

In Series Claims

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DON'T LET GO

Firms that go the extra mile to ensure customers feel valued at all points of interaction will reap the benefits when it comes to renewal

By Sara Costantini

Unsurprisingly, customer retention is a high priority for insurers and brokers seeking to protect and grow their businesses. From a commercial perspective, the recognised marketing statistic that acquiring a new customer costs five times more than retaining an existing one makes retention a compelling business objective.

Recent studies have shown the claims stage represents one of the most important phases where the relationship between insurers and customers is tested. If a customer has a bad claims experience, they often show no hesitation in changing insurer at renewal. For many customers, making a claim may be the only time they have direct contact with their provider, and it is also the time when they assess the real value of the policy they have been sold.

Today's policyholders are promiscuous — their ability to shop on aggregator sites represents a challenge to insurers and brokers in terms of customer retention. Building trust and loyalty with the customer will help an insurer or broker stand out, encouraging the customer to look

beyond price as their primary buying criterion at the time of renewal.

With that in mind, a flexible approach, a positive customer experience and high-quality customer care are key to retention. For claimants, communication and transparency are important aspects of the process. Meeting settlement expectations, providing an accurate estimate of how long the claim process will take and following up after the claim can all drive long-term loyalty. While avoiding the involvement of third parties and interacting with a small number of claims handlers throughout the process can reduce inefficiencies, additional costs and the risk of fraud.

Insurers can use a number of techniques to analyse the process to ensure they are meeting customer concerns. Lapsed customers can be tracked and analysed, and retention strategies that monitor and segment customer portfolios to gain a holistic view can be developed. Rich sources of internal, cross-industry and third-party consumer data can be utilised to support retention goals and quickly validate claims data, enabling swift decision-making and improving customer experience.

Knowing your customer is key to making them feel valued and providing a relevant service. A story told at a recent conference epitomises the personal touch insurers should add: a woman attempting to make a claim on her insurance was unable to read the policy details because her young son had scribbled over the relevant section. She called her insurance provider to explain her predicament and was assured a new copy of the document would be posted to her that evening.

In the envelope that arrived the next morning, the promised copy of the policy document was accompanied by a note from the claims handler and a picture for the woman's son to colour in to avoid a repeat scenario. The customer undoubtedly felt valued and is likely to have told the story to many others.

Insurers and brokers that strive to provide their customers with the personal touch will see their reputations precede them, supporting customer retention and growth goals. ■



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