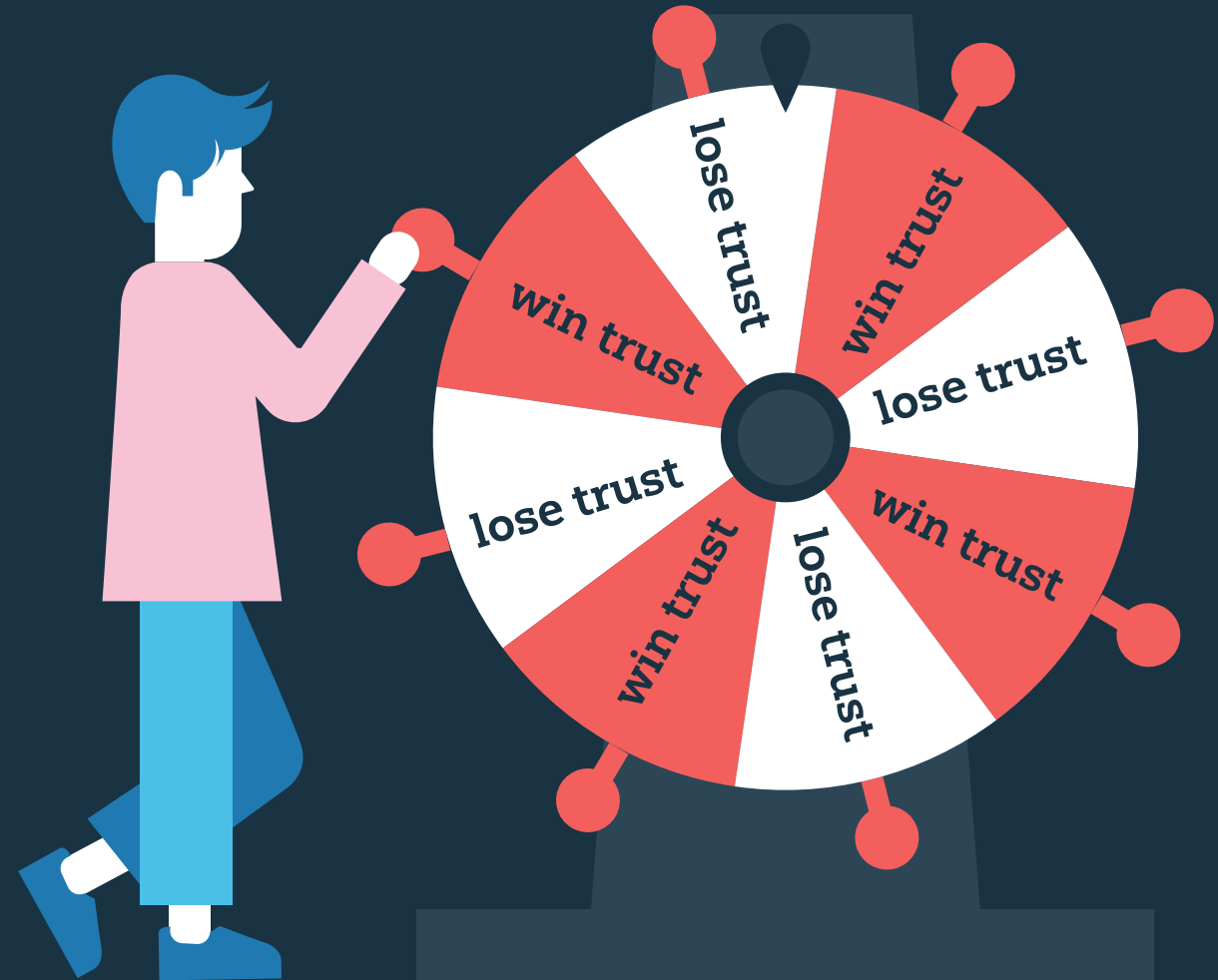


# Hyper-personalization in claims

Streamlining processes to build loyalty and trust

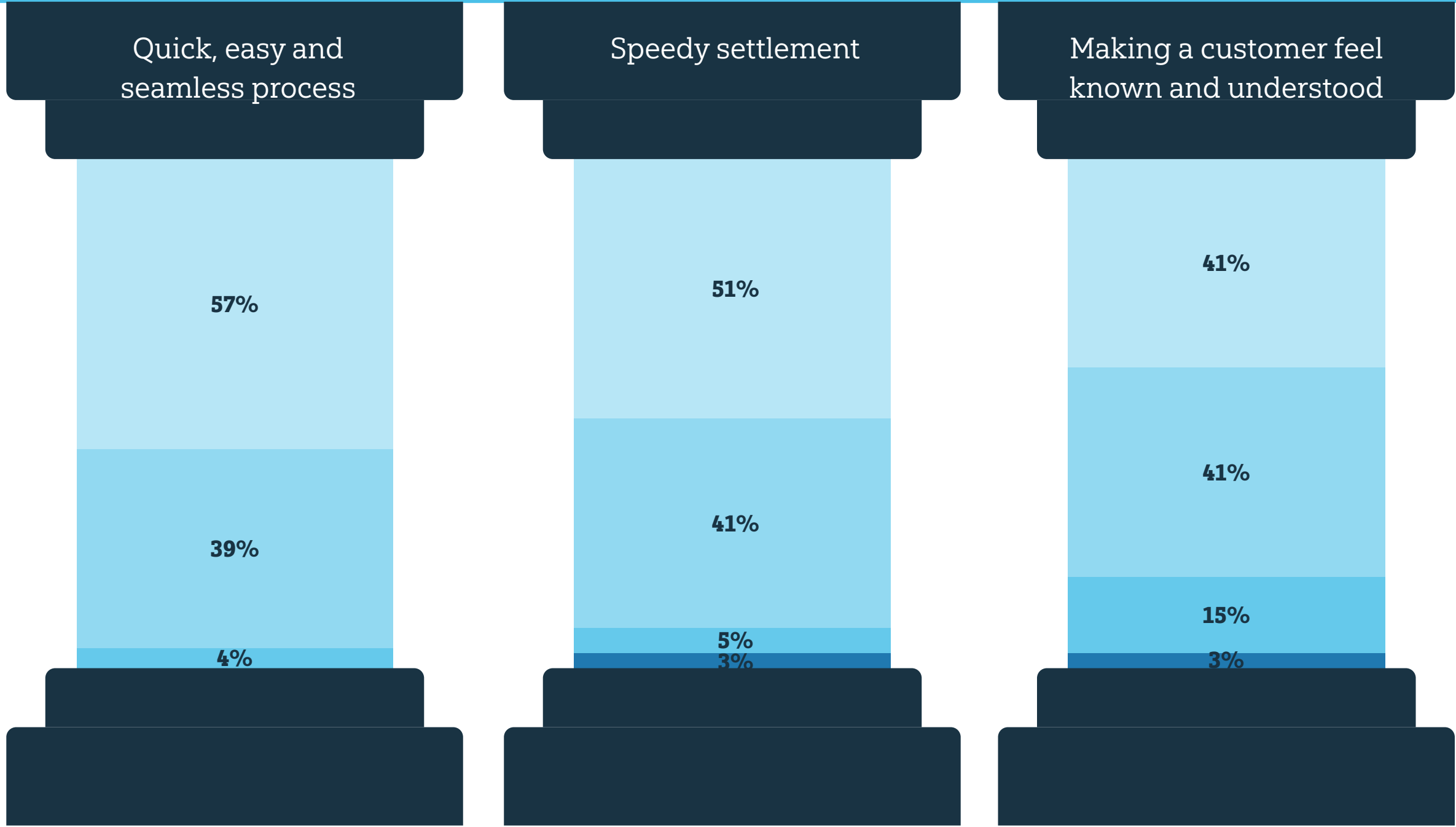
Based on results from an Insurance Innovators' survey of over 150 insurance executives, created in partnership with Smart Communications and Salesforce, this infographic finds an industry keen to build trust and loyalty, reduce the hassle factor and speed up time to settlement. Our