

ARE CHATBOTS A VALUABLE CUSTOMER SERVICE TOOL

Auto Insurance Report National Conference

April 15, 2023



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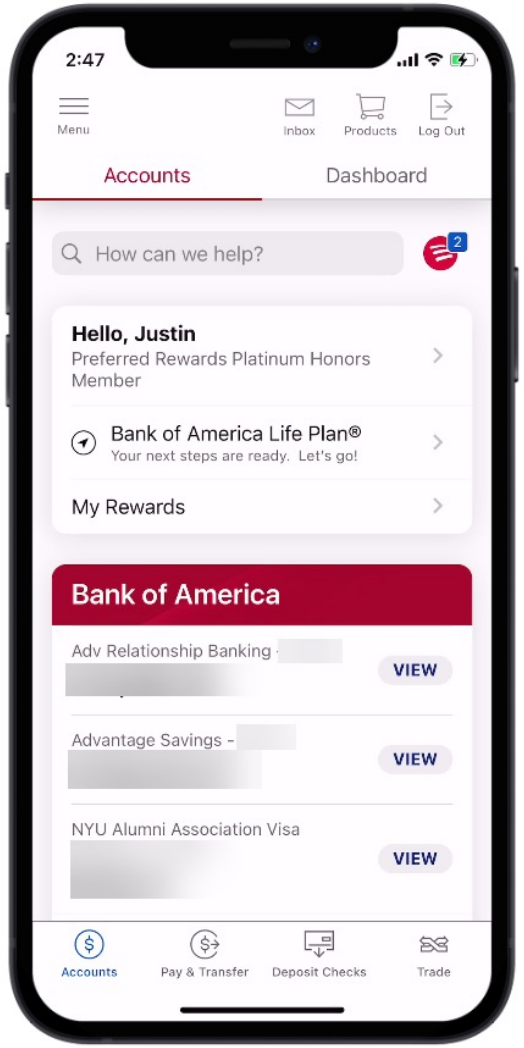
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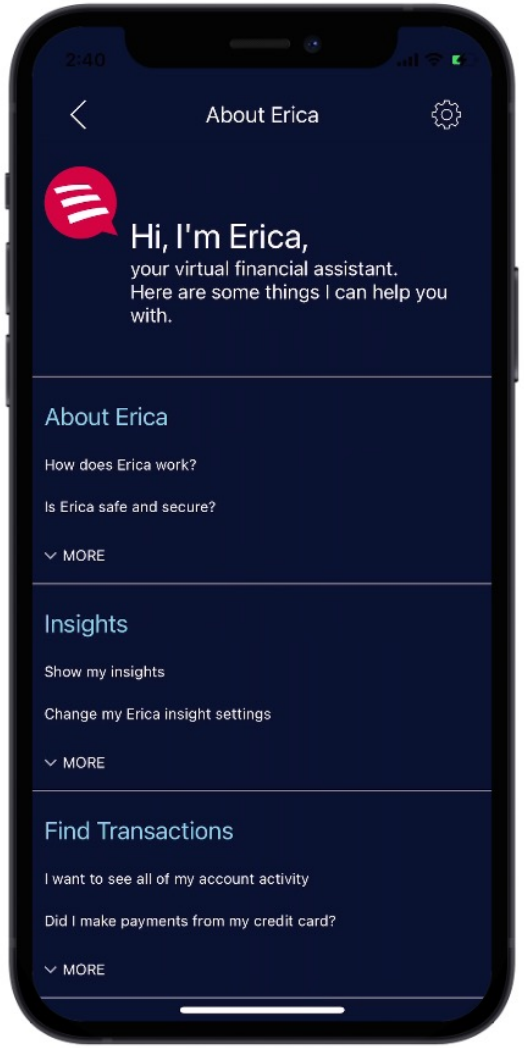
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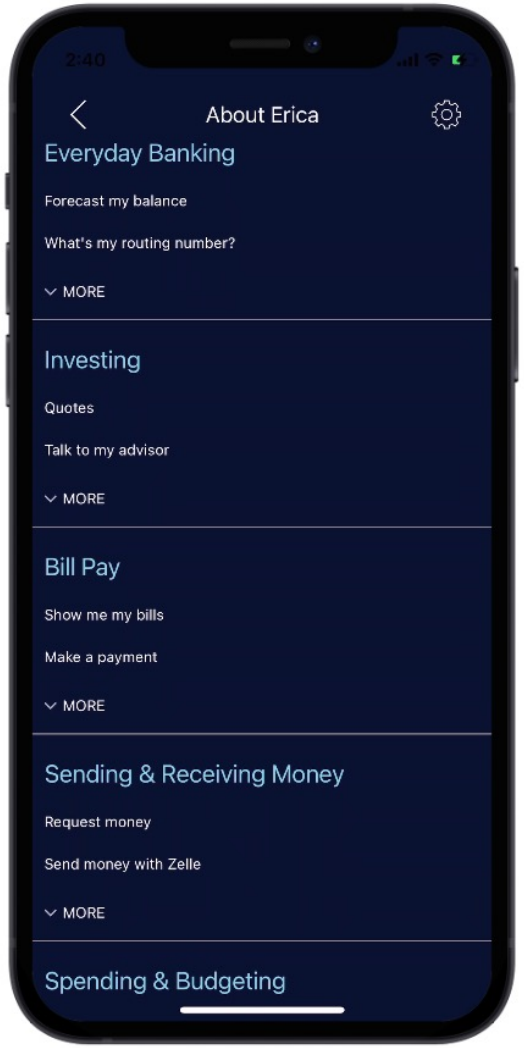
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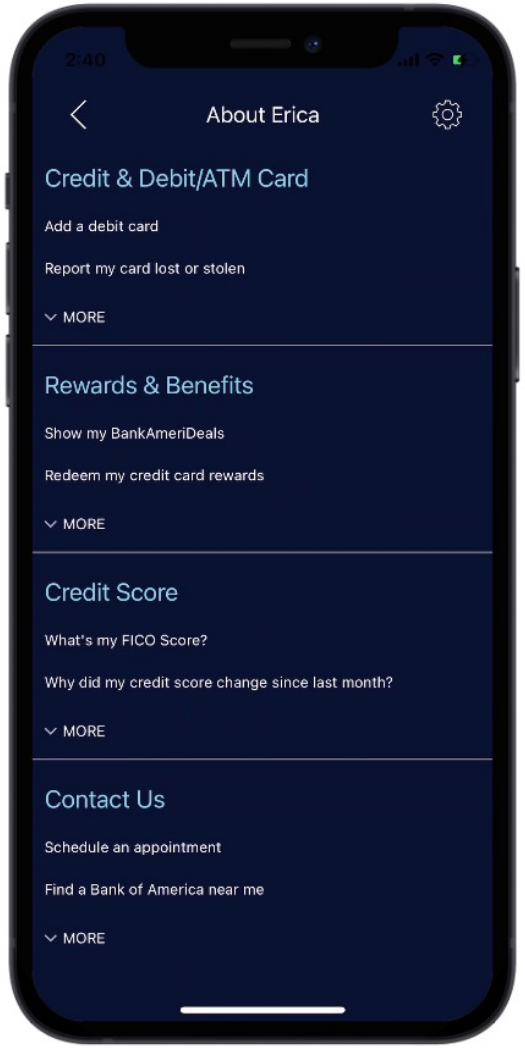
Why are we talking about chatbots?

We all know about Erica

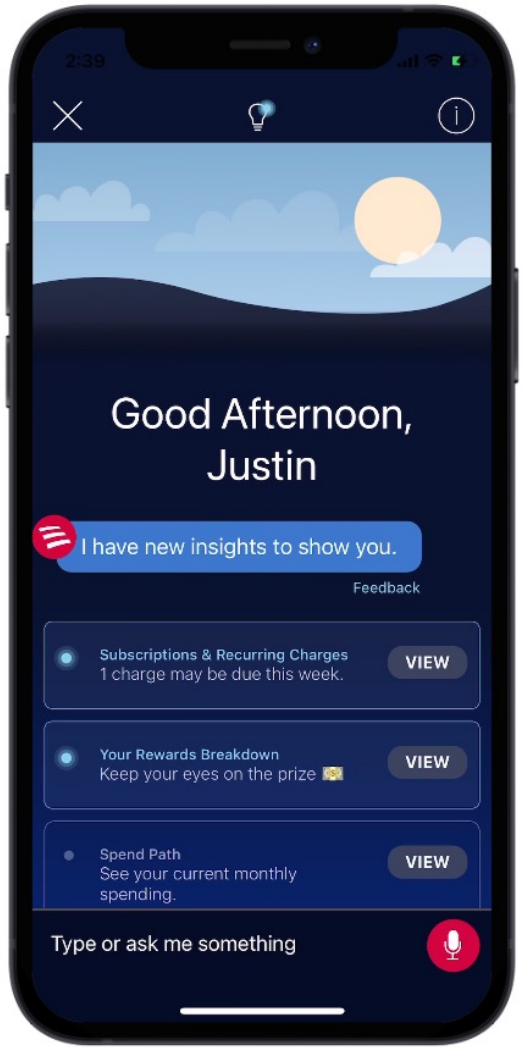


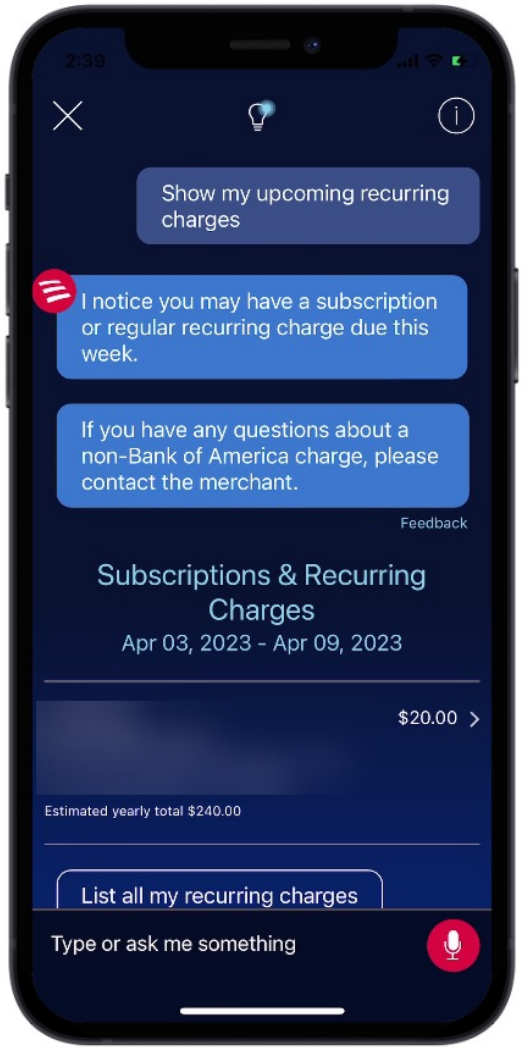


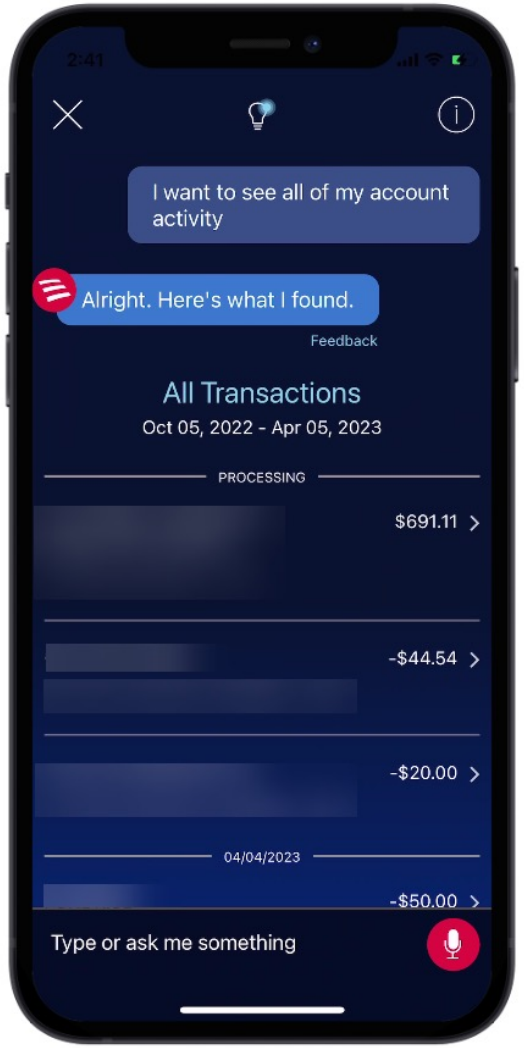


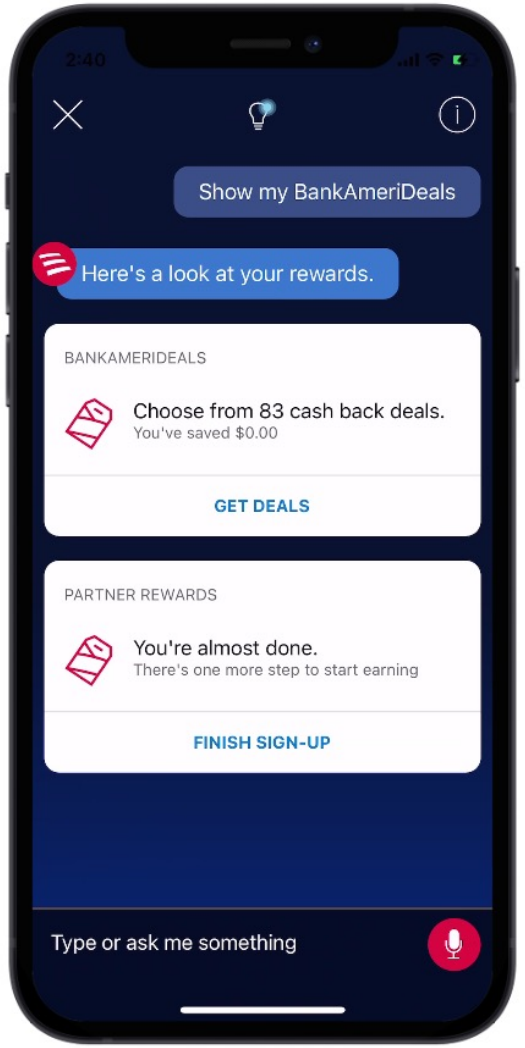


We all know about Erica

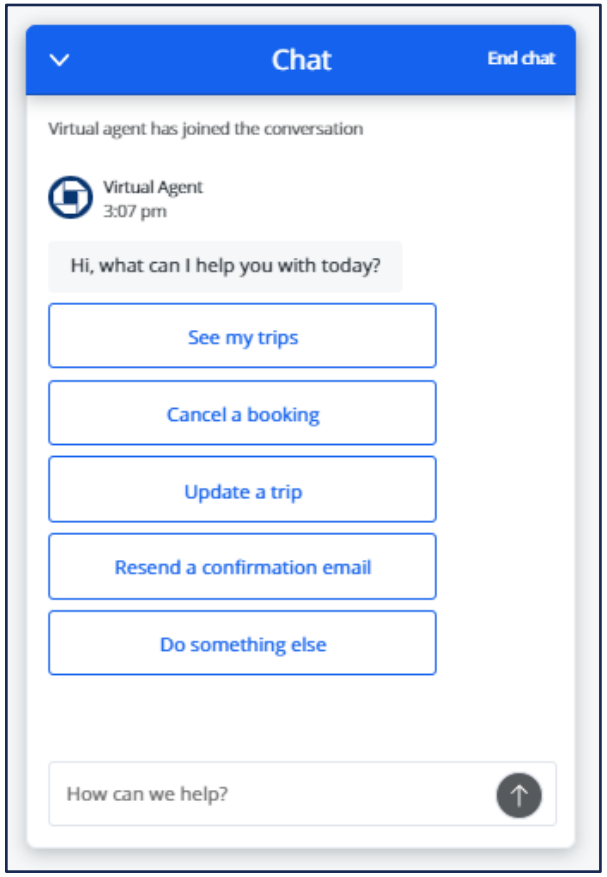


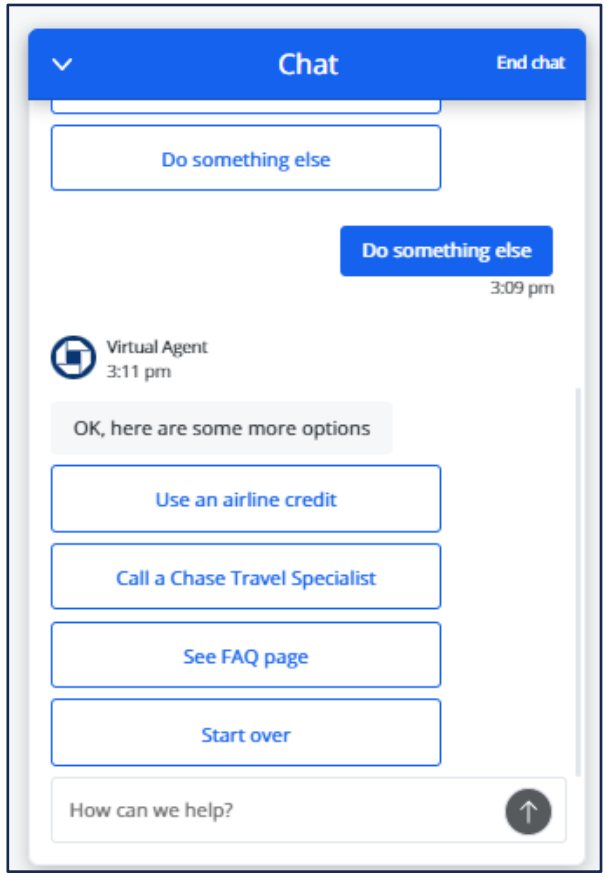


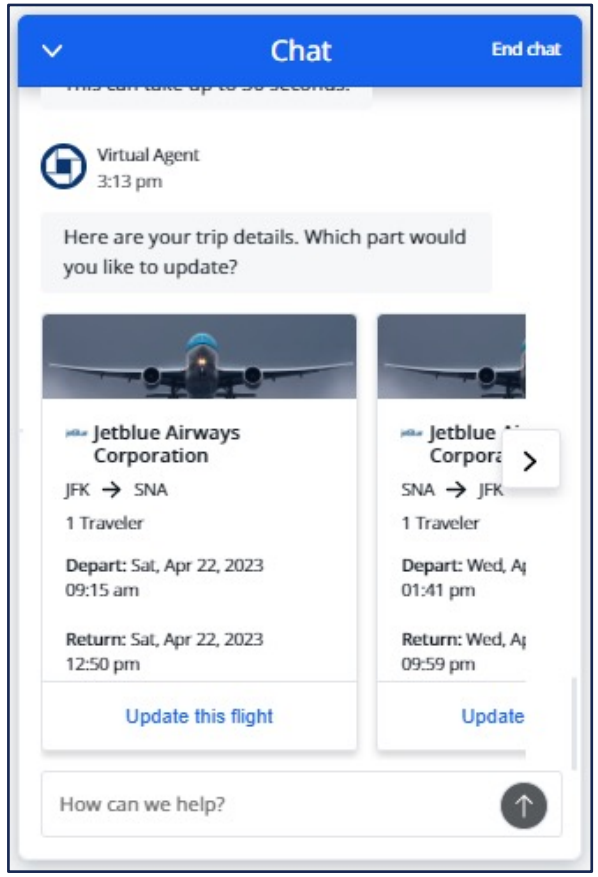


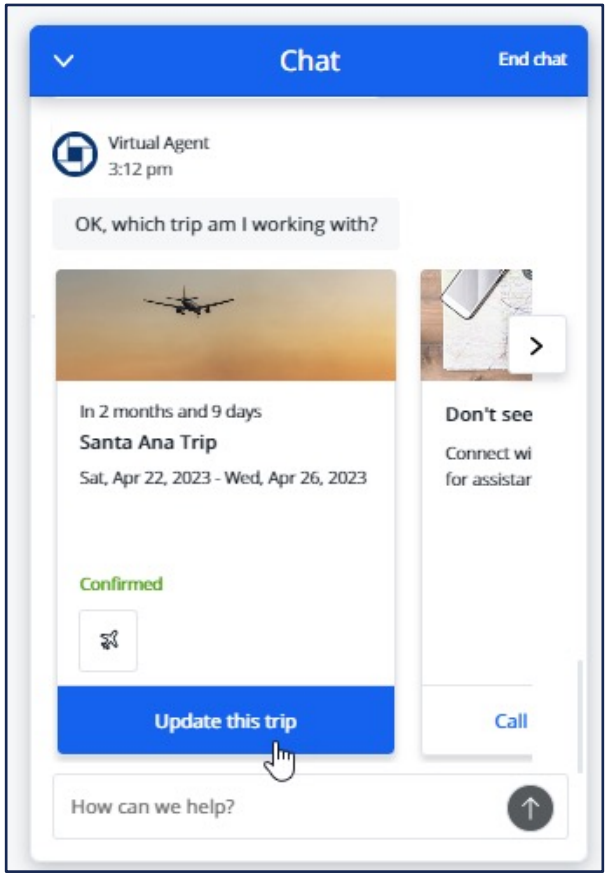


Chatbots are common in the travel industry, Chase's virtual agent can perform tasks and pull up information on upcoming trips

