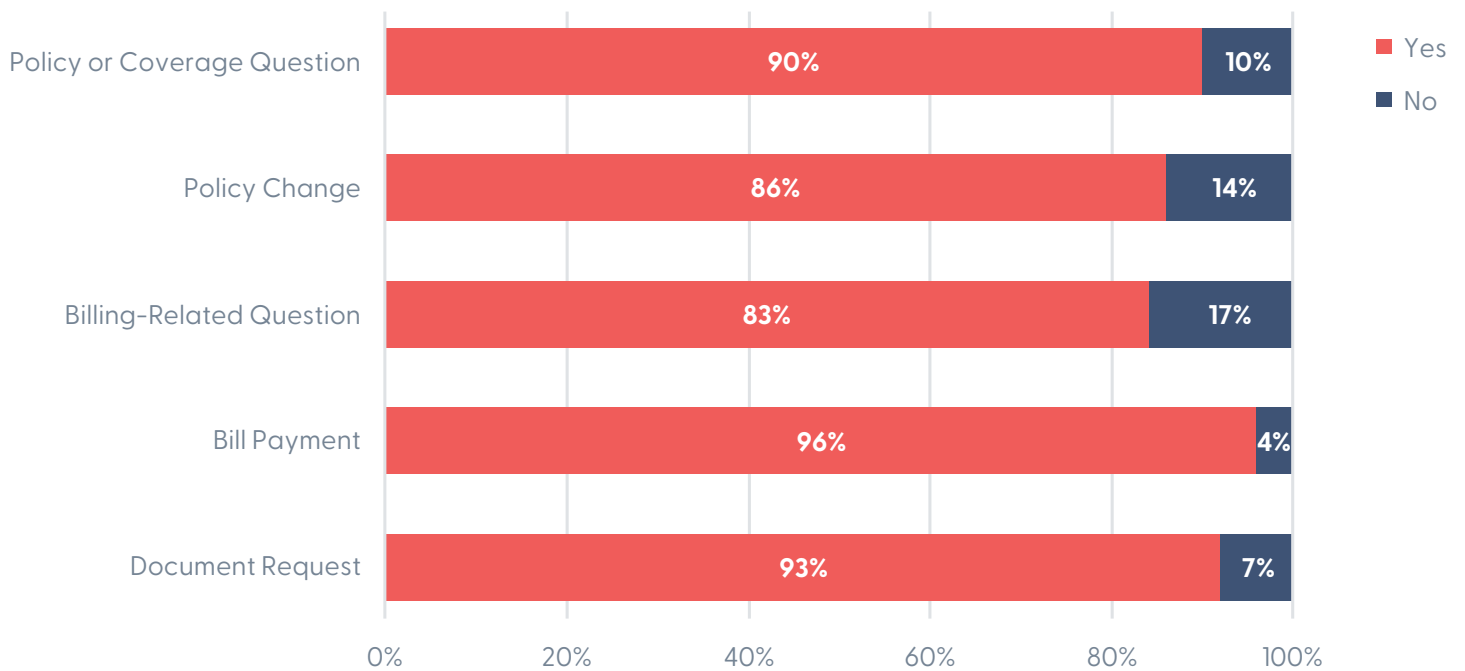
When choosing a channel (example: phone call, email, text messaging, web chat, etc.) to handle a service request, what top three factors are most important to you?

59%
Speed of Resolution

54%
Ability to Communicate with a Human Representative

35%
Shortest Wait Times

32%
Ability to Self-Service

29%
Fewest Number of Touch Points/Transfers

24%
Having One Trusted Contact, a Direct Point of Contact

20%
Ability to Reach my Carrier from Anywhere

16%
Ability to Communicate in my Preferred Language

Which of the following requests would you feel comfortable handling via text messaging?