respondents envision a future in which hyper-personalization will unlock new opportunities to improve customer satisfaction and retention.



**95%**

agree that the claims experience is where insurers have the greatest opportunity to win loyalty but also the greatest risk of losing it.

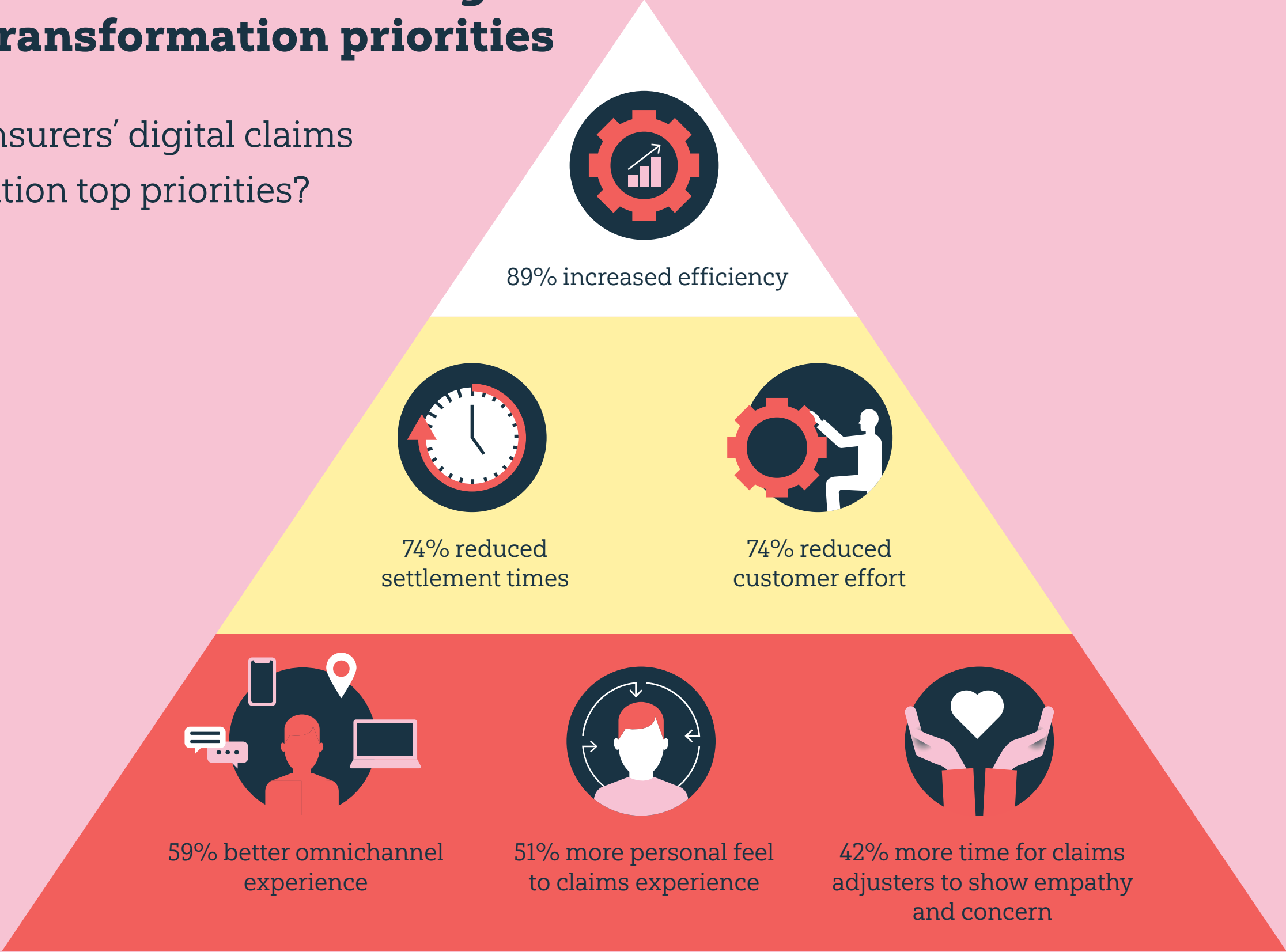
# How important are the following factors to building customer loyalty and trust during the claims process?



