LOOP

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| **INDUSTRY** | Auto insurance |
| **WEBSITE** | ridewithloop.com |
| **LOCATION** | Austin, Texas |

# LOOP car insurance increases customer self-service rate by 3X with Quiq's Generative AI Assistant.

In a rapidly changing market, contact center executives are tasked with balancing the complex equation of improving customer service while ensuring operational efficiency. This transformational story of LOOP—an innovative auto insurance company—and Quiq, a leader in Generative AI technology, provides an inspiring blueprint for achieving these dual objectives with the next generation of conversational AI.

Quiq
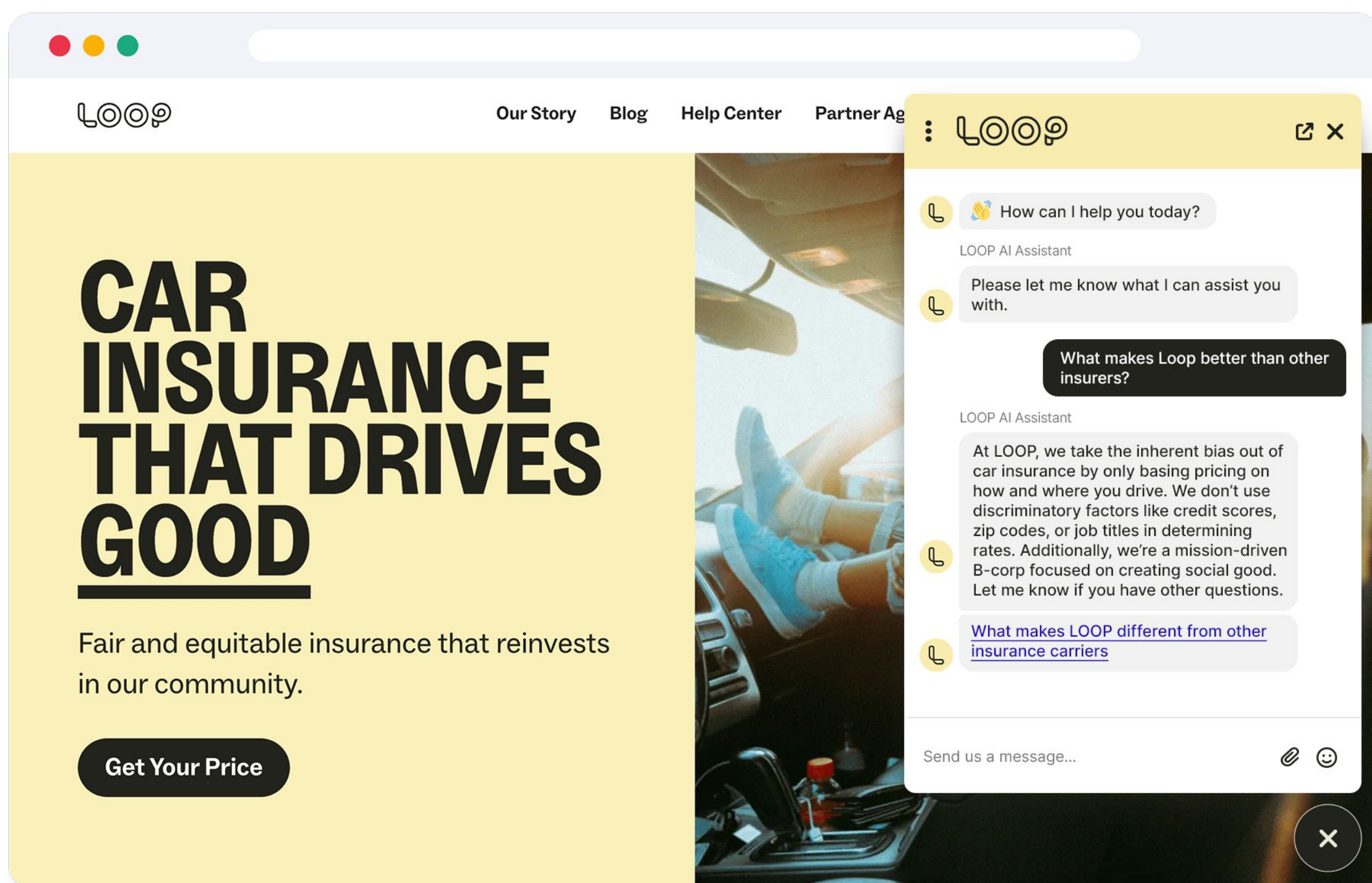
# About LOOP: Disrupting the Auto insurance industry

LOOP has disrupted the auto insurance industry by challenging traditional norms and mitigating systemic biases in insurance pricing. As a Registered B-Corp, they are forging a path to a more equitable insurance industry.

## Challenges

LOOP currently operates in the state of Texas with growth plans to extend coverage to an additional 10 states. Like many companies, LOOP's care team is struggling to keep service levels and quality high as they continue to grow.

In 2022, LOOP developed a chatbot to combat increasing costs while remaining committed to providing high-quality insurance and service at affordable prices.

But LOOP's chatbot was limited to providing static answers often linked to unrelated content. All too often, this was leading to frustrated customers, low self-service, and longer than necessary wait times. The LOOP team also struggled to understand how their chatbot was performing and what actions were needed to improve it. LOOP decided to work with Quiq to help them figure out how to take their automation strategy to the next level.