Request	Percentage
Document Request	51%
Policy or Coverage Question	43%
Billing-Related Question	42%
Technical Support	37%
Bill Payment	36%
Policy Cancellation	28%
Policy Changes	26%
None of the Above	15%
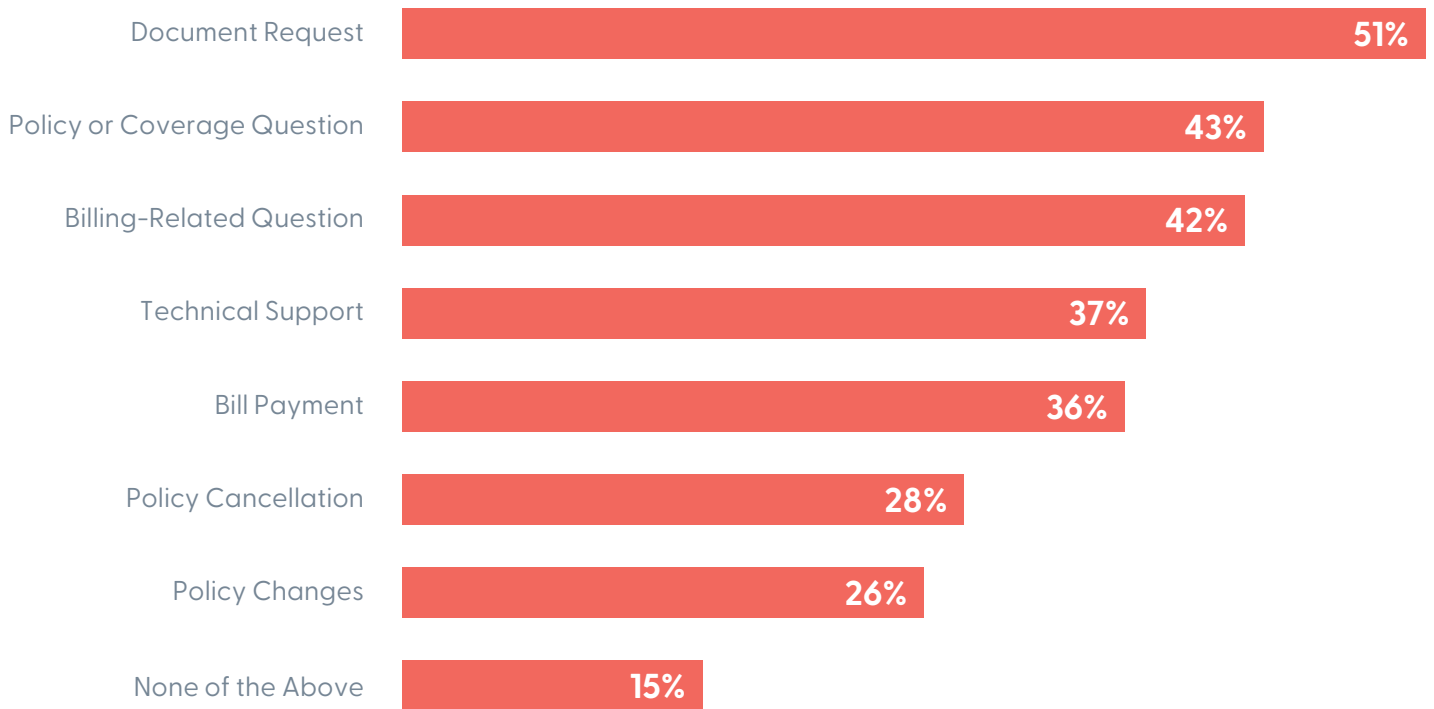
How comfortable are you with using conversational tools powered by AI for your insurance service requests?

20% Uncomfortable

15% Very Uncomfortable

11% Very Comfortable

54% Comfortable

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How often do you typically interact with your insurance carrier?

Monthly	Every Few Months	Once or Twice a Year	Rarely/Never
12%	**28%**	**51%**	**9%**
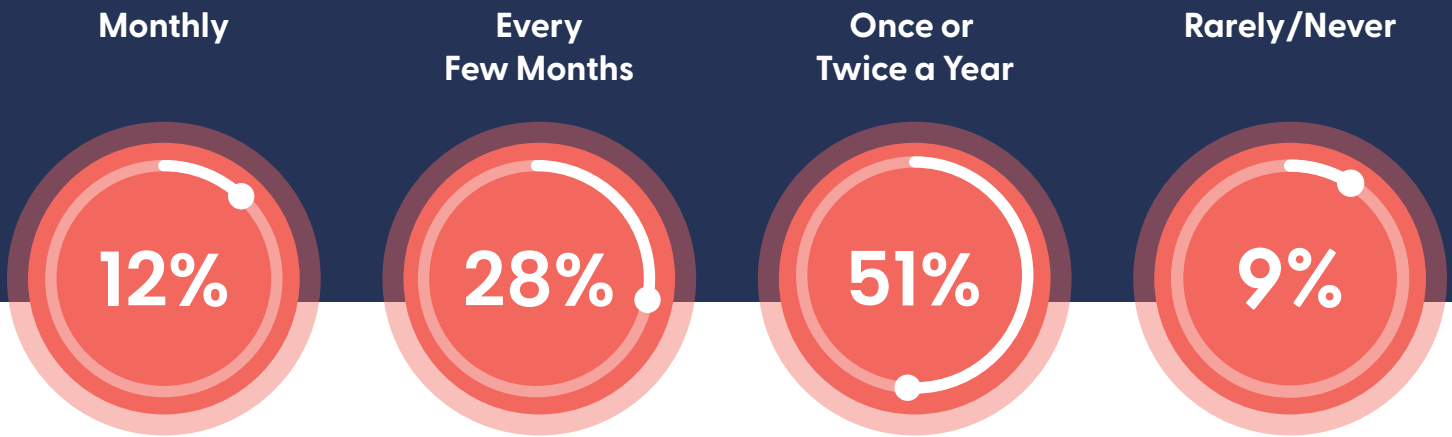
Out of the following, which three would most likely cause you to consider switching insurance carriers?