Critically important
  Very important
  Important
  Fairly important

# Efficiency, speed and reduced customer effort dominate digital claims transformation priorities

What are insurers' digital claims transformation top priorities?



# Hyper-personalization is the route to achieving these aims

Efficiency



96%

Believe that the use of **hyper-personalized communication** to streamline FNOL and claims status updates **offers a step change in both claims efficiency and quality of claimant experience.**

Customer Effort



95%

Agree that **Insurers are under-utilizing readily available data** that could reduce customer effort by **enabling more personalized forms and interviewing.**


Speed



94%

Think that **hyper-personalized forms and interviewing** offer the potential to free up staff time to provide support at the same time as **reducing time to settlement.**

# Over the next two years hyper-personalization across forms, channel orchestration and AI will at least double

	Who does this now?	By end of 2023:
Pre-populating FNOL forms	40%	88%
Tailoring scripts to only ask for missing information	32%	83%
Real-time adaptation of forms	27%	70%
Allow claimants to shift between channels without repeating information	24%	67%
AI for channel orchestration	16%	43%



agree that insurers that make the claims experience a hyper-personalized conversation, utilizing the channel best suited to the individual customer and their stage will:



significantly reduce time to decision;



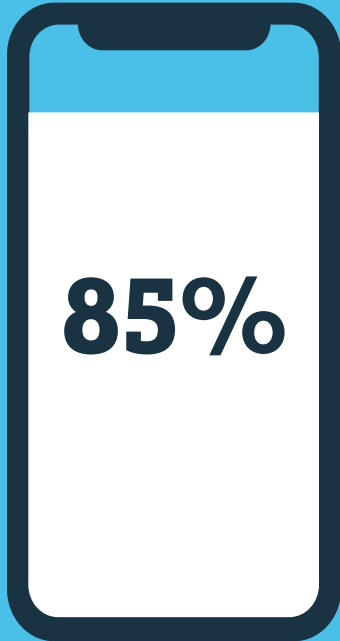
deepen claimants' trust;



and improve loyalty to their brand.

This understanding is a key driver in the anticipated shift towards hyper-personalization.

# Removing the 'hassle factor' for customers

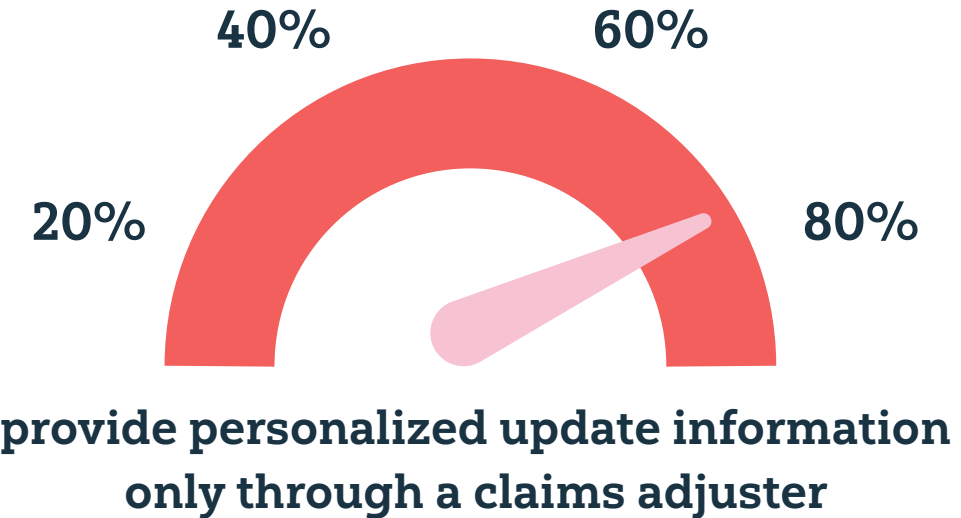
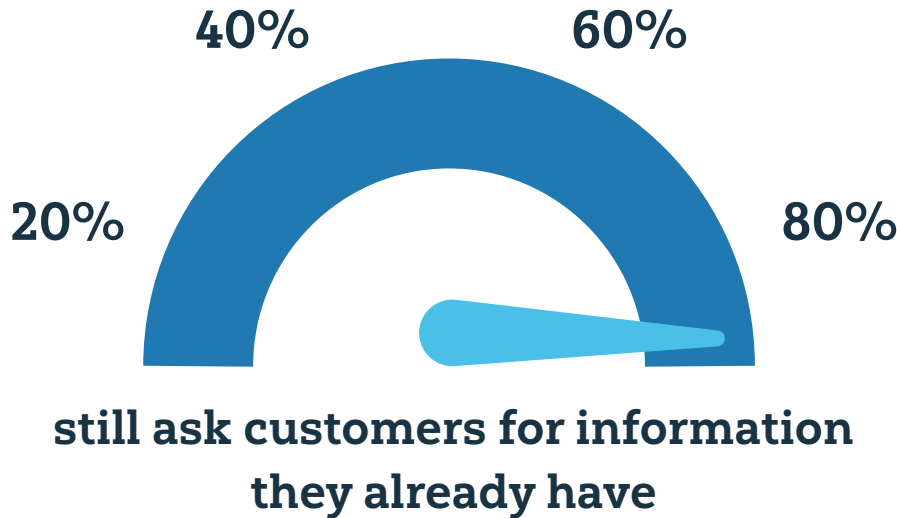