## Solutions

The LOOP team worked with Quiq to supercharge their online support from a FAQ chatbot to a next-generation AI Assistant built with the latest Large Language Model (LLM), similar to the AI inside ChatGPT.

Harnessing the power of Generative AI, Quiq transformed LOOP's limited, static chatbot into an on-brand, personalized AI Assistant that gets customers what they need to know and where they need to go. Quiq did this with:

- A custom-built AI Assistant using Generative AI and Large Language Models (LLMs) that offered contextually relevant responses to customer inquiries to streamline the customer journey for policy quotes, updates, and payments.
- An innovative approach utilizing the powerful language skills of LLMs coupled with LOOP's curated knowledge to provide personalized, safe, on-point, and on-brand answers.
- Quiq Insights, which is a suite of customized analytics tools and dashboards to measure performance and identify optimization opportunities.

### Results

- Customers get the right answer personalized to their situation
- Customer self-service rate increased by 3X to more than 50% automated resolution
- 75% positive customer satisfaction rating for the AI Assistant
- 55% decrease in email tickets

### Strategy + process

After analyzing the conversational data and business processes, LOOP and Quiq teamed up to create an AI assistant that would provide contextually relevant answers with links to help customers get quotes, update policies, make payments, and more.

LOOP's older bot was limited to pre-canned, static answers that were manually built. To begin creating the car insurer's next-generation AI Assistant, the Quiq team first ingested all of LOOP's help center content.

Quiq's Automation Studio includes the latest AI technologies to understand customer inquiries, generate safe answers and determine the relevant actions to present. Quiq instrumented the AI Assistant with a number of intents, topics, user types, goals, and feedback sensors. Quiq's analytical tools are also helping LOOP understand the AI's performance while also finding opportunities for future CX optimization.

"LOOP's AI Assistant is changing our business by transforming how customers interact with us. Now they can find trustworthy, personalized answers without having to pick up the phone, while still getting the LOOP brand experience."

**John Henry**
Co-Founder and Co-CEO, LOOP

# Harnessing the power of semantic similarity + LLM language generation.

"Semantic similarity" is a special type of search that compares not just the words that a customer used in their question, but instead the actual meaning of the question. Quiq uses semantic similarity for LOOP to compare what customers ask to content already in the LOOP knowledge base.

For example, LOOP has an article titled **How Do I Pay My Bill?**, another one titled **What Payment Plan Options Do You Offer?** and a payment portal, as well.

If a customer goes to the LOOP AI Assistant asking a question like, "How can I pay?", the assistant runs a search for semantically similar knowledge base articles. It identifies the closest, most relevant matches and uses those to generate an answer. The purpose is to define how similar the customer's question is to what the reference articles contain.

The semantic search identifies potentially several articles that are relevant and uses the language generation capabilities of the LLM to summarize the articles into a highly relevant and personalized response.
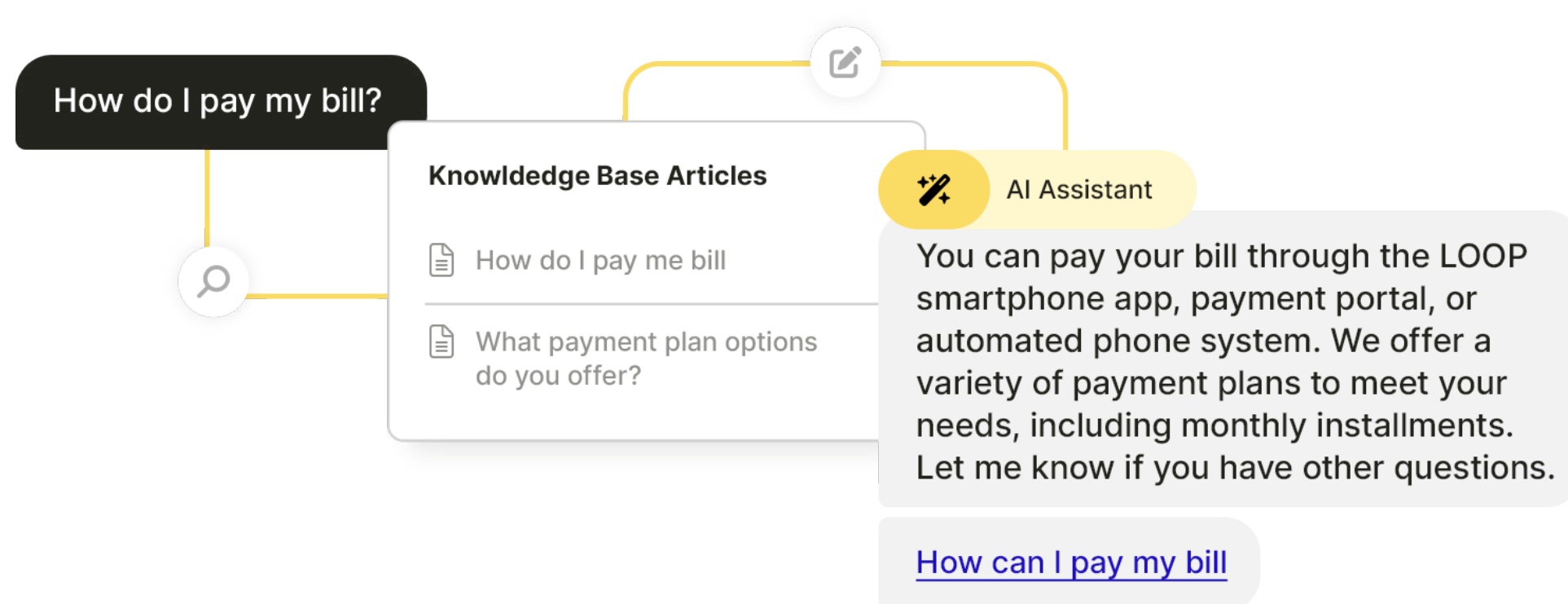


