

Banc Ceannais na hÉireann  
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## Consumers' Experience of the Motor Insurance Claims Process Research





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## **FOREWORD**

In November 2016 the Central Bank of Ireland (Central Bank) commissioned Kantar Millward Brown to research the consumer experience and satisfaction with the motor insurance claims process and highlight where improvements could be made. The research consisted of a quantitative online survey of consumers who had made a motor insurance claim (both successful and unsuccessful) between January and June 2016. The online survey was completed in December 2016.

This research was conducted alongside a related thematic inspection of insurers. In its 2016 Consumer Protection Outlook Report, the Central Bank highlighted the need for insurers to treat their customers in a fair and reasonable way when handling claims, including ensuring that any claim settlement offer made to a claimant is fair. It is essential that individuals purchasing motor insurance or who wish to make a claim under their policy can have confidence that this standard is being met by the firms they deal with.

While the findings of this report relate specifically to motor insurance, they can also be considered relevant for other types of insurance.

The results of this research will inform our work and contribute to wider discussions with industry and policymakers both domestically and internationally in the area of motor insurance claims. Regulated firms, for their part, need to have regard to the findings of this research in the context of their obligations under the Consumer Protection Code. As well as the specific provisions of the Code relating to insurance claims, the Code imposes general obligations on all firms to ensure that they act in the best interests of their customers, make full disclosure of all relevant material information and handle complaints speedily, efficiently and fairly.

## Key Findings of the Consumer Experience and Satisfaction with the Motor Insurance Claims Process

### Most motor insurance claimants surveyed agree that the motor insurance claims process is carried out fairly

- 74% of all claimants surveyed agreed that the claims process is carried out fairly by the insurance company.
- 60% of all claimants surveyed are likely to recommend their insurance company.
- 59% of all claimants surveyed reported high levels of overall satisfaction with all aspects of the motor insurance claims process.

### The majority of claimants found the overall process of reporting the damage to their car relatively easy

- 89% of all claimants surveyed said that they found the process of reporting the damage to their car relatively easy, with 86% of claimants finding it easy to determine how to contact their insurer, and 83% finding it easy to identify who to contact in their insurer.
- 85% of all claimants surveyed reported that the person they initially spoke to about their claim was knowledgeable about the claims process and 81% reported that the person explained to them how the process worked.
- 73% of all claimants surveyed said that they understood the information on the claims process provided in their insurance policy booklet.
- Taking everything into account, 69% of all claimants surveyed were satisfied with the overall process of reporting their claim. A slow/time-consuming process (15%) and having too many people involved (14%) were the main reasons for low to moderate satisfaction with the overall process of reporting the claim.

### Claimants who had one person handling their claim were more satisfied with the claims process

- 46% of claimants said that the same person dealt with their claim throughout the process.
- 75% of claimants with just one person handling their claim reported high levels of overall satisfaction, compared to 32% of claimants with more than one person handling their claim.
- 81% of claimants with just one person handling their claim during the claims process reported high levels of satisfaction with how their claim was processed, compared to 34% of claimants who had more than one person handling their claim.
- 83% of claimants with just one person handling their claim were satisfied that their claim was dealt with in a timely manner, compared to 50% of claimants who had more than one person handling their claim.

**Most claimants whose claim was accepted were satisfied with the settlement offered, however many said they were not informed of aspects relating to no claims bonus, the terms of the settlement and certification of the value of the claim**

- 77% of claimants surveyed whose claim was accepted reported that they were satisfied with the settlement offered.
- 49% of claimants surveyed whose claim was accepted said that the insurance company did not inform them if any third party had made a claim against their policy.
- 40% of claimants surveyed whose claim was accepted said that the insurance company did not certify how they calculated the value of the settlement.
- 26% of claimants surveyed whose claim was accepted reported that the insurance company did not explain the terms of the settlement offer.
- 23% of claimants surveyed whose claim was accepted said the insurance company did not inform them as to how the settlement of the claim would impact on their no-claims bonus.

**Almost all claimants were satisfied with the repair work provided by the garage, although only 28% said they were informed they could appoint their own loss assessor**

- 92% of claimants surveyed whose car was repaired said they were satisfied with the service provided by the garage that repaired their car.
- 64% of claimants surveyed whose car was repairable said that the insurer arranged to have the damage to their car assessed within 48 hours of notifying them of the accident.
- Only 28% of claimants surveyed whose car was repairable said they were informed they could appoint their own loss assessor.
- 19% of claimants surveyed whose car was repairable said they were informed that the appointment of their own loss assessor would be at their own expense.

**Over half of claimants (53%) surveyed were dissatisfied with some aspect of the motor insurance claims process**

- 53% of all claimants surveyed said, when prompted, that they were dissatisfied with some aspect of the motor insurance claims process.
- 43% of claimants who were dissatisfied with some aspect of the claims process informed their insurer about their dissatisfaction.

**Amongst claimants who were dissatisfied overall, efficiency, speed and follow-up were most cited as areas for improvement**

- The main drivers of dissatisfaction for claimants with low to moderate levels of overall satisfaction were the level of efficiency (27% of those claimants) and the speed with which the claim was processed (27% of those claimants).
- The main suggestion from claimants with low to moderate levels of overall satisfaction for improving the motor insurance claims process were timely follow-up of phone calls/returning calls (16% of those claimants).

## 1. INTRODUCTION

### Background to this Study

The purpose of undertaking this research was to gather evidence-based data on the motor insurance claims process in order to support, inform and drive our consumer protection work in this area. In particular, the research sought to better understand consumers' experience and overall satisfaction with the claims process from the initial contact with their insurance company through to the settlement (or not) of their claim.

The objectives of the research were to:

- Survey consumers' experience of, and satisfaction with, the claims process, and
- Seek to gauge consumer understanding of issues relating to the motor insurance claims process such as:
  - o Reporting the motor car damage,
  - o Processing the claim,
  - o Appointment of the loss assessor and repair work, and
  - o Outcome of the claim, including impact on no claims bonus and how the damage is valued where the vehicle is written off.



## Methodology

The research was conducted via an online survey of 284 motor insurance claimants in December 2016. The sample comprised consumers that had made a motor insurance claim in the first six months of 2016 at five insurance companies – Liberty, Zurich, Aviva, RSA and AXA. Claims relate to motor vehicle damage only (including fire and theft) and exclude personal injury claims.

The data is weighted to reflect the population proportion of claimants associated with each insurance company<sup>1</sup>.

The questionnaire consisted of seven sections:

Section	Title	Content
1	Screening	To ensure the selection of appropriate respondents
2	Initial contact	Nature of contact with provider when reporting the motor car damage
3	Progressing the claim	Satisfaction with aspects of progressing the claim
4	Appointment of the loss assessor and repair work	Actions taken regarding appointing a loss assessor and repair work
5	Outcome of the claim	Actions and understanding of various aspects of the claim outcome
6	Overall satisfaction	Satisfaction with the overall claims process
7	Classification	Demographic profile of respondents