Believe that the level of live interaction that customers experience with home deliveries has set a new benchmark for the insurance claims experience.



97% Agree that poor or inconvenient communication during the claims process results in claimant frustration and has a negative impact on trust.

Despite this, the vast majority of insurers have not taken sufficient steps to reduce customer effort:



# Accessing a wealth of data could drastically reduce customer effort

90% of insurers are yet to make full use of all the below data sources to minimize customer effort...

... but 85% plan to use more sources of data within the next 5 years.

2022

2027

Insurers face untapped potential. The following sources of data could speed up time to settlement and reduce the hassle factor for customers:



**73%**

currently use third party sources at least moderately.



**91%**

plan to use data from chat or social logs by 2027.



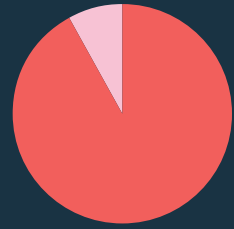
**37%**

currently use data from connected devices fully or significantly.



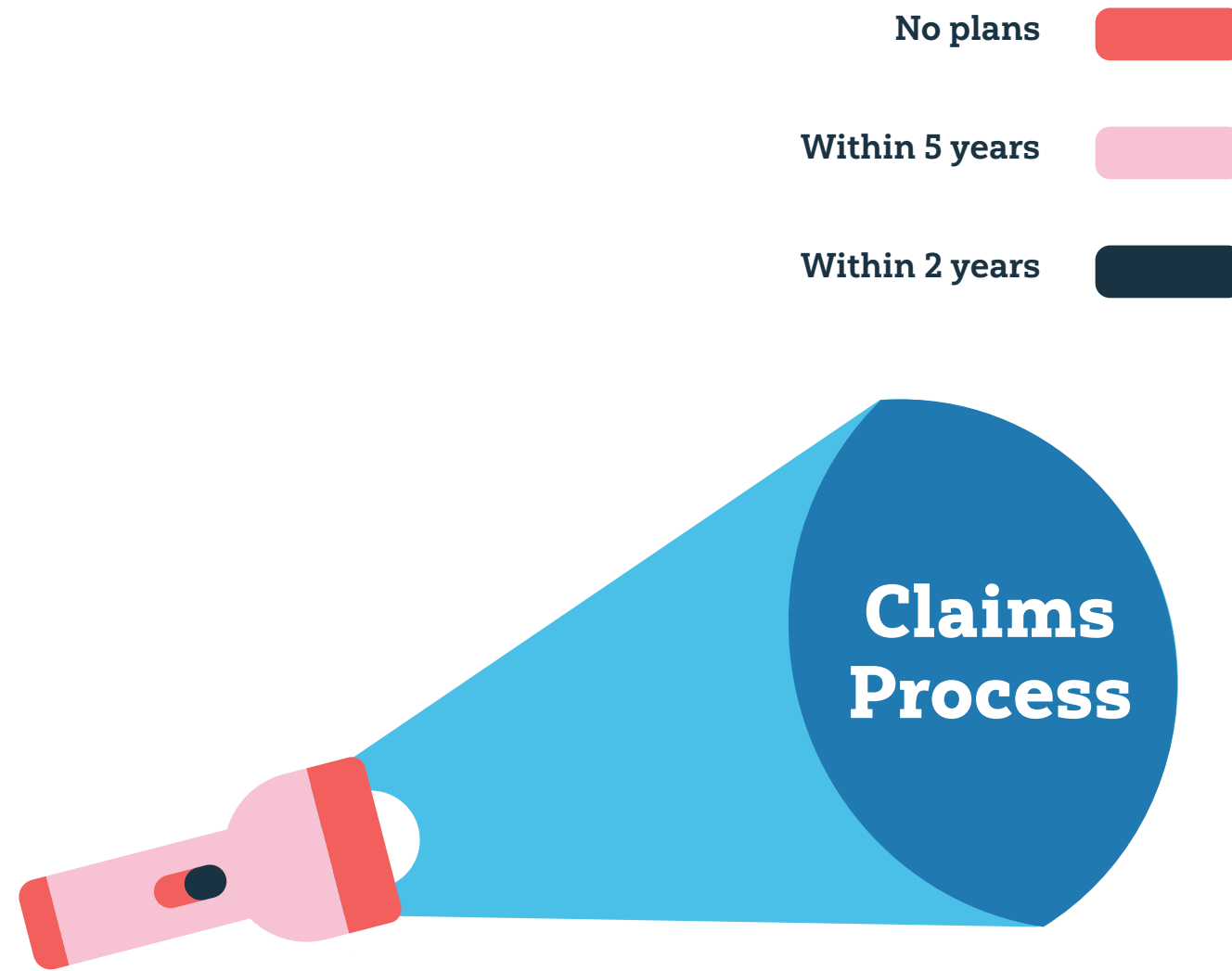
**87%**

will be using open banking data within the next five years.



