



# Why insurers need to modernize the claims customer experience

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The Amazons and Googles of the world have set the standard for how companies should interact with their customers. They personalize interactions, anticipate needs, and allow customers to seamlessly conduct business across channels, all while keeping them informed of the status and positioning themselves for the next sale.

Significant changes have taken place as insurance shifts from a risk- and product-centric business to a customer-centric business. Claims leaders are now aiming for the Amazon-esque experience insureds have come to expect. Many carriers, however, have yet to fully leverage the [advanced digital technologies](#) and capabilities that enable what is quickly becoming table stakes in the industry.

## **Customer retention is becoming the new growth engine for insurers, and it's increasingly evident that loyalty is not driven by price alone**

According to an [article](#) by the Forbes Business Development Council on insurance "... growth and retention will rest heavily on service-based strategies that improve the customer experience." While a recent customer loyalty [survey](#) conducted by Bain & Company highlights the implications of claims not investing in customer engagement technologies, where: 56% of respondents indicated claims digital channels were slow and difficult to understand, and – perhaps as a result – 20% said they want more seamless access to a live person.

It's important for insurers to reimagine the desired brand experience, assess the impacts of new digital devices and capabilities, and figure out how they can work together to modernize the claims customer experience.

## **Engage insureds with proactive, personalized messaging**

The industry's longstanding customer engagement model of waiting to hear from the insured after something bad has happened is shifting to [proactive outreach](#). Carriers, for example, now have a greater ability to map policies in force against predicted weather events and catastrophic (CAT) storm paths. This, in combination with the ease of communicating through digital channels, creates opportunities for carriers to proactively engage with insureds before, during, and after a claims experience.

Pre-event, personalized messaging to the insured's desired channel can address safety, loss avoidance (e.g., links to emergency board-up services), and provide links and instructions on how to file a claim if damages occur. A number of carriers have taken this one step further with proactive claims notifications, setting up a claim, and assigning an adjuster before the insured has even called to report the damage. One leading personal lines carrier leveraged aerial imagery post-hurricane Harvey to identify impacted autos that were protected under the policy. Proactive, personalized messaging at scale can now round out the experience.

### **Provide a frictionless, omni-channel experience**

Insureds not only expect to be able to conduct business through their desired channel but to seamlessly transition between channels. They want the ability, for example, to easily speak to a live agent while reporting a claim online or the ability to transition to the agent without having to start over. Most carriers have the three standard channels in place – call center, mobile, and web – but few have optimized the ability to seamlessly transition between all three as needed. This shortcoming is often attributed to the coding of business and process logic directly into each channel. Organizations can remedy this through an orchestration layer that [manages logic centrally](#) and acts as the connective tissue between the insured and back-office activity. This will also simplify the addition of new channels (e.g., chat, telematics) and the ability to make updates as business processes change.

### **Streamline Claims First Notice of Loss (FNOL)**

Carriers often struggle with how much information to gather from the insured at the [time of notification](#). This is easier to resolve with the convergence of AI, natural language processing (NLP), voice and text analytics, and low-code environments. Progressive claims intake questioning can be tailored to the specific characteristics of the claim and coverages. In other words, the reply to a question elicits the appropriate follow-up. Low-code environments also simplify tailoring intake questioning across all lines of business and complexities. Progressive questioning guides the FNOL taker, or the insured on self-service channels, through questions personalized by the uniqueness of their claim, while Voice AI provides the ability to interpret the insured's responses and transcribes them directly into the appropriate fields. Voice AI can also be trained to interpret the need for special handling and prompt the agent with dynamic scripting (e.g., advise insured to preserve scene and evidence if loss could be attributed to a third party).

### **Personalize customer interactions to ensure brand loyalty**

How often do insureds contact your organization only to be met with a voice on the other end who doesn't know who they are, why they're calling, the extent of the relationship, and other pertinent details? Is this the desired brand experience?

You can't begin to personalize interactions with your customers until you know who they are. This goes beyond being able to list off the customer's policies and extends to the ability to demonstrate knowledge of the customer's journey or even the purpose of a service call. Insureds would rather be met with a personalized interaction that might go something like this: "Hi, Mr. Walker, I see that you have a claim in process and have inquired about how to return your rental car. I'd be happy to help." Personalization means that when a call comes in, the insurer is already prepared with insights about the customer and their needs so processes can be expedited and brand loyalty solidified.

The challenge to achieve personalization for many carriers is the ability to access the wealth of data scattered across the organization. Carriers typically organize technologies and supporting data by policy or transaction type. This works well for coding but not so much for creating personalized experiences. Many carriers, still today, lack a centralized customer database that shares data across systems.

In such cases, personalization can be achieved by leveraging emerging, [live data technologies](#) that allow for the access of data from where it's needed when it's needed. They act as a data virtualization layer, separating how your business apps use data from the plumbing – the technical details of how and when it's accessed. Every customer interaction can be personalized through the efficient access of data.

### **Engage effectively through self-service channels**

Once the claim is in process carriers have an abundance of options to proactively engage with insureds. Digital can push personalized notifications to the insured's preferred channel, such as status updates and reminders (e.g., inspection appointments, rental car return prompts), while "pizza trackers" provide insureds easy visibility to claims status through self-service channels.

## Leverage AI insights for post-settlement cross-sell referrals

There has traditionally been a separation between claims and sales functions. Some carriers would like to leave it that way. Others recognize that they have limited touchpoints with insureds and therefore limited opportunities to extend the depth and breadth of the customer relationship. In many cases the only interaction carriers have with their insureds is with a claim.

Clearly not every claim is an opportunity to engage in cross-sell referral conversations. With many claims, however (e.g., low severity, third-party), payloads of goodwill go underleveraged. Acting on these opportunities is not without obstacles. The steady drumbeat in claims to do more with less typically translates to increased adjuster pendings. Adjusters are naturally focused on moving onto the next claim. Additionally, sales is not always in the adjuster's DNA. Sensing the right opportunity and knowing what to say doesn't always come naturally.

Digital solutions, powered by AI and predictive analytics, are available and capable of sensing a customer's state and needs. Claims adjusters are prompted with the action most relevant to that individual in the moment, with dynamic scripting to facilitate the cross-sell referral discussion. Insights served up at the right time in the right way can enable claims to be more active participants in policy growth.

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## About the Author

As a Director and Industry Principal for P&C Insurance at Pega, [Mark Wassel](#) helps some of the world's most recognizable brands transform mission-critical processes to streamline work, increase revenue, and improve the customer experience.

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