While this sounds easy, it isn't. In addition to language understanding and generation skills, LLMs also can come up with answers on their own. This is known as hallucinating.
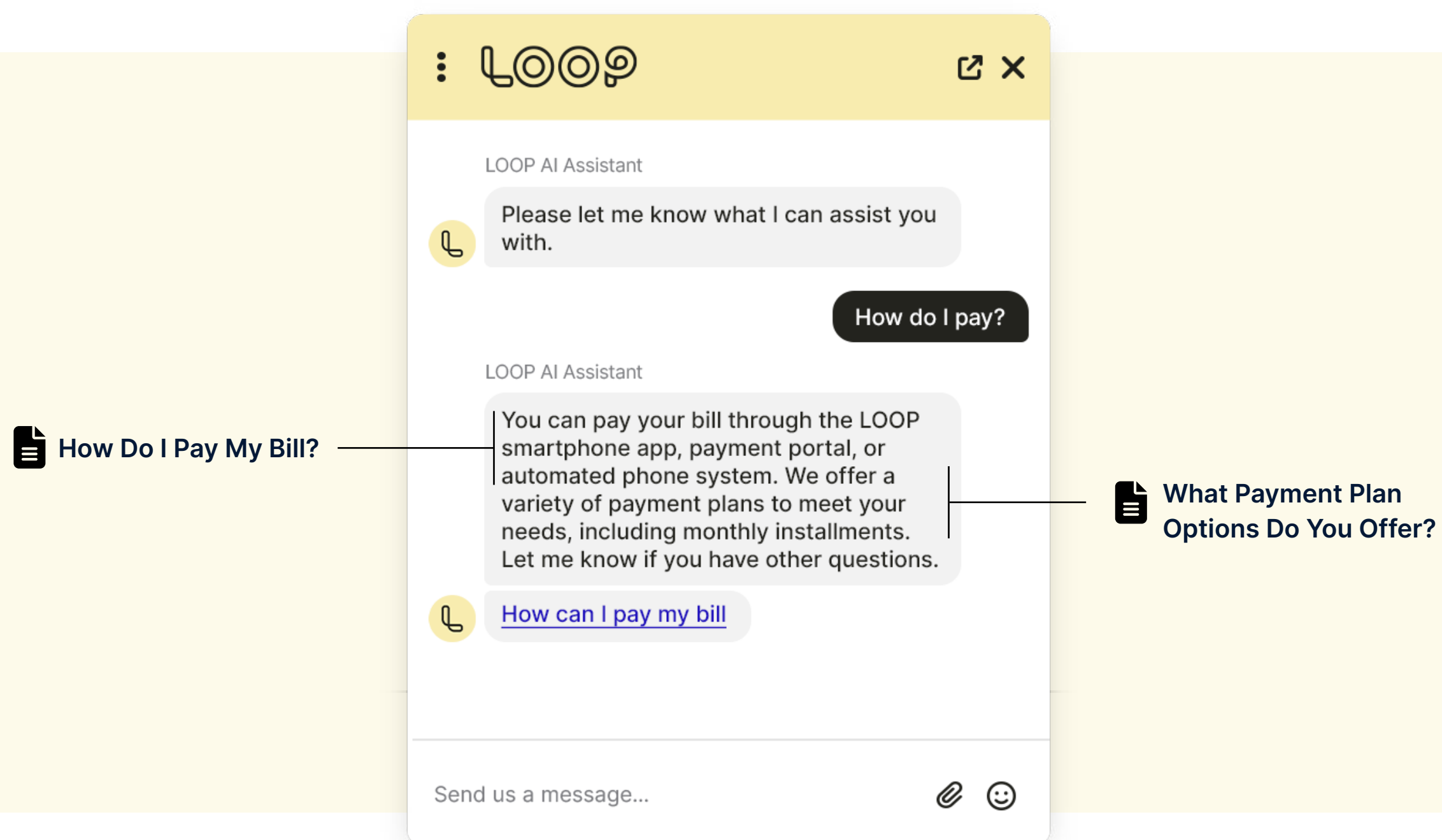
Clearly, LOOP doesn't want its customers receiving any information that they haven't preapproved, so Quiq harnesses the power of the LLM while instituting safeguards and fact-checking to ensure the only answers provided to customers come from LOOP's knowledge base.

## One answer doesn't fit all.

One of the biggest problems with prior-generation chatbots was that a customer's question had always to be answered with one knowledge article. That constraint creates an impossible conundrum - in order to answer many related questions the article must be long. But then customers are not likely to read the whole thing to discover their answer hidden way down in the fifth paragraph.

With Quiq AI Assistants, the one article, one answer constraint is a thing of the past, allowing all the information relevant to a question to be combined into an answer precisely matching the customer's inquiry.

In our bill payment example, here's the real response as the customer would receive it:

📄 **How Do I Pay My Bill?**

**LOOP AI Assistant**

Please let me know what I can assist you with.

How do I pay?