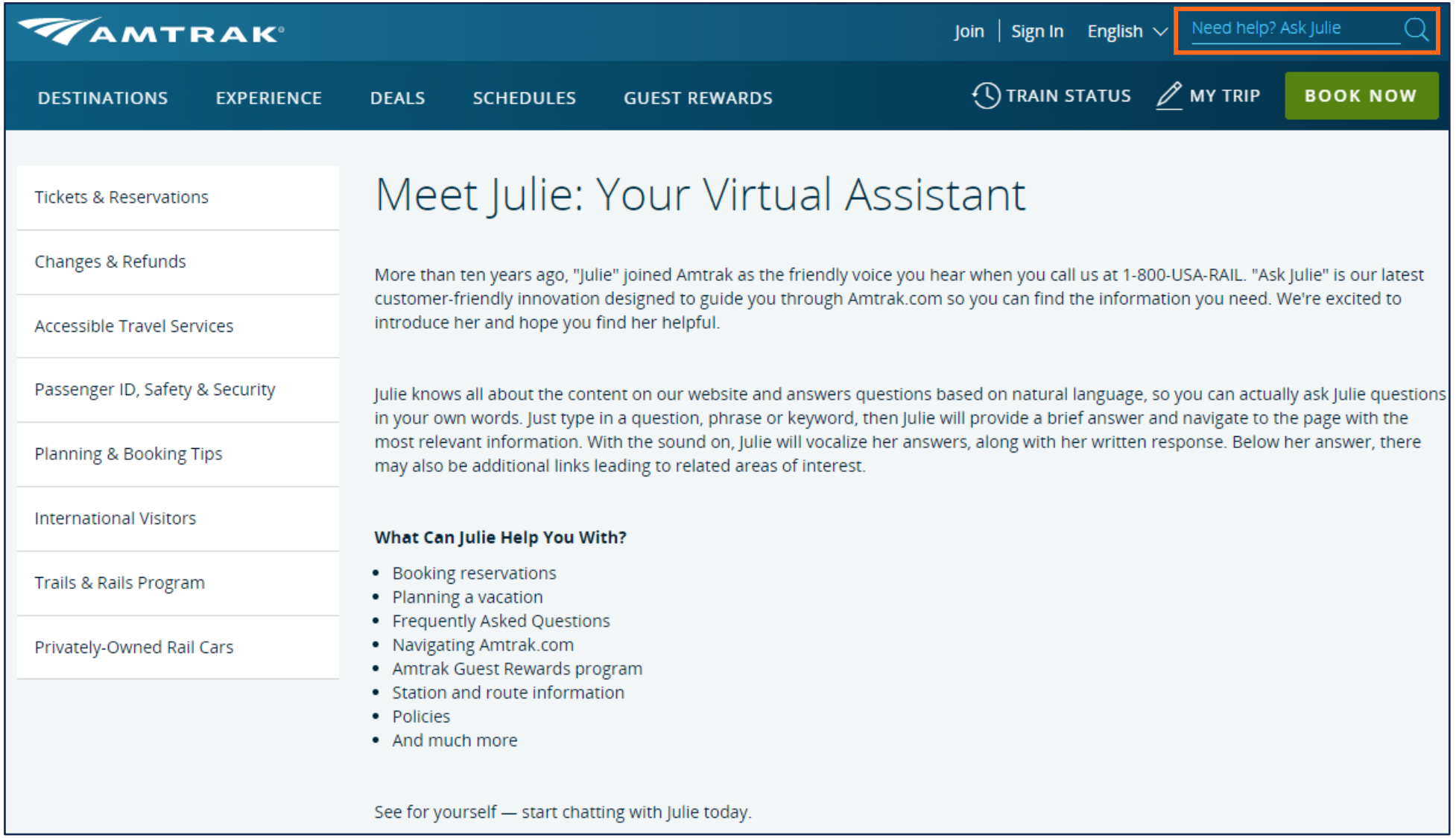




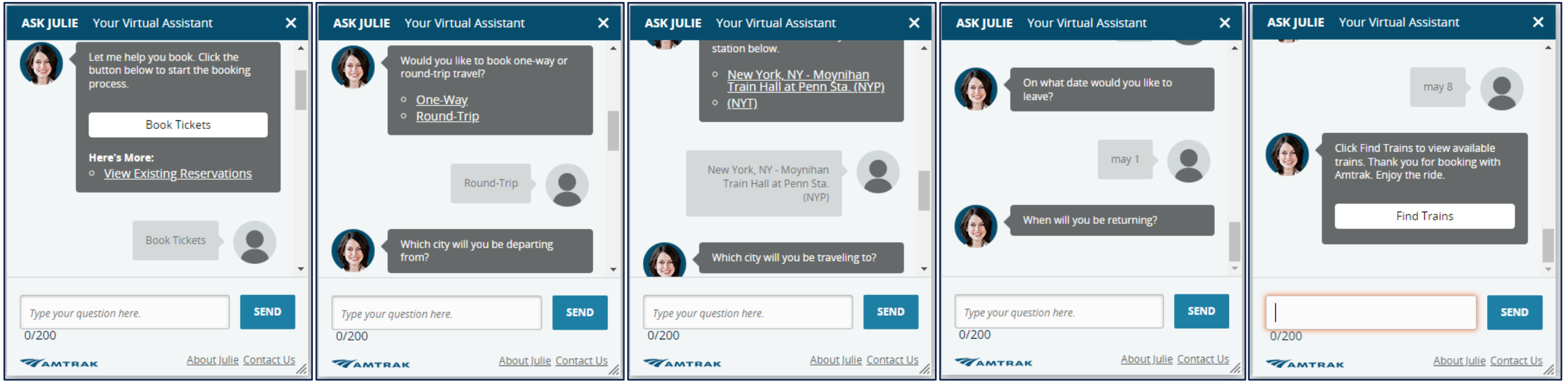




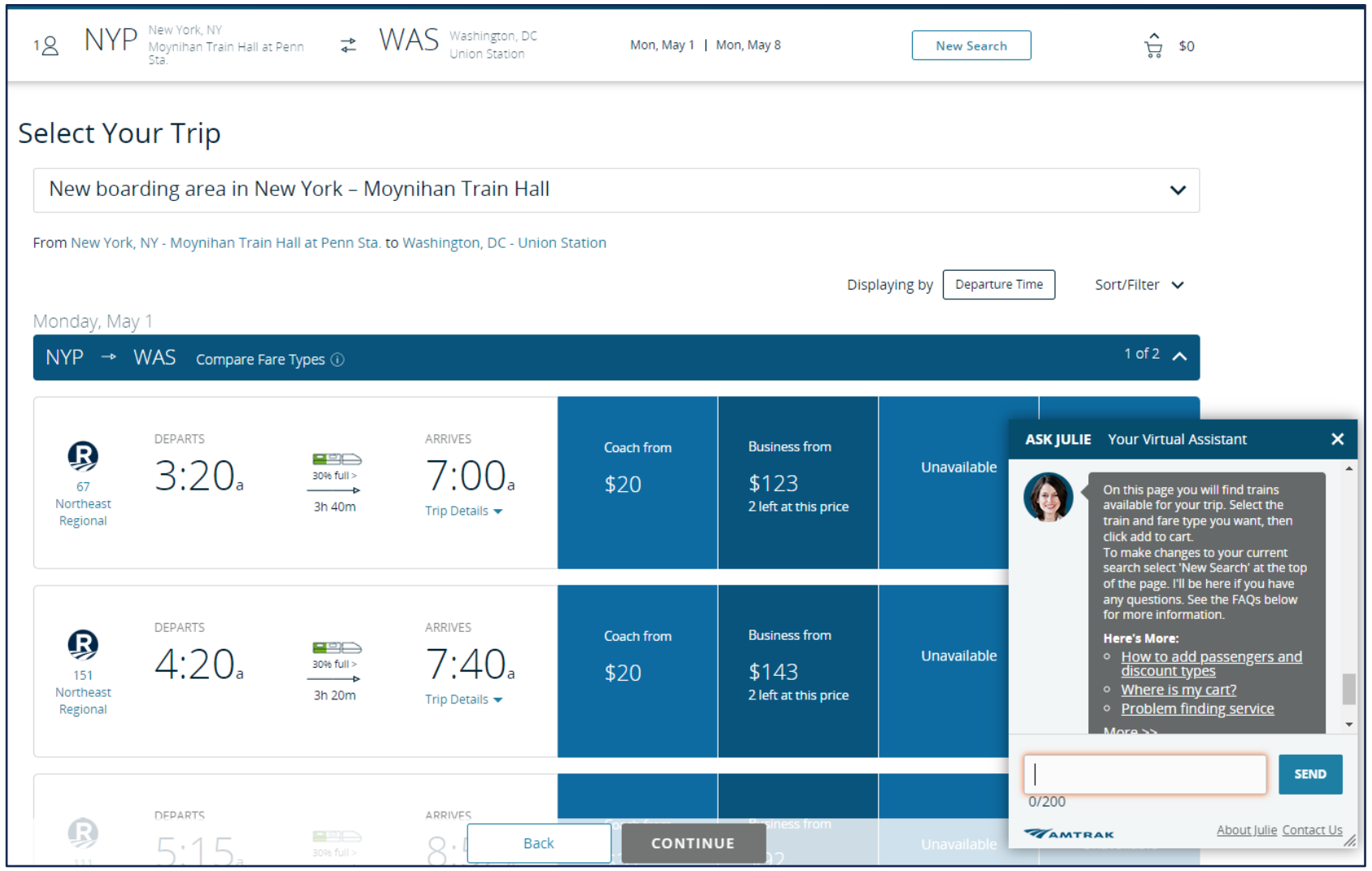
Chatbots are common in the travel industry, Amtrak's Julie can help users book tickets and accomplish other tasks



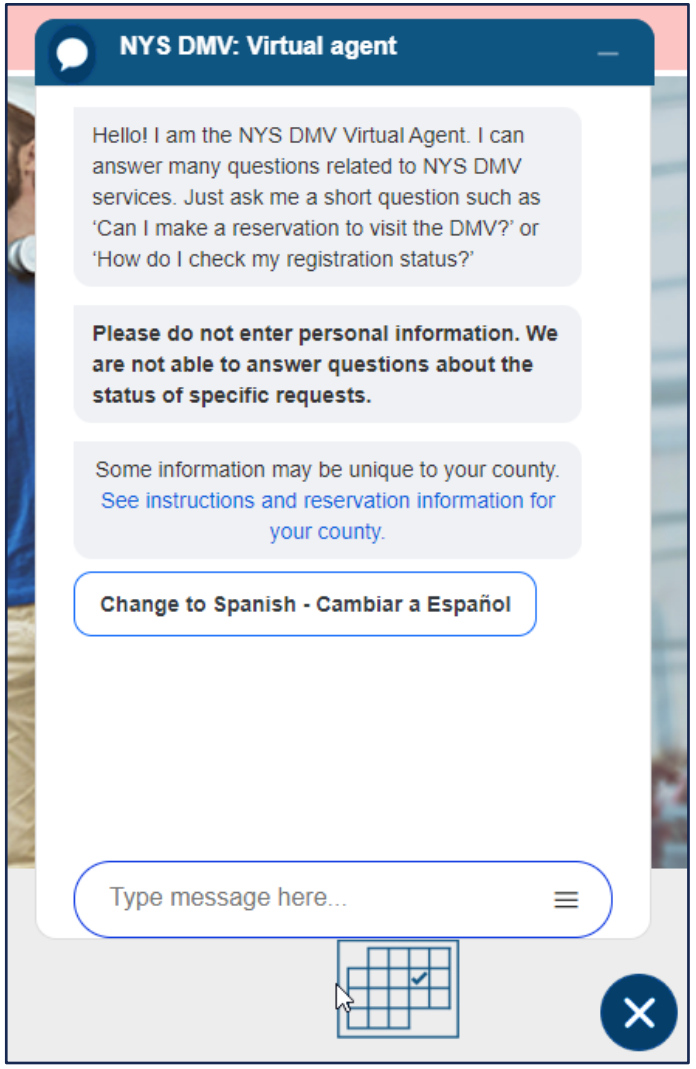
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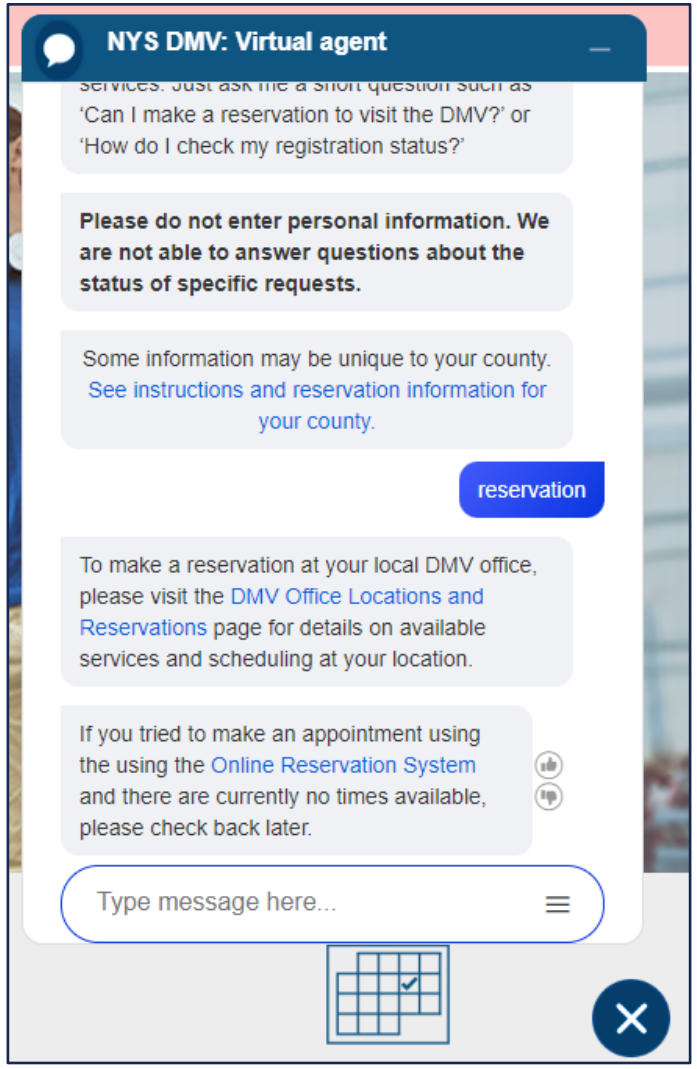


