

A large, blue, stylized chevron graphic pointing to the right, composed of two parallel lines that converge at the tip.

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Digital Insurer Blog: Why Claims Service Matters, Part Two

Podcast Transcript

In today's market, customer retention is a key priority. And it's increasingly challenging in the so-called switching economy, where customers have plenty of choice and few qualms about leaving their insurance providers.

As part of the Accenture Insurance Claims Customer Satisfaction Survey, we wanted to know if the claim played a role in customers'

propensity to switch. The answer? Definitely.

First, we found that among customers who had filed a claim and been dissatisfied with the experience, 83 percent were likely to defect to another provider within the next 12 months. This confirms what insurers already know: that the claim is a "moment of truth" for the customer.

More surprising is our finding that customers who had filed a claim within the past two years are almost twice as likely to switch providers than non-claimers. That is, 41 percent of claimers would switch, compared to 22 percent of non-claimers. This is irrespective of how happy they were with the claims experience.

The question is, why? It may be that the claim rouses a customer from

accepting his insurance terms and prompts him to look at other offers. Or maybe, customers who are satisfied with the claims process find it fair and efficient, but not particularly caring or enjoyable—and again, look elsewhere.

These results are a wakeup call for insurers. Insurers must try to reduce the incidence of insurance claims—to help them reduce claims losses, and also improve customer retention.