

Start with the basics

by Mike Naom

“You never get a second chance to make a first impression,”

so the saying goes. As someone in the auto insurance and claims business for the past couple decades, I have experienced this as a policyholder and observed it as a member of the industry.

Attending any industry conference, surfing LinkedIn or reading will remind you that we are in a period of **rapid change**. Self-service, artificial intelligence (AI), predictive and prescriptive analytics, eFNOL, iFNOL, claims transformation and big data (remember that?). These are potentially **game-changing** ideas and transformations that can be leveraged.

My transition from a P&C carrier into the service side of the industry has afforded me a great view into the operations of many insurers. Two things I have learned: insurers are drinking through a fire hose while customer expectations are still pretty basic, yet customers are demanding easier ways to communicate through text, voice, app or web.

But at the core, their need is unchanged:

Here I am with a problem. How are you going to solve it?

We all know the claim experience is the moment of truth for the policyholder. But did you know, according to research by J.D. Power, 85% of delighted policyholders renew and a similar number will recommend their insurer? **That is a pretty powerful statement.** Digging a bit deeper into the research, 25% of the claim satisfaction score comes directly from the FNOL. Thinking about that, as an insurer, renewals and referrals can be created at FNOL before the claim process even begins in earnest.



That simply means being empathetic and delivering the policyholder an experience as close to final the first time. The good news is, most all of the ingredients needed do not require AI, big data or any other next-generation tech. Those technologies are important to future success and competitive advantage, but often I have observed the pursuit of perfection getting in the way incremental improvement. Said another way, why maintain status quo waiting years to do what is at the core of customer expectations? Transformations take many months or even years to implement.

What can be done now?

Certain activities are essential: identification of total losses with immediate action to move the vehicles during the FNOL, offering a self-service option for customers in the right circumstances, helping your customer find a suitable repair facility and rental reservations for non-drivable vehicles. These are essential basics each policyholder should have when they report a loss.

What we have learned

At Safelite® Solutions, we have learned there is a difference between an emotional claim event and one that is transactional. Transactional claims tend to be where the loss is an inconvenience but not severe enough to cause injury to self or others or cause excessive financial risk, like most glass claims, for example. Many times, policyholders are very comfortable with and often prefer digital interaction with transactional claims. Emotional claims include injuries and significant property damage. This is when the policyholder is at their greatest time of need. The infusion of empathy into the FNOL is key, letting them know “everything is going to be ok” and “we’ve got this.” Sometimes, it may simply be questions around “what happens to my premiums?” or “what happens if the car is totaled?” It’s just important to be a voice of reassurance. In short, this is the opportunity to really shine in a policyholder’s eyes and set the claim up for success.

Transactional claims

- Loss is inconvenient
- Not severe enough to cause injury to self or others
- Not severe enough to cause excessive financial risk

Emotional claims

- Injuries may have been involved
- Significant damages to property

At Safelite Solutions, our ability to offer instant payments, help customers find the right repairer, quickly identify a total loss at FNOL and act on it are all examples of setting up a claim for success. Recognizing when the customer is filing an emotional claim and guiding them through a process in combination with the right services is what creates renewals and referrals. These are the things that can be done now and don’t require the next generation of technology.

So, why wait?



About the author

Mike Naoom is a seasoned expert with more than 20 years’ experience in various roles within the automotive service and collision industry. From leading I-CAR courses to leading several states’ centralized DRP operations, his move to Safelite Solutions in 2016 as AVP, Claims Experience, nicely positioned him for management of auto claims product development strategy and implementation.