

Digitalization of the claims process

Digitalization of the claims process

While complex damage calls for personal support, minor damage needs to be processed in an uncomplicated manner. This is where insurers offering an automated service for can score extra points and strengthen the customer relationship.

Insight in brief

- Consistent digitalization of damage claims holds great potential
- The design of the digital claims process depends strongly on the type of damage and the company organization
- Customer-centric approach is central to success of digital transformation

Insurers suffer from a chronic lack of closeness to their customers. For example, customers might only visit their insurer's website once a year, such as to extend or switch contracts. Claims are submitted via digital channels even less often. In addition to being the main reason for getting in touch, the claims process is also the point at which the customer finds out whether their insurance company will actually **keep their promise** to support them. It's a moment of truth for customers.

The extent of the damage determines the best way for the insurer to handle the customer's claim. For example, if the customer has lost their belongings in a fire or if people have been injured in a road accident, they will expect personal support. However, if the claim merely involves damage to a parquet floor or a minor rear-end collision, the customer will be best served by an efficient claims process. Extensive digitalisation of the claims process therefore harbours great potential for insurance companies.

Digitalisation should also benefit the customer

Unlike on the customer side, some of the internal processes in the insurance industry have already been digitalised. For example, software is used to sort incoming claims notifications into different categories, and insurers can automatically pay out claims of up to a few thousand francs. Car insurers also observe similar thresholds for claims. Staff will only seek clarification when it comes to higher amounts, such as by visiting the site or inspecting photos of the damage.

Insurers could also use these digital processes for customer contact when it comes to small claims. Building insurance provider **Gebäudeversicherung Bern (GVB)** has broken new ground here in collaboration with **Zühlke**. By thoroughly considering the customer per-

spective, GVB came to the conclusion that a separate app for this purpose would not be worthwhile, as hardly anyone would download it. Instead, the customer receives a link to the respective case via SMS once the claim has been submitted.

Gebäudeversicherung Bern (GVB) has broken new ground in collaboration with Zühlke.

Amazon-like case tracking

This channel makes communicating easy for both sides. Insurers can request additional documentation, for instance, and customers can see the processing status of their claims at any time, in a similar way to tracking an Amazon package. GVB chose to implement the new system step by step. At first, the service was only available for a single type of claim, namely graffitied facades. After customers responded positively, it was gradually extended to include additional types of claims.

This approach, which prioritises the customer experience, can serve as a model for other insurers. The design of the digital claims process depends largely on the type of claim and the company structure. That's because the spectrum of claims is extremely varied, as are the possibilities for digitalising the process. Here, it is important to ensure that the customer experience is always the primary focus.

Creating ecosystems

The Bern-based building insurer also used the digitalisation of customer touchpoints as an opportunity to foray into a new business area. Whereas the customer had to handle property repairs themselves in the past, GVB now obtains quotes from tradesmen and sends them out to the customer. In addition to improving customer relations, this also allows GVB to simultaneously build a network of tradesmen and a database of their performance.

Like GVB, Helvetia and the announced collaboration between Mobiliar and Raiffeisen Bank, have expanded their core services with tips and services covering topics related to the home. This will thereby increased the number of customer visits to their website. If insurers

can successfully embed their **services into this kind of ecosystem**, it not only opens up new business opportunities, but also turns customers into partners and cures the chronic lack of closeness to them.

If insurers can successfully embed their services into ecosystems, it turns customers into partners.