



Duck Creek
Technologies

Seven Signs Your Customer Engagements Are Producing Unhappy Policyholders

And What to Do About It



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Insurers are tasked with the challenge of engaging effectively with customers as they journey through the policy lifecycle, from quote through purchase, claims, and renewal. However, it is not always easy to identify what causes customer engagement bottlenecks at each stage, given the complexity of each stage.

The following seven performance indicators can often signal if an insurer's customer engagement and communication strategy is working. A poorly performing indicator might signal the need to adopt innovative engagement technologies, processes, or some combination thereof to improve the customer experience.

1 High Online Quote Abandonment Rate

Online shopping cart abandonment rates, including rates for insurance product quotes, are high in 2023, with an average of 69.99% for shopping carts.¹ Policyholders find it difficult to fill lengthy online forms, understand form fields and coverage terms, and lack online assistance.

To address this issue, [modern digital customer service technologies are available to provide real-time help to online policy shoppers](#). Insurance sales agents can use visitor detection technology to identify shoppers on their website, and offer features like real-time screensharing, video, voice, co-browsing, and messaging to communicate with shoppers.

This real-time, context-specific, and personalized assistance can aid policy shoppers in making informed decisions, reducing the likelihood of quote abandonment.



¹ "48 Cart Abandonment Rate Statistics 2023" (Baymard Institute, 2023)

2 High Sales Agent Turnover

A recent survey showed that 30%² of new insurance agents quit within three months of taking on the position.

A key reason for this is the lack of efficient communication channels between carriers and producers, causing inconvenience for agents. It has been reported that 76%³ of insurance agents prefer to work with carriers that offer easy-to-use technology.

Integrating distribution management software with modern digital communication technologies provides producers with a variety of digital channels, such as audio, video, and chat, for easier support from their carrier's field support teams on commission statements, bonus calculations, licensing, and compliance issues.

Similarly, the integration of producer portals with these digital communication technologies allows producers and underwriters to connect in real-time and discuss policy risks associated with a quote within the online quoting system.

By utilizing these digital communication channels, carriers can create a strong incentive for producers to remain productive, long-term business partners.



3 Poor Quote to Bind Ratio

A poor quote to bind ratio can be symptomatic of underwriting delays, resulting in a poor engagement experience for the policy shopper. This can lead them to choose a competitor's offer.

Underwriting delays can be caused by several factors, including the difficulty in assessing risk when processing a policy application. The longer it takes to assess risk, the more likely a policy shopper may select another insurer.

Integrating artificial intelligence (AI) and machine learning (ML) into core policy systems can reduce underwriting delays by providing real-time access to historical policy data, third-party data sources, and analytics, allowing underwriters to make reliable, data-driven assessments of risk for complex policies in less time.

These streamlined processes result in a shorter time to quote, enhancing the overall engagement experience and increasing the likelihood of gaining and retaining policy shoppers.



² Travis Batiza, "Solving the Insurance Industry's Turnover Rate" (PropertyCasualty360, 2019)

³ Karlyn Carnahan, "Optimizing the Independent Agency Experience" (Celent, 2021)

4 Longer Claims Settlement Cycle Times

A longer average claims settlement cycle time may indicate a poor carrier-customer engagement experience.

Poor communication between claims agents and customers can lead to mistakes and burnout among claims support representatives, poor claims triage, and ultimately dissatisfied policyholders.

Multi-party communication hubs offer policyholders, adjusters, and claims supervisors real-time communication and multiple media formats to exchange information. When integrated with the claims core system, claims supervisors can review claims communication transcripts and take follow up action if necessary.

This leads to fewer claims telephone calls, greater adjuster efficiency, shorter claims cycle times, and happier customers.

5 High Average Cost Per Claim

Excluding claims losses, claims processing can be costly due to legal fees, overheads, and workforce/adjuster hours, all of which contribute to the cost per claim. A high average cost per claim can indicate root causes similar to those of longer claims settlement times, signaling a need for a new approach in carrier-customer engagement.

Multi-party communication hubs can reduce friction and errors in more ways. Adjusters can use insurance-specific communication templates in different languages, set message delivery times, add notes to the claim, and bring other stakeholders into the conversation. This technology also allows policyholders to share their claims experience.

Moreover, sentiment analysis derived from conversational text messages can help claims supervisors identify how policyholders feel about the process, track claims team performance, and manage expectations to improve the overall claims experience.





6 Poor DWP Growth with Some Demographics

Sometimes, premium growth for the same insurance product is not uniform across target demographics, despite offering strong value to all.

This may indicate an inability to effectively connect with certain demographics through their preferred digital channels.

For example, millennials and Generation Z have greater post-pandemic interest in upgrading their insurance coverages online than their older counterparts, according to Allianz's survey.⁴

To engage with these demographics, insurance companies can provide an omnichannel digital experience that is easy to adopt on desktops and mobile devices, with a low-friction transition to and from offline engagements with an agent. User interfaces designed with consistency, intuitiveness, and self-service options further improve the experience.

Integrating core systems with cloud-based digital communication platforms can offer speed, access, and accuracy to all communications between the insurer and policyholder. By taking this multi-channel approach, insurance companies can appeal to a diverse customer base and maximize growth opportunities.

⁴ Basant Baruah, "Digital Insurance Trends Shaping Customer Experience" (Robosoft Technologies, 2022)

7 Fewer Referrals and Policy Renewals

Fewer referrals from policyholders and a lower renewal rate are lagging indicators that suggest insurer engagement with policyholders might be facing challenges at one or more stages of the policy lifecycle.

These KPIs are not directly associated with other stages of the policy lifecycle, and hence it is difficult for insurers to pinpoint specific engagement challenges and the lifecycle stage at which they occur purely based on these indicators.

It becomes important then, that symptoms of poorly working engagement tactics and limitation of legacy communication technologies signaled by the KPIs discussed earlier be diagnosed and addressed with urgency, leading to better referral and policy renewal rates downstream.



Key Takeaways

The seven performance indicators discussed here can often signal challenges that exist in insurer-customer engagement and communication. Failure by insurers to promptly address these engagement challenges can result in dipping levels of customer satisfaction, ultimately leading to loss of business.

Modern digital technologies such as Digital Customer Service and Multi-party Communication Hubs offer speed, efficiency, convenience, and business intelligence that help create superior customer engagement experiences. AI/ML data modeling and analytics brings speed and accuracy to underwriting, delivering a pleasant and efficient engagement experience between insurer and customer.

- ▶ Witness firsthand how you can excel at engaging with your policyholders and grow your business with Duck Creek. [Request a demo now.](#)