**LOOP AI Assistant**

You can pay your bill through the LOOP smartphone app, payment portal, or automated phone system. We offer a variety of payment plans to meet your needs, including monthly installments. Let me know if you have other questions.

📄 **What Payment Plan Options Do You Offer?**

How can I pay my bill

Send us a message...

There's a lot going on here. In the answer, you can see elements of text generated from each of the two articles: **How Do I Pay My Bill?** and **What Payment Plan Options Do You Offer?**

The first half of the answer is from the **How Do I Pay My Bill?** article, while the second half of the answer is from the other one.

By identifying that both articles were related to this question, Quiq AI Assistant provides a nuanced answer. It accounts both for someone who might mean they need to pay and can't find where to do so and for someone whose intent is to learn how to pay in a more general sense. Both knowledge base articles also include phone numbers, but you'll notice there is no phone number included in the response from the AI Assistant. Remember, one of LOOP's challenges is significant phone volume, so the Quiq Assistant is designed to offer phone escalation only when a customer asks.

And lastly, the AI Assistant sent the most relevant article link to the user so they can get additional details if needed.

Compare the preceding answer to a very similar situation where a user says "**I need to pay my bill**".



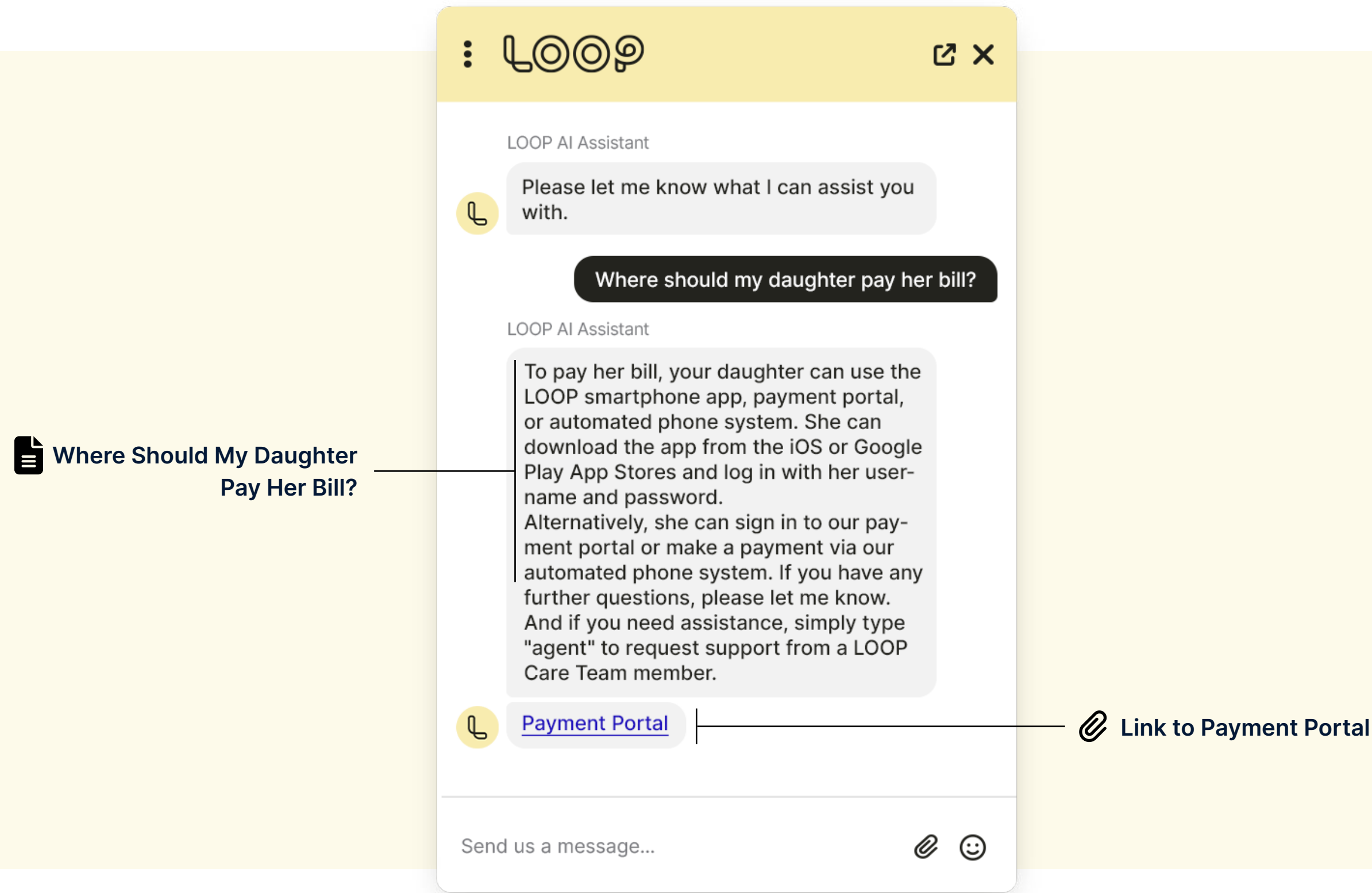I Need to Pay My Bill?

