



ARTICLE

# Four steps to transforming the customer claims experience



*In a world of evolving customer needs, claims departments have a daunting task at hand: Build the goodwill of the insured (or, at the very least, maintain existing goodwill) while accurately settling claims in a timely and efficient manner. For the front line claims adjuster, these goals can often seem to conflict with one another. Numerous surveys tell us that speed of settlement drives overall customer satisfaction; however, the latest J.D. Power U.S. Property Claims Satisfaction Survey reveals that insureds also are looking for a fair and accurate settlement with frequent communication.*

While turn-around time is indeed a dominant factor, it would be a mistake to assume faster claim closure as the sole driver of customer satisfaction. Perhaps the best example of the need to consider all aspects of customer experience can be found in claims involving personal property contents. Insurance carriers should consider four important steps:

## 1. Understand the emotions associated with personal property

It is critical to understand how insured emotions differ from claim to claim. While claims are often an unpleasant occurrence for the insured, claims professionals must recognize the diversity in emotions associated with the process. Replacing a wet carpet or a television does not compare to replacing an antique that has been in the family for many decades.

While the pace of claim settlement matters to the customer in either case, spending time with the insured to accurately value, and, when appropriate, enable expert assistance to source and replace the antique, will go a long way in enhancing the overall customer experience. Insurers need to look at every touchpoint as an opportunity to deliver superior service, and design workflows to allow the front line adjuster the needed flexibility to assess and respond to the different emotions.

## 2. Be cognizant of insured demographics

Most carriers' policyholder base spans a wide range of age demographics. When designing a customer experience, it is important to recognize that one size does not fit all. In many customer surveys, for example, respondents in the 18-25 age range show a dramatically different opinion on many of the questions than the 55+ age group. It is also imperative to acknowledge and understand that younger policyholders will be much more tech-savvy and likely to

post experiences via social media and other channels.

This emergence of digital technology engenders a totally different approach for claims. For those involving personal property, age demographics can impact how one should approach valuation and even possible fulfillment options. Sourcing and pricing items online may indeed create a positive experience for the younger insured, while using local "brick and mortar" sources may be the better approach for older policyholders. Additionally, younger insureds may appreciate the convenience of direct fulfillment programs, while there may be other customers who wish to have the option of replacing items themselves.

Again, the key is to maintain a flexible approach driven by customer needs, preferences and expectations.

## 3. Balance technology and traditional claims adjudication approach

The explosion of digital technology in the last few years will decidedly play a huge role in claims adjudication going forward. Artificial intelligence (AI), chat-bots, mobile self-service apps, etc. are already available and making headlines. The challenge facing carriers today is not if, but when to deploy these technologies. Personal property contents claims are in good shape to benefit greatly from these advances. For example, utilizing advanced data analytics at first notice of loss (FNOL), carriers can triage claims for a rapid settlement process. Qualifying incoming claims to be handled using self-service applications for inventory creation could have a significant impact on cycle time and claims expense.

However, there will still be claims that will go the traditional route and need active adjuster (and, in some cases with personal property, expert) interaction. Demographics will again play a role in gauging amenability of insureds to the up and coming technology solutions. We are riding the digital transformation wave, yet truly engaging the customer will need a fine balance and a judicious use of traditional and non-traditional approaches.

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## 4. Get the “easy stuff” right

Carriers will spend millions of dollars on process and technology efforts, seeking to improve the customer experience. In addition, executives will put in thousands of training hours to ensure their claims staff can provide the highest service level possible. While these are noteworthy investments, they can amount to naught if insurers forget the simple basic things, “easy stuff” that can have a big impact on overall customer engagement, such as providing policyholders timely communication.

For personal property claims, insured interaction is critical, especially given the unprecedented power that customers now hold given increasing market competition. Getting the proper information on the original items is critical to accurately determine the like, kind and quality replacement details. This requires carriers to have flexible communication channels available for all insureds. Tech-

savvy customers want to communicate with their carrier using their preferred channels, e.g., chat, after-hours live assistance, electronic communications and the like. Redesigning customer touchpoints to provide various ways to interact helps influence satisfaction levels, creating positive customer experiences and a competitive advantage.

## The good news

Overall customer satisfaction for home-owner filing property claims is at an all-time high. Loss costs incurred by insurance carriers have also risen. Clearly, carriers are seeing positive results from their investments in improving the customer experience. The key to maximizing the return on investment is to constantly analyze and improve overall customer satisfaction. Understand what matters to your customers, shape the touchpoints to suit preferences, and handhold them along the property claims journey.

This article was authored by Steven Sugg, vice president and global operating leader for contents services in the insurance business at Genpact. [Claims magazine](#) first published this article in March 2018.

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