Digital Insurance Claims Management Languishes, J.D. Power Finds

Despite Widespread Adoption of Digital in Other Industries, Home and Auto Insurance Customers Continue Reliance on Personal Channels Due to Sluggish Innovation

TROY, Mich.: 7 Dec. 2021 — Property and casualty (P&C) insurance claims were supposed to be the tip of the sword when it came to digital transformation. Instead, the industry is lagging far behind financial services and utilities providers when it comes to the digital customer experience. According to the J.D. Power 2021 U.S. Claims Digital Experience Study,SM released today, none of the most important key performance indicators are achieving even a 50% success rate and adoption remains stubbornly low. During the course of this year, just 40% of claimants interacted with an estimator via digital channels and only 47% made a claim via a website.

“At a time when virtually every other industry is experiencing significant gains in digital customer engagement, the insurance claims process has not really evolved beyond the launch of digital photo estimation three years ago,” said Martin Ellingsworth, executive managing director of P&C insurance intelligence at J.D. Power. “It’s no secret the industry has been investing heavily in back-end technology such as straight-through processing, which should help set the stage for faster, more personalized digital claims management tools. But right now, there is still a great deal of room for improvement in these functions. It is also critical to note that satisfaction is highest when claimants have options to interact via the channel they choose and not feel forced into a one-size-fits-all experience.”

The U.S. Claims Digital Experience Study, now in its second year, evaluates digital experiences among P&C insurance customers throughout the claims process. It examines the functional aspects of desktop, mobile web and mobile apps based on four factors: appearance; clarity of the information; navigation; and range of services. The study is conducted in partnership with Corporate Insight, the leading provider of competitive intelligence and user experience research to the financial services and healthcare industries.

“The insurance industry really needs to look at what leaders in the banking and wealth industries are doing with their web and mobile apps as a guide for where customer expectations have moved during the past several months,” said Michael Ellison, president of Corporate Insight. “Simple, easy-to-use tools, like calculators and estimators that help customers set realistic expectations and provide important information throughout the process go a long way toward driving engagement and end-user satisfaction.”

Following are key findings of the 2021 study:

- **Phone still dominates estimator phase, dragging down customer satisfaction**: Just 40% of claimants interact with their claim estimator via digital channels, while 49% interact with their claim estimator via phone. The average overall customer satisfaction score among those claimants who use the phone is 861 (on a 1,000-point scale), lower than in any other interaction channel. Use of video chat with an estimator is associated with the highest level of overall satisfaction (882), yet it is experienced by just 26% of claimants.

- **Key satisfaction metrics being missed**: Digital claims management tools are hitting their key performance indicators for the estimation process just 35% of the time and for digital reporting just 40% of the time.
Generational disparities magnified: Members of the Boomer\(^1\) generation are using insurance digital claims tools less and experiencing lower levels of overall satisfaction than are members of Generations Y and Z.

The 2021 U.S. Claims Digital Experience Study is based on 3,043 evaluations by auto or home insurance customers who filed a claim in the past 12 months. The study was fielded from June through September 2021.


To view the online press release, please visit http://www.jdpower.com/pr-id/2021169.

About J.D. Power

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Corporate Insight is the recognized industry leader in competitive intelligence, user experience research and consulting services to the nation’s leading financial services and healthcare institutions for more than 25 years. Its best-in-class research platform and unique approach of analyzing the actual customer experience help corporations advance their competitive position in the marketplace.

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