

# US small business insurance satisfaction declines further due to lack of support

Article

**The news:** Small businesses' satisfaction with their insurance providers fell annually for the second year in a row as insurers fell short on communication, [per](#) the J.D. Power 2021 U.S.

## Small Commercial Insurance Study.

**By the numbers:** Insurers ramped up the frequency of customer interactions to counteract last year's satisfaction decline, but small businesses say it's too little, too late.

For the **first** time in the study's nine-year history, satisfaction declined in 2020, with a pervasive feeling among small businesses that insurers failed to take sufficient proactive steps to help them during the extreme uncertainty of the pandemic. In response, **insurers increased their customer outreach from 19% to 45%** this year.

But this didn't correlate with increased satisfaction, which actually declined 31 points. This was in part because the communication was ineffective: 46% of small businesses who were reached cited issues, compared with 26% last year. And **three times more customers encountered difficulties contacting their providers this year.**

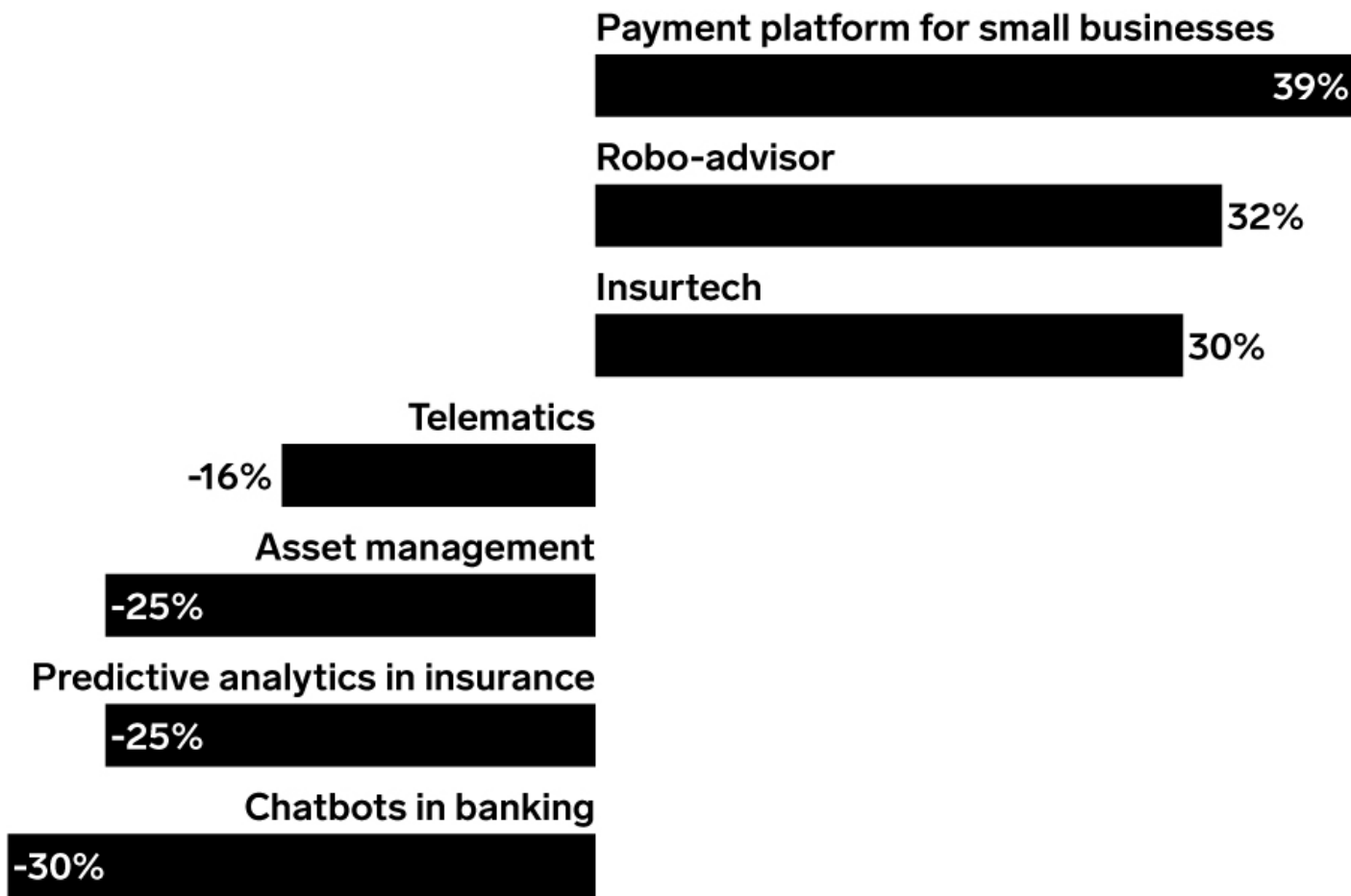
**The big takeaway:** Customers feeling neglected highlights the need for insurers to take a more proactive role in communication to better address their needs and fend off insurtech competition.

US policyholders are shopping **around** for insurance more than ever since the pandemic started, and falling satisfaction poses a customer attrition risk. Small-business insurtech **Pie Insurance's** user base swelled by 82% over the past year, for example, and with insurtech funding at an all-time **high**, more innovative startups are coming to snap at incumbent heels.

By contrast, **insurers that not only ease communication with their small business customers but also tailor interactions to their individual needs will boost satisfaction.** Insurtech **Lemonade**, for example, uses AI to provide personalized quotes, handle claims, and answer customer questions, and it was the first insurtech to top the renters insurance customer satisfaction ranking in J.D. Power's annual US Home Insurance **Study**.

# Change in US Online Searches for Select Fintech Topics, April 2021

*% change vs. prior year*



*Note: topics with largest average increase and decrease*

*Source: Conductor, "B2B SaaS Industry Trends & Leaders of 2021," July 13, 2021*

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