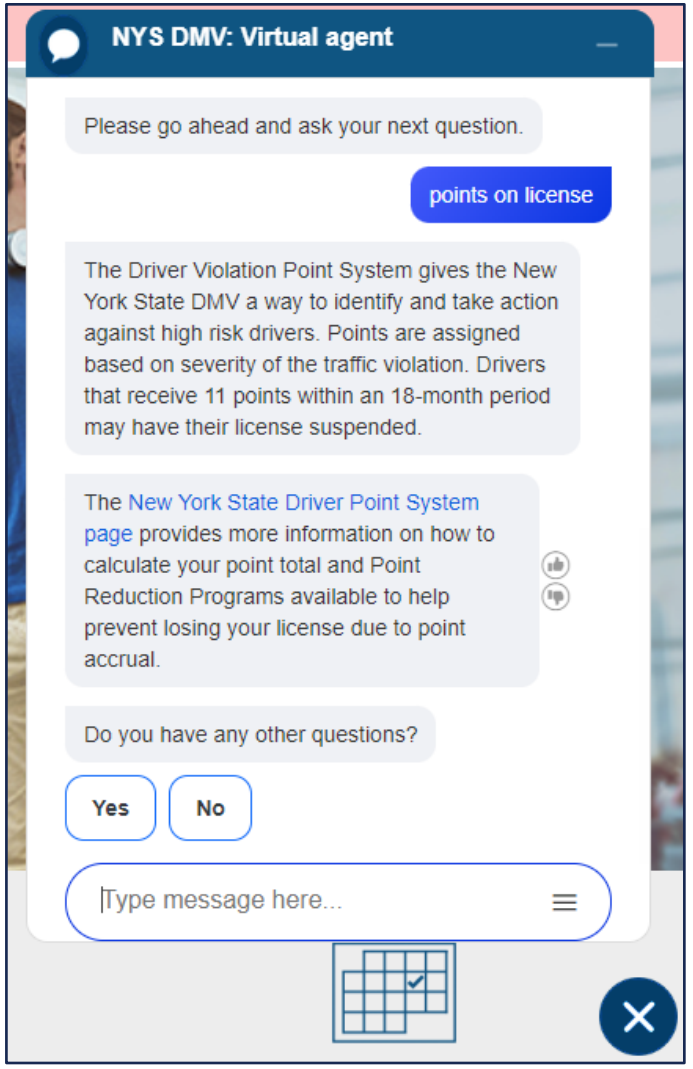
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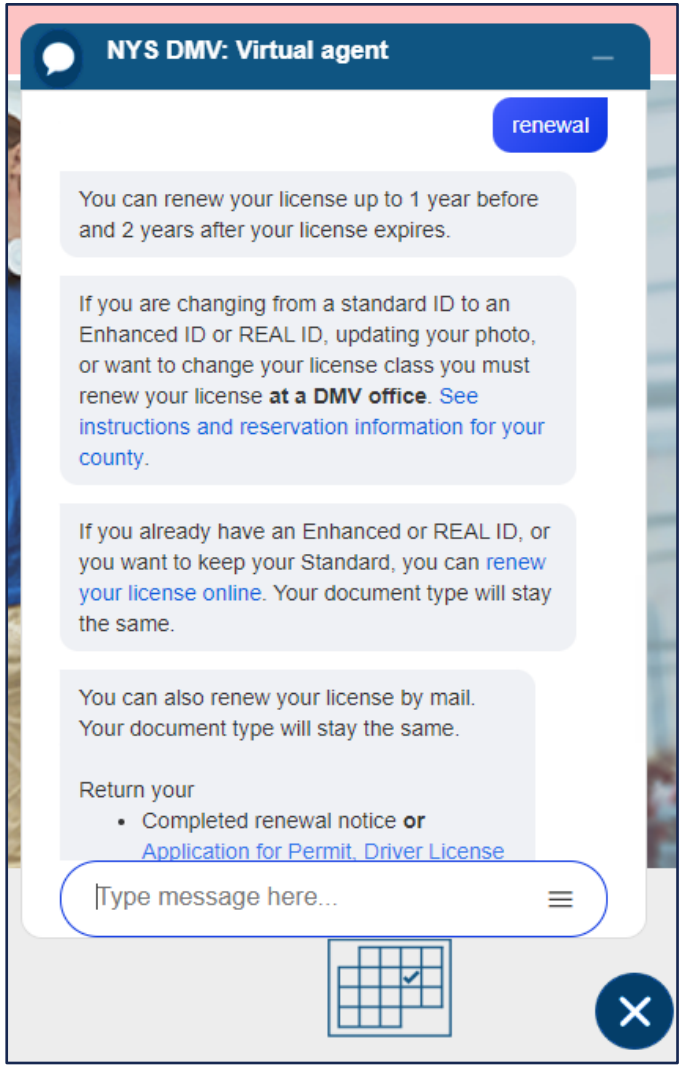
Even the DMV has a chatbot – and its not bad!

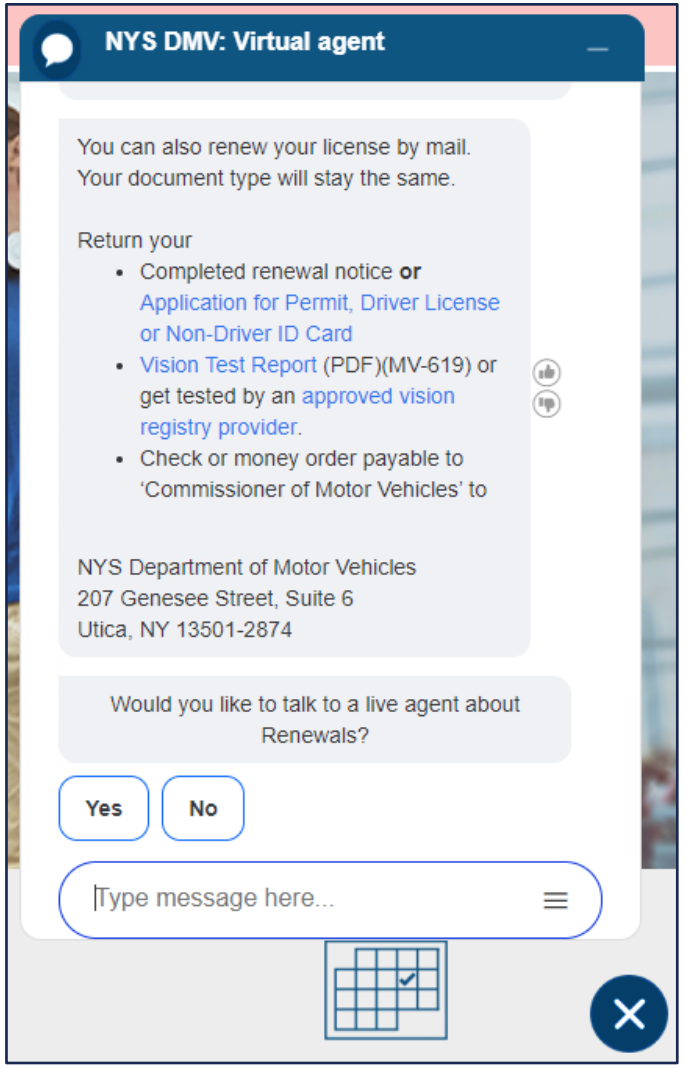






Even the DMV has a chatbot – and its not bad!





Investigating the Current Chatbot Landscape in the Insurance Industry

P&C Insurance Monitor coverage set insurers with chatbots

- AAA
- Allstate
- American Family
- Amica
- Chubb
- Farmers
- GEICO
- Hippo
- The Hartford
- Liberty Mutual
- Metromile
- Nationwide
- Progressive
- State Farm
- Travelers
- USAA

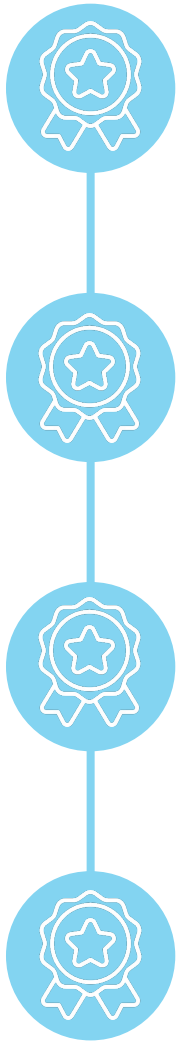
Report methodology

When rating chatbot offerings, we consider both the chatbots' placement and findability, the actions or tasks they perform, and available results. We exclusively evaluated AI chat tools in our report and left out live chat tools as well as external communication options such as Facebook chat or Twitter support.

Ideally, chatbots should be offered throughout the public and policyholder sites and not limited to specific pages. We reward tools that accommodate a wide range of inputs, either by providing a comprehensive preset menu or responding to varied free-text entries. Well rated chatbots answer questions, provide information, guide users through a process, or redirect users to a relevant site page or section.

Leading insurers offer more advanced chatbots that can also initiate transactions directly, such as policy self-service tasks, or look up policy-specific information. Chatbots should provide an alternative if the tool cannot answer a query and funnel customers to the proper live representative if necessary or requested. We focus on the type of inquiries chatbots can resolve, the helpfulness of their resources, and their general understanding of basic inputs.

Rating tiers



Excellent chatbots are readily available and easily findable across an insurer's digital platform(s), feature a robust preset menu with well-mapped customer journeys and understand a wide range of free-text inputs. These tools can initiate tasks on behalf of the user, redirect users to relevant pages/screens or pull up pertinent policy information within the chat window. Further, an Excellent chatbot sets user expectations up front regarding what type of tasks it can perform, avoiding frustration when it is unable to recognize an inputted query. Lastly, Excellent chatbots can direct users to a live representative seamlessly upon request.

Good chatbots are readily available and easily findable across an insurer's digital platform(s), provide links to specific site/app pages or tasks, and can direct customers to a live representative. While Good chatbots may incorporate a preset menu, it includes limited options and a brief mapped customer journey.

Fair chatbots are only findable is specific site/app sections and provide cursory information or plain-text instructions focused on only a few topics.

Poor chatbots understand a limited range of free text inputs, often cannot provide adequate help or only exist in a singular site/app location.

Chatbot growth over time

2019

- 9 coverage group insurers with a chatbot
  - One Excellent
  - Four Good
  - Three Fair
  - One Poor

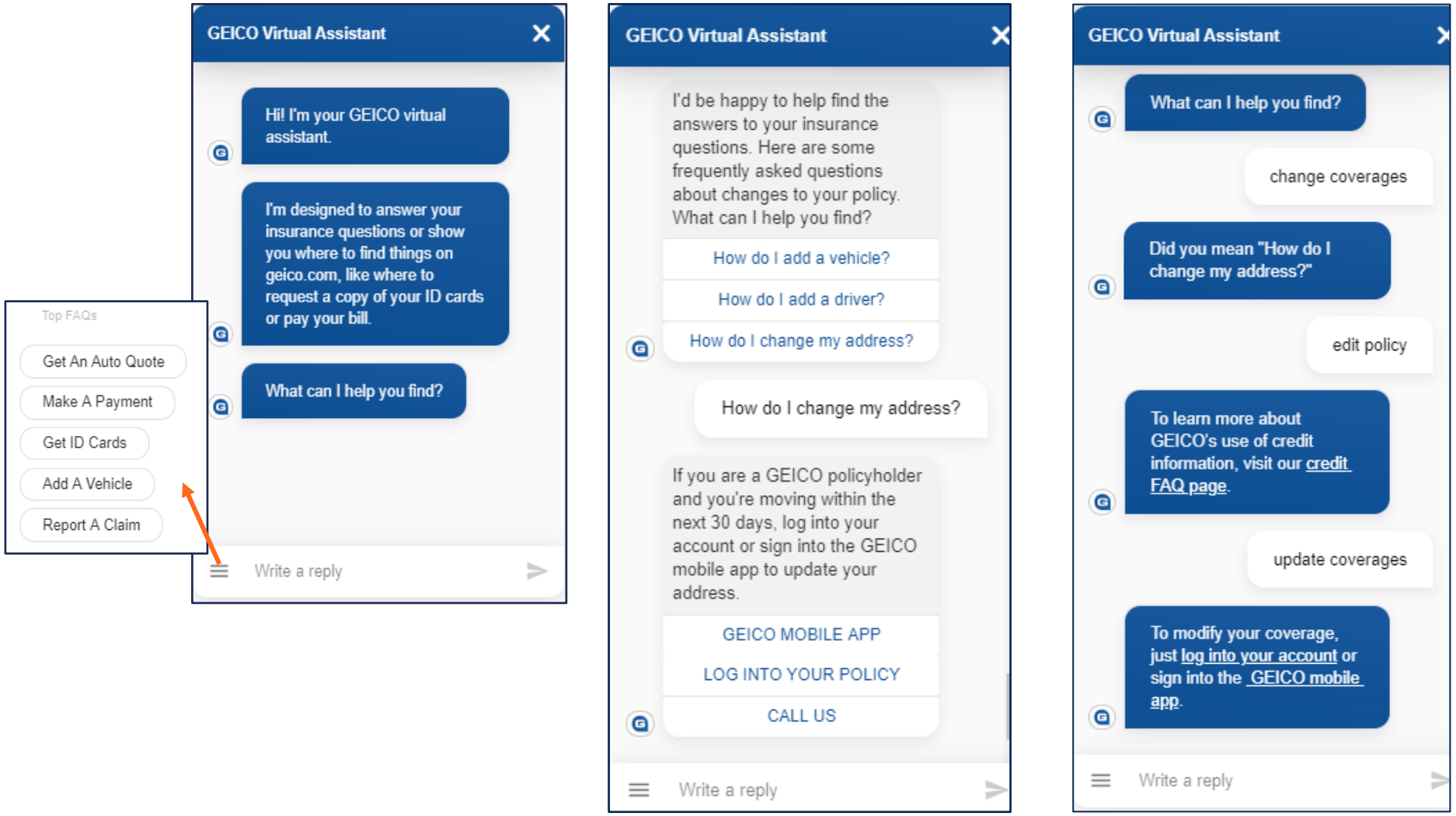
2021

- 13 coverage group insurers with a chatbot
  - Three Excellent
  - Four Good
  - Four Fair
  - Two Poor

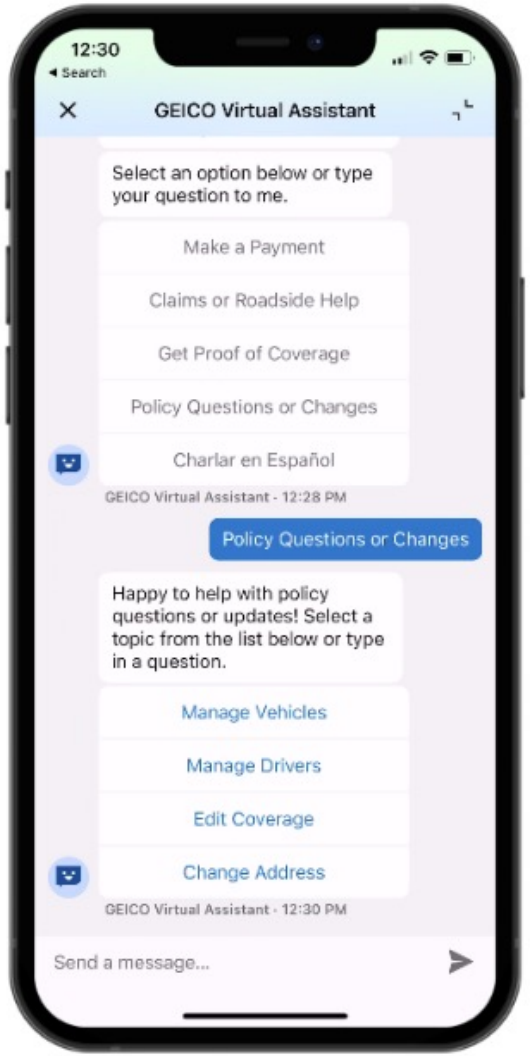
2023

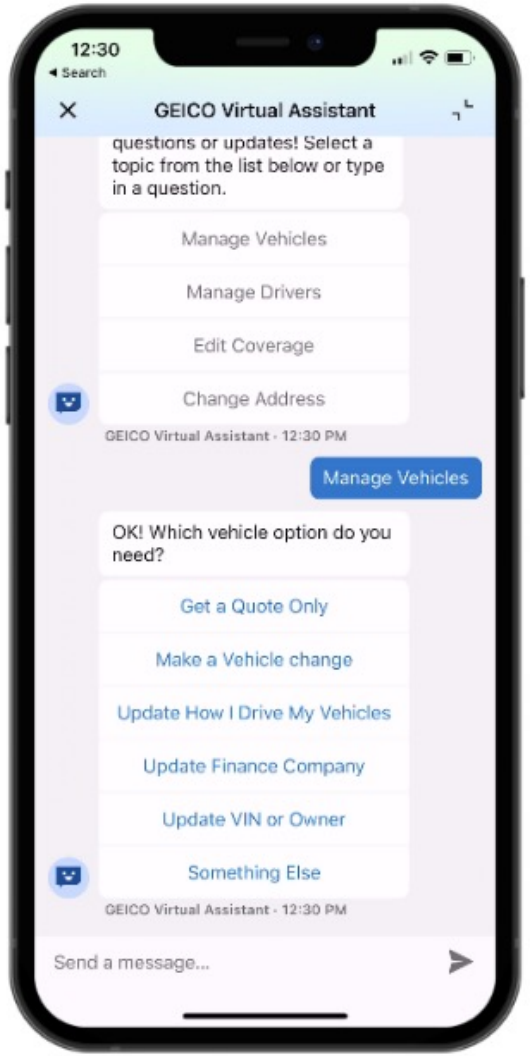
- 16 coverage group firms with a chatbot
  - Four Excellent
  - Five Good
  - Four Fair
  - Three Poor

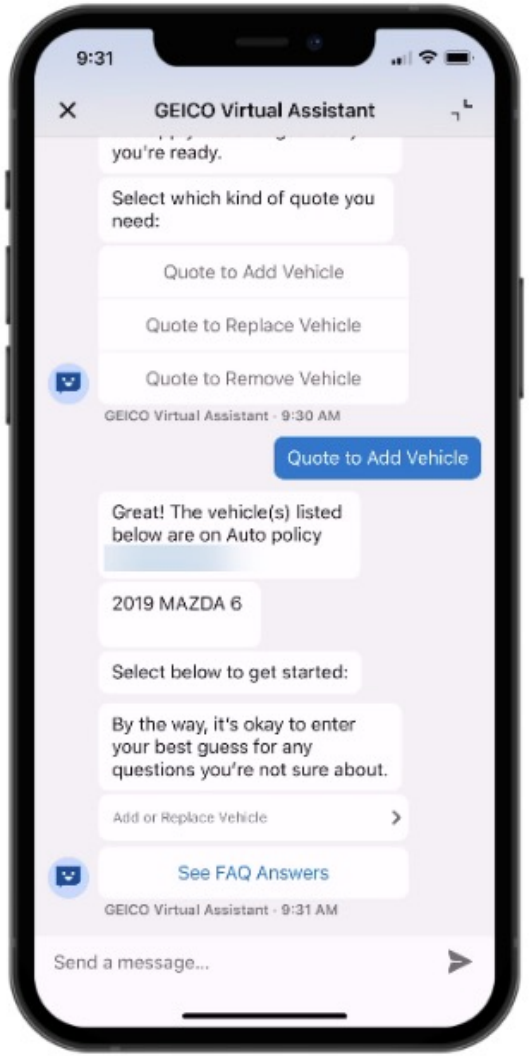
Chatbot growth over time – GEICO November 2019