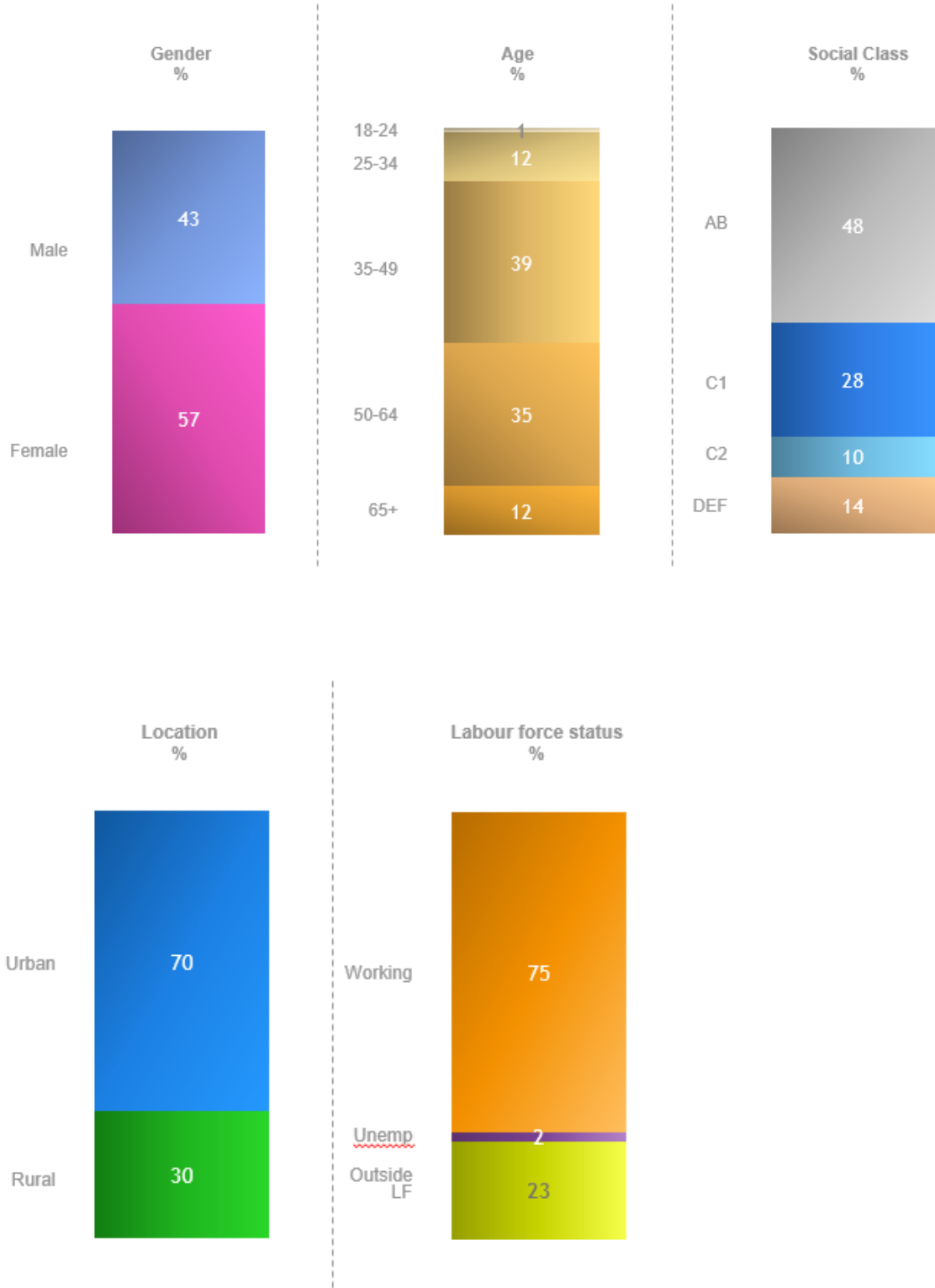
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<sup>1</sup> This weighting effect is relatively low and results are based on an effective sample size of n=251 and a margin of error of +/-6.1%. Data provided throughout this report may not sum up to 100% due to rounding or use of multi-response questions.

## 2. PROFILE OF RESEARCH RESPONDENTS

The figures below show the profile of the research sample for this study.

**Figure 2.1 Socio-demographic profile of motor insurance claim respondents ('respondents')**



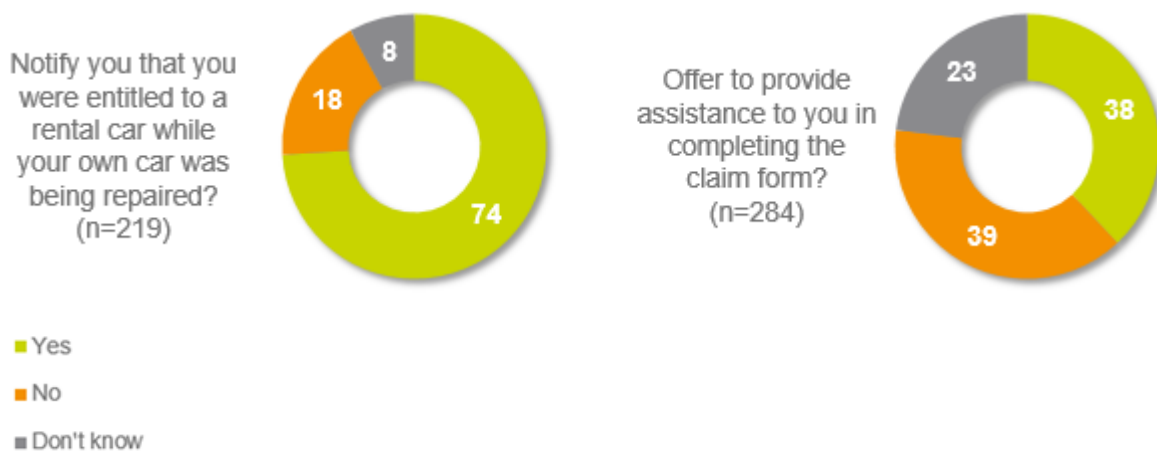
Base: all respondents (n=284)

### 3. INITIAL CONTACT: REPORTING THE MOTOR CAR DAMAGE

The majority of claimants contacted their insurance company directly (81%), while 13% contacted their broker to report the damage to their car. Almost all claimants contacted their insurance company or broker by phone (95%).

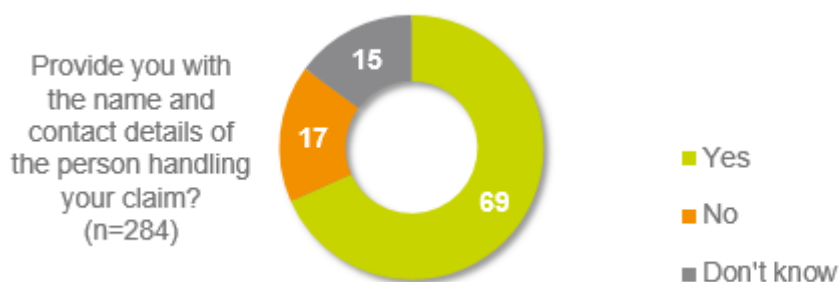
Of those claimants whose policy included the use of a rental car, around three-quarters (74%), were informed that they were entitled to a rental car. 38% of claimants were offered assistance to complete their claim form. More claimants whose claim was handled by the same person were offered assistance in completing their claim form (55%) than those who had a number of people dealing with their claim (23%).

**Figure 3.1 Entitlement to rental car and offer of assistance completing claim form**



While over two-thirds (69%) were provided with the name and contact details of the person handling their claim, almost one-fifth (17%) said that they were not provided with these details and a further 15% did not know.

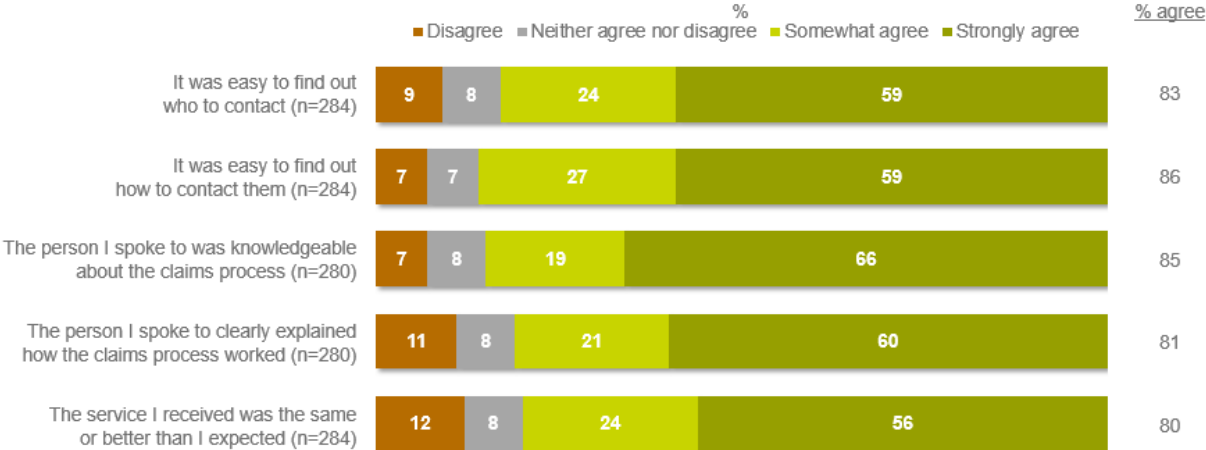
**Figure 3.2 Contact details of person handling claim**



Overall, claimants were happy with the service they received when initially contacting the insurance company. They typically found it easy to find who to contact (83%) and how to contact them (86%). They also typically felt that the person they initially spoke to was knowledgeable about the claims process (85%) and explained the process to them (81%).