Link to Payment Portal
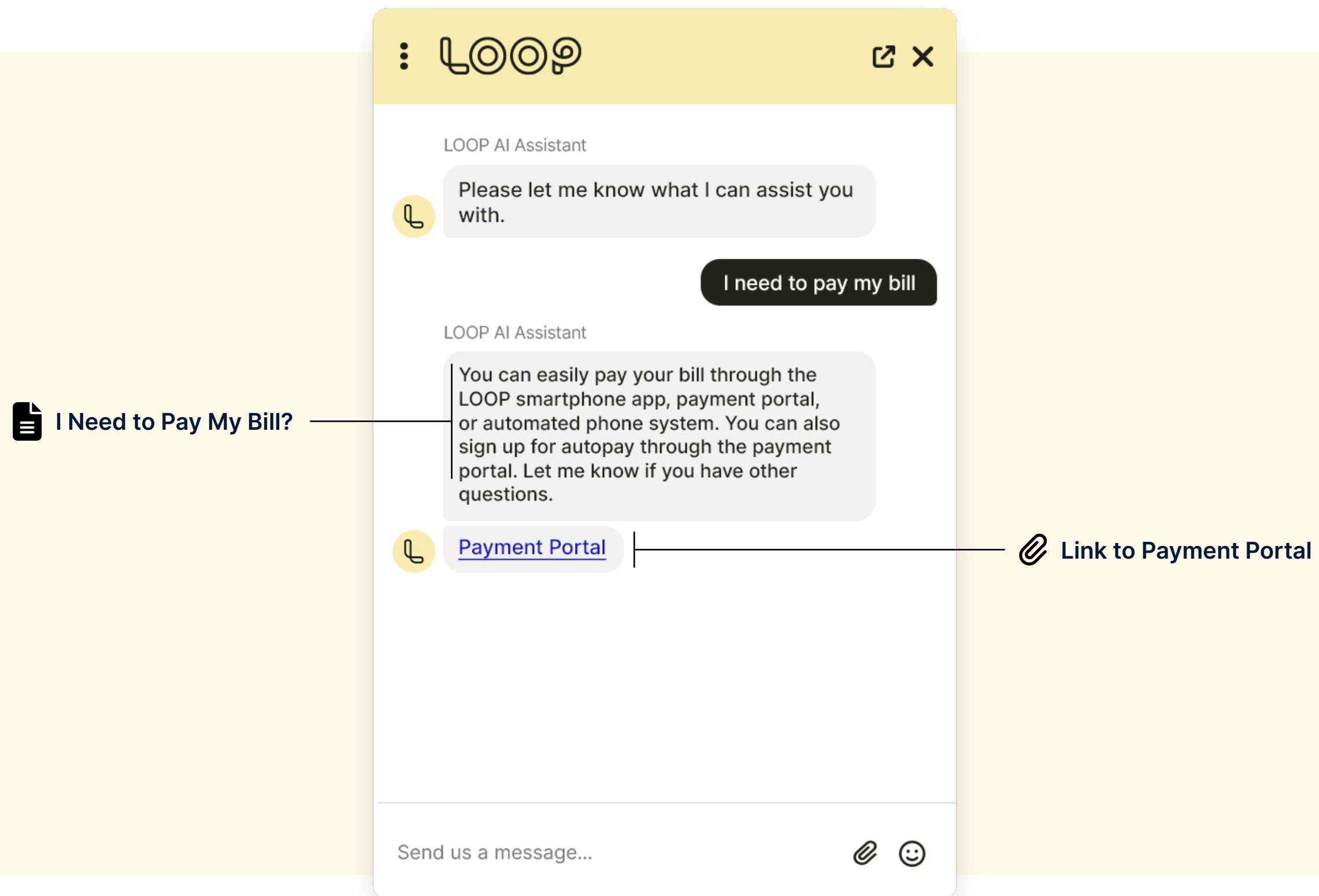
Quiq pinpointed the right content from the knowledge base article again and served it up with a link to the payment portal to match the customer's intent appropriately. In this case, the customer expressed that they need to pay, not that they have a question about paying. Therefore, the link that is sent is to the Payment Portal instead of to a knowledge base article.

LOOP's knowledge base articles are often a paragraph or two, which makes semantic similarity relatively straightforward and allows Quiq to pull multiple articles and combine them. But Quiq can also digest long-form documents and then generate the answer from excerpts of lengthy text just as easily.

The beauty of Quiq's use of Generative AI is that responses are returned to customers in the context of the customer's question, regardless of the response source's length.

Here's another example:



LOOP AI Assistant

Please let me know what I can assist you with.

Where should my daughter pay her bill?

LOOP AI Assistant

To pay her bill, your daughter can use the LOOP smartphone app, payment portal, or automated phone system. She can download the app from the iOS or Google Play App Stores and log in with her user-name and password.

Alternatively, she can sign in to our payment portal or make a payment via our automated phone system. If you have any further questions, please let me know. And if you need assistance, simply type "agent" to request support from a LOOP Care Team member.

Payment Portal

Where Should My Daughter Pay Her Bill?

Link to Payment Portal

Send us a message...

The result is that customers receive personalized answers that apply to their specific situations and needs. In this case, the customer can send her daughter the payment portal link or take care of it on her behalf. Because LOOP's prior chatbot was answering only with static content, this level of personalization was not possible.