Chatbot evolution over time – GEICO April 2023

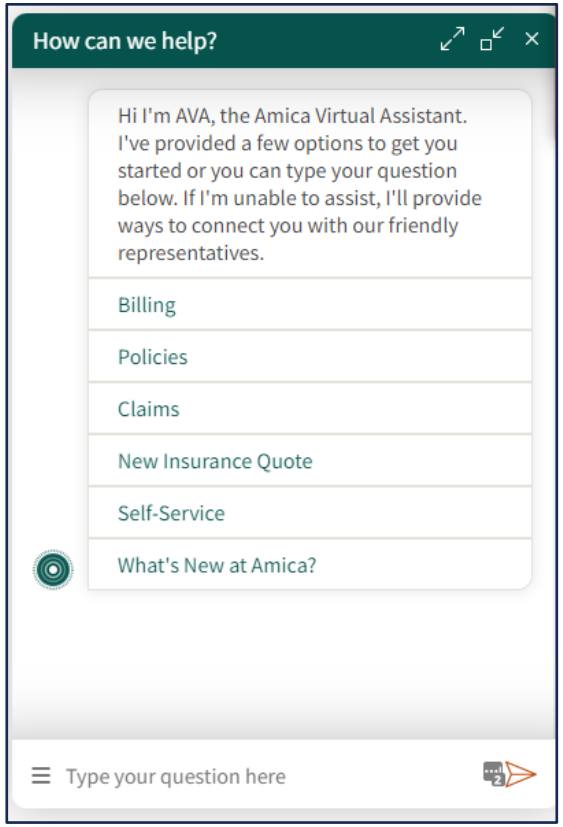


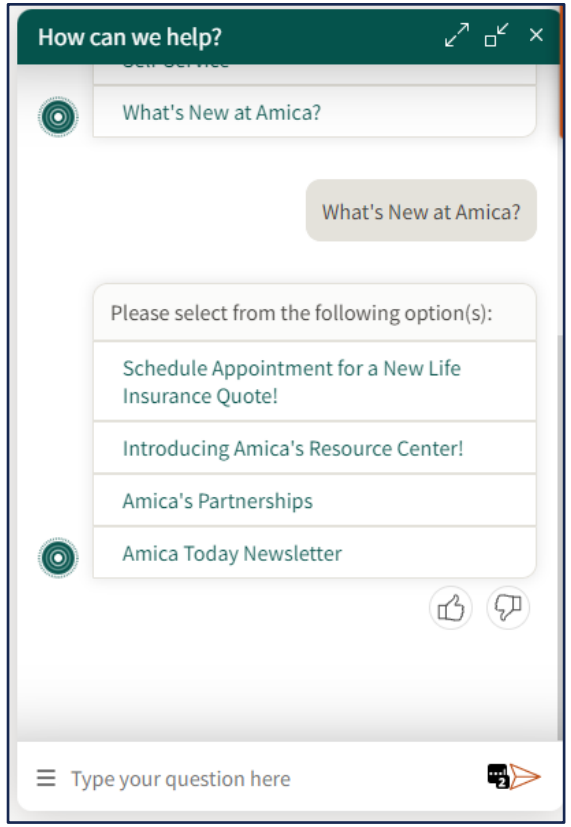


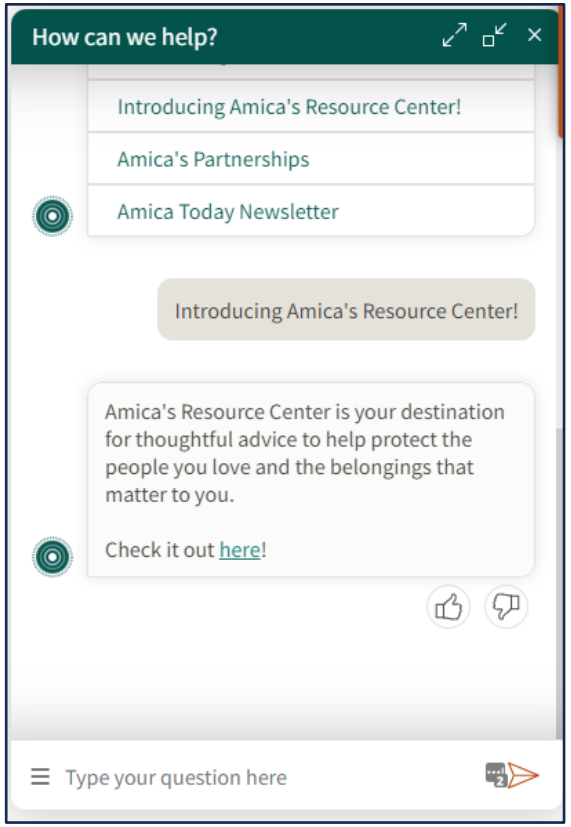


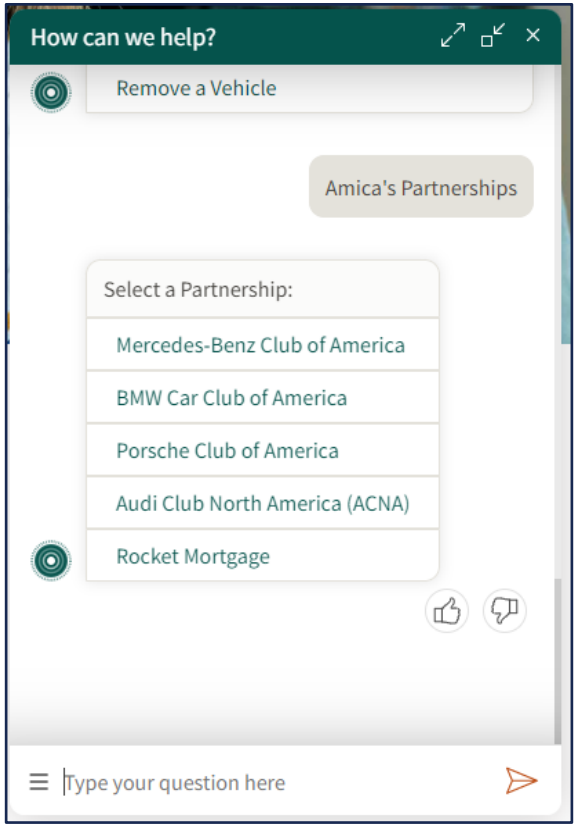
Notable Insurance Chatbot Capabilities

Amica regularly refreshes its chatbot which boasts a comprehensive preset menu with well mapped customer journeys

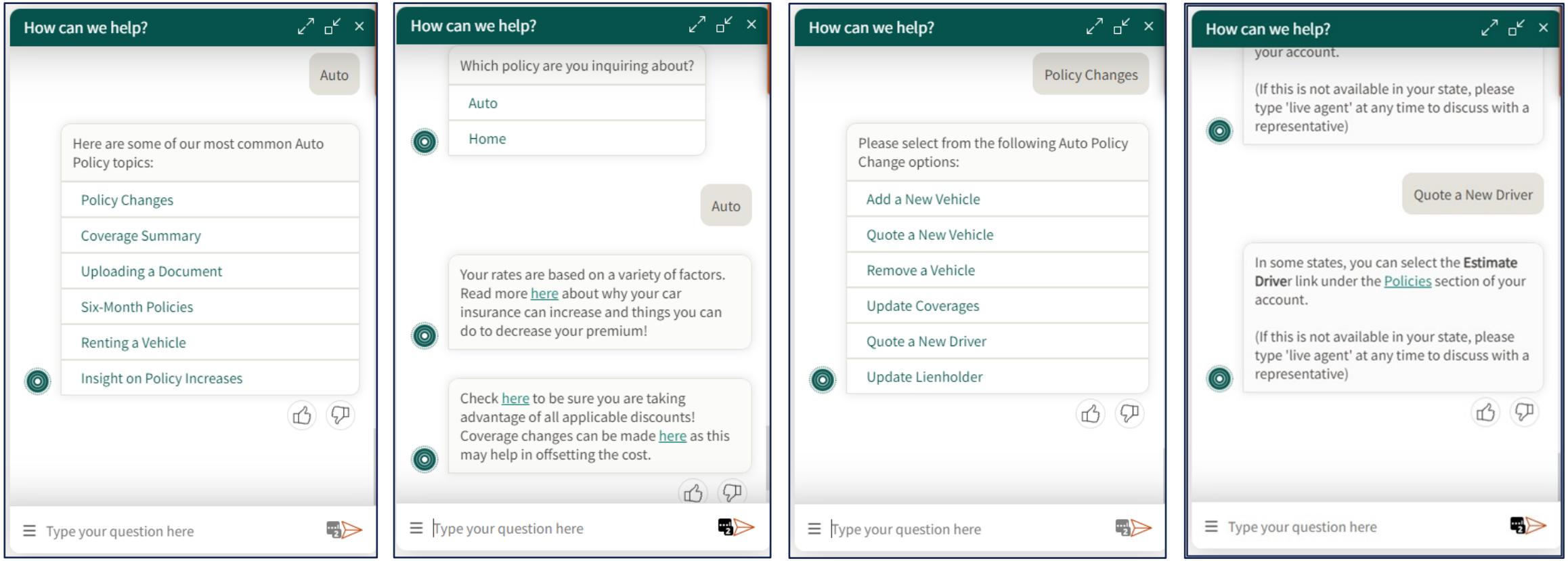




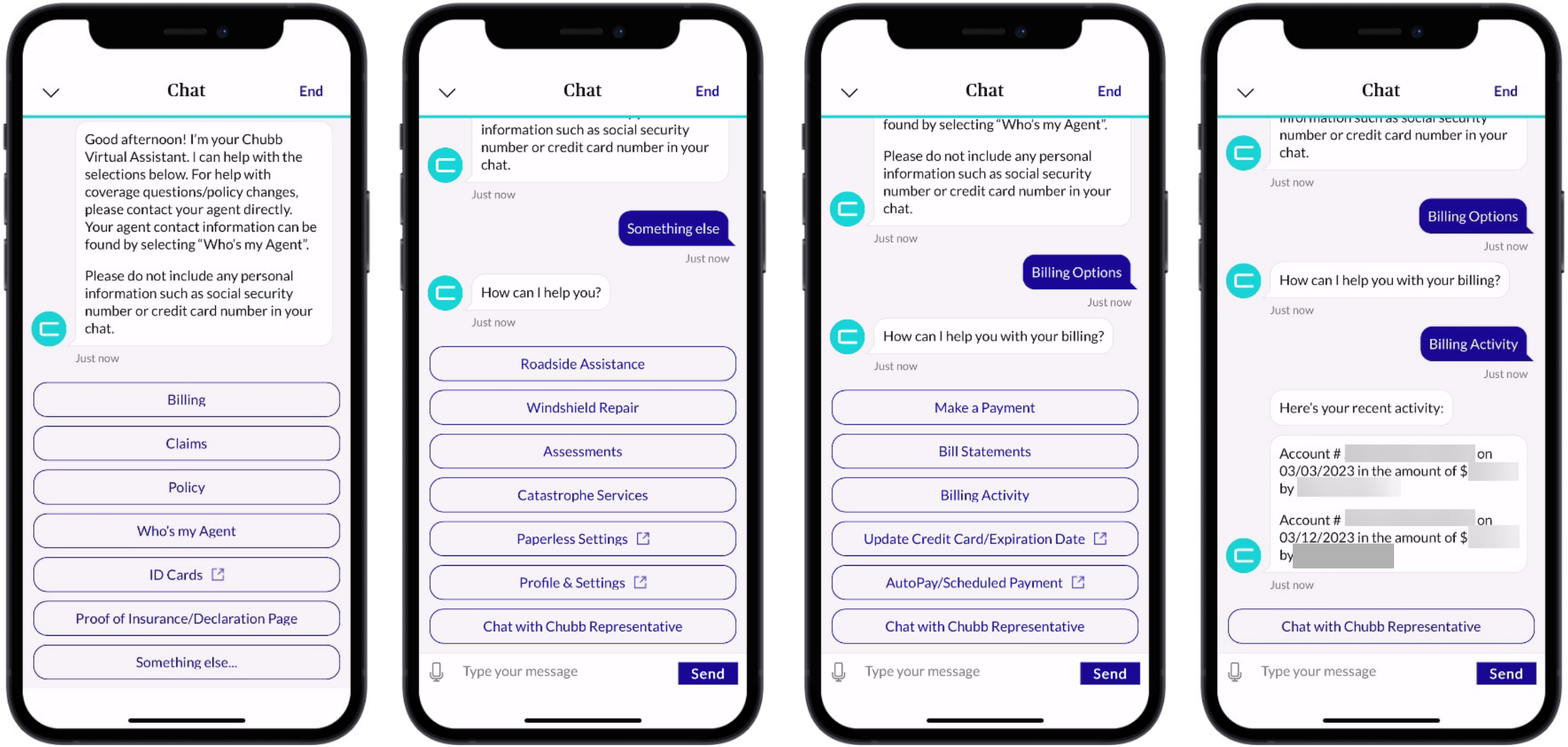




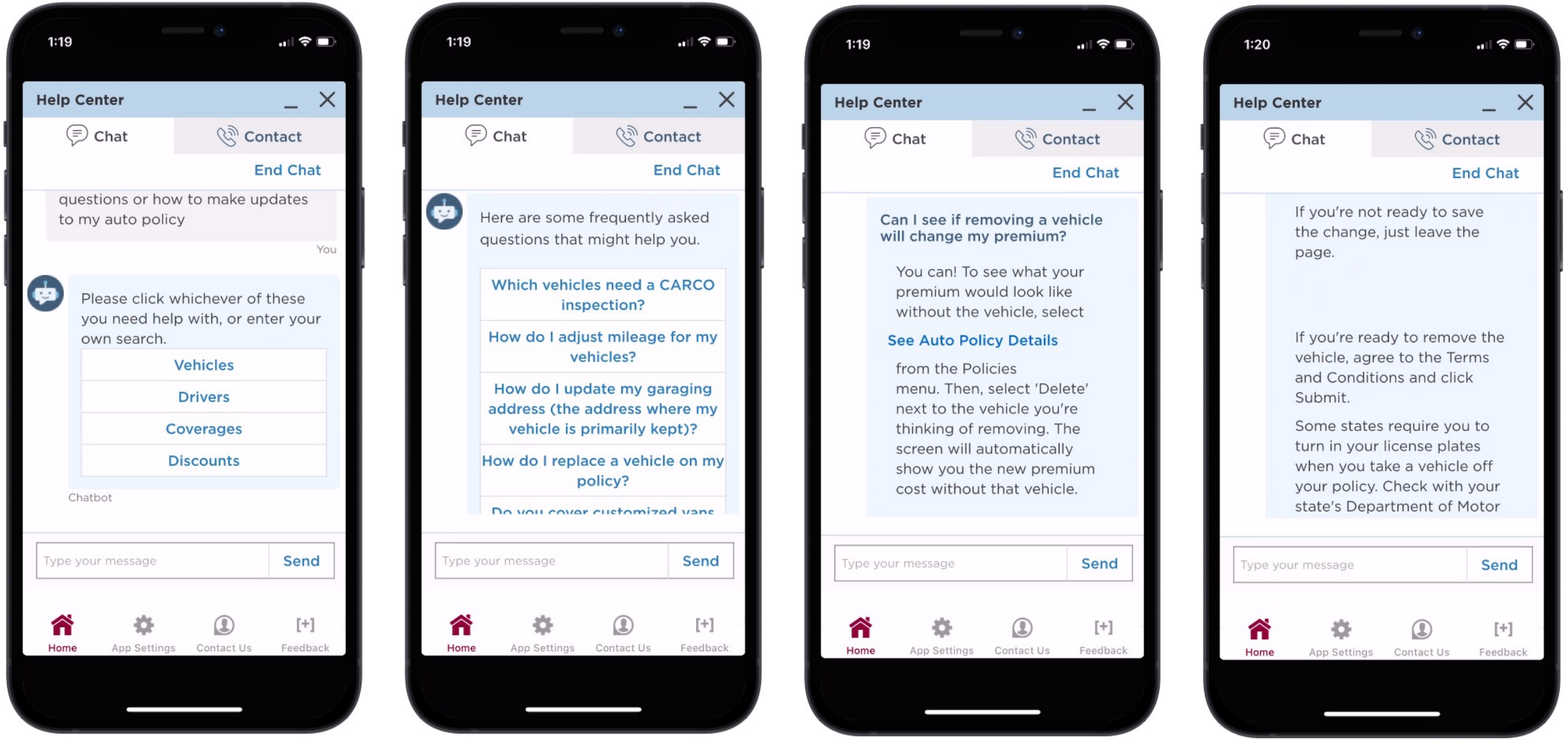
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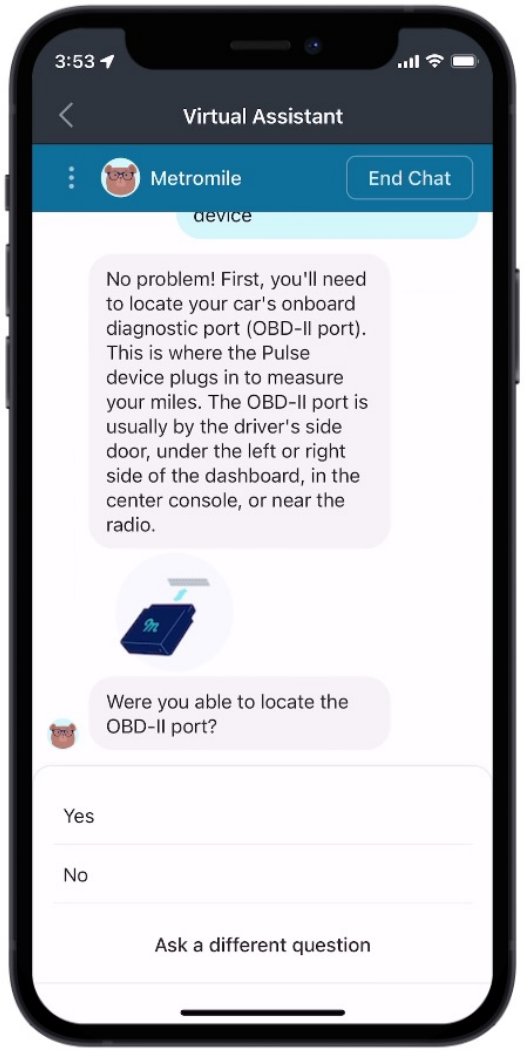
Chubb pulls up relevant billing information