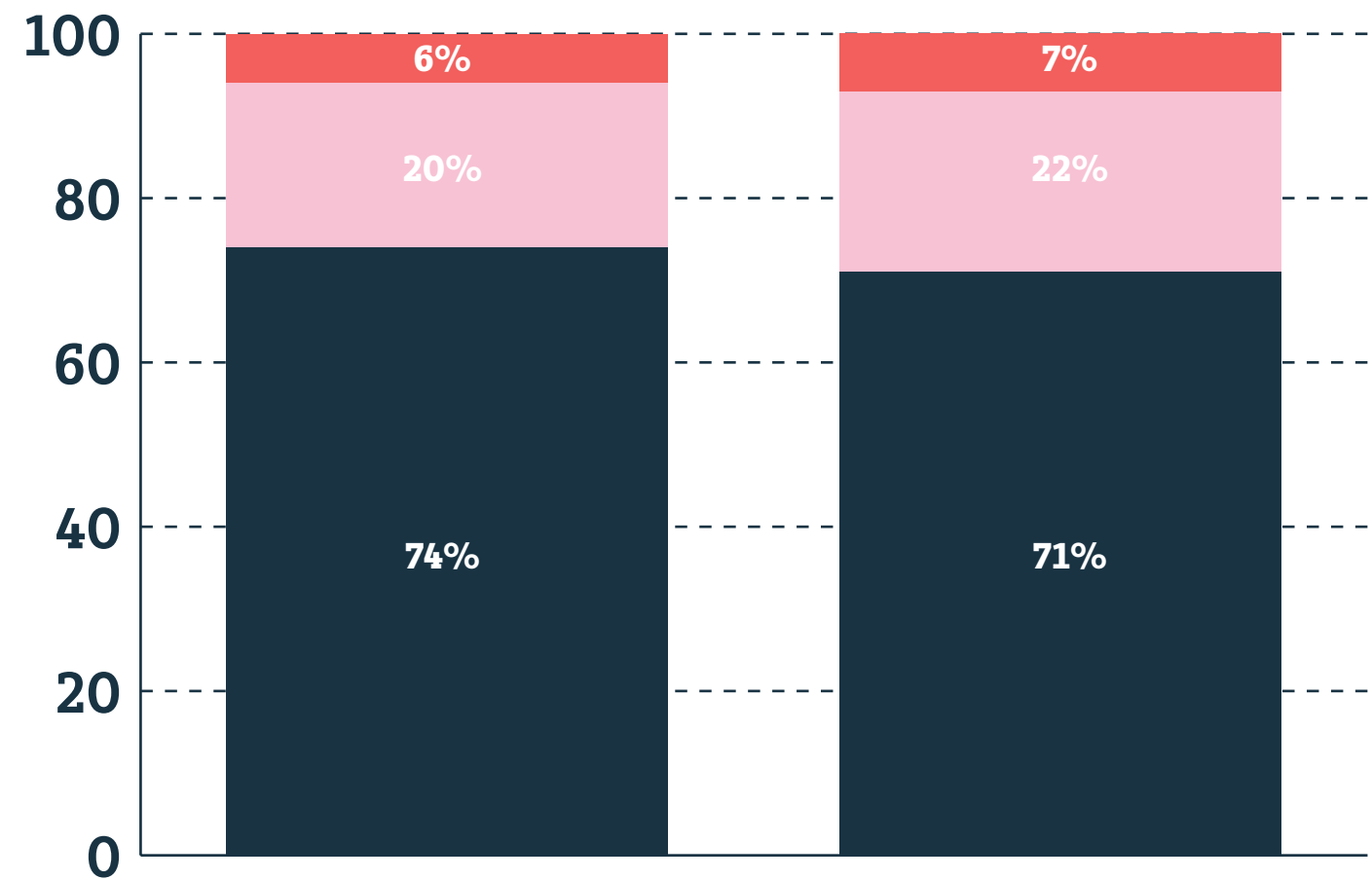
92%

believe greater transparency around the claims process would help to build customer trust:



The majority of insurers see their claims portals as key to building customer trust and transparency. They plan to use claims portals to give their customers access to previous conversations as well as giving them details of progress with the supply chain.

When do insurers expect to make information accessible through a claims portal?



Easily-readable, AI-generated summary of all communications including contact with supply chain partners

Full history of all communications including contact with supply chain partners



# A move to omnichannel communication

Many insurers are still relying on very traditional and static channels of communication with customers, particularly across personal lines...

... However by 2023 we can expect to see a shift to more dynamic and personalized channels in response to customer need for hyper-personalized, omnichannel communication.

