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## Why Customer Retention Requires a Connected Vendor

*The process of making a policyholder whole again after a flood, fire, or other destructive event can be arduous — and can even risk customer loyalty if there are too many bumps along the way.*

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## Why Customer Retention Requires a Connected Vendor

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### Key Takeaways:

- Decreased speed of claims resolution, poor communication, and a lack of transparency threaten the customer experience.
- Lags in initial outreach to customers with claim statuses, as well as miscommunications regarding coverage and timeline for completion, are common missteps that can derail the carrier-customer relationship.
- Partnerships with IICRC-certified restoration services professionals can help carriers improve and expedite their claims process while ensuring quality workmanship.

## Introduction

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With the smoke now cleared from the Southern California wildfires of January 2025, the process of cleaning up and rebuilding begins. All eyes are now turned to insurance carriers, who are in the midst of providing claims assistance to the policyholders of the more than 12,000 buildings that have been destroyed or damaged.



While there's concern over whether some policies will even be renewed, those affected will still have an impactful say in how their claims experiences ultimately play out, as these experiences rank high in importance among current customers and have a direct impact on reputation and retention.

The scrutiny brought about by the wildfires, along with the fact that recent surveys show that 74% of customers [dissatisfied](#) with their claims experience have left (26%) or will consider leaving (48%) their carrier, makes it more important than ever for carriers to ensure smooth claims processes. This requires a combination of partnering with seasoned restoration professionals and paying attention to communication and transparency efforts at every step of the claims process.

**74%**

of customers [dissatisfied](#) with their claims experience have left/will consider leaving.

*Source: "Getting it right: Why is claims satisfaction so high?" Accenture. Aug. 3, 2022*

## The claims landscape

The Southern California wildfires notwithstanding, the average number of property damage claims filed by owners each year is still significant. According to the [Insurance Information Institute](#), property damage accounted for 97.8% of claims filed by homeowners in 2022, with 27.6% attributed to water and flooding claims and 21.9% attributed to fire and lightning claims. Fire and lightning damage led to the highest average



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homeowner loss (\$83,991), with water and flooding claims in second (\$13,854) during the 2018-2022 period.

Carriers have worked hard to optimize the customer experience throughout the claims process, usually upgrading their technology to support omnichannel experiences, self-service, and online chat. While these upgrades have helped the claims experience become more seamless and straightforward, a great customer experience, more than anything else, is caused by the speed at which a claim can be settled and the claimant made whole. According to a study by [Accenture](#), satisfaction rates soared to 84% when a claim was resolved in under 48 hours. But, that number dropped to 36% when claim resolution dragged on for months.

## Clear communication is key

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The average number of claims per year and the link between claims resolution and retention presents carriers with an opportunity to strengthen the customer experience. Often, it starts with communication.

From the moment an unforeseen destructive event occurs, customers are understandably anxious to get the ball rolling on the restoration and resolution process. After all, their day-to-day lives have been upended and disrupted, adding undue financial and emotional stress and even physical hazards to their property.

Unfortunately, poor communication and transparency among all parties involved — the carrier, the restoration services provider, and the customer — can set everything off in the wrong direction from the

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start. The frustration begins in the time it takes for the carrier to reach out to the customer with an approval for the claim. This can take as many as five days, with the customer growing more and more stressed each passing minute waiting for the carrier's approval.

According to Duck Creek Technologies' [Global Consumer Insurance Insights](#) survey, 96% of customers would like to hear more about the status of their claim throughout the process, so they can be reassured that their carrier is working to make them whole. Indeed, simply keeping the customer and restoration services provider in the loop and setting expectations from day one would help alleviate some frustration, reassuring the customer that they remain a priority.

**96%**

customers who would like to hear more about the status of their claim.

*Source: "2023 Global Consumer Insurance Insights." Duck Creek Technologies, May 2023.*

Communication and transparency between the carrier and the restoration services provider is also important. The restoration services provider is the subject matter expert here, and can relay important information to the carrier about the specifics and extent of the job.

In addition, if the job requires more than what is covered in the customer's policy, the restoration services provider must be able to communicate that to the customer so there are no surprises down the line, like when the customer discovers they're financially responsible for repairs they didn't know weren't covered. Similarly, communicating the



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timeline for repairs clearly reassures the customer that there is a light at the end of the restoration tunnel.

## Aligning with the right partner

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Since the restoration services provider is the boots-on-the-ground party getting the job done for the homeowner, carriers must make careful choices as to which providers they work with. It goes without saying that the provider must be IICRC-accredited, but it also certainly helps when the restoration services provider has a long track record of great communication, superior customer service, and high ratings for workmanship. After all, aligning with anything subpar reflects on the carrier's own reputation.

1-800 WATER DAMAGE, part of BELFOR Franchise Group, is one restoration services provider that can help carriers deliver this seamless experience to their customers. From the initial visit, to documentation and workmanship, to job completion, the IICRC-certified specialists at 1-800 WATER DAMAGE help carriers deliver superior service through expertise, clear and transparent communication, and high-quality work.

Property restoration is stressful and frustrating for customers, and a negative experience can send customers into the arms of a competing carrier. But unmatched communication and transparency every step of the way — underpinned by a strong partnership between the carrier and restoration services provider — can make all the difference in the customer experience and, ultimately, retention.





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1-800 WATER DAMAGE, please visit  
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