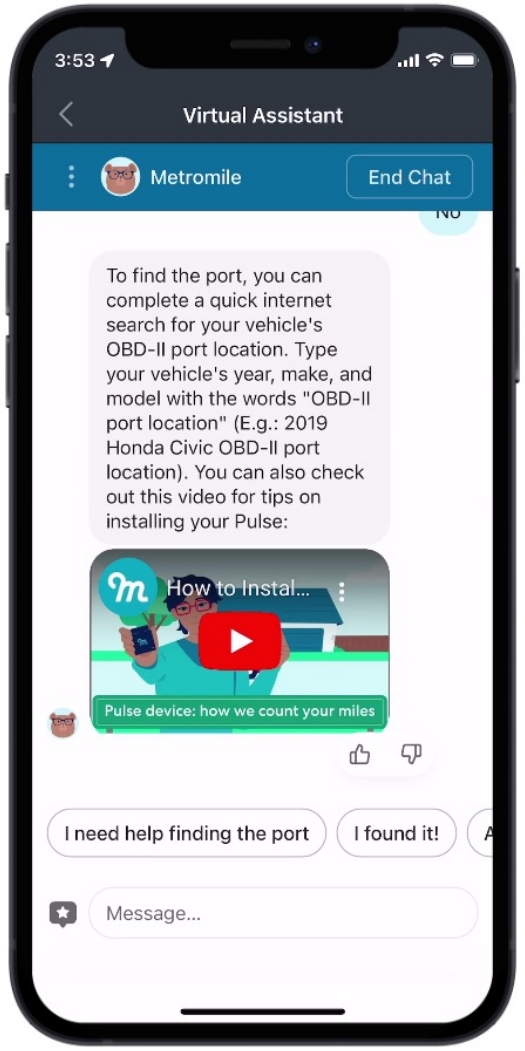


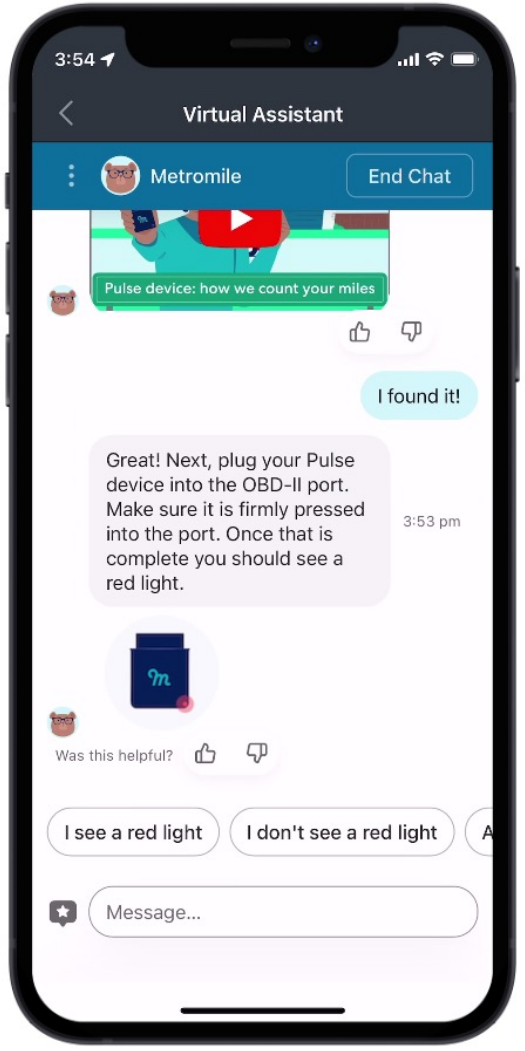
The Hartford provides detailed responses for both general and customer-specific queries

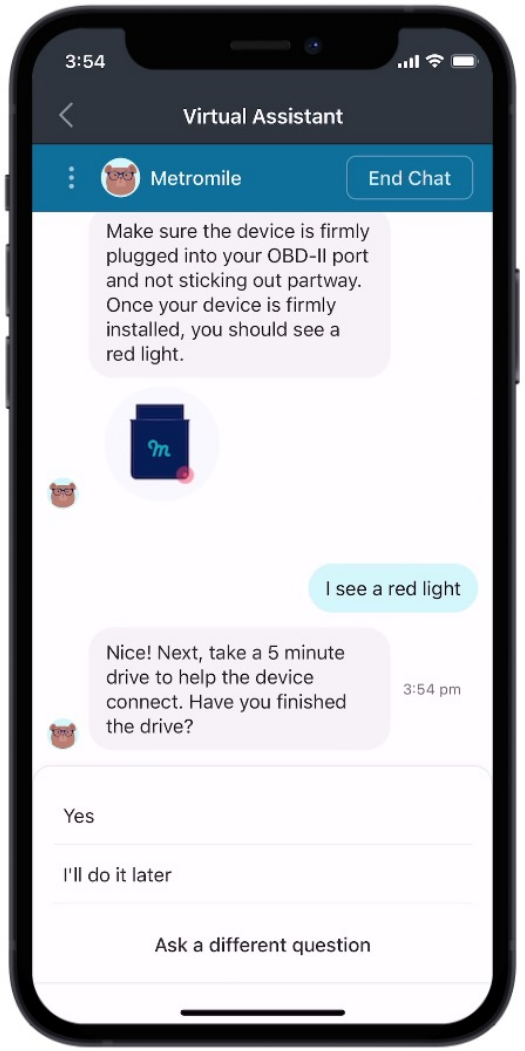


Metromile embeds videos to help policyholders install their Pulse device

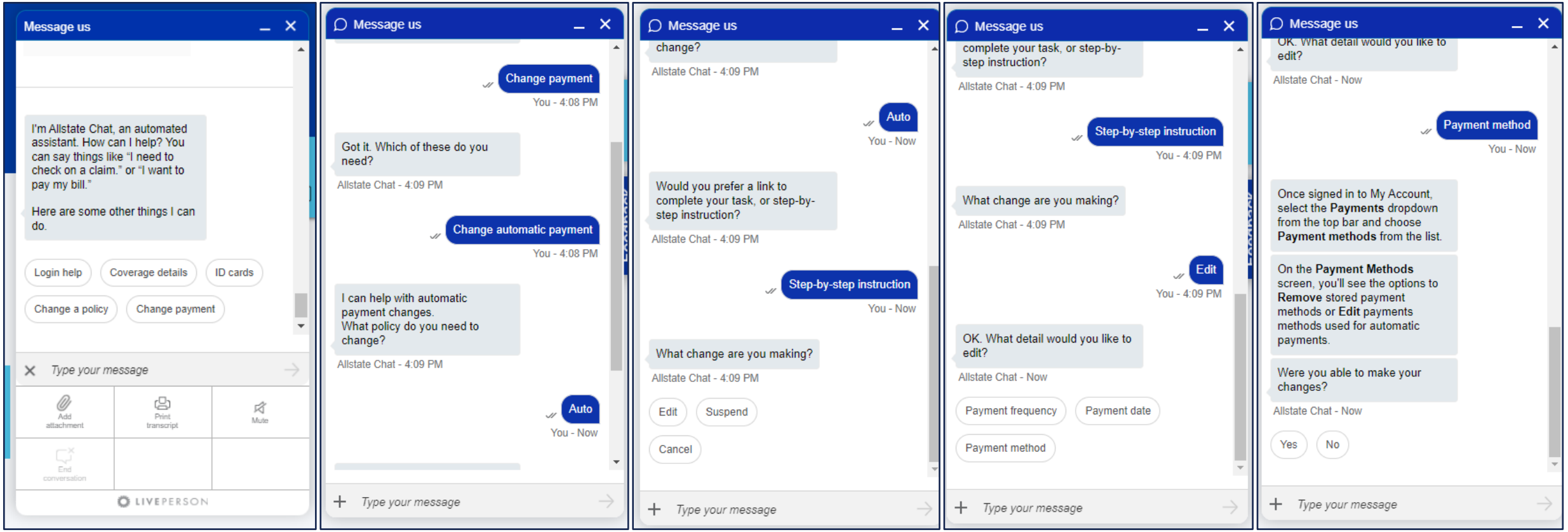




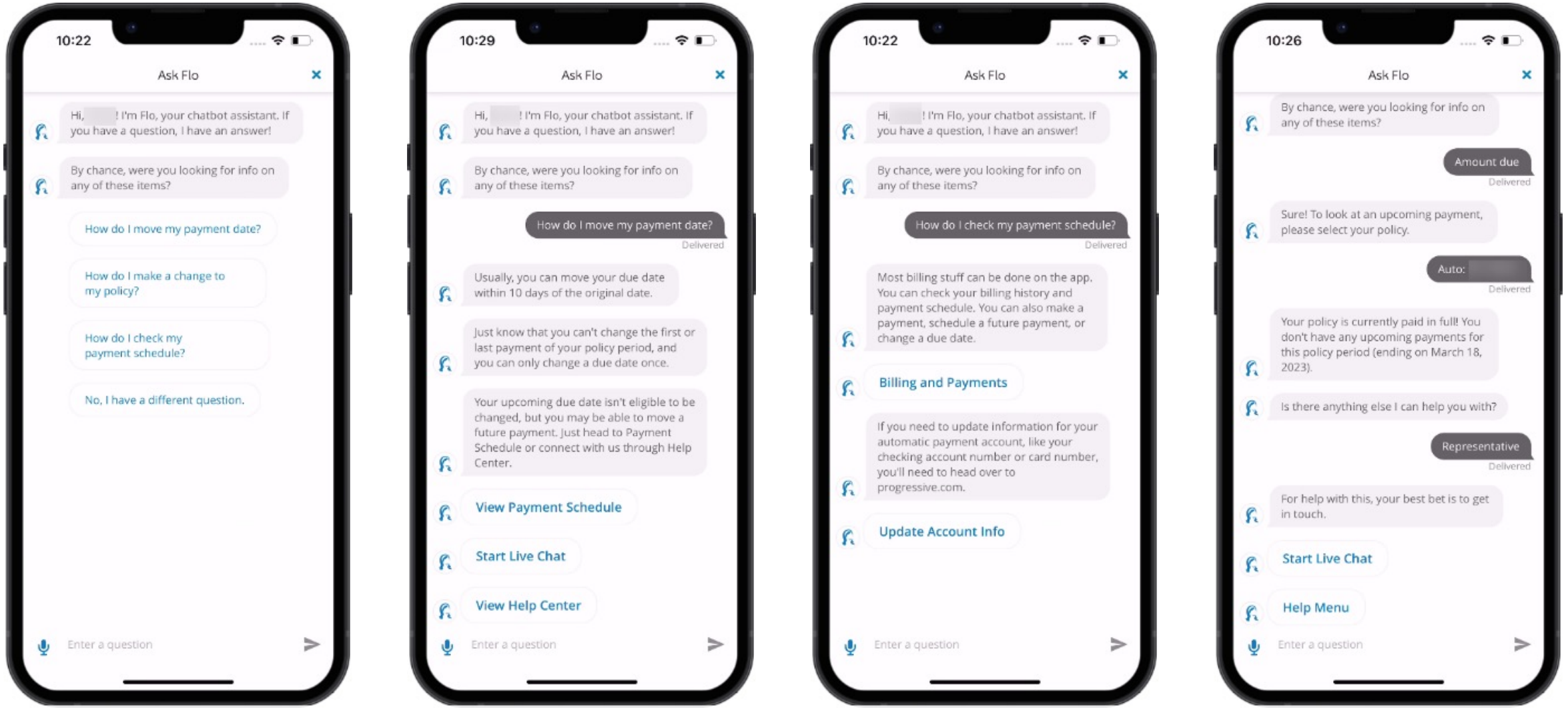




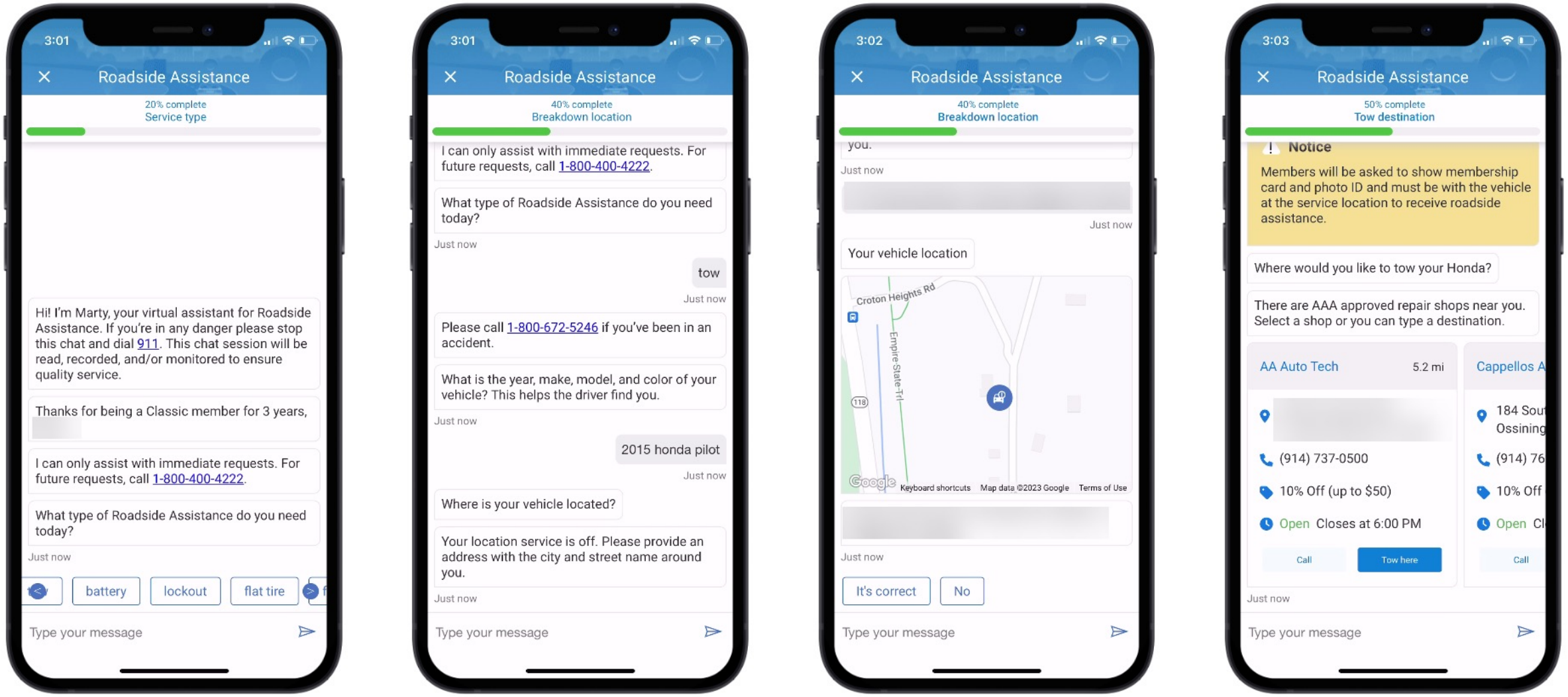
Allstate offers users the option of a link or step by step instructions



Progressive focuses on payment capabilities, including a policyholder's ability to move their payment date

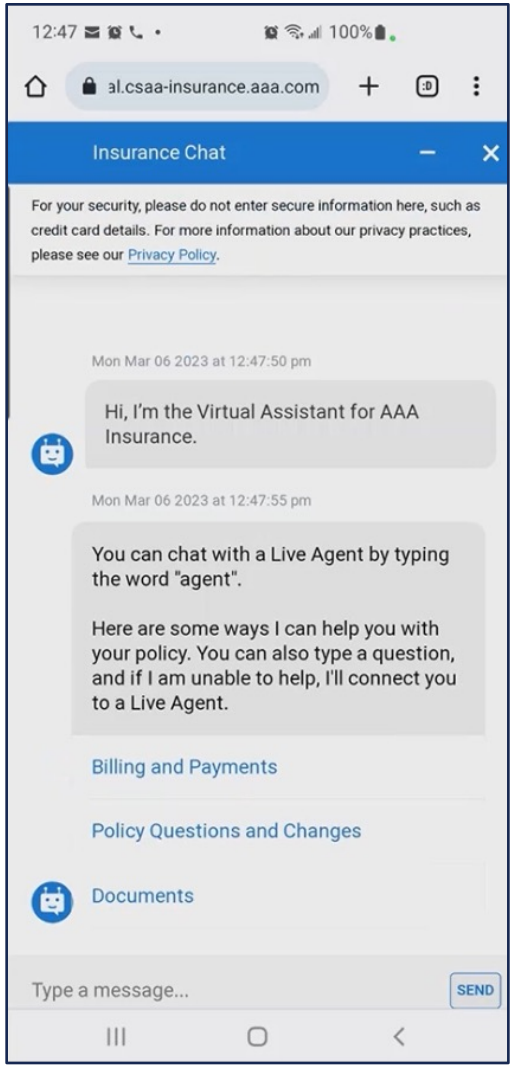


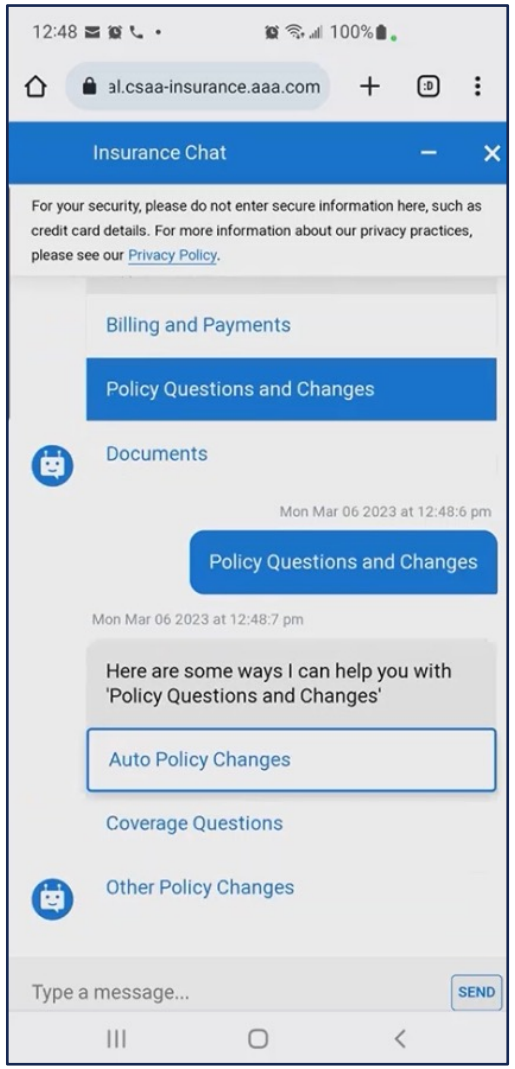
ACSC leverages a chatbot to guide users through a roadside assistance request