2022

2023

## Top outbound communication channels 2021



**78%** use letters



**74%** rely on email



**71%** of status updates are made via telephone

## Growth outbound communication channels 2023



**91%** will use a claims portal for customer communications



**88%** will be able to share claims updates via text message



**71%** will share status updates via messaging apps



**83%**

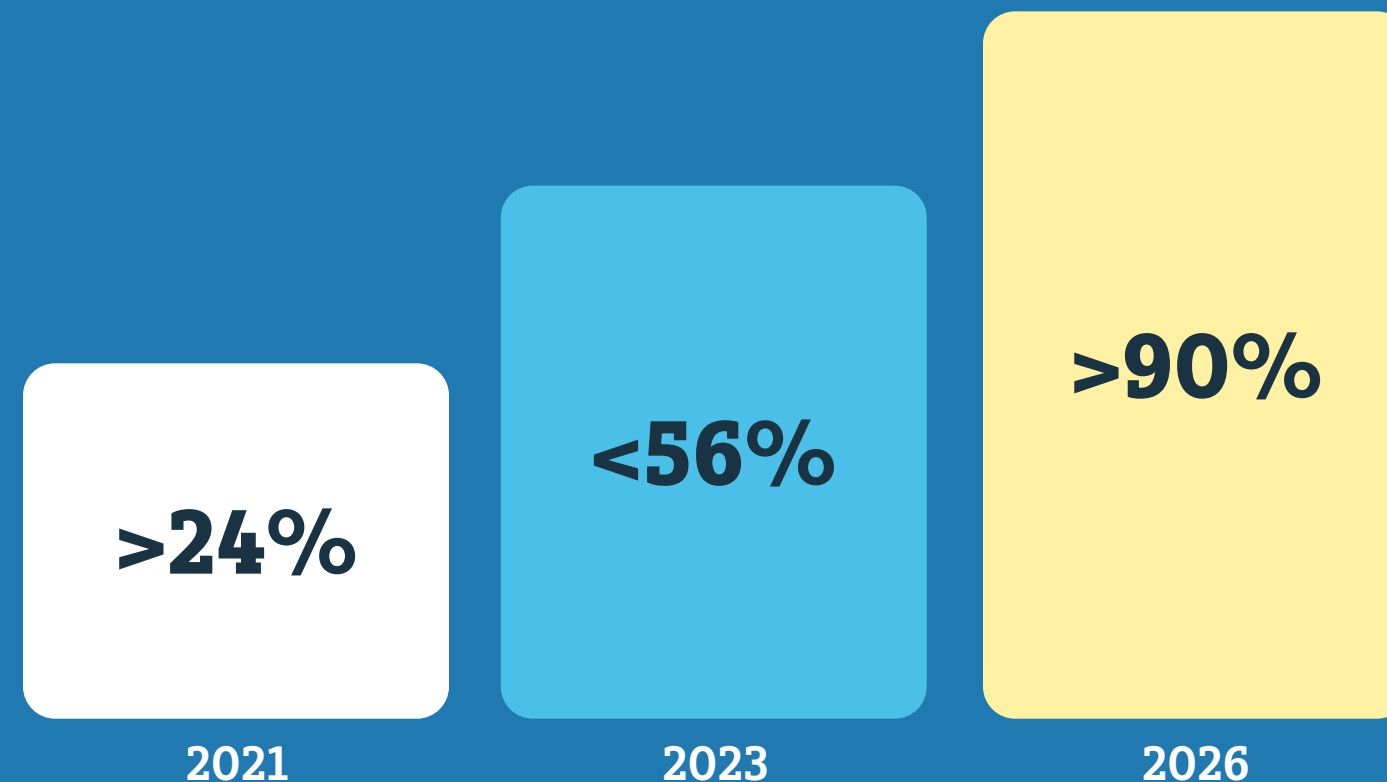
**agree that insurers' ability to shift channels according to customers' needs and circumstances is a key factor in deepening customer trust and loyalty.**

Customers increasingly expect service providers to be able to channel shift. If a customer starts the FNOL process on their mobile while out and about and then returns home, they want to be able to pick up where they left off via a different channel. Having to repeat information drives frustration and impacts trust.

Rapid improvement is needed industry-wide to meet customers' channel shift needs. Fortunately many insurers have channel shift plans in place.