Claimants who had the same person handling their claim reported higher levels of satisfaction than those who had more than one person handling their claim on all aspects of contacting and speaking with the insurance company. This involved the ease of finding out how to contact them (94% vs 76%), the ease of finding out who to contact (92% vs 70%), and the knowledge of the person they spoke to about the claims process (93% vs 74%).

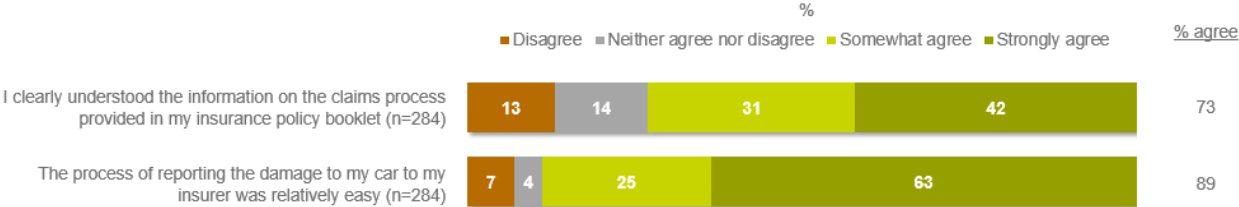
**Figure 3.3 Contacting and speaking with the insurance company**



Base: all respondents (n=284) and those that spoke to someone over the phone or in person (n=280)

While the majority of claimants said they understood the information on the claims process in their insurance policy booklet (73%), 13% said they had difficulty with it. Those with the same person handling the claim were more likely to agree that they understood the information on the claims process in their policy booklet (82%) in comparison to those who had more than one person dealing with their claim (62%). 89% said that they found the process of reporting the damage to their car as being relatively easy. Claimants handled by the same person were more inclined to agree that the process of reporting the damage to their car to their insurer was relatively easy (96%) than those who had more than one person dealing with their claim (76%).

**Figure 3.4 Understanding the process**

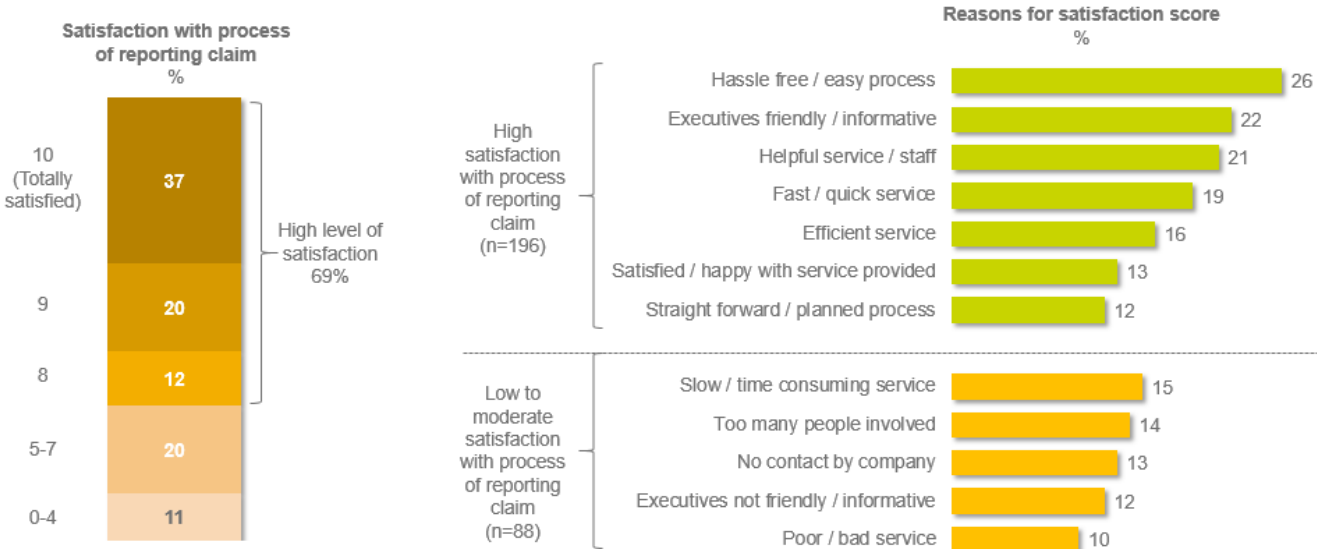


Base: all respondents (n=284)

Over two-thirds of claimants (69%) have high levels of satisfaction with the overall process of making the initial contact with their insurer to report damage to their car.

Typical reasons for high levels of satisfaction included a hassle-free process (26%), friendliness (22%) and helpfulness (21%) of insurance company staff, and speed (19%) and efficiency (16%) of the process.

**Figure 3.5 Satisfaction with process for reporting claim**



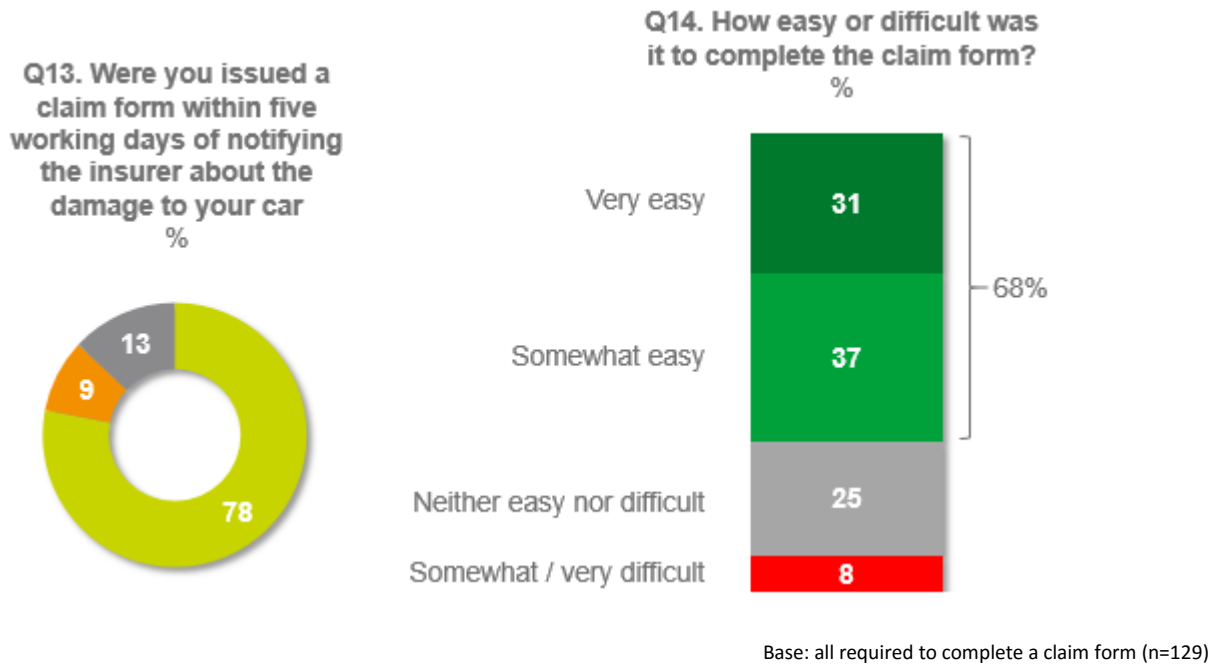
Base: all respondents (n=284)

The main reasons given for low to moderate satisfaction with the process of reporting the claim was a slow/time consuming service (15%), having too many people involved (14%) and no contact from the company (13%).