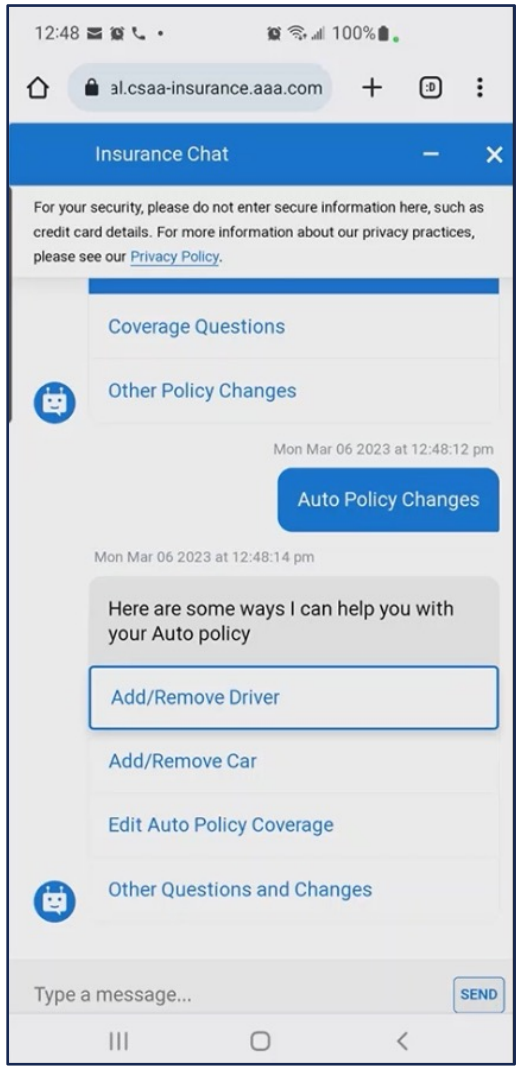


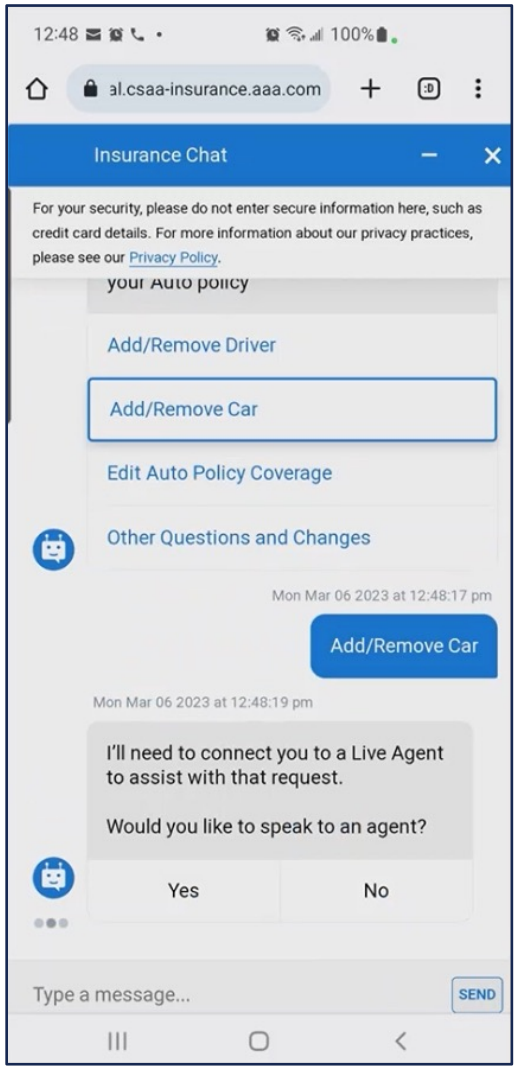
Points of Friction Still Exist

CSAA's pre-set menu includes a customer journey that leads to a potentially frustrating result

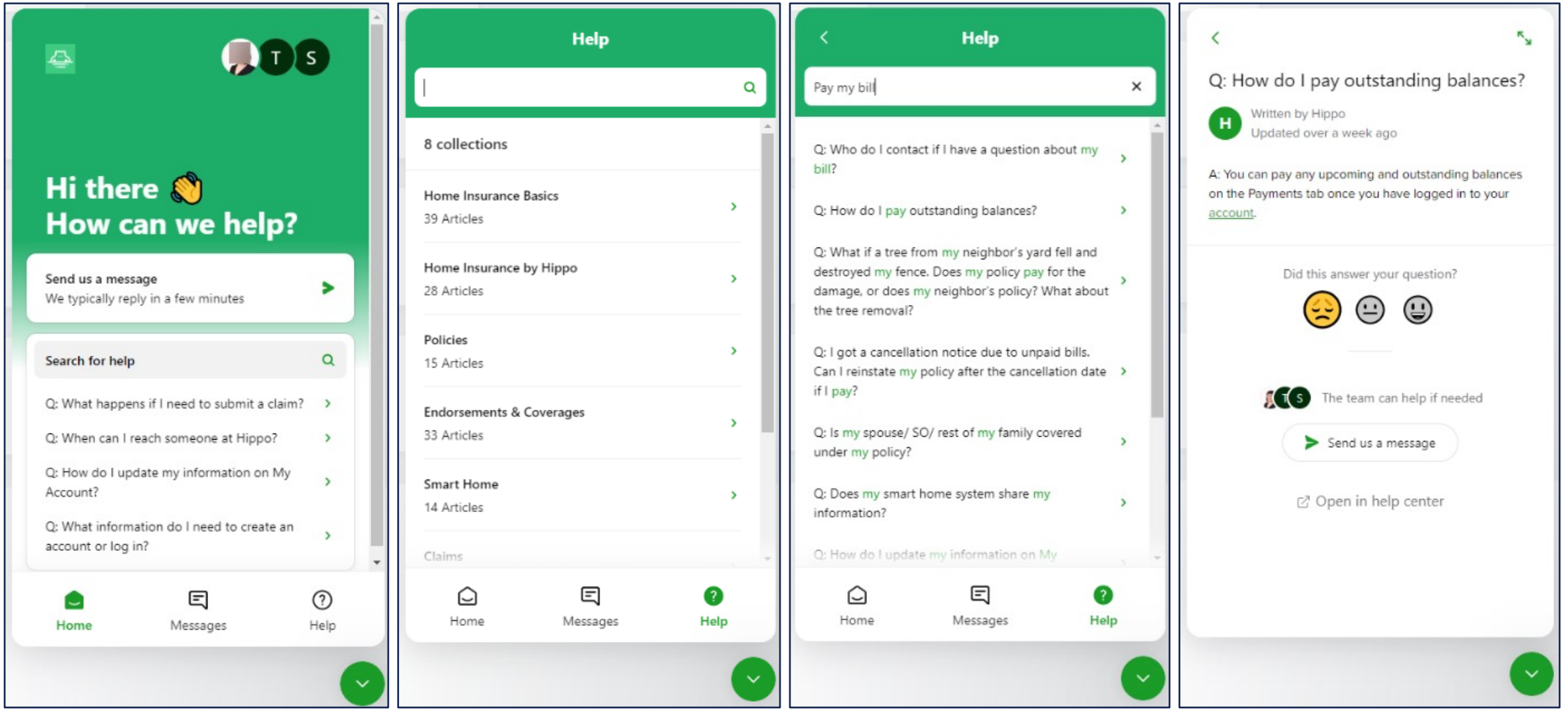




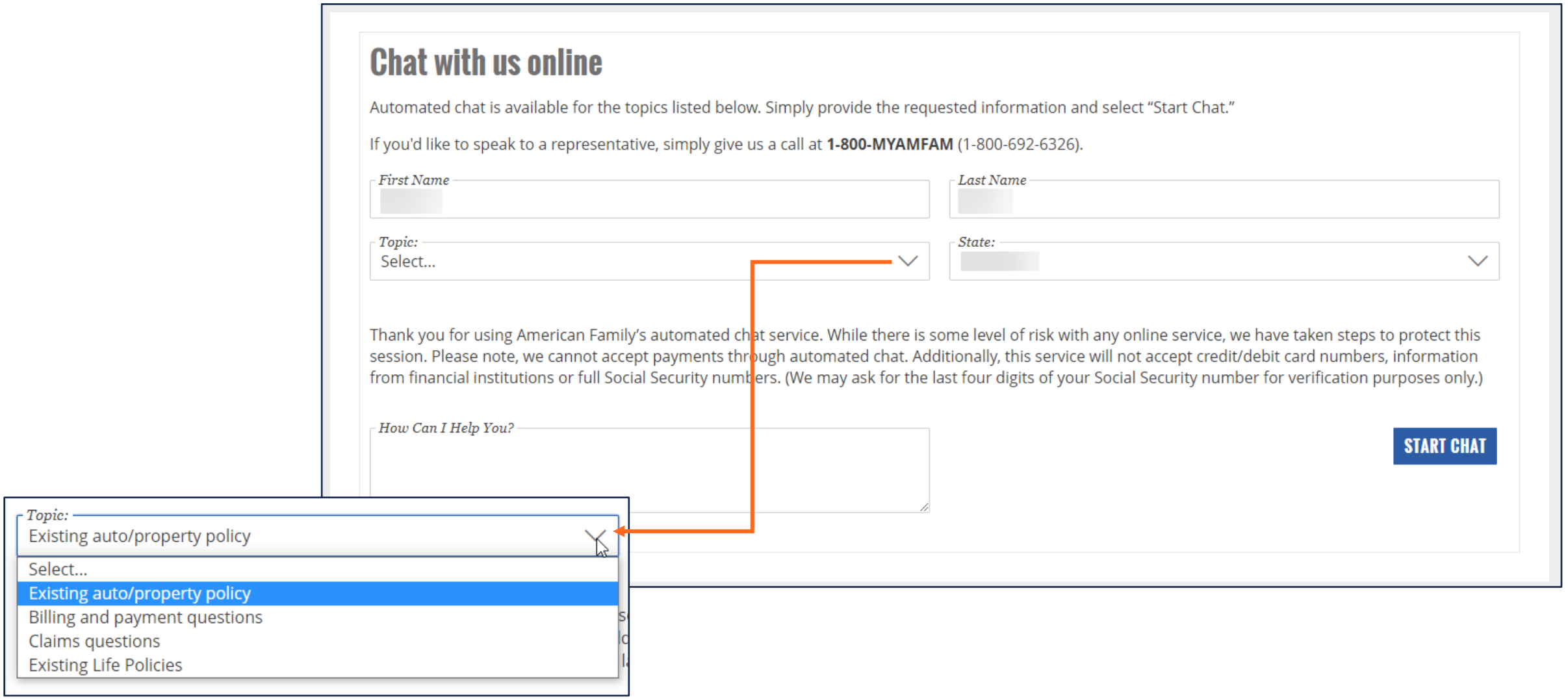




Hippo's chatbot functions exclusively as a means to search through the insurer's FAQ repository or access live chat



American Family's pre-qualification process is a higher barrier of entry than most users expect for a simple chatbot



Do Policyholders Actually Use and Value Chatbots?

Survey methodology

- We fielded the survey for one week in March 2023
- We first verified that respondents were auto insurance customers
- We then asked:

"Have you had an issue or question related to your auto insurance policy in the last six months for which you needed assistance?"

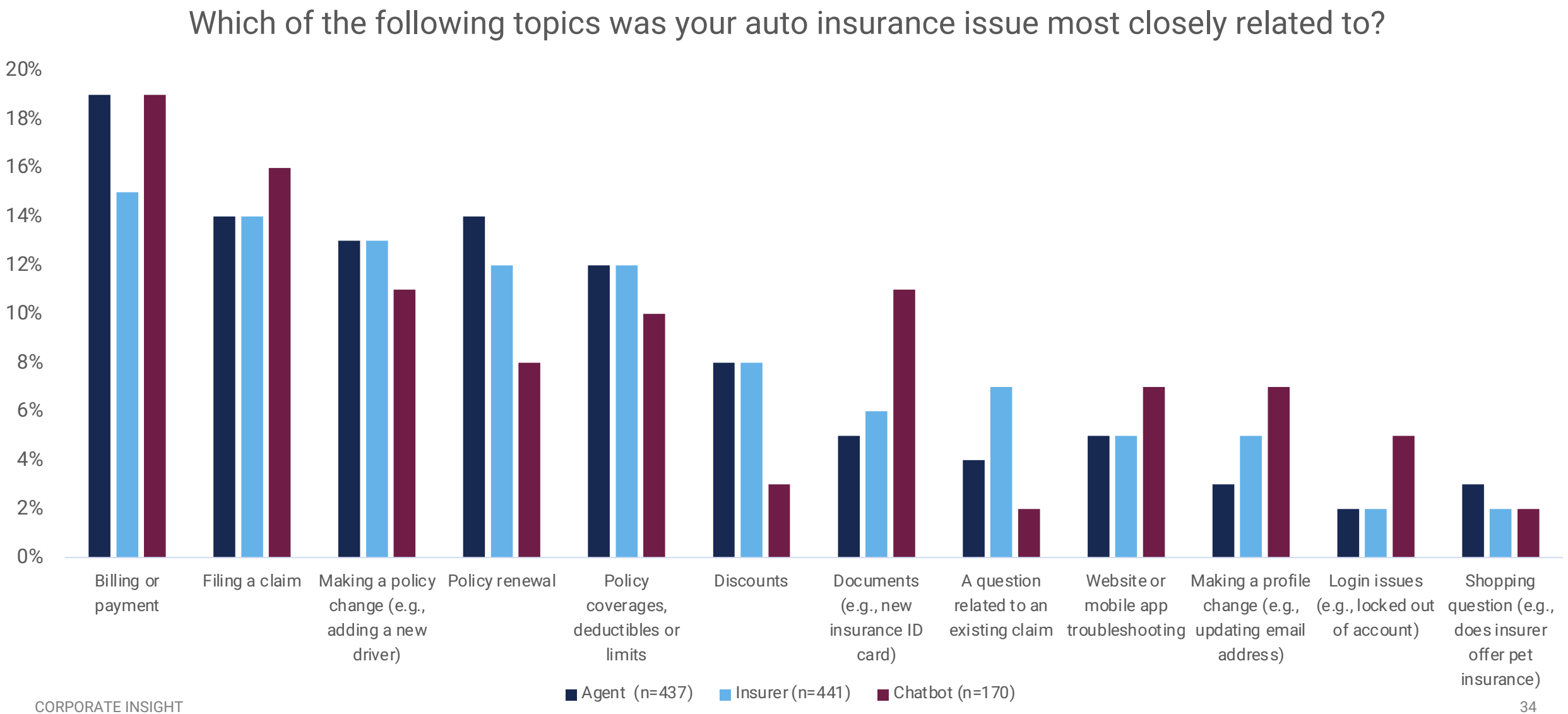
- Next, we required respondents to indicate how they sought assistance, giving them six options
    - I called my agent
    - I called my insurer
    - I used my insurer's chatbot
    - I googled (or used another search engine) my question
    - I asked a friend/colleague
    - None of the above

Survey methodology

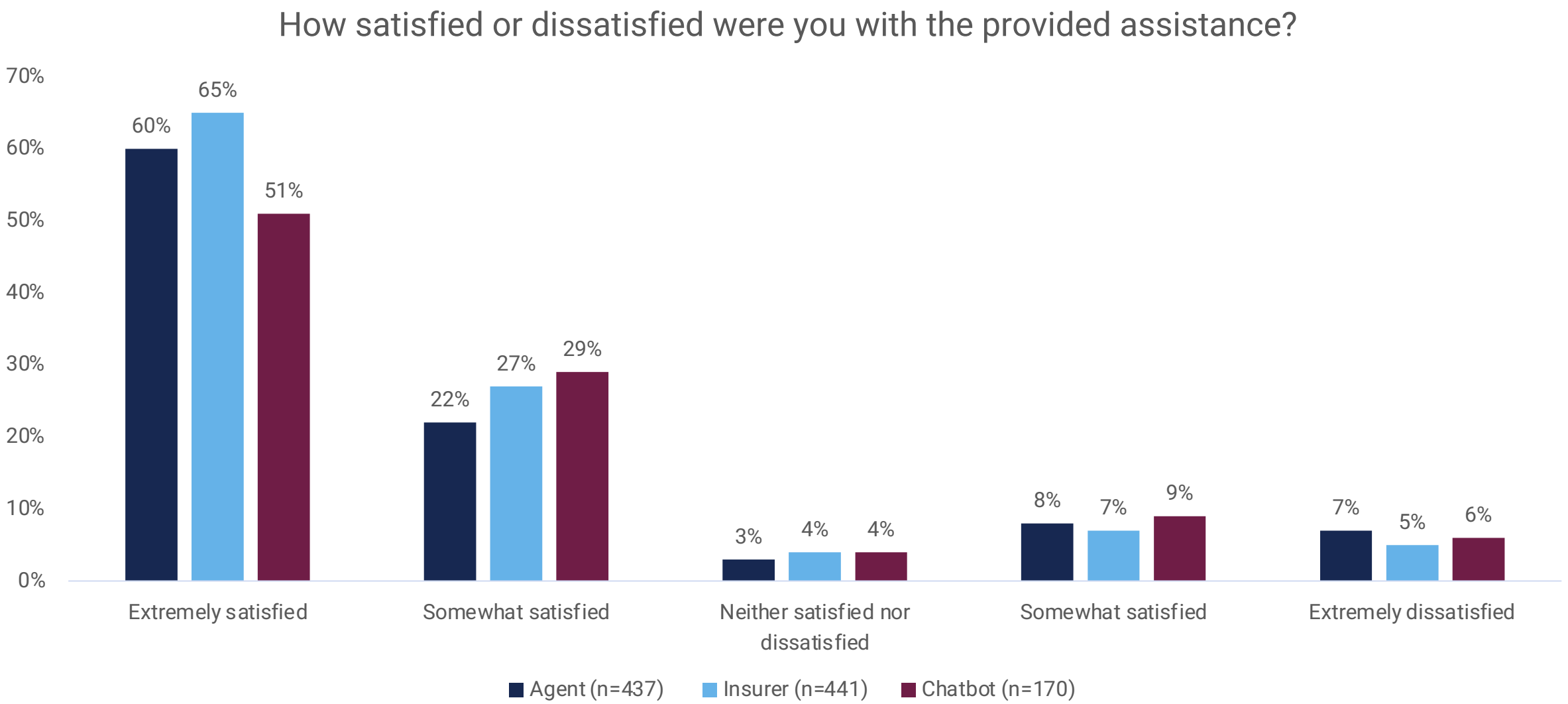
- We followed up with an attempt to drill down into the type of question for which a respondent sought assistance
  - Our hypothesis going in was that respondents with more complex questions related to claims or policy changes would call and those with more straightforward queries would leverage a chatbot

