



# Unlocking Customer Loyalty

## Seven ways to scale up services via the claims process.

By [Jay Straughan](#)

Insurers have a limited number of strategies to truly differentiate themselves from their peers. Strategies typically rely on a combination of price, premium levels, products, consumer confidence, and services. But the true inflection point happens when the policyholder makes contact with the carrier.

Experts and consultants agree. “It should come as no surprise to insurers that handling a claim is one of those hinge moments that can turn neutral customers into staunch promoters or detractors,” says Bain & Company. “Yet ample opportunities remain. Investing to improve the speed of compensation, the ease of filing, and the quality of interactions with claims representatives can yield big returns.”

It’s absolutely critical to an insurer’s retention strategy that the claims experience is a positive one. Here are seven ways insurers are scaling up services to become customer-first advocates, earning and retaining customers for the long haul.

### 1 Escalate Services Onsite

Telephone adjustment of claims has decreased the time to settlement, avoiding the need for policyholders to take time off from work for an onsite appointment. Decreasing the time to settlement even further continues to be an important area of emphasis in the current environment.

The customer claims experience has been improved in several ways. Claims are being handled by licensed, trained, and fully confident adjusters who work in call centers contacting and listening to policyholders as they relate damages. These adjusters may ask for photographs of damages, and they are authorized to make estimates and send payments based purely on the information they receive during a phone call or by email.

There are companies that are using staff adjusters to get onsite quickly to inspect a claim, write an estimate, and leave a check in one visit. More efficient than a paper check, products such as preloaded debit cards that are issued by insurers speed the payment process. While onsite, the claims adjuster can provide a distressed homeowner who has just lost everything a debit card with available funds that can be accessed immediately and used for housing, clothes, and food. Issuing a debit card is effective, especially in hurricane or tornado-ravaged areas where roads are blocked and banks may be closed. Claimants in these circumstances likely will never forget this kind of customer-first experience and will be wedded for life to the insurer.

## **2 Outsource an Extra Set of Hands**

An area of customer experience that has always been a challenge is the contents portion of a loss. Many policies require the policyholder to draft a list of all damaged contents and indicate when items were purchased, including their actual cash values. Receipts are requested where possible.

Obviously, this can be a time-consuming task for a policyholder to undertake on even a small scale. For a large loss, the time it takes to comply with policy requirements is multiplied and can become quite difficult to accomplish during a very stressful time. Carriers deal with this complexity in multiple ways. They don't always enforce all the requirements of the policy, and they don't always require a receipt for every item being claimed.

Some carriers have staff that is dedicated to preparing content inventories for their policyholders. They will send a qualified person to the site to assist the insured with the preparation of that list. Some insurers use outside inventory specialists as an extra set of hands to help claimants prepare those lists and to help determine the current replacement costs and actual cash values of the damaged property. These suppliers then send data to the carrier that is working with the insured or claimant to determine the final claim amount. The outsourcing of key processes speeds up the overall settlement process, which is what all involved parties want.

## **3 Let Big Data Show You the Way**

For the most severe large-loss cases, such as when there's nothing left of a home but a slab, some carriers make the decision simply to write a check for the policy limits (or for a percentage of policy limits) to settle the claim upfront. Insurers make decisions like this every day to streamline the claims process and demonstrate how they stand behind their policies.

Insurers also have a duty to their policyholders and shareholders to make sure the amount they pay for claims is fair and accurate. Some carriers have found ways to invest further to determine the most accurate worth of contents in a home. For example, how do you determine the value of contents in a case where the home is valued at one million dollars? Previously, this has been based more on art and gut-feeling than on science. Big data increasingly is being deployed to help carriers make informed decisions as to what the likely amount of contents was in the home before the loss.

Carriers are becoming smarter about knowing their risks and spend. They are leveraging their data together with supplier data to predict outcomes. Data can predict the likelihood that a total loss payment should be issued or whether a more detailed, item-by-item claims investigation is warranted.

## **4 Follow Up Post Settlement**

Smart insurers are offering services and staying in touch with customers well after the claim. Carriers are negotiating retail discounts with suppliers so that customer settlement dollars can stretch further. They are helping them find reputable, trustworthy contractors for repair jobs and even guaranteeing the workmanship and materials. All of this is done with customer advocacy in mind.

## **5 Go Beyond Indemnification**

One trend that is truly innovative for advancing the customer advocacy mantra is the merger of insurance with construction. Carriers are acquiring or developing their own construction companies or partnering with service providers. An example is G3C builders, formerly

GuideOne Taylor Ball Construction. In 2010, an electrical fire struck Columbia International University's library, destroying thousands of books. GuideOne rebuilt the library, then teamed up with a contents specialist vendor to replace the contents—in this case, the replacement of 35,000 lost books and the reshelving of 185,000 books.

## **6 Proactive Notification**

When a catastrophe is imminent, good insurers will do everything they can to reach out to customers in advance of the potential threat. They will contact their policyholders using all available channels, including social media and their network of agents. They will call customers' home phone numbers directly, giving them options for more details such as pressing one to speak with an agent and pressing two to hear safety and preparation information for the oncoming tornado, wildfire, hurricane, or other emergency.

Depending on the emergency, proactive insurers will notify customers by text message and local TV and radio announcements reminding them that trucks are rolling in with adjusters to deal with the anticipated claims volume. Some insurers use single-engine airplanes to fly banners before and after a catastrophe, offering a phone number to call to report a claim. While relatively new for customer outreach, mobile text messaging is especially effective when people are fleeing the path of a hurricane; they otherwise wouldn't receive that urgent telephone message at home.

Twenty years ago, we didn't see insurers expending too much effort to make the claims reporting process easier. Today, it's a different world. Now when a claimant calls their insurer, technically advanced phone systems instantly ID the caller. The policy pops up on the agent's screen, and the agent can greet the customer by name: "Hello, Mr. Jones. You've called to report a claim. I'm sorry about that. I've got your policy right here and can help you sort through the process. Tell me what happened."

These kinds of customer-first experiences are highly memorable with the objective of creating customers for life with each one of these positive resolutions.

## **7 Try All-Inclusive Services**

Other post-loss strategies gaining momentum include insurance companies that are looking at full vertical integration, managing not only risk, insurance, construction, and the contents side, but also offering soup-to-nuts professional services. These carriers are adding additional services such as cleaning and restoration, legal, home warranty and home maintenance referral, banking, and financial planning. The vision is to take charge of all customer needs, to essentially "curate" the customer from A to Z.

Business models such as reciprocal exchanges are offering one-on-one customer concierge services. An example is Privilege Underwriters Reciprocal Exchange, or PURE. In addition to supplying onsite claims adjusters, PURE offers member advocates whose job it is to help the policyholder in any way needed, almost acting like a free concierge.

In figuring out ways to convert claims into positive customer experiences for the highest retention potential, smart insurers are considering the entire lifecycle of the policyholder experience—from early notification of a catastrophe event to different ways of making the contents inventory and valuation easier to expediting payment and settlement to helping coordinate full restoration. This kind of holistic approach clearly wins the hearts and minds of insureds.