#### 4. PROGRESSING THE CLAIM

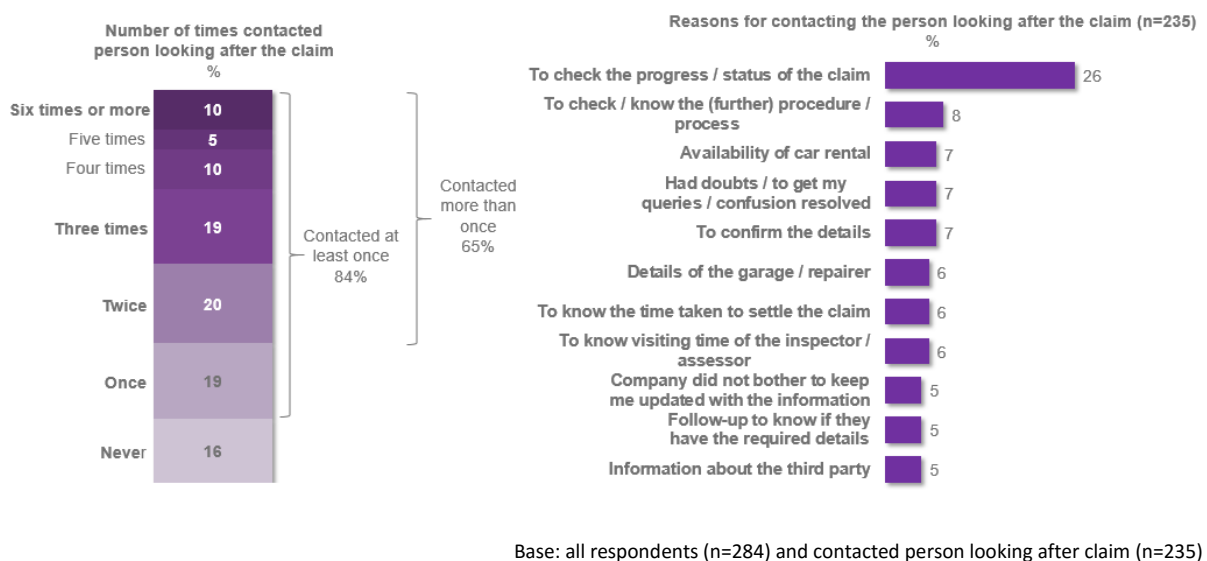
Of those who recalled being required to complete a claim form (44%), more than three-quarters (78%) said they were issued the form within five working days of notifying the insurer about the damage to the car, and two-thirds (68%) said they found it easy to complete the form.

**Figure 4.1 Completing the claim form**



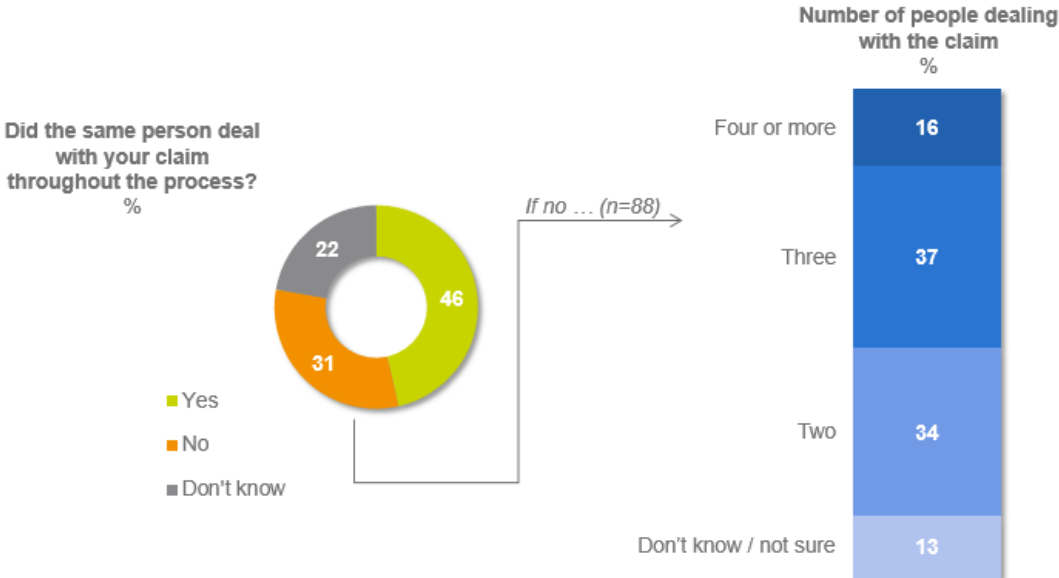
Almost two-thirds (65%) of claimants contacted the person looking after their claim more than once while the claim was being progressed. Claimants who had more than one person handling their claim were more likely to contact the person looking after their claim more than once (80%), in comparison to those who had the same person dealing with their claim (62%). Of those that did make contact, around one-quarter (26%) said this was to check the progress/status of the claim.

**Figure 4.2 Contact during processing the claim**



While almost half (46%) of claimants said that the same person dealt with their claim throughout the process, one-third (31%) said that more than one person dealt with their claim. Of those with more than one person dealing with their claim, over half (53%) had three or more people dealing with their claim.

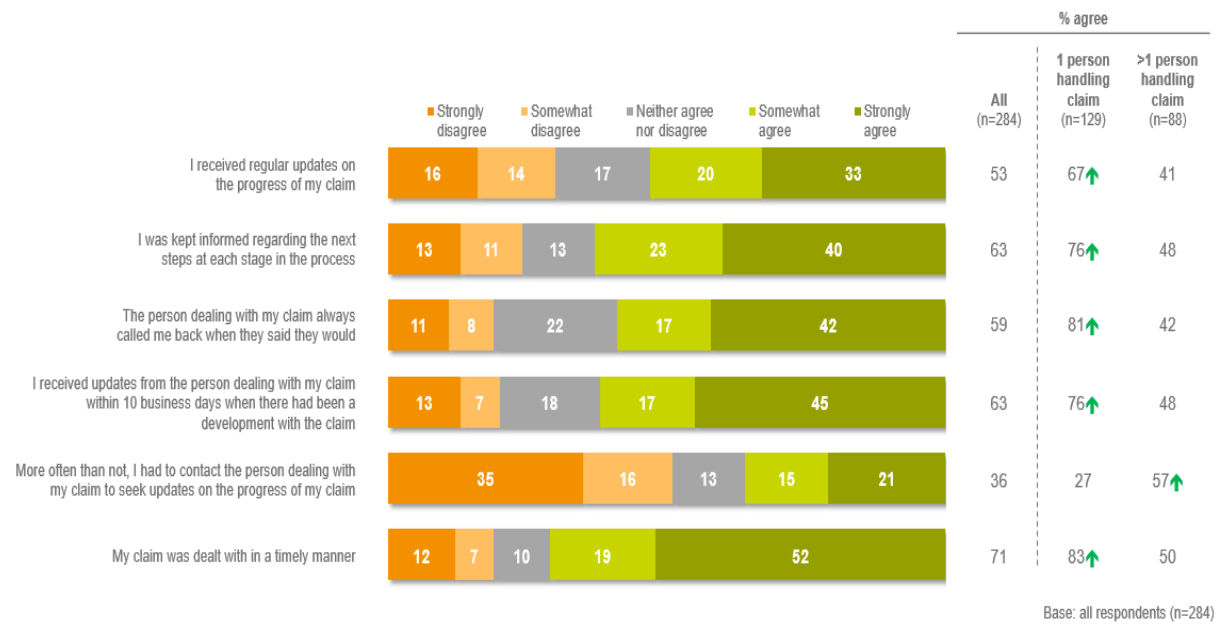
**Figure 4.3 Number of people dealing with the claim**



Base: all respondents (n=284) and if had more than one contact (n=88)

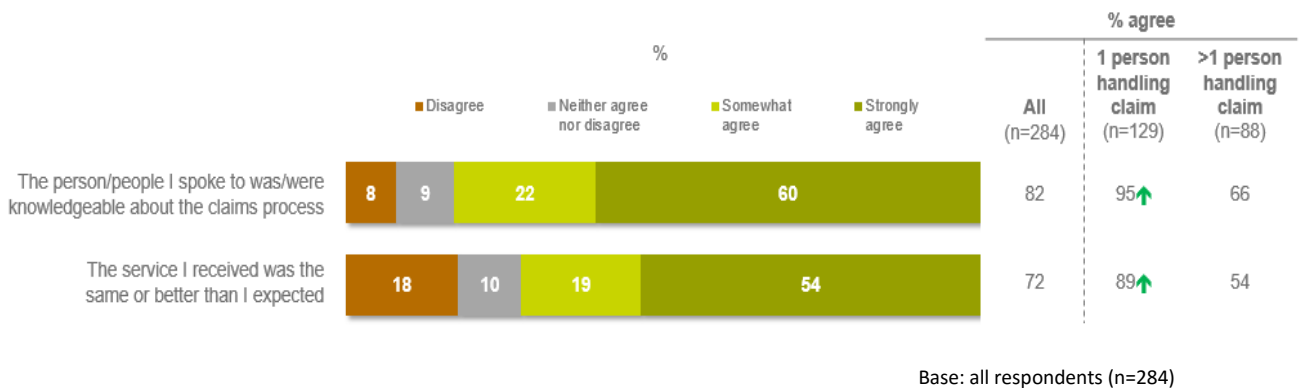
Those dealing with just one person handling the claim typically experienced superior levels of customer service in comparison to those with more than one person handling their claim, in terms of being kept informed (76% vs 48%), calling back when promised (81% vs 42%), the claim being dealt with in a timely manner (83% vs 50%), receiving regular updates on the progress of the claim (67% vs 41%), and receiving these updates within 10 business days of any developments with the claim (76% vs 48%), as outlined in figure 4.4 overleaf.