# Comparing the prior chatbot + new AI Assistant.

Let's take a look at some before and after examples to help understand how LOOP's new AI assistant is working.
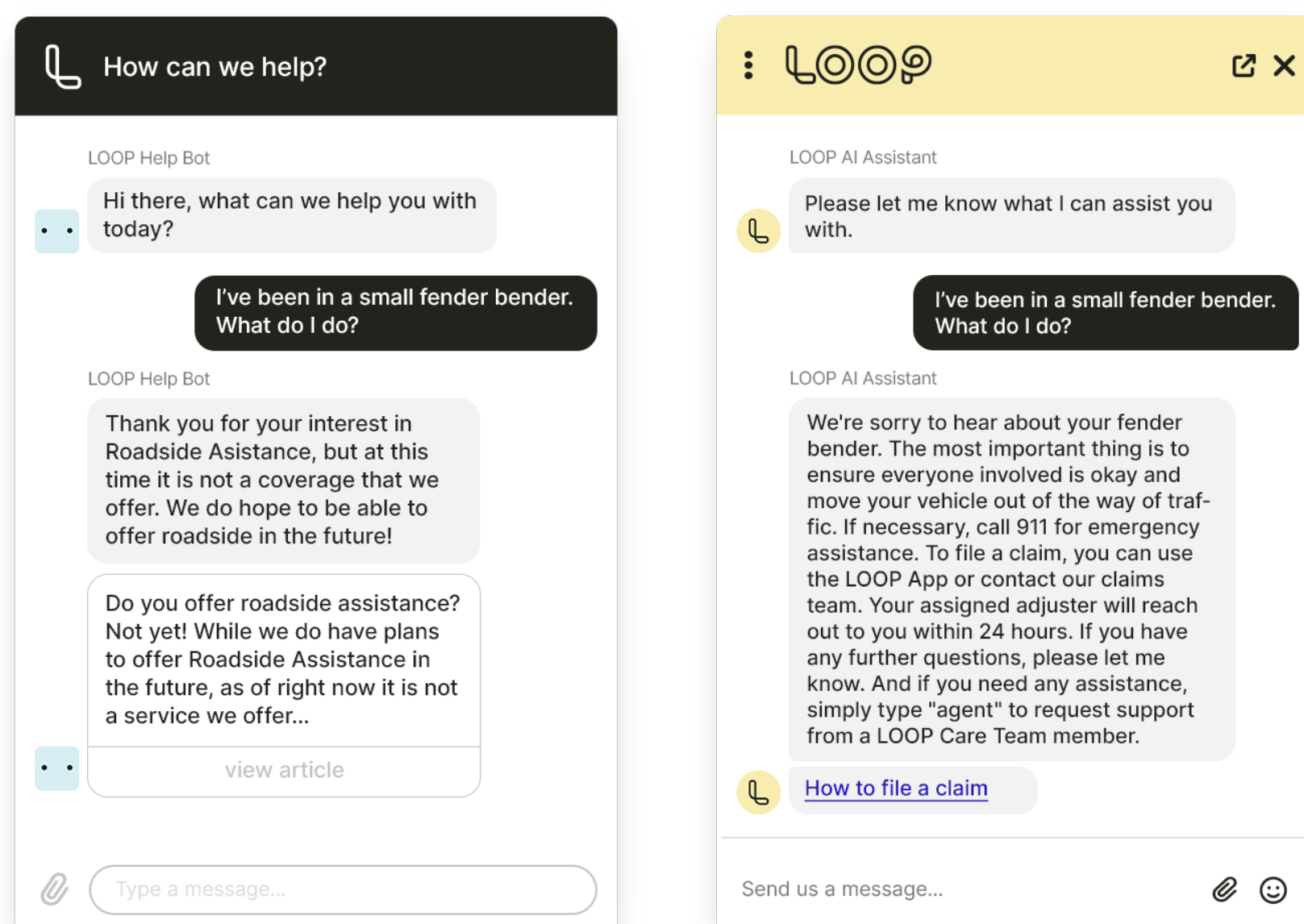
**Example #1**

## Intent-based, prior-generation bots were constrained to providing answers based on individual intents.

LOOP's previous-generation chatbot analyzes a single user phrase and classifies a single intent. This style of intent classification commonly produces false positives. Unfortunately, false positives tend to frustrate customers and lead to lower CSAT and self-service rates.

Quiq's AI Assistant shows a deeper understanding of language and provides a contextual response with a clear action for the customer to take. With a previous-generation chatbot, If the intent was missed, whether due to over or under-training, new phrasing, contention between intents, or any other reason, there was a significant risk of providing a completely incorrect or off-target answer.

On the other hand, next-gen LLM-powered AI Assistants excel at comprehending human language and understanding nuances in questions. Unlike their predecessors, these advanced assistants no longer rely solely on recognizing a single intent and providing a fixed answer. Instead, they possess the capability to recognize that similar questions can be phrased differently, and they can flexibly adapt to handle such variations without requiring an exact match.

Previous-generation chatbots tended to overcompensate for their lack of confidence. In the following example, the chatbot seemed to catch that a change was needed but provided a general answer with a number of potentially related choices.



*Instead of being constrained by a missed intent like a prior-gen bot, an LLM-powered AI Assistant can read nuance and act accordingly.*

**Example #2**

## LLM-powered AI Assistants elevate the quality of responses from good to great.

Unlike their predecessors, these advanced assistants not only provide accurate answers but also contextualize the response appropriately, directly addressing the user's question. This significant improvement enhances both the efficiency of interactions and the overall conversational tone.

In this example, the new AI Assistant surpassed the previous generation bot by bypassing the need for disambiguation questions. Instead, it seamlessly directed the user to the relevant web form, which aligns with LOOP's current preferred mode of operation.

