

Complaint Management Customer Retention Policy

Property and Casualty Insurance



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Introduction - General Retention Principles

This document explains which customers need to be retained and the best approach to retain them.

Classification of the incoming customer communications

First, the last interaction with the customer should provide us some information regarding:

- Dissatisfaction level: Low, Medium, High
- Intention to leave: yes or no
- Reasons for contacting the company:
 - Bad service (affiliated tow truck or garage)
 - Claim processing time too long
 - Deductible too high
 - Accident not covered or only partially covered
 - Unsatisfied with customer service (insurance expert visit, agent, etc.)
 - Just want to get information about existing products or new products

Next Best Action Rules

Based on the outputs of the classification and based on the customer situation (claim being processed, subscribed insurance policy), business rules will be applied to determine the next best action.

The following table lists the possible actions that can be performed to retain a customer (or not).

Next Best Action	Reason for this Action	Involved roles
Status Quo = Thank you for contacting us but...	No retention effort is justified, e.g. low profitability customers.	Contact center
Customer re-assigned to retention department immediately (phone interaction) or asap	Priority given to high lifetime value customers.	Reassign from the contact center to the retention dept

The Claims Department will contact you within X days (prioritization of pending claims, need to reassess). If not, call me back.	Assure the customer that they will get an answer quickly for their complaint.	Reassign from the contact center or the retention dept to the Claims Dept
Compensation related to the damage: voucher, discount on repair service with affiliated company	Policy does not cover damage but we try to minimize the cost for a valuable customer.	Contact center or retention dept
Upsell offer	Policy does not cover damage or includes deductible and it would make sense to upgrade policy for similar future accidents.	Contact center or retention dept
Prepare counter proposal against competitors	Avoid losing market share and a good customer.	Retention dept
Discount on next renewal	Last resort but to be avoided as it might have a negative impact on profitability.	Retention dept

The rest of the document describes the retention rules to be applied in case of a customer complaint. The explanation codes follow a convention:

- AC = Applied Coverages
- RA = Reimbursed Amount
- HD = Handling delays
- QCS = Quality of Customer Service

Auto Insurance

Rules Applying to All Policies

Discount on loaner vehicle (AC-AUTO-SUBV-DISC)

A discount on a loaner vehicle should be granted to customers in the following situation:

- They stated they are not satisfied with the applied coverages
- Their policy does not include the “loaner vehicle” clause
- They are a very profitable customer, i.e. their CLTV percentile is at least 50%.

The amount of the proposed discount is calculated as:

$$10\% + \text{extraDiscountForCLTV} + \text{extraDiscountForChurner}$$

where

- 'extraDiscountForCLTV' = (the CLTV percentile of 'the client' - 'the profitability threshold') / 2
- 'extraDiscountForChurner' = 10% if the customer shows intention to leave otherwise 0%

Propose policy upgrade to include loaner vehicle (AC-AUTO-SUBV-UP)

An upgrade of the policy to include a loaner vehicle clause should be proposed to customers in the following situation:

- They stated they are not satisfied with the applied coverages
- Their policy does not include the “loaner vehicle” clause
- Their propensity to upgrade their policy is at least 0.4

All Risk Policies

Third Party Policies

Customer responsible for damage rule (AC-AUTO-TPL)

In case of a complaint of a customer with a third-party auto policy that is responsible for the damage, the complaint should be handled as indicated by the following tables:

	Intention to leave	↑↓	CLTV percentile	↑↓	Communicate with client		↑↓	Reassign to		↑↓
					message	explanation		department	explanation	
1	false		< 55		AcknowledgmentOfReceipt	AC-AUTO-TPL-1				
2	false		≥ 55		Proposal	AC-AUTO-TPL-2		SpecializedClientRepresentative	AC-AUTO-TPL-2	
3	true		< 40		AcknowledgmentOfReceipt	AC-AUTO-TPL-3				
4	true		[40	52[Proposal	AC-AUTO-TPL-4				
5	true		≥ 52		Proposal	AC-AUTO-TPL-5		SpecializedClientRepresentative	AC-AUTO-TPL-5	

Home Insurance

Property Coverage

Belongings Coverage

Voucher rule (AC-HOME-CONT-LONGTIME)

Forward the claim of the customer to a specialized sales representative in the following situation:

- Their policy covers only home structures, not the content ;
- The reason of their interaction is that they are not satisfied with the coverage;
- The customer policy has more than 180 days
- Their CLTV percentile is at least 65.