**Figure 4.4 Measure of service during processing of claim**



Respondents reported a moderate to high satisfaction with the level of customer service received during the processing of the claim. The majority of claimants agreed that their claim was dealt with in a timely manner (71%), while just over half agreed that they received regular updates on the progress of their claim (53%) and that the person dealing with their claim would call them back when they said they would (59%).

**Figure 4.5 Customer service in processing the claim**



Those dealing with one person handling their claim were more likely than those with more than one person handling their claim to say the person dealing with the claim was knowledgeable (95% vs 66%) and that the service they received was the same or better than expected (89% vs 54%).

63% of claimants reported high levels of satisfaction with how their claims was processed however, over one-third (37%) of claimants reported low to moderate levels of satisfaction with how the claim was processed. While there was no single stand-out issue resulting in lower satisfaction scores, the most commonly cited issues were service related, such as slow/time consuming service (17%), having to follow-up (14%) and no contact by the company (13%).



**Figure 4.6 Satisfaction with how the claim was processed**



Base: all respondents (n=284)

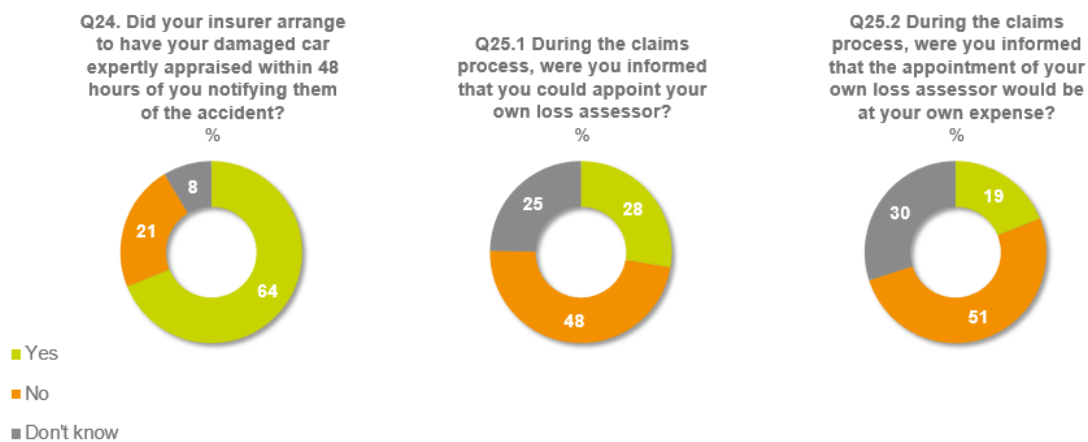
Satisfaction with how the claim is processed was higher amongst claimants with the same person handling their claim (81%) compared to claimants with more than one person handling their claim (34%).

## 5. APPOINTMENT OF THE LOSS ASSESSOR AND REPAIR WORK

Just over one-quarter (28%) said that they were informed that they could appoint their own loss assessor while almost half (48%) said that they were not informed they could appoint their own loss assessor. One-quarter (25%) did not recall being informed. Almost one-fifth (19%) said that they were informed that the appointment of their own loss assessor would be at their own expense, while around half (51%) said that they were not informed that the appointment of their own loss assessor would be at their own expense. Just under one-third (30%) did not recall being informed.

Just over three-fifths (64%) of claimants said that the insurer arranged to have the damage to their car assessed within 48 hours of notifying them of the accident.

**Figure 5.1 Appointing the loss assessor**

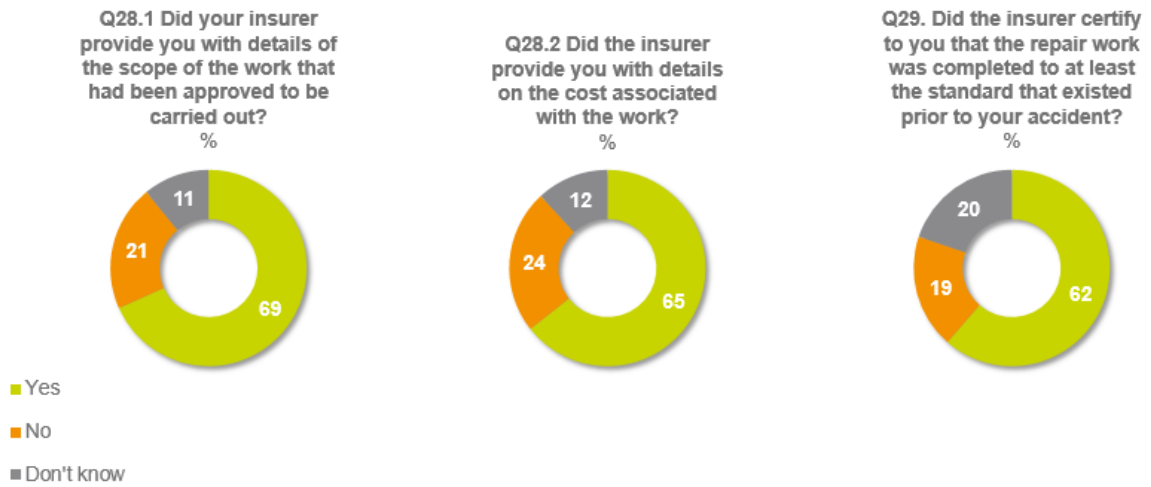


Base: all respondents (n=284)

The majority of claimants (71%) said that the damage to their car was assessed as repairable, while 29% said that their car was deemed to be a write-off/irreparable. Claimants whose car was deemed a write-off were more likely to live in rural areas (39%) rather than in urban areas (25%). Over half (53%) of claimants whose car damage was assessed as being repairable used a garage recommended by the insurer, while around two-fifths (41%) used a garage of their own choice.

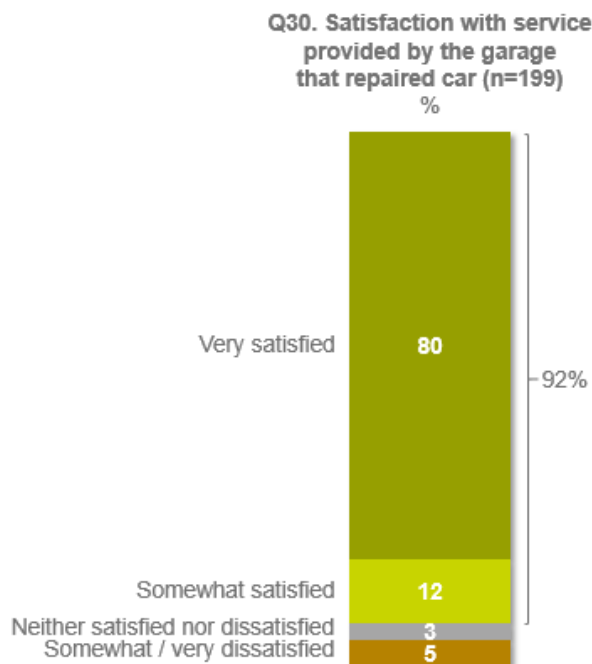
For those using a garage recommended by the insurer, one-fifth (21%) said the insurer did not provide them with the details of the scope of the work that had been approved to be carried out and almost one-quarter (24%) said the insurer did not provide them with details of the cost of the associated work, while almost one-in-five (19%) said that the insurer did not certify the repair work.

