

# Increasing Premium Retention Through Drips Outreach to Pending Cancel Customers

## Background

A top five personal lines insurance carrier and leading provider of financial services in the United States offers a wide range of products, including auto, home, renters, life, and business insurance, along with financial planning and retirement solutions. This organization is known for its robust customer service, and customizable policy options to meet diverse needs.



## Challenge

Fewer than 20% of the carrier's policyholders had opted in to receive billing and payment alerts via SMS. For the remaining 80+% of policyholders who entered pending cancel status, premium retention rates were going down while outreach costs were increasing. In order to improve outreach efficiency and effectiveness and address these limitations, the carrier collaborated with Drips to launch a targeted program for policyholders not opted in to receive SMS alerts.

## Solution

The Drips Pending Cancels Program aimed to enhance outreach by using AI-driven conversational SMS and automated voice calls to interact with policyholders. The conversational SMS messages focused on making policyholders aware of their delinquent payment status and offered options to make online payments or connect with a service agent when necessary. The timing was critical to delivering results. Outreach was initiated as soon as policyholders entered pending cancel status, typically 10 days after a missed payment. Additionally, Drips ensured legal approval for engaging non-opted-in policyholders through Drips' standard product.

The program's success would be evaluated based on a series of measurable activities:

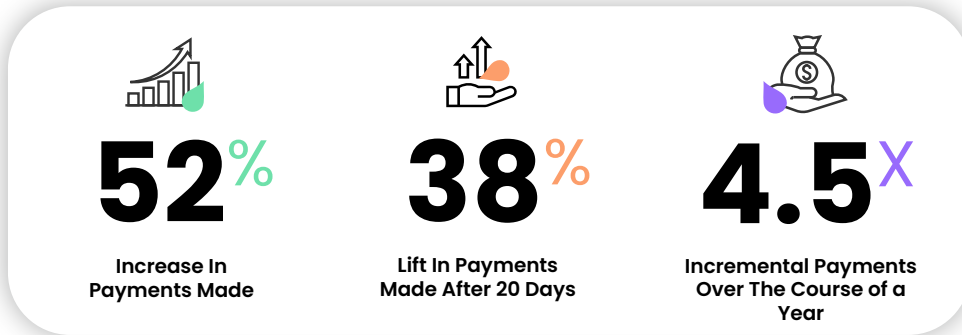
- 📌 **Policy retention uplift** — the improvement in the retention rate of policies in pending cancel status
- 📌 **Cost efficiency** — a reduction in outreach costs compared to the previous outbound calling program
- 📌 **Agent efficiency** — an enhanced use of call center agents for complex cases requiring personalized attention
- 📌 **Payment rates** — at seven-day and 20-day lookback periods





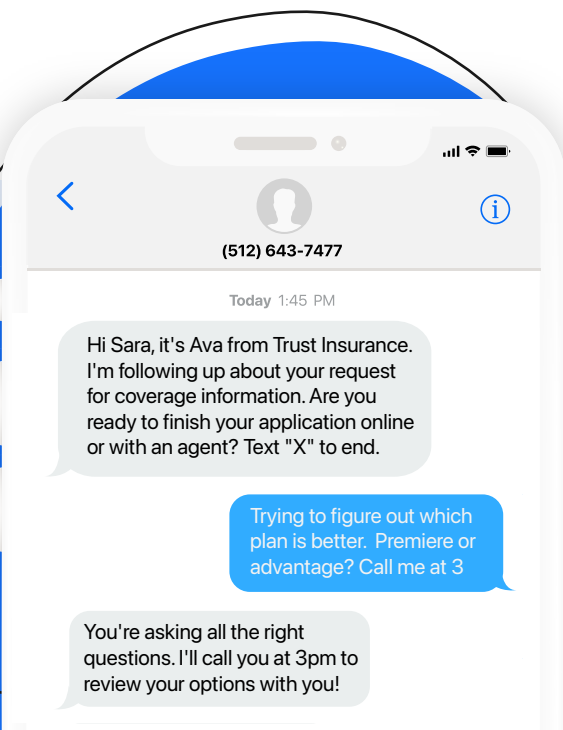
# Results

The Drips program demonstrated significant performance improvements. Compared to the call center dialing process, Drips delivered a 52% increase in payments made after seven days, and a 38% lift in payments made after 20 days. The carrier projects this to yield 4.5x incremental payments over the course of a year, while significantly improving policy and premium retention. Furthermore, the carrier recognized a lower unit cost compared to their outbound dialing efforts because the Drips automated solution allowed call center agents to focus on high-priority cases, rather than spending their time making calls that were not picked up, optimizing resource allocation.



Another benefit the carrier recognized was improving insights into causes of cancellations. 7.2% of customers indicated they would like to speak with someone. More than half of those customers yielded conversations of more than three minutes, providing an opportunity to learn additional insights regarding their customers and the details behind pending cancellations.

The Drips Pending Cancels Program successfully addressed the carrier's challenges in policyholder outreach. By leveraging AI-driven technology and a strategic approach to engagement, the carrier achieved measurable improvements in retention and cost efficiency while ensuring compliance. This case underscores the value of integrating innovative communication solutions to enhance customer experience and operational performance.



## It's all about how you say it™

Are you looking for a better way to onboard new members and educate them about their plan? Drips' AI-powered conversational outreach strategy provides real, human-like dialogue that allows consumers to engage on their own terms for improved results.

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