Furthermore, the conversation was contextualized to flow naturally, avoiding the static or canned responses of the past and engaging the user in a dynamic interaction.

In the following example, the chatbot catches that a "change" was needed, but responds with a vague answer and a menu of options. In the past, this defensive tactic was generally considered a safe conversational design decision.

However, it breaks the cooperative principles of communication and leaves the customer on the other side feeling a little uneasy about the interaction.

On the other hand, LOOP's AI assistant directly addresses the question and removes any cognitive overhead associated with having to make a choice.
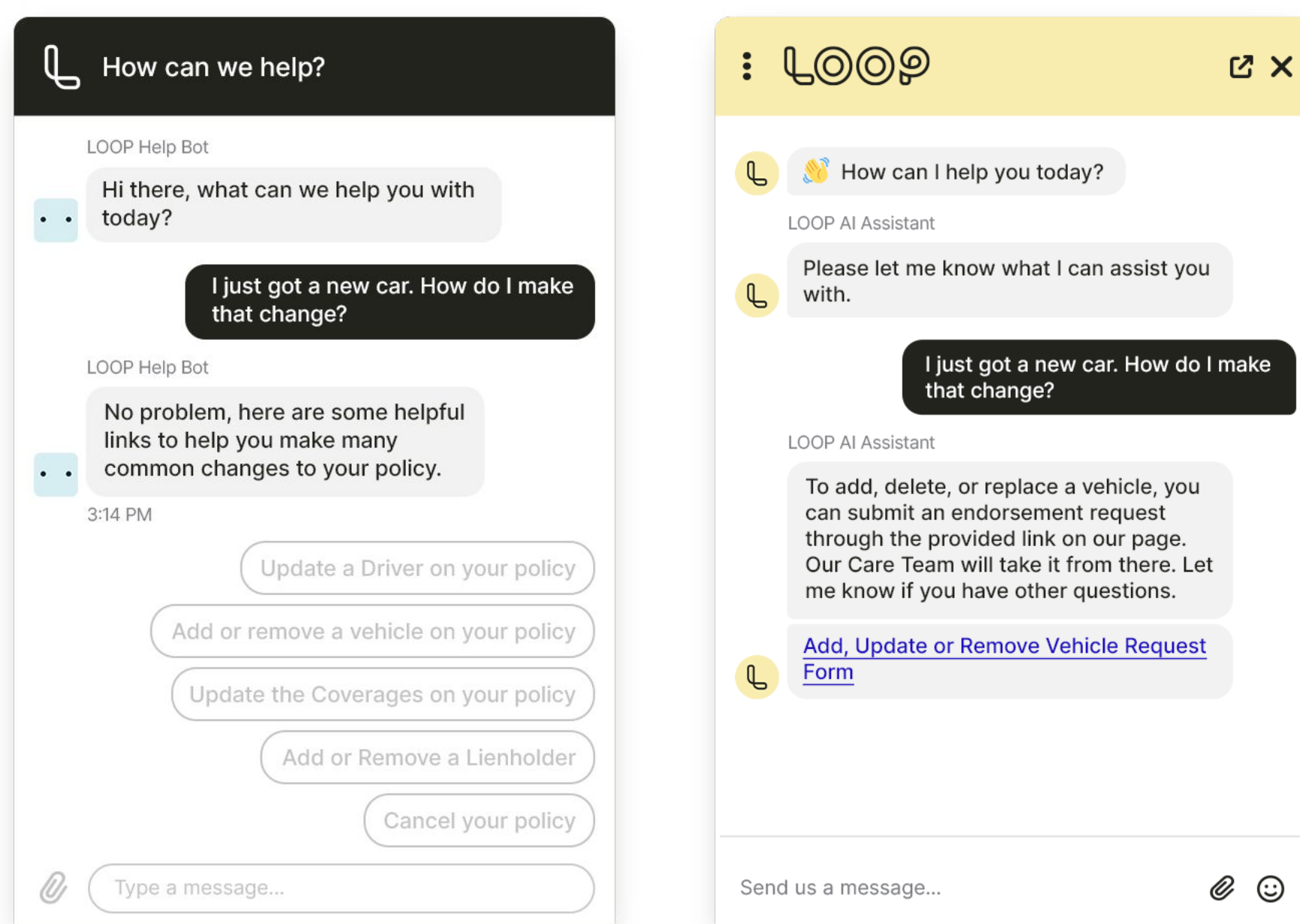


*LLM-powered AI Assistant can take answers from good to great with direct answers and contextualized responses.*

## Example #3

## LLM-powered AI Assistants can now combine all of the above and address multiple unrelated questions while maintaining contextualization.

The example below showcases the proficiency of LOOP's new AI Assistant, which efficiently handled two unrelated user questions, provided accurate answers for both, and even supplied relevant links to assist the user in completing their tasks.

Quiq's next-gen AI Assistants leverage semantic similarity to comprehend the meaning of sentences and phrases, going beyond simple search terms. This advanced understanding enables them to identify related information, even when the wording or structure varies. Such capability empowers the LOOP Assistant to perform comprehensive knowledge lookups and deliver helpful responses to user queries that cannot be achieved through standard search techniques.

Analyzing the example provided above, we observe that the user posed a question about payment location, mentioned a late payment, and inquired about adding their daughter to an existing policy. Remarkably, the AI Assistant adeptly searched and retrieved three relevant articles based on the user's input, successfully incorporating information from all three sources to provide a comprehensive response.