- Which of the following topics was your issue most closely related to?
  - Billing or payment
  - Policy renewal
  - Discounts
  - Policy coverages, deductibles or limits
  - Documents (e.g. need a new auto ID card)
  - Need to make a policy change (e.g. add a new car or driver to the policy)
  - Need to make a profile change (e.g. update email, update phone number, update address)
  - Need to file a claim
  - Have a question related to an existing claim
  - Login issues (e.g. locked out of account)
  - Shopping question (e.g. does my insurer offer pet insurance)
  - Website/mobile app troubleshooting

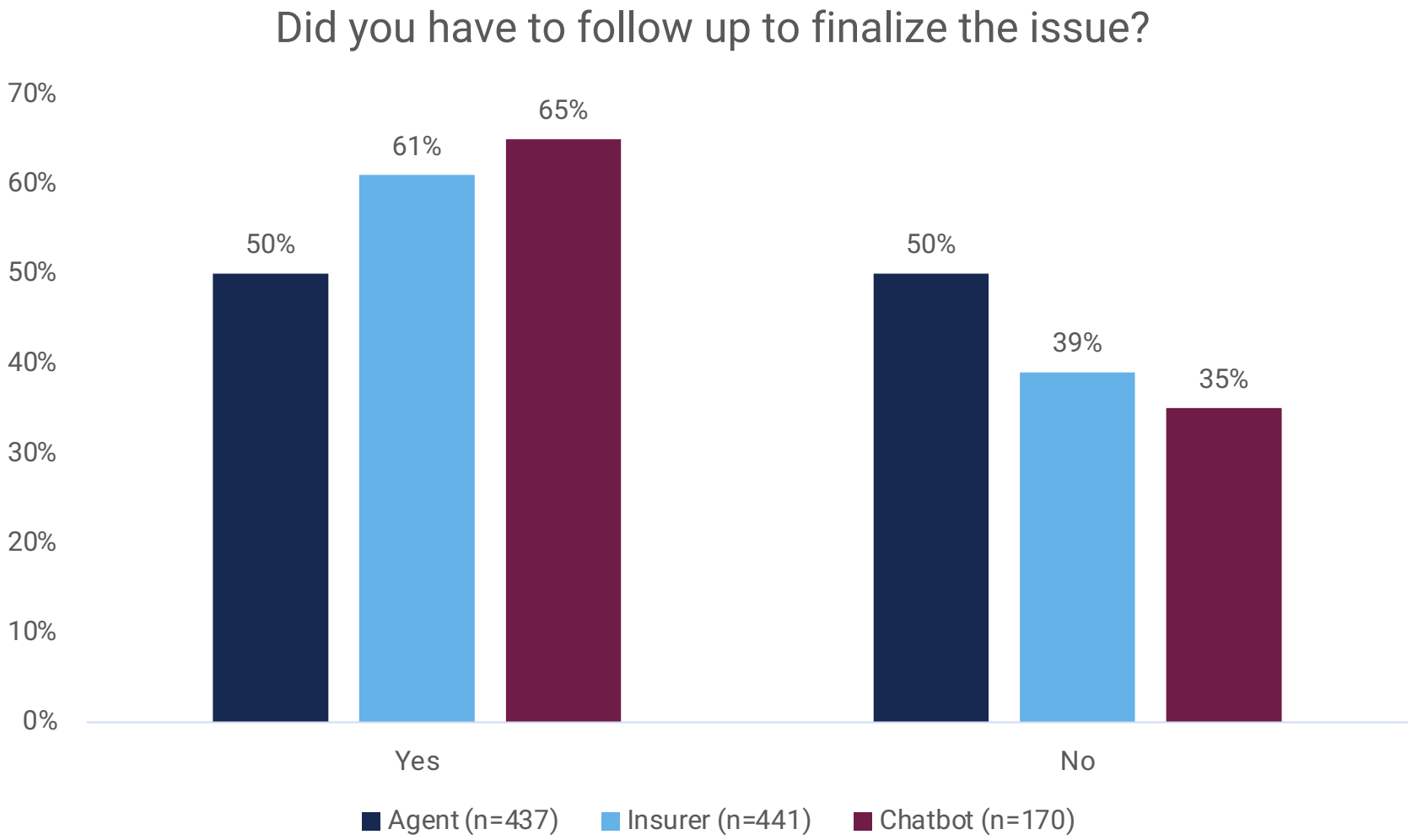
Policyholders leverage chatbots to answer a wide range of questions related to their insurance policy



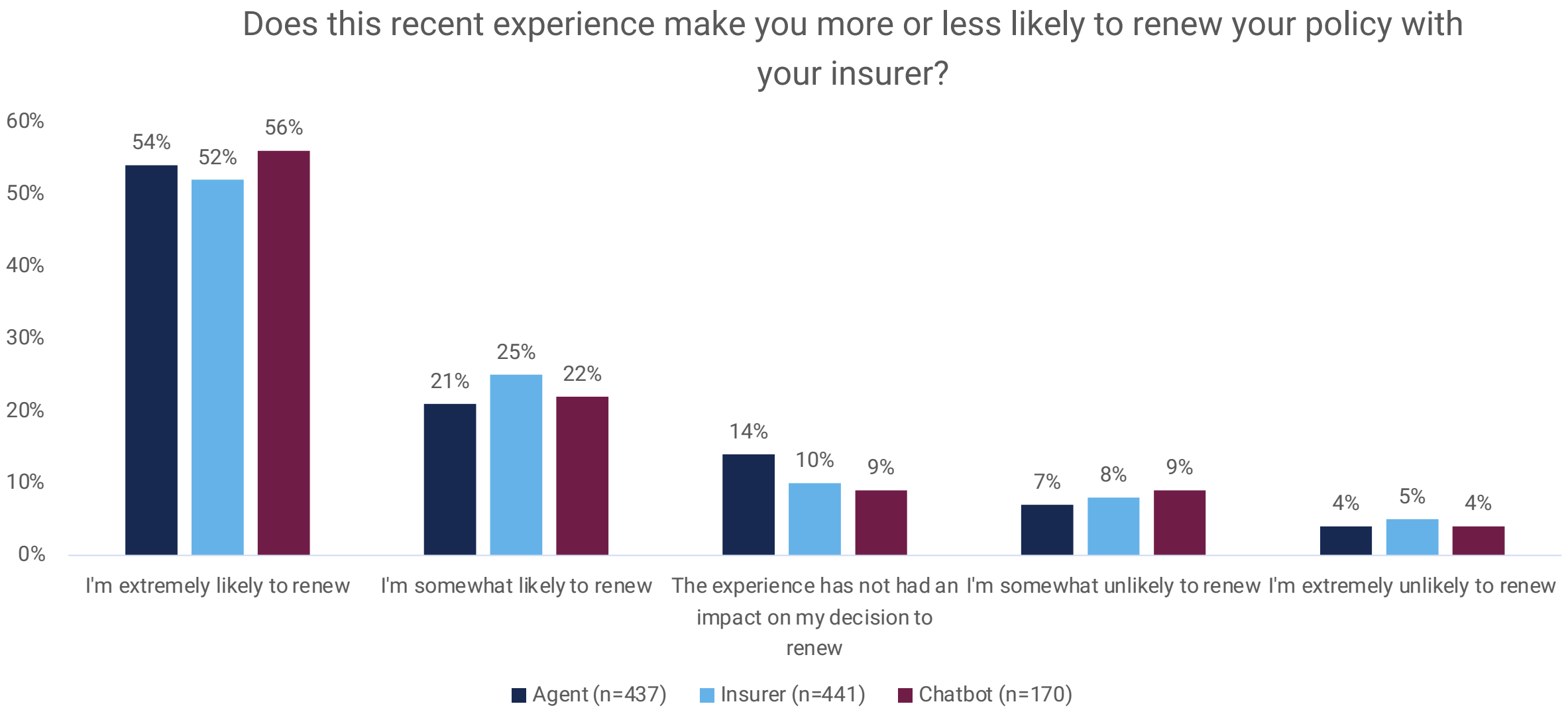
Top-two and bottom-two box satisfaction numbers are similar regardless of respondents' chosen assistance method



Respondents were more likely to need to follow up if they used a chatbot



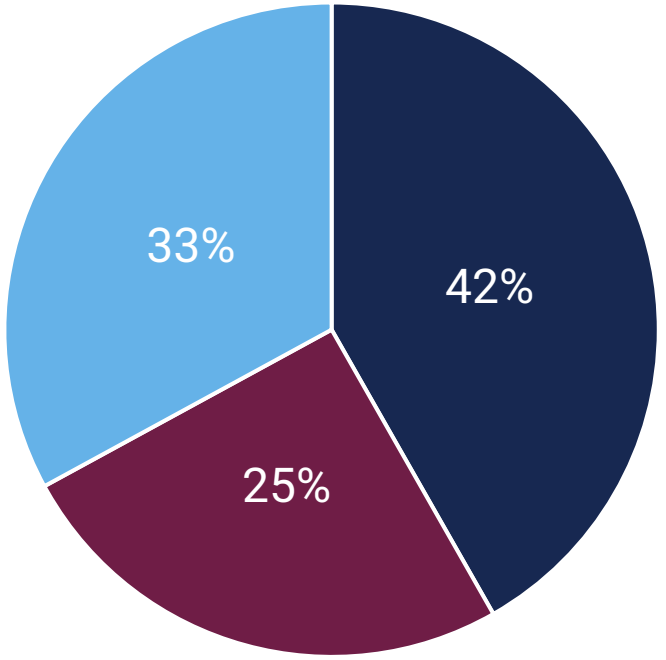
Chatbot users are slightly more likely to be “extremely likely” to renew their policy with their insurer



Chatbot users are looking for simplicity and speed; most of them initiated the chat from a mobile device and leveraged the chatbot's preset menu

- Among chatbot users
  - 48% opened the chatbot on their insurer's mobile app
  - 31% opened the chatbot on the mobile web
  - 21% used their insurer's desktop site
- Three-quarters of respondents reported using their insurer's chatbot before

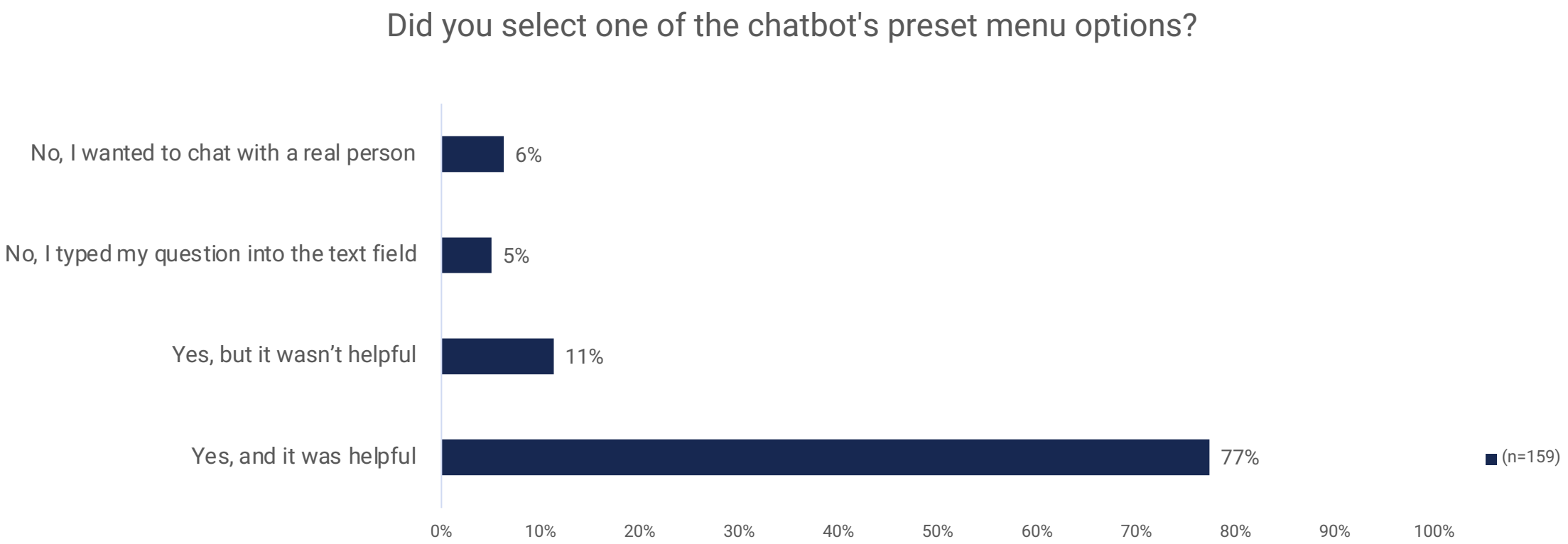
Which of the following reasons best describe why you used a chatbot to resolve your insurance issue?



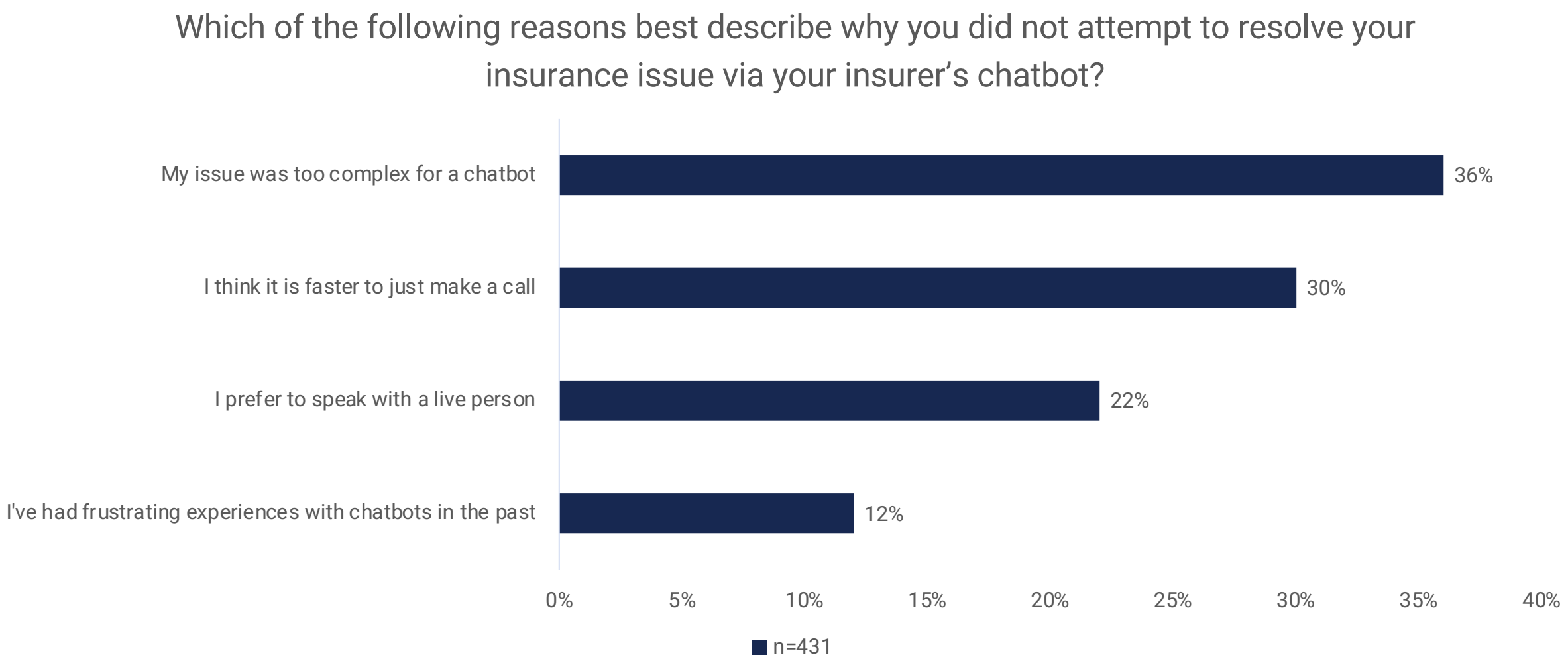
- I thought it would be the fastest way to address my issue
- I think it's simpler than calling and waiting on hold
- I thought it was the best way to reach an appropriate live representative and shorten my wait time

Chatbot users are looking for simplicity and speed; most of them initiated the chat from a mobile device and leveraged the chatbot's preset menu

- Almost all (94%) of respondents indicated that their insurer's chatbot featured a menu of preset options
  - 88% of respondents selected a present menu option
  - Most (77%) found it helpful

