

INTERNAL AUDIT

Policyholder Claims
Experience

September 2, 2020



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Executive Summary

Background

Citizens has a well-established Voice of the Customer (VoC) Program working with policyholders to obtain feedback on how we handle their claims. Our goal is to provide quality customer service and pay claims promptly and efficiently. Citizens processes approximately 22,000 claims per year with an average payment of \$8,500 per claim. Citizens strives to continually enhance the claims process to improve the overall customer experience.

The VoC team solicits feedback from policyholders using phone surveys and administer approximately 2,880 claims surveys per year. The policyholder's feedback allows management to measure customer satisfaction and identify claims trends to improve business processes, reduce claims-handling costs and assist the policyholder with claim submission and communication with the claims adjuster.

Audit Objectives and Scope

The objective of the audit was to evaluate the effectiveness and efficiency of the Claims Customer Experience processes and controls as it relates to claims customer service. Our scope included the review of the following areas:

- Claims Customer Experience survey design and scoring methodology
- Claims Customer Experience metrics and reporting
- Voice of the Customer management system
- Customer Response Management and closed feedback loop
- Process Improvement

Audit Results

Our audit work indicates that the key controls and processes over the Claims Customer Experience are adequate to capture customer feedback, measure customer satisfaction, and identify opportunities to improve the claims handling process. Specifically, we observed that:

- Monthly VoC Dashboards are cascaded to all of claims management and are shared with the claim's adjusters during their recurring one-on-one meetings to provide continuous improvement of the customer claims experience.
- The VoC program is administered by a team of individuals who are highly trained to facilitate the Claims and Management Repair Program (MRP) phone surveys, verbatim processing, and service recovery process.
- The VoC closed-feedback loop process in place is adequate to ensure surveys with unfavorable responses are automatically sent to the Service Recovery Database for research and resolution by the VoC team.
- The Customer Experience & Design Data team generates customized VoC reports which allows management to identify negative trends or detect problems areas that could require corrective action to improve the customer claims experience.



Executive Summary

IA noted the following control enhancement opportunity:

- **The need to limit access to the shared drive folder where the VoC data is stored.** During our review, we found that access to the shared folder was not limited to Voice of the Customer and Customer Experience & Design Data teams. Failure to limit access to the shared drive folder could result in VOC data becoming corrupted, lost, or manipulated.

Results from our work noted some opportunities to increase the efficiencies and effectiveness of the Voice of the Customer processes. As the Voice of the Customer program continues to evolve, management is encouraged to consider the following Internal Audit (IA) suggestions to increase the effectiveness and efficiencies of the program.

- IA noted that the VoC process i.e. survey administration, verbatim processing and reporting are performed manually and provides an opportunity for efficiency enhancements. Management may consider implementing a Customer Experience Management application to manage the end-to-end customer experience process and bring greater visibility around the customer experience. This application should include a survey engine that deploy surveys using various efficient innovative methods such as Web, Text Messaging (SMS), and Interactive Voice Response (IVR) to collect and track valuable customer feedback at various touchpoints. A customer response management application with closed loop capability to respond to customer feedback, data analytics and real-time reporting will help management to identify key trends or detect problem areas that may require corrective action. Management may want to consider using in-house technologies such as Salesforce or InPoint.
- In conjunction with the implementation of a Customer Experience Management application, management may consider incorporating other data sources such as the Claims Complaints, Call Center and Social Media with the VoC data, for reporting purposes, to provide a more holistic view of the customer experience. Including these other data sources could help management to identify patterns of customer dissatisfaction so that corrective actions can be taken to resolve the issues in a timely manner.
- Management may consider establishing a periodic review of the VoC surveys to ensure the current questions are still relevant and are achieving the desired results for the customer experience and claims trends. The process should include:
 1. In addition to the survey review, include a way to capture evidence of the review from VoC and Claims Management
 2. The VoC policy should be updated to include a procedure to define the survey review process
- Management may consider developing an oversight collaboration process such as a quarterly round table with key stakeholders from Claims, Complaints, Agency, Underwriting, Customer Call Center and Accounting to review the VoC and the Verbatim Service Recovery reports in order to develop corrective action plans as needed to improve the customer experience.



Executive Summary

We would like to thank management and staff for their cooperation and professional courtesy throughout the course of this audit.



Appendix

Distribution

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The Honorable Jimmy Patronis, Chief Financial Officer
The Honorable Ashley Moody, Attorney General
The Honorable Nikki Fried, Commissioner of Agriculture
The Honorable Bill Galvano, President of the Senate
The Honorable Jose R. Oliva, Speaker of the House of Representatives

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