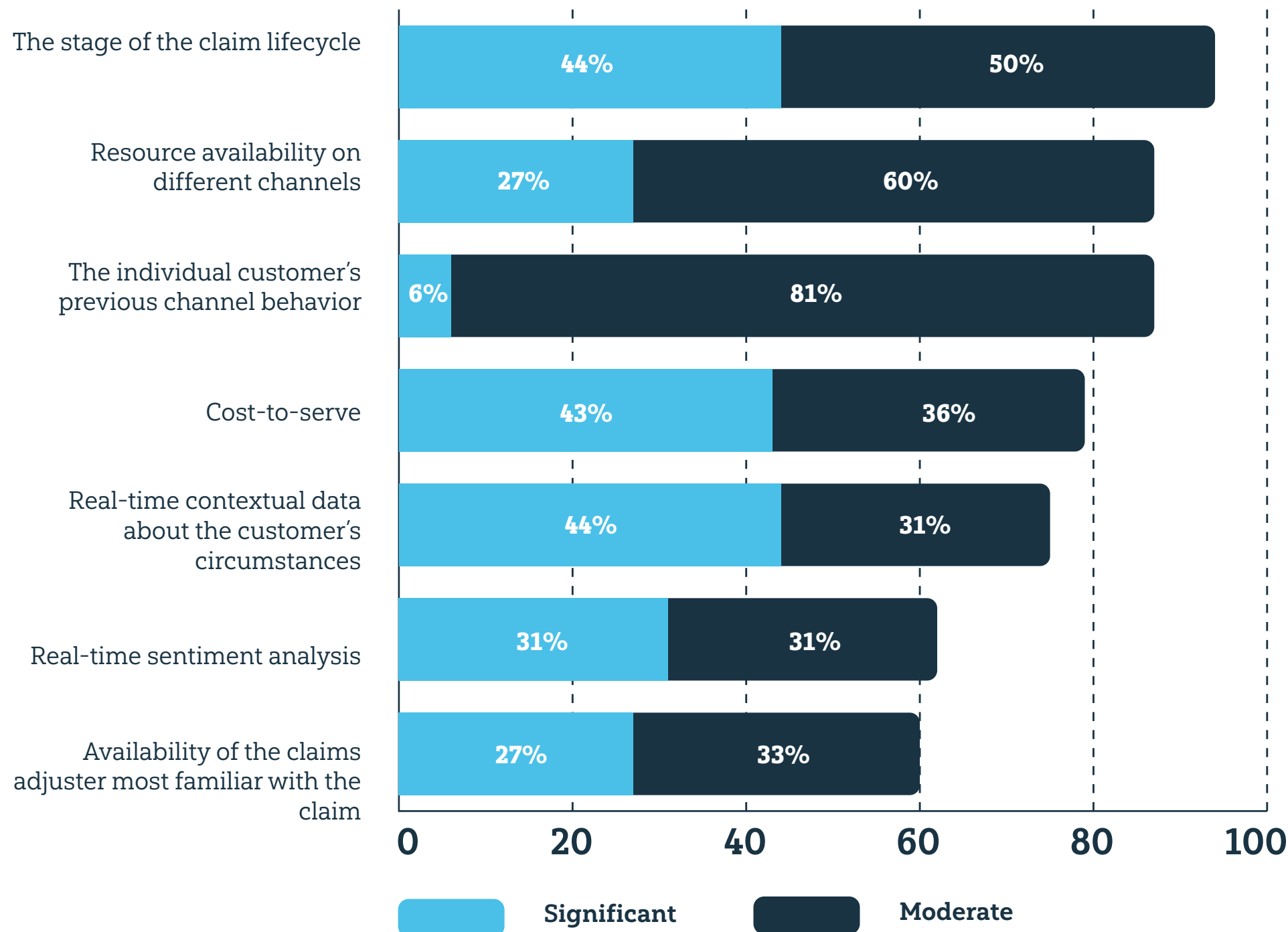


**In what timeframe will claims operations enable customers to move between channels as it suits them without having to repeat information?**



# Reducing customer effort by orchestrating channel journeys

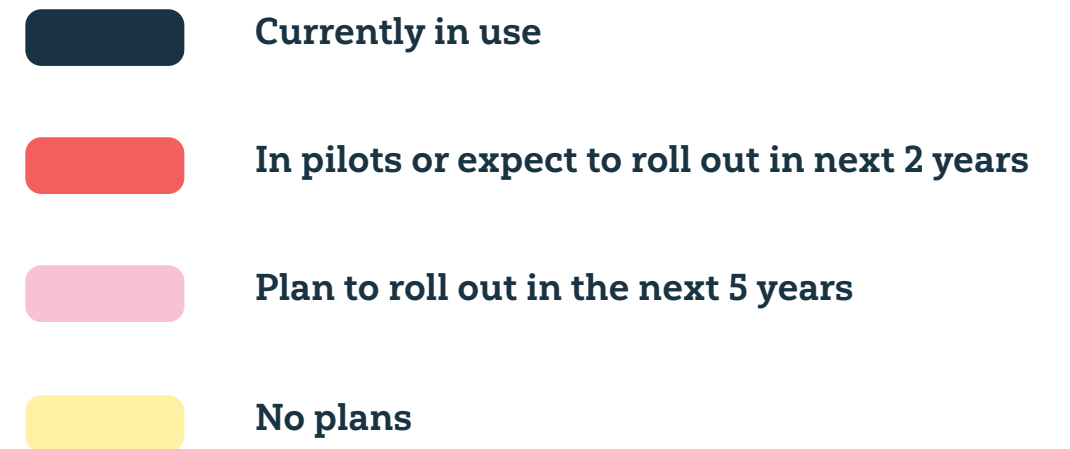
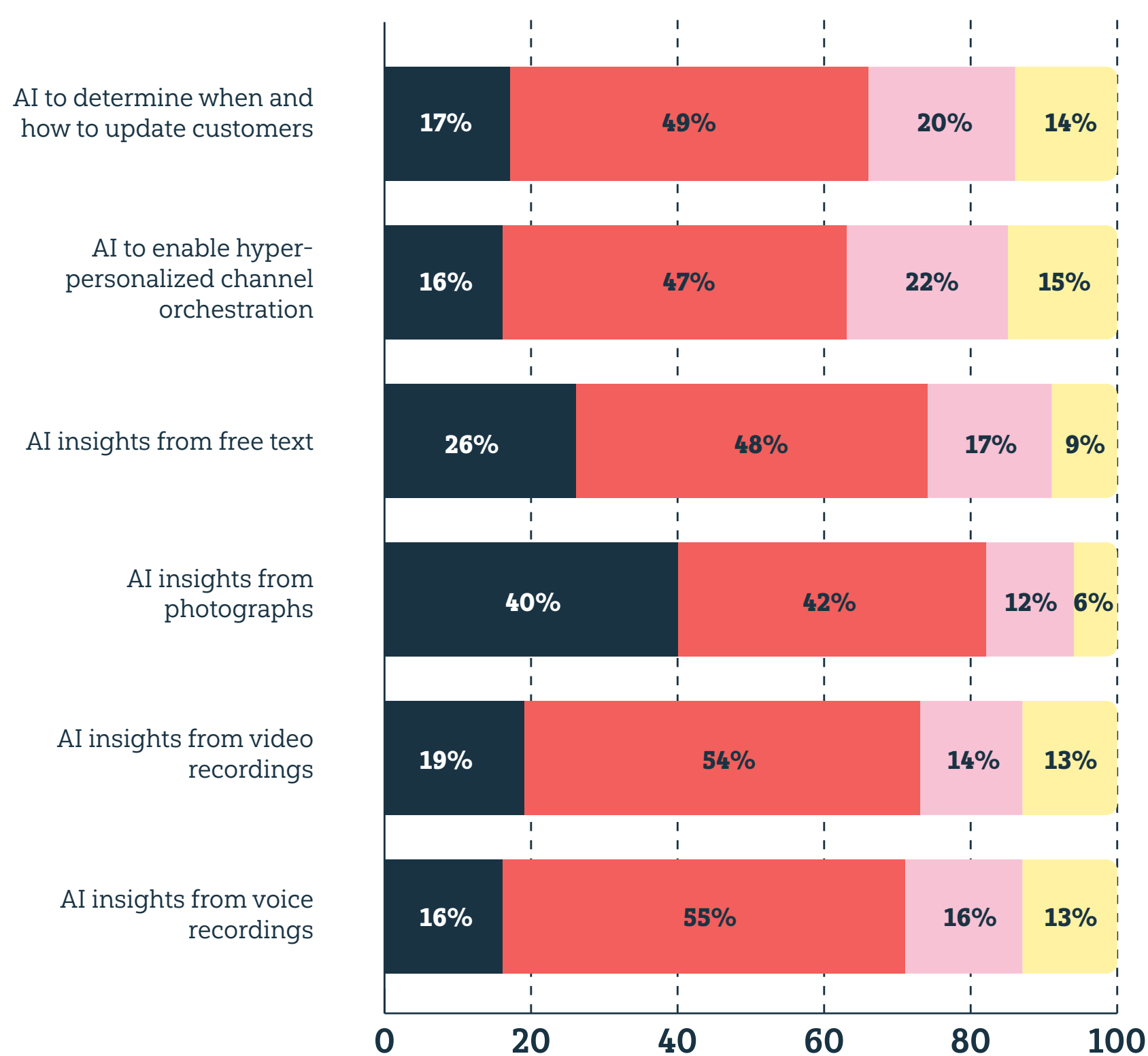
When claimants are making inbound inquiries, how much weight is given to the following when guiding them towards a particular channel?