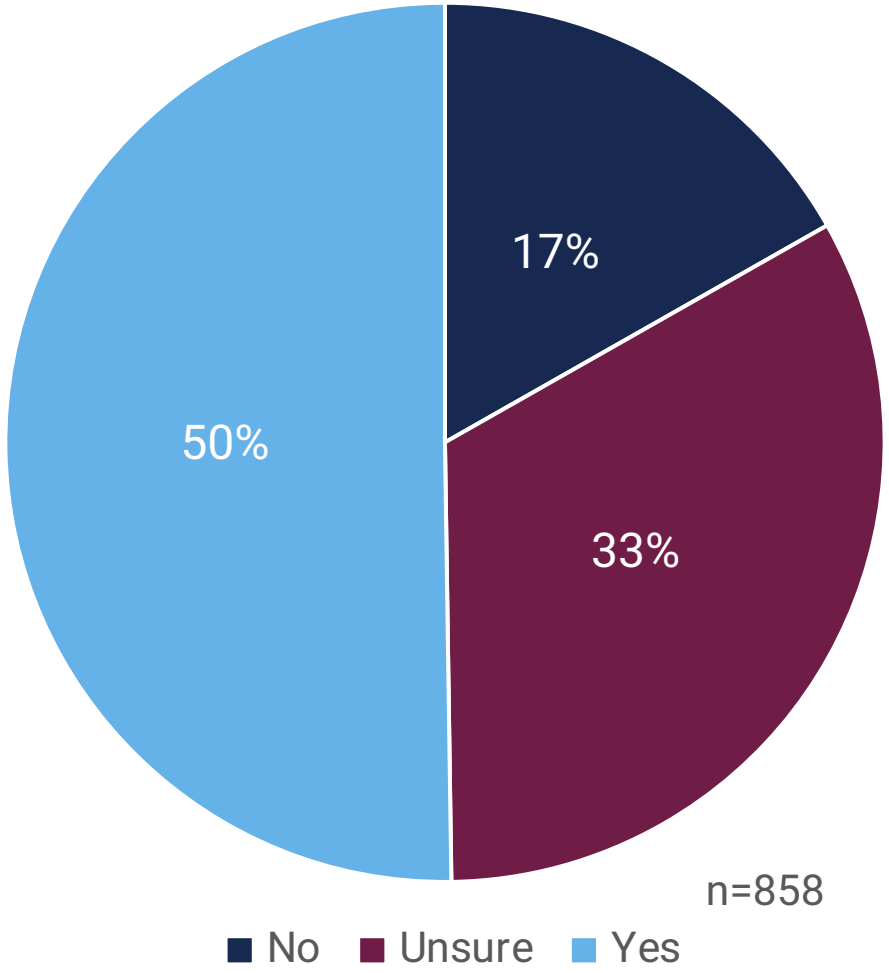


Some policyholders will always prefer to speak with a live person

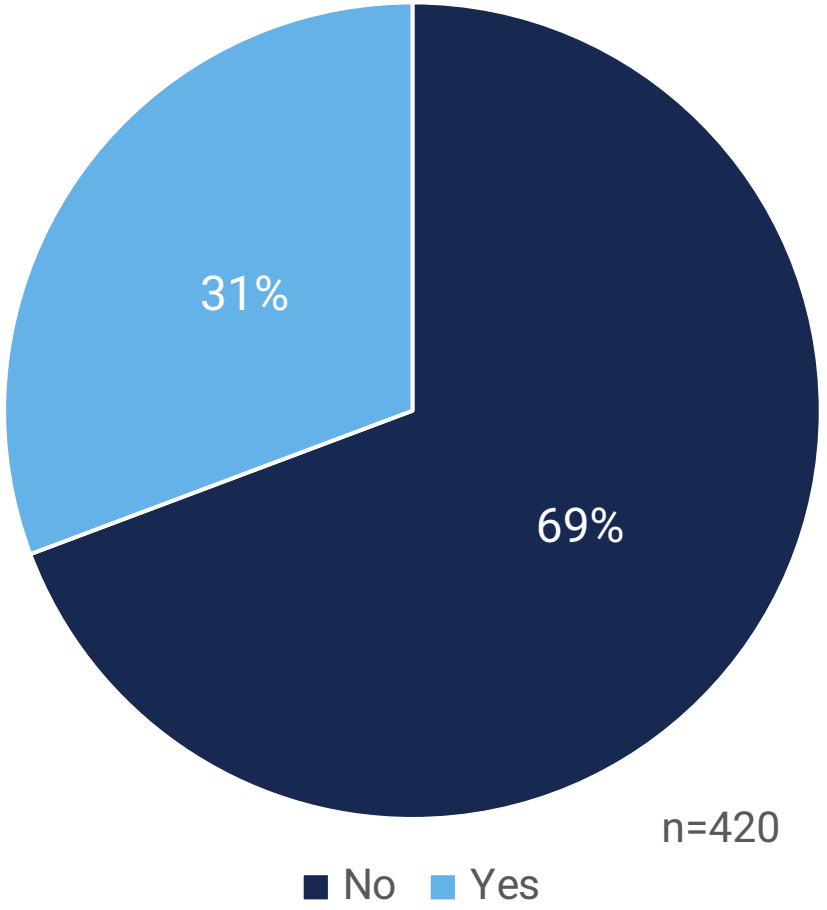


A substantial subset of respondents would have utilized a chatbot to address their issue if their insurer offered one

Does your Insurer offer a chatbot?



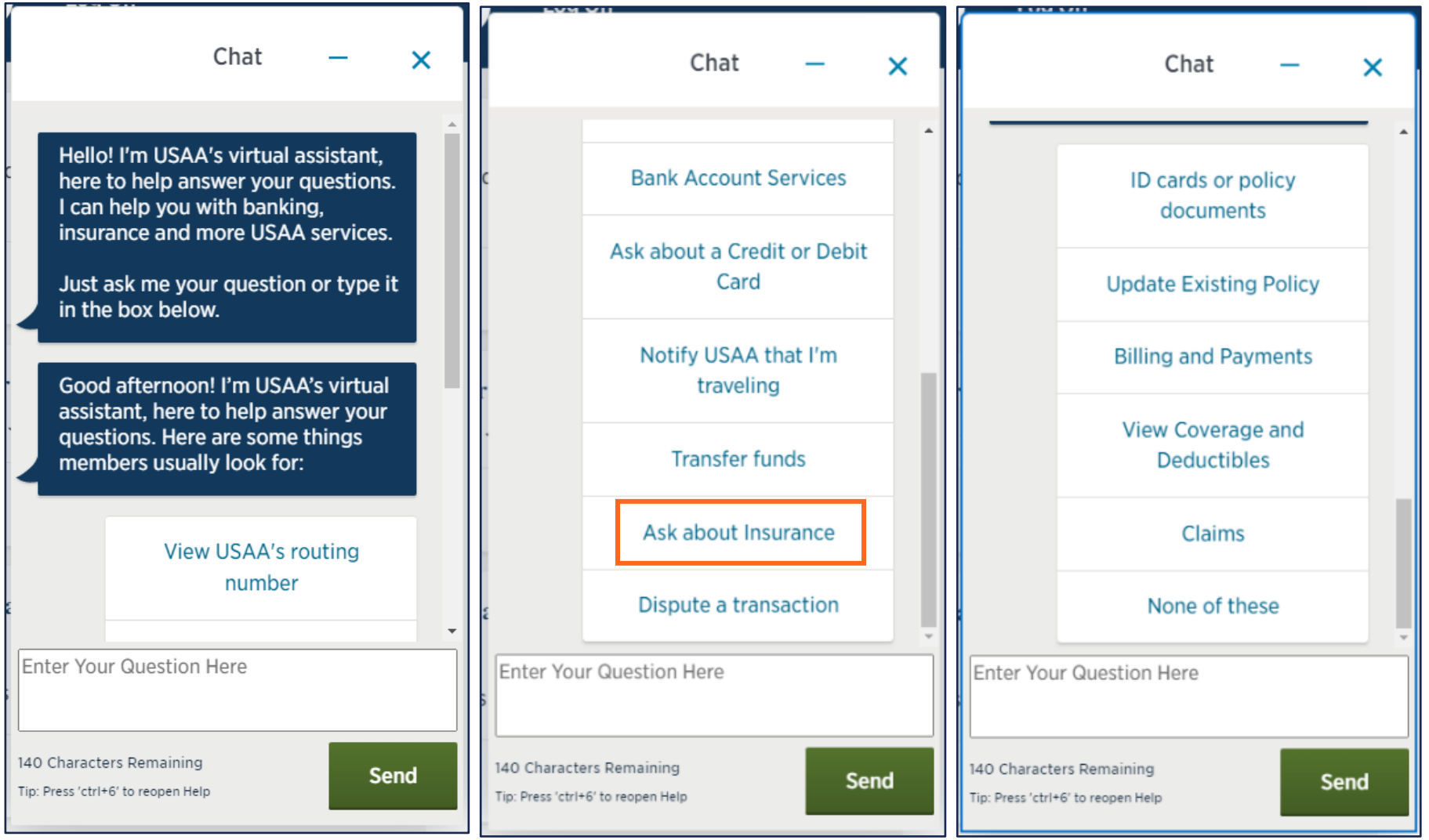
If your insurer did provide a chatbot, would you have used it to find a solution to your issue?



Getting Started – Best Practices for Building an Excellent Chatbot

Offer a comprehensive pre-set menu

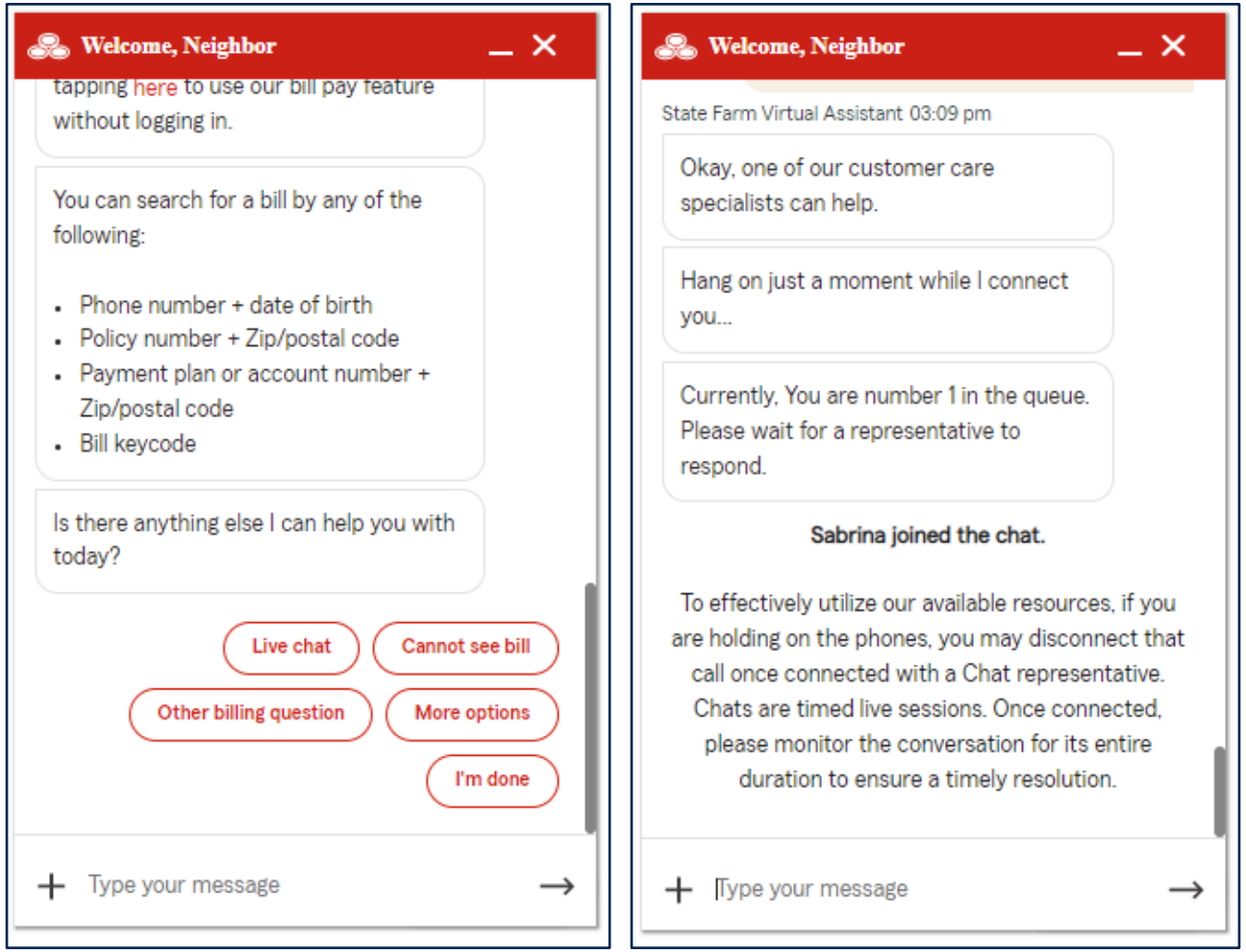
- Chatbots present carriers with the opportunity to map out the ideal customer journey for essential account activities via a scripted preset menu
- Further, preset options provide examples of the types of topics users can ask the chatbot, increasing the chances of leading users to a helpful result
- Insurers can also help users by incorporating predictive search results or suggested chatbot inputs that appear as users begin typing



USAA Policyholder Site Chatbot Initial Menu and Ask About Insurance Menu

Allow users to view previous or alternative options without restarting the chat and include live chat transfer option

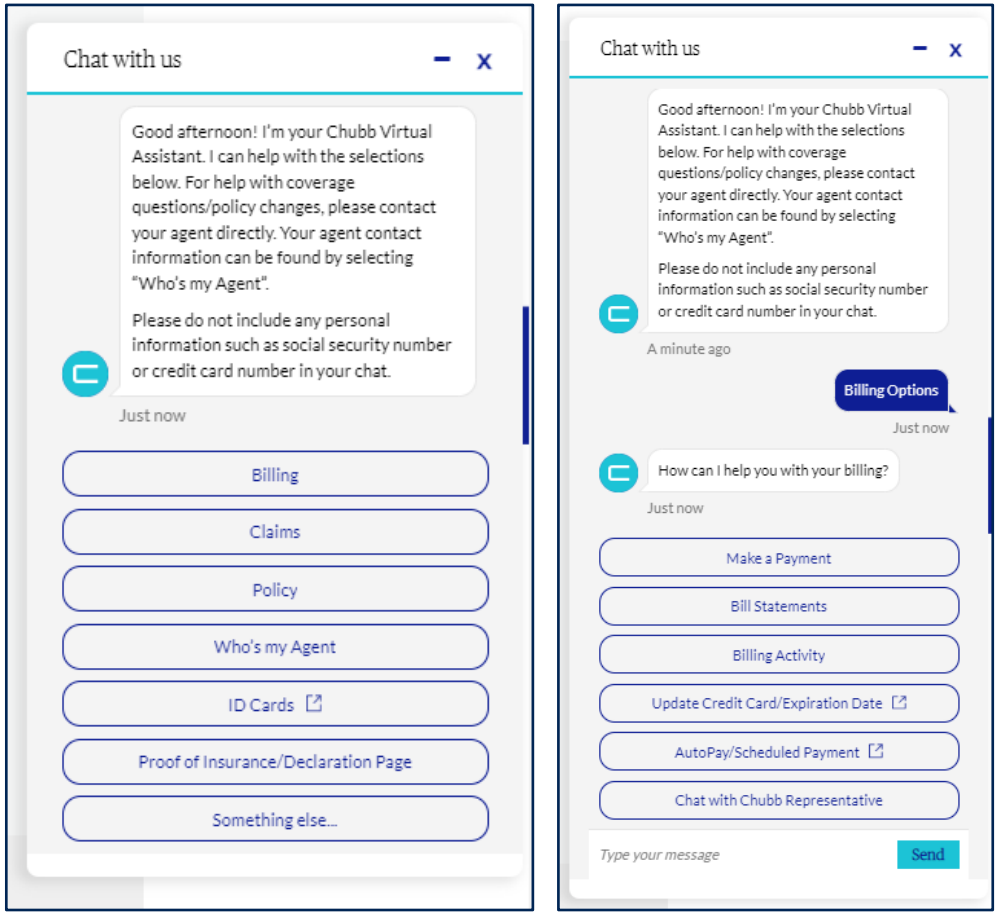
- Insurers must prepare for the possibility that policyholders may have several queries or questions the chatbot could not answer
- The tool should allow customers who are or become interested in multiple topics to easily explore new ones
- Insurers can aid customers by providing examples of related queries and links to previous and main menu options
- Carriers should also provide access to a live representative as a final fail-safe
    - State Farm's virtual assistant offers Other Category Options, More Options and Live Chat buttons after answering an inquiry; live chats take place within the chat, making the support experience even more convenient



State Farm Policyholder Site Chatbot Window

Redirect users to relevant site pages and tasks, but provide appropriate warning

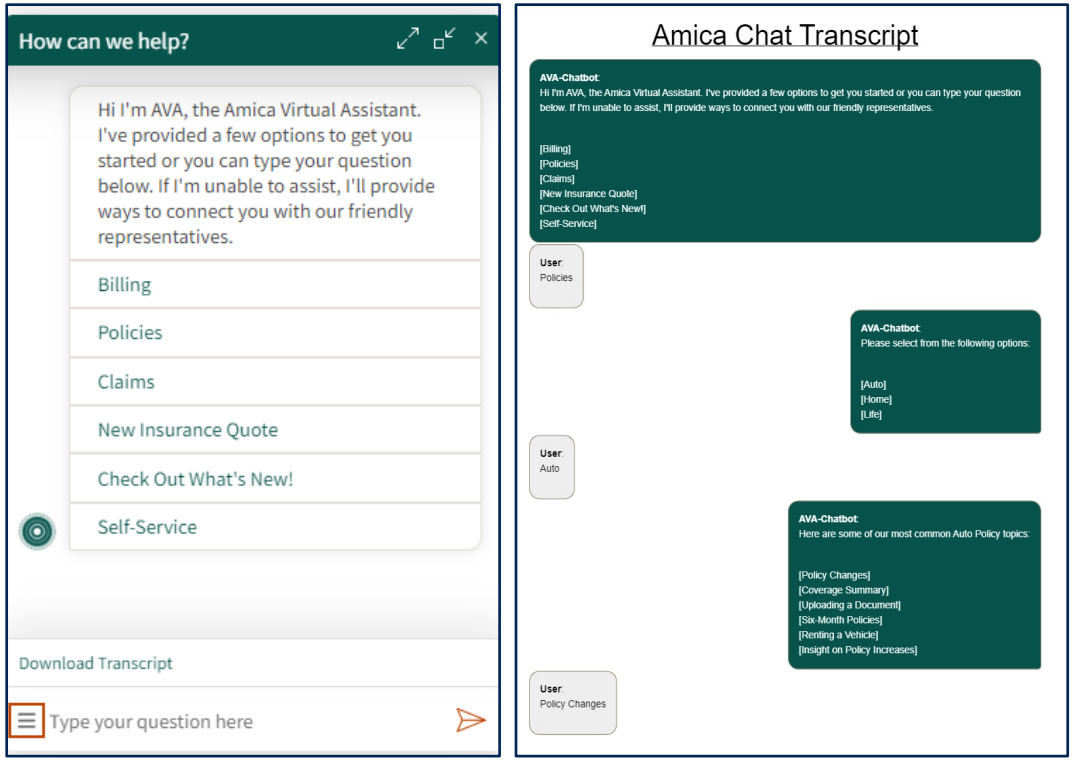
- At minimum, chatbots should offer customers a link to their desired site element for policyholders not intimately familiar with their insurer's platforms
- However, firms should avoid automatically redirecting users to their desired page after they make a menu selection
  - The abrupt change may confuse users who were not expecting it or were not ready to leave their current site location
- Tools should also provide appropriate warning before redirecting users or otherwise signpost that certain selections will lead to a different page to alert users and allow them to confirm the choice
  - Chubb's policyholder site chatbot automatically redirects policyholders to their desired location, and can even load PDFs of select documents, such as ID cards
  - Helpfully, the insurer alerts users that certain preset menu options result in redirection by marking those links with a small new window symbol



State Farm Policyholder Site Chatbot Window

Retain chat history and offer users options to access their chat transcripts

- Chat tools should retain and display the chat history while users move through the platform and allow them to navigate away from the window as well
- The chat should still retain conversation history after users minimize the window, or it automatically minimizes, and be findable via a conspicuous icon
- Insurers should provide warning that chat history will be lost before users close or end their chat window
- Best-in-class chatbots retain a conversation history even as users log in and out of the policyholder site
- Chatbots should offer save, download, print or email the chat transcript options
    - Amica remembers chat history as users move between the public and policyholder site pages, and offers a Download Transcript link that loads a PDF of the chat conversation in a new browser tab



Amica Policyholder Site Chat Window and Chat Transcript PDF (Truncated)

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