46% If I could not get in contact with a live person when needed.

30% If I could not make a change to my policy quickly and easily.

29% If I could not communicate with my carrier/agent in my preferred communication channel/If my carrier/agent did not offer communication options.

28% If I could not find answers to my questions quickly and easily.

26% If I had to work with multiple people to find answers to my questions.

24% If I had to work with multiple people to make a change to my policy.

21% If I could not easily find/access documents that I needed.

18% If I could not receive technical support easily.

18% If I had to work with multiple people to access documents I needed.

12% If I had to work with multiple people for technical support.

Did you use web chat, texting or any AI-powered conversational tools (chat bots, IVRs, etc.) over the past 12 months for any professional service need?
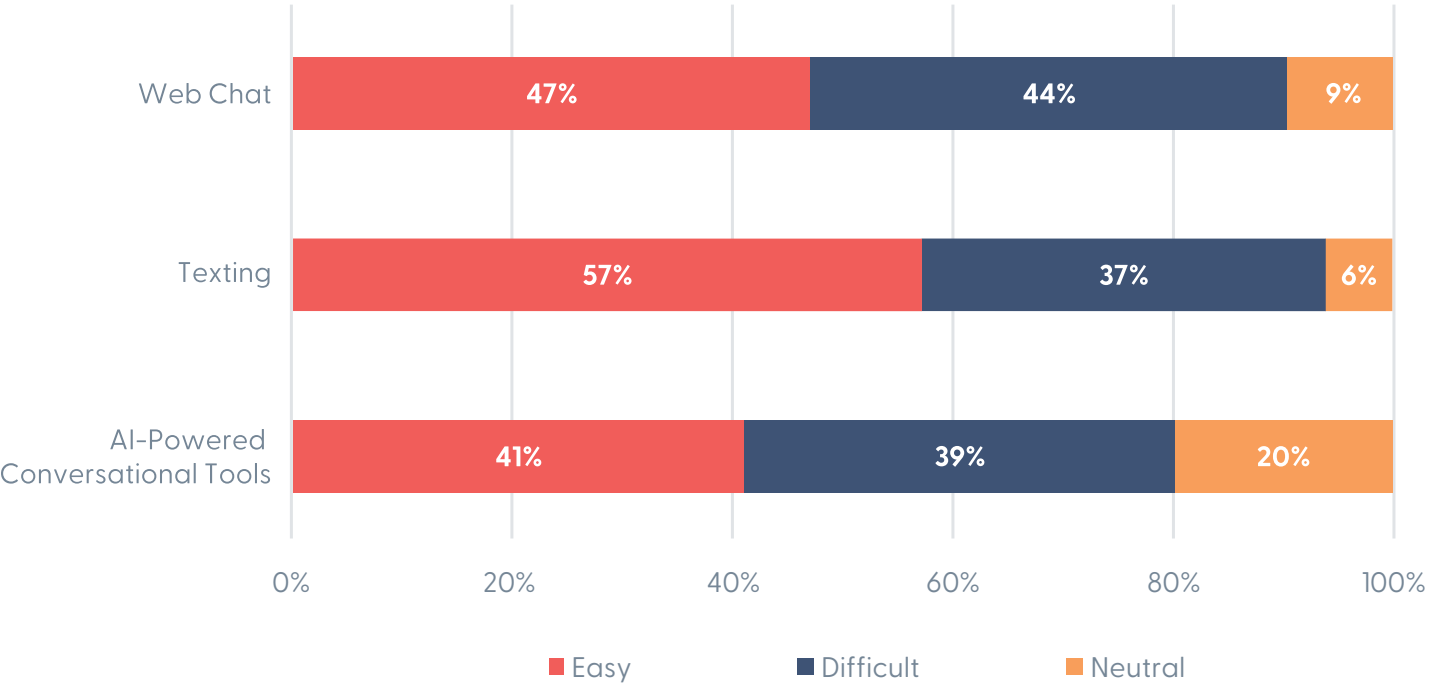
| 50% | YES | NO | 50% |

WEB CHAT

| 60% | YES | NO | 40% |

TEXTING

| 63% | YES | NO | 37% |

AI-POWERED TOOLS

If yes, how would you describe your experience using this channel to complete your request?

	Easy	Difficult	Neutral
Web Chat	47%	44%	9%
Texting	57%	37%	6%
AI-Powered Conversational Tools	41%	39%	20%

0%   20%   40%   60%   80%   100%

■ Easy   ■ Difficult   ■ Neutral

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To learn more about
How Insurers Can Keep
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