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Transforming the customer claims journey

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NEWS, OPINION

Focusing on the policyholder and utilising the right technology can help ease the pressures of the claims journey for all parties, says Bill Safran

Customers are hard to please in any industry. And as customer journeys go, the claims journey is undoubtedly one of the most complex, frustrating and personal.

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The journey involves multiple parties, complex documentation, compliance requirements, convoluted workflows and, at certain points, the need for immediacy. As a result, the process has traditionally involved a significant element of human interaction by paper and post. As with all customer journeys, the more complex they are, the more opportunities there are for delays, breaks and failures. The impact of a poor customer journey is also magnified with claims journeys, as the process is often an emotional one, with customers frequently in distress or even crisis.

Recent research by McKinsey into auto claims highlighted just how important customer experience is within the claims process. According to the findings, the top four factors for customer satisfaction are employee courtesy, employee knowledge, transparency, and ease of process and speed of claim settlement.

Surprisingly, financial factors such as the settlement amount were ranked only 12th on customers' lists, behind ease of tracking a claim and flexibility – making it clear that customers value service above payment, something that, traditionally, insurers have seen as paramount.

It can sometimes be unclear what insurers need to do to ensure they are satisfying the needs of their customers. But with transparency being a priority for customers, simplifying the customer journey should be top of the list for insurers who want to transform the claims process and create a journey that matches an experience that today's customers are demanding.

Connecting the dots

Delivering such a customer experience is particularly difficult when the process is so complicated.

Customers are easily frustrated by being unable to contact their insurer through their channel of preference, or at a time of day of their choosing. They will be equally unforgiving of any lack of transparency or clarity as to where – in the often long process – their claim actually is. These frustrations and queries often lead to multiple calls by the customer to find out what stage their claim is at, or to seek clarity in the process.

At the same time, insurers are faced with a paper-heavy process prone to human error, alongside compliance burdens, and the pressure to reduce the cost of serving customers, as price competition drives down margins. Added to this, insurers have to work with partners who add an additional layer of complexity into the process.

The demands for efficiency and transparency necessitate a single, unified view of the claims journey. Innovative insurers are already identifying ways to use technology to deliver this, using platforms that provide multi-party access with secure partitioning, a robust audit trail and automated workflows, such as creating notifications of where an individual claim has been reached in the process and who holds the next action.

This single claims view not only increases efficiency and reduces friction, but it also provides greater transparency. With such granular clarity over how a journey progresses, break points in the journey can be pre-empted and corrected upstream.

Rebooting the claims journey

So how are these dots actually connected? Insurers need to break the claims journey down on a granular level and look at the customer journey process by process, with a real focus on the customer's perspective.

For example, we know that customers arrive at the claims process through a plethora of channels, whether that's from email and telephone to social media sites like Twitter and Facebook.

But how do you then move them from these channels into the claims process?

There are also points in the process that create delays or force customers into channels that they don't want to use, such as having to wait for documentation in the post or send it back. Digital signing can remove the friction of needing to physically receive, sign and post documentation. These exchanges increase the administrative burden and timeframes at a time when emotions may already be running high. Instead, uploading documents to a secure platform and being able to see their passage through the necessary workflow can reassure the customer, organise the process and provide full transparency.

Additionally, factors such as forcing customers to carry out their journey at your convenience, on channels you prefer, during your operating hours, as well as asking customers to complete multiple (and sometimes repetitive) forms, can cause delays that often result in customer complaints.

Once these delays and fractures in the journey have been identified, insurers can start to find solutions and build journeys that are simple and intuitive.

The advantages of technology

There is no doubt that technology has played a key role in improving the customer experience.

However, the insurers that have seen the most success are those that use the customer as the starting point, and not the technology itself. The customer should be at the heart of the transformation, with technology used to deliver the preferred customer journey. Implementing technology from this viewpoint will secure a better outcome that delivers a more intuitive customer experience.

Using technology to facilitate a 'single claim view' can also bring third parties into the loop and give all parties involved complete transparency. Using technology that allows everyone involved in the process to see at which stage the claim is, where the next action lies, while also providing alerts to the relevant parties, allows everyone to work with greater efficiency and more control.

Taking measurements

Using the right KPIs to measure a customer journey is an essential element that is often overlooked.

A successful customer journey is built on a solid foundation of metrics that truly measure the success or failure of the entire journey. For example, call centre measurement is based on average call handling time (AHT). This metric may measure the length of the call, but not the effectiveness of the call. AHT leads to distorted results where a customer needing to make two calls lasting nine minutes each is better than having everything resolved in one ten minute call.

To achieve an effective claims journey, insurers need to measure the effectiveness of the journey overall, and not focus exclusively on siloed channels that can provide misleading feedback.

Setting the new standard starts now

There is no doubt that making a claim is a personal and often emotional experience.

As insurers struggle to differentiate themselves in a crowded and price driven market, making the most of this 'moment of truth' can provide the differentiator that insurers are looking for that will deliver the holy grail of retained customers and increased lifetime value.

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