**Figure 5.2 Using a garage recommended by the insurer**



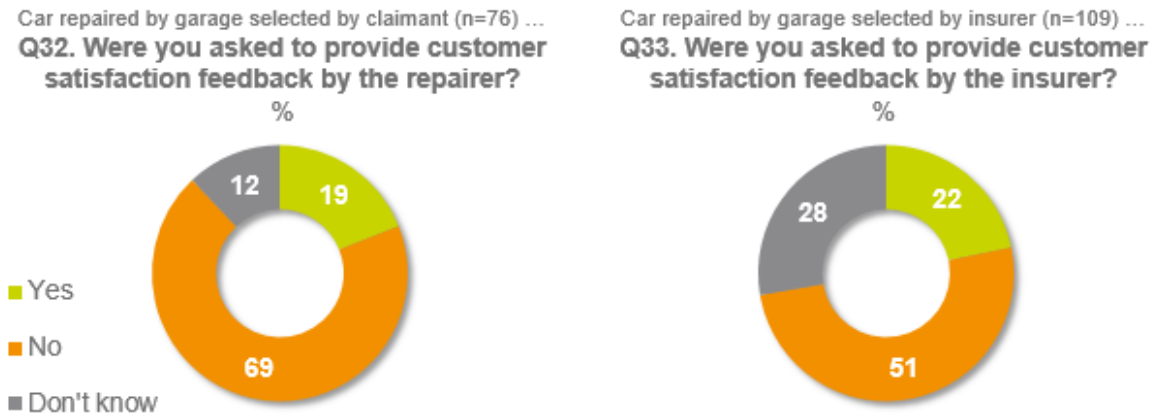
Base: damage to the car was assessed as being repairable and the car was repaired by the garage selected by the insurer (n=109)

**Figure 5.3 Satisfaction with the repair work**



Almost all claimants (92%) whose damage to the car was assessed as being repairable and whose car was repaired by the garage selected by the insurer were satisfied with the service provided by the garage that repaired their car.

**Figure 5.4 Customer satisfaction feedback**

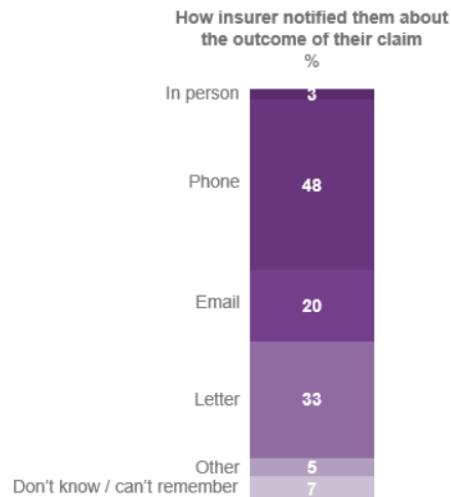


19% of claimants were asked to provide customer satisfaction feedback by the repairer in the case of cars repaired by the garage selected by the claimant. 22% were asked by the insurer to provide feedback in the case where the car was repaired by the garage selected by the insurer.

## 6. OUTCOME OF THE CLAIM

In almost all instances, the insurance company accepted the claim (96%), particularly amongst claimants with the same person handling the claim (100%) compared to those who had more than one person handling the claim (89%). People were typically notified of the outcome of the claim by either phone (48%), letter (33%) or email (20%).

**Figure 6.1 Notification of the claim outcome**



Base: all respondents (n=284)

Close to one-quarter (23%) of claimants whose claim was accepted said the insurance company did not inform them of how the settlement of the claim would impact on their no-claims bonus. Almost half (49%) said that the insurance company did not inform them if any third party had made a claim against their policy arising from the incident.

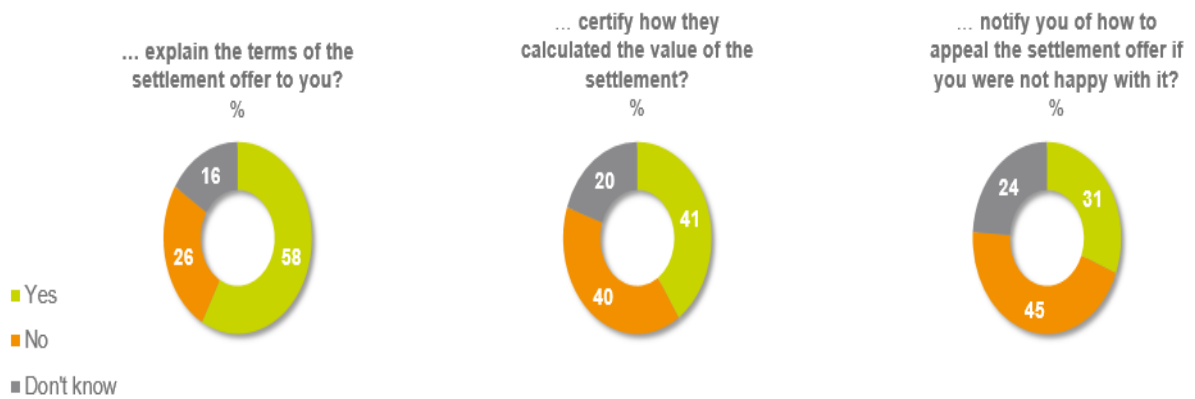
**Figure 6.2 Communications from insurer (1)**



Base: all respondents whose claim was accepted (n=278)

Almost one-quarter (23%) of claimants whose claim was accepted said the insurance company did not explain the terms of the settlement offer, two-fifths (40%) said the insurance company did not certify how they calculated the value of the settlement and almost half (45%) said the insurance company did not inform them of how to appeal if they were not happy with the settlement offer.

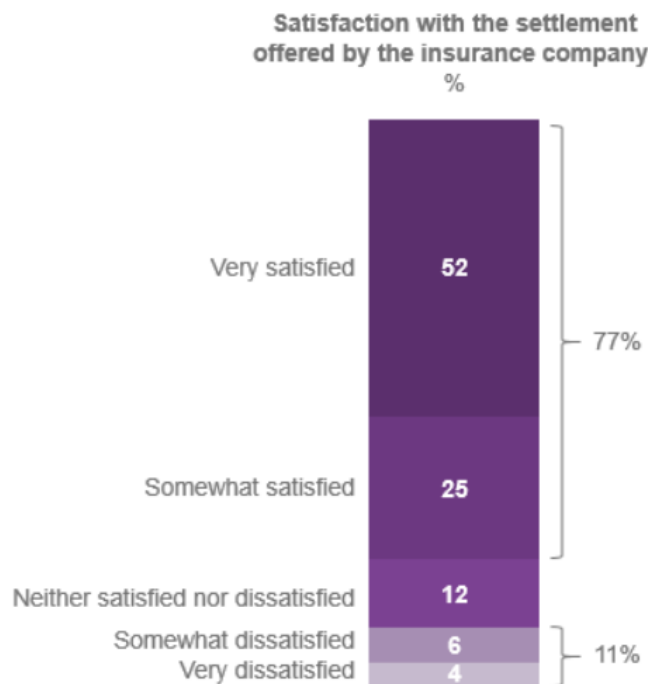
**Figure 6.3 Communications from insurer (2)**



Base: all respondents whose claim was accepted (n=278)

Almost all claimants accepted the settlement offer from the insurance company (98%), while over three-quarters (77%) said that they were satisfied with the settlement. Satisfaction with the settlement offer is higher amongst claimants whose car damage was repairable (81%) compared to claimants whose car was deemed a write-off (67%).