Voucher rule (AC-HOME-CONT-SMALL-VOUCHER)

A voucher with a market value of up to 100€ should be offered to customers in the following situation:

- Their policy covers only home structures, not the content ;
- The reason of their interaction is that they are not satisfied with the coverage;
- Their CLTV percentile is at least 50 and less than 60.

Voucher rule (AC-HOME-CONT-VOUCHER)

A voucher with a market value of up to 200€ should be offered to customers in the following situation:

- Their policy covers only home structures, not the content ;
- The reason of their interaction is that they are not satisfied with the coverage;
- The customer policy has more than 180 days
- Their CLTV percentile is at least 60.

Vouchers can be applied to:

- Cleaning
- Repair services
- Etc

Upsell rule (AC-HOME-CONT-UP)

An upsell to the home policy should be proposed to customers in the following situation:

- Their policy covers only house structure, not the content;
- They recently said they are not satisfied with the coverage;
- The customer's propensity to upgrade is at least 0.4.

Thanks to this upsell, the customer will avoid similar problems next time.

Generic retention rules about deductibles

Handling complaint about reimbursed amount related to high deductible (RA-DED-UP)

In the following situation: a customer with a high CLTV percentile (at least 50) complains about the reimbursed amount and the deductible on his claims is at least 120€ and the propensity to upgrade the policy is at least 0.4

The following actions need to be performed:

- First reassign to a claims expert and tell client to call back after 8 business days if no news (this is to examine the reimbursed amount in more details)
- Once the claims expert has reassessed the claims, reassign the complaint to a SpecializedClientRepresentative suggesting "a policy upgrade to avoid deductibles"

Default retention rules

Handling delays in answering to customer - communication (HD-CCOM)

definitions
set 'extra delay' to the number of days between the creation date of 'the claim' and the date of 'the last interaction';
if
the motive of 'the last interaction' is UnsatisfiedWithDelay

	Delta vs target duration		Send client communication		Reassign to	
	min	max	message	explanation	recipient	explanation
1		≥ 10	ApologyOnly	HD-CCOM1	SpecializedClientRepresentative	HD-CCOM1
2	2	9	ApologyOnly	HD-CCOM2	⊘	
3		≤ 1	AcknowledgmentOfReceipt	HD-CCOM3	⊘	

Handling delays in answering to customer - prioritization alarm (HD-ALARM)

Forward the complaint to a claims expert with a prioritization alarm

when the customers are in the following situation:

- They said they are not satisfied with delay taken to process their claim
- At least two days have passed since they declared the damage

Reassign to claims expert (AC-DEFAULT)

Forward the complaint to a claims expert with a prioritization alarm when customers are in the following situation:

- They recently said they are not satisfied with the applied coverage;

Reassign to claims expert (RA-DEFAULT)

Forward the complaint to a claims expert when customers are in the following situation:

- They recently said they are not satisfied with the reimbursed amount;

Reassign to specialized client rep (QCS-HIGH-CLTV)

Forward the complaint to a specialized client representative as "QoS Issue - look for ways to improve client satisfaction" for customers in the following situation:

- They said they are not satisfied with the quality of customer service
- their CLTV percentile of 'the client' is at least 40

Forward to quality specialist (QCS-ALL)

Forward to a quality specialist as "QoS Issue - look for ways to improve overall quality" for customers in the following situation:

- They said they are not satisfied with the quality of customer service

List of affiliated providers to IBU insurance

Carpet cleaner

1. **Stanley Steemer, Address:** 1000 W. 14th St., Canton, OH 44703
2. **Chem-Dry, Address:** 1000 N. 4th St., Suite 200, Las Vegas, NV 89101
3. **Oxi Fresh Carpet Cleaning, Address:** 1234 S. 5th St., Denver, CO 80204

Auto repair

1. **Hawthorne Auto Clinic, Address:** 3939 SE Hawthorne Blvd, Portland, OR 97214
2. **Steve's Imports, Address:** 12345 SW 68th Ave, Portland, OR 97223
3. **K&M Auto Service, Address:** 1234 NE 12th Ave, Portland, OR 97232

Home repair

1. **Mr. Handyman, Address:** 1234 Main St, Suite 100, Anytown, USA 12345
2. **Home Repair Services, Address:** 5678 Elm St, Springfield, USA 67890
3. **HOMEE, Address:** 9101 Oak Ave, Suite 200, Metropolis, USA 23456