With so many factors to consider in orchestrating customers' channel journeys, insurers must be able to draw on real-time, accurate information to meet claimants' expectations in terms of the channel most appropriate for their needs.

**95%**  
 agree that orchestrating the journey to nudge customers to more appropriate channels for their circumstances will ultimately lead to higher levels of satisfaction and trust.

# Rolling out AI to support hyper-personalization

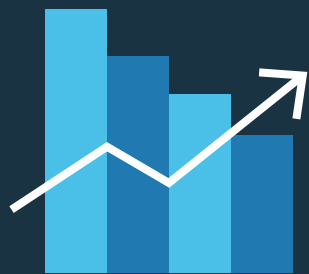


Current usage of Artificial Intelligence is comparatively low, with **under 20% of insurers using AI to determine when to update customers** or to orchestrate channel journeys.

However, the need to accelerate hyper-personalization across claims is becoming increasingly apparent, and we can expect to see those rates more than double over the next two years. **Around 20% of respondents currently have AI pilots underway ahead of full scale rollout.** Within two years we can expect to see AI being used in around **65% of the circumstances outlined in this infographic.**

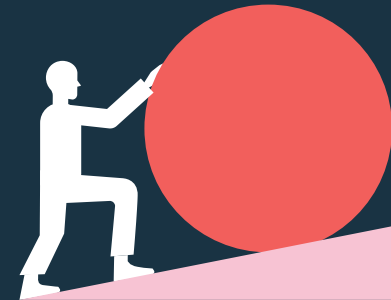
# Hyper-personalization: the key to customer trust

Hyper-personalization will have a game-changing effect on digital claims transformation, with the majority of the industry expecting the following benefits to be either massive or significant:



**89%**

Increased efficiency



**88%**

Reducing customer effort



**84%**

Reduced settlement times



**77%**

Better multi-channel experience

**94%**

of insurers agree that **making the claims experience a hyper-personalized conversation** and utilizing the channel best suited to the individual customer and their stage of claim will **significantly reduce time to decision and deepen claimants' trust and loyalty to their brand.**

# Viewpoint: Smart Communications and Salesforce

If customer expectations were high before 2020, then today they are stratospheric. Increased exposure to digital services and the turbo-charged response from some service providers, be they banks or home delivery have created a baseline expectation for services that are easy, convenient and at our fingertips round-the-clock. The insurance industry, however, has not kept pace and could face a post-pandemic reckoning as new entrants with slicker digital capabilities make a play for market share.

The industry also faces a deepening trust deficit: as our research shows, the industry recognizes that policyholder's worry their insurers won't make good when it's time to make a claim. This lack of trust is an existential risk for many incumbents, leaving them vulnerable to brand-smart disruptors that can appeal to disaffected customers. Configuring an easy, empathetic and speedy route to settlement, where the journey is personal, transparent and friction-free, will be key to not only keep pace with digital frontrunners but also bridge this critical trust gap.

That bridge is hyper-personalization. We're calling for claims to be radically streamlined and demystified so customers can get what they want quickly – and when they can't get what they want, or it takes longer than expected, they understand why and feel they have been treated with empathy and fairness. This means making better use of new and existing data sources, rethinking processes to reduce customer effort and speeding time to settlement. AI will be among the tools required to orchestrate personalized journeys and facilitate shifting across multiple channels to keep pace with customer expectations.

Hyper-personalization of the claims process may sound radical but it's entirely within the grasp of today's insurers using modern technologies. Indeed, our research shows that the majority of insurers plan to execute hyper-personalization strategies as early as next year, the only question is why are the rest holding back?

For more information:

[Salesforce](#)

[Smart Communications](#)