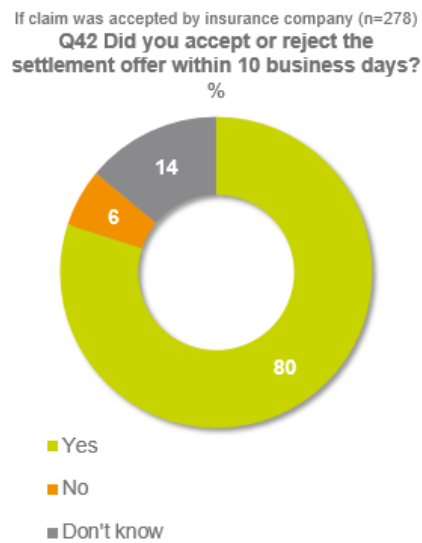
**Figure 6.4 Satisfaction with settlement offer**



Base: if claim accepted by insurance company (n=278)

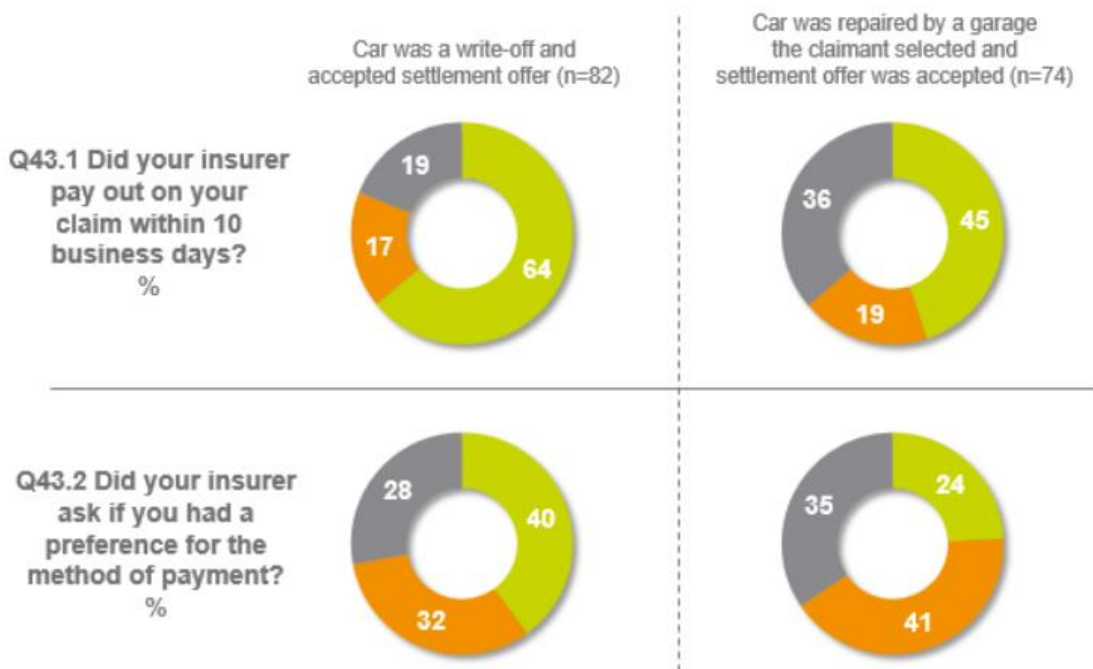
80% of claimants whose claim was accepted by the insurance company said that they accepted/rejected the settlement offer within 10 working days.

**Figure 6.5 Paying out on claims accepted by the insurance company (1)**



Almost two-thirds (64%) of claimants whose car was a write-off and accepted the settlement offer said the insurer paid-out the claim within 10 business days, versus over two-fifths (45%) whose car was repaired by a garage selected by the claimant. Claimants whose car was a write-off and accepted the settlement offer are also more likely to have been asked by their insurer if they had a preference for payment method (40%) in comparison those whose car was repaired by a garage selected by the claimant (24%).

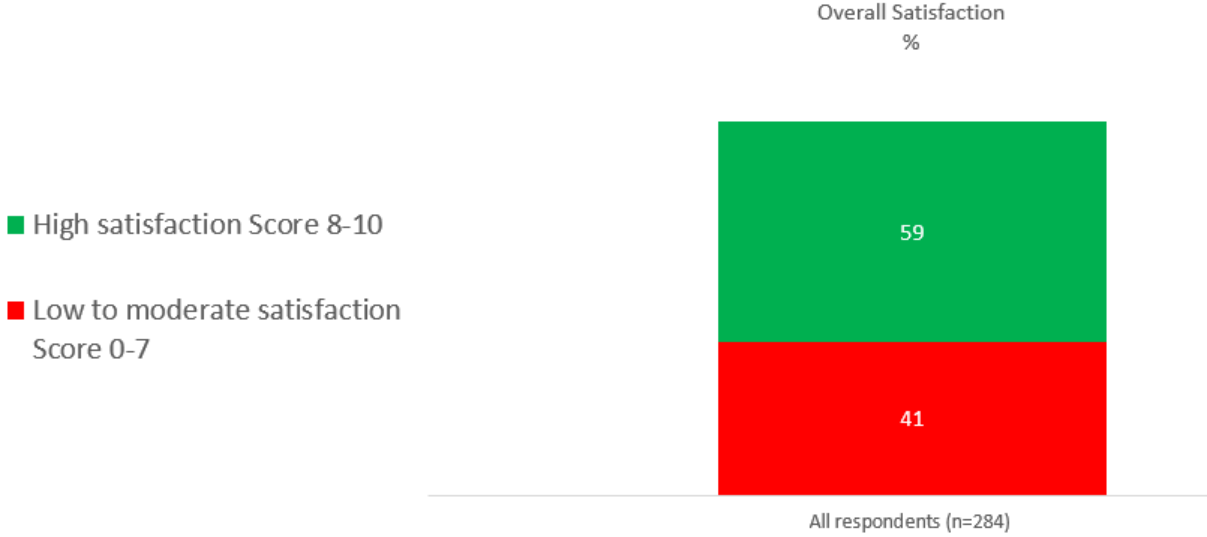
**Figure 6.6 Paying out on claims accepted by the insurance company (2)**



**7. OVERALL SATISFACTION WITH THE OVERALL CLAIM PROCESS**

59% of claimants that made an insurance claim reported high levels of overall satisfaction (score 8-10).

**Figure 7.1 Overall satisfaction with the motor insurance claims process**



Base: all respondents (n=284)

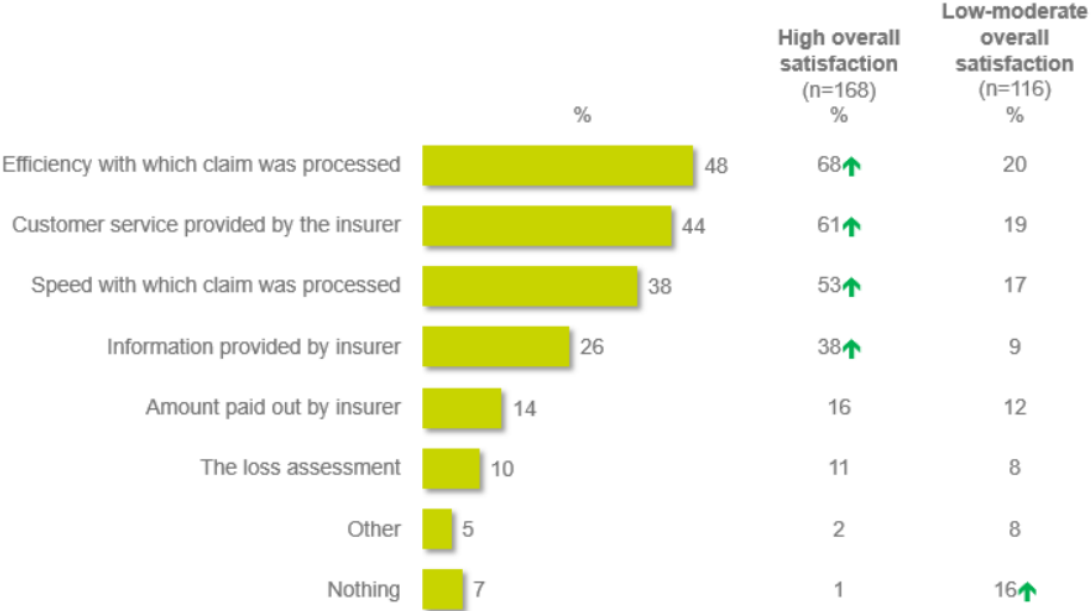
People dealing with just one person handling their claim reported high levels of overall satisfaction (75%) in comparison to claimants with more than one person handling their claim (32%). Claimants aged 50-64 reported high levels of overall satisfaction (64%) compared to claimants aged 35-49 (48%).

Higher levels of overall satisfaction were evident amongst those claimants that have high levels of satisfaction with reporting the claim (82%), have high levels of satisfaction with the claims process (91%), have high levels of satisfaction with the settlement offer (72%) and agreed that the claims process is fair (77%).



Service delivery issues i.e. efficiency with processing the claim (48%), customer service (44%), the speed in processing the claim (38%), and the information processed by the insurer (26%) are all key drivers of overall satisfaction.

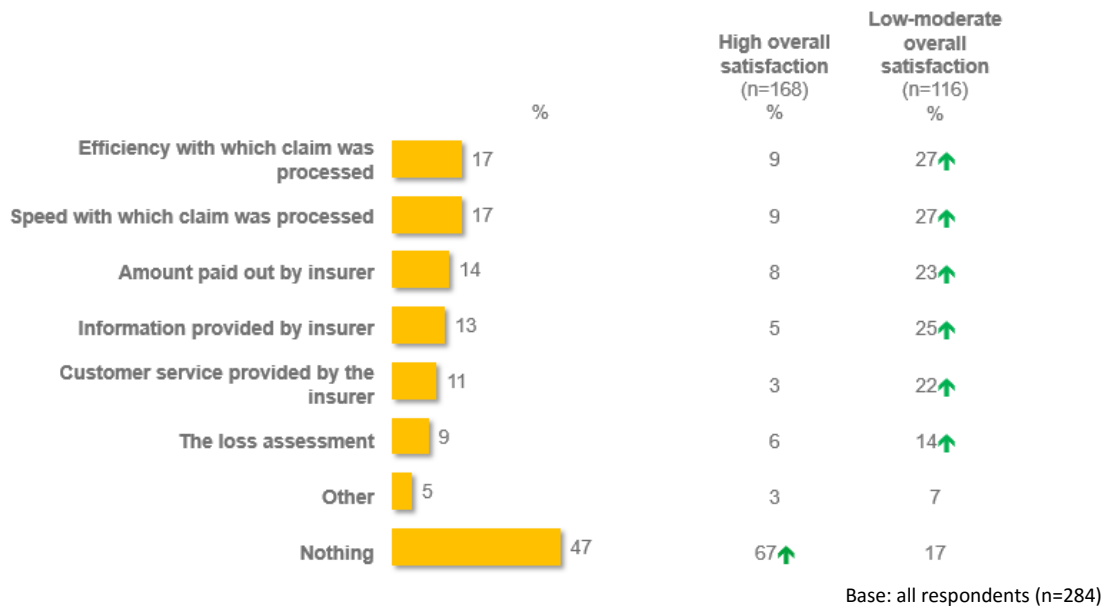
**Figure 7.2 Drivers of satisfaction**



Base: all respondents (n=284)

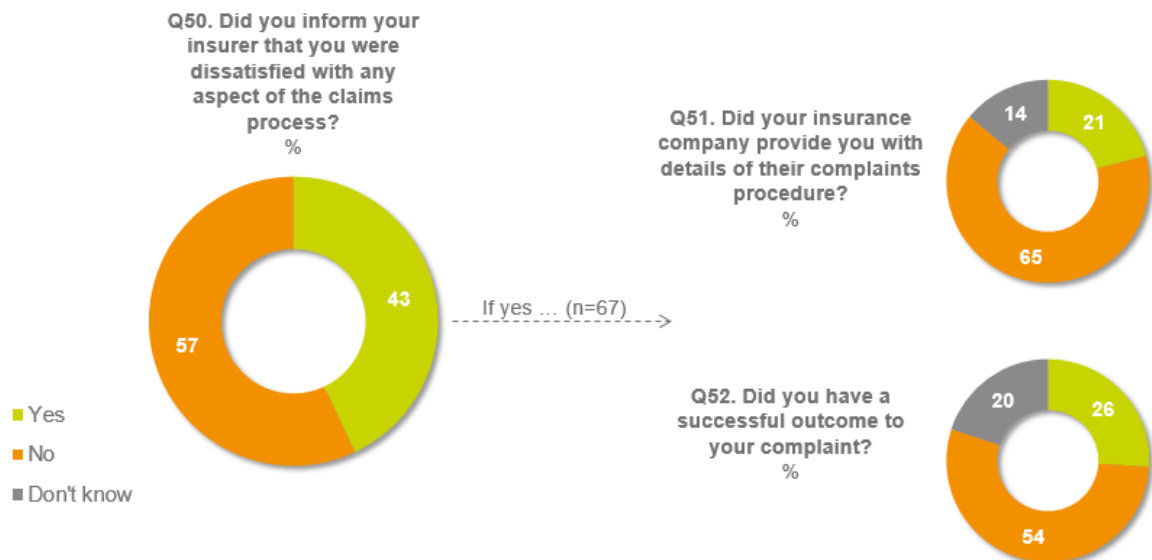
Over half of claimants (53%) said that they were dissatisfied with some aspect of the motor insurance claims process, when prompted. While there is no single stand-out issue that claimants were dissatisfied with, service delivery issues (efficiency (27%), the speed of processing the claim (27%), and the information provided by the insurer (25%)) were mentioned most by those with low to moderate levels of overall satisfaction.

**Figure 7.3 Drivers of dissatisfaction**



Less than half of claimants (43%) that were dissatisfied with some aspect of the claims process informed their insurer about their dissatisfaction, of which around one-fifth (21%) reported that they were provided with details of the insurance company’s complaint procedure and only around one-quarter (26%) had a successful outcome to their complaint.

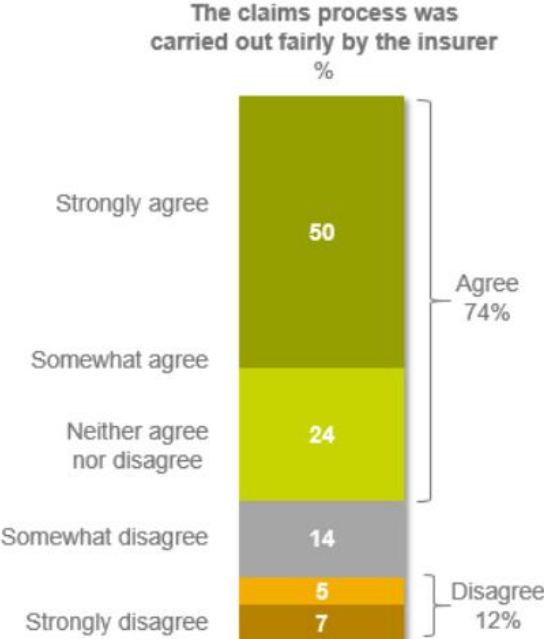
**Figure 7.4 Making a complaint**



Base: all respondents that identified something they were dissatisfied with regarding the process overall (n=151) and those that informed their insurer they were dissatisfied (n=67)

Almost three-quarters (74%) of claimants believe the claims process is carried out fairly by the insurer.

**Figure 7.5 Fairness of the claims process**



Base: all respondents (n=284)

Timely follow-up for phone calls/returning calls (16%) is the top suggestion for improving the claims process amongst claimants with low to moderate overall satisfaction while claimants with high levels of overall satisfaction reported that they did not know/nothing (39%) and no improvements are needed (24%).

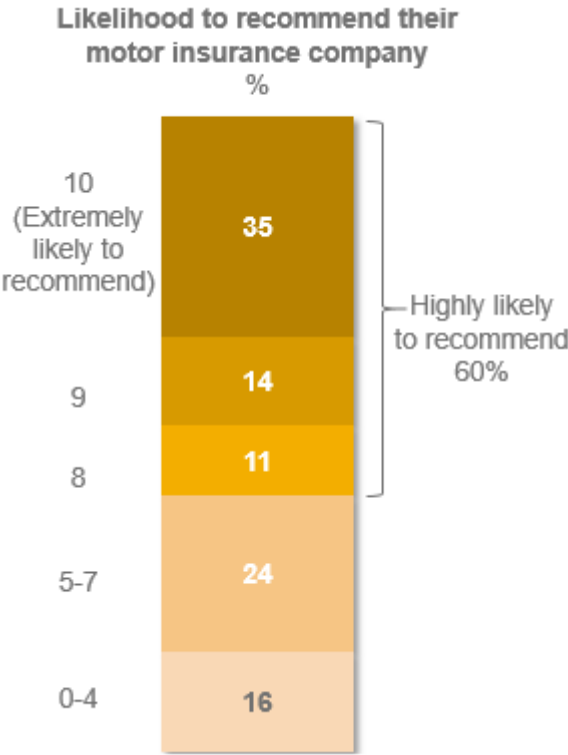
**Figure 7.6 Suggestions for improving the claims process**



Base: all respondents (n=284)

Almost two-thirds (60%) of claimants said they were highly likely to recommend (score 8-10) their insurance company.

**Figure 7.7 Likelihood to recommend insurer**



Base: all respondents (n=284)



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