Unfortunately, customers' use of language is not always simple and coherent. Sometimes we break up our thoughts, and other times we compound them together in a chat. Chatbots have historically struggled to make sense of broken and complex inquiries.

The following example illustrates 3 distinct inquiries:

1. Is there a grace period to pay my bill?
2. How can I make my payment?
3. How can I add a driver?

LOOP's AI Assistant addresses the customer's immediate and secondary needs while showing a level of empathy that leaves them feeling understood and empowered.
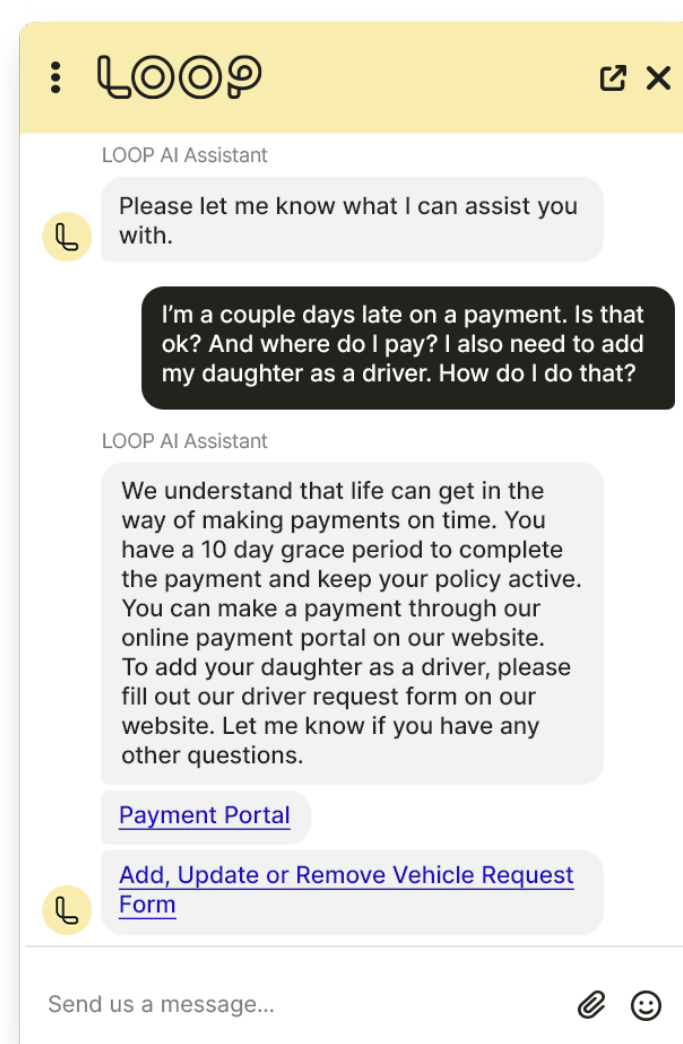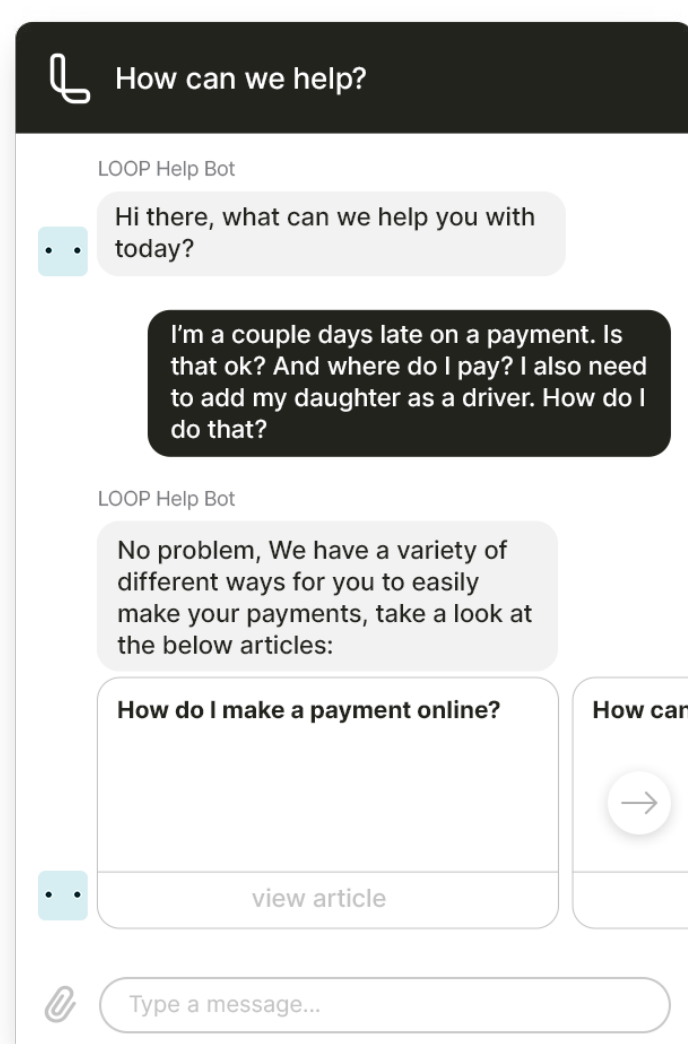


*Next Gen AI Assistants can answers multiple, unrelated questions at once by utilizing semantic search and reading multiple knowledge base articles.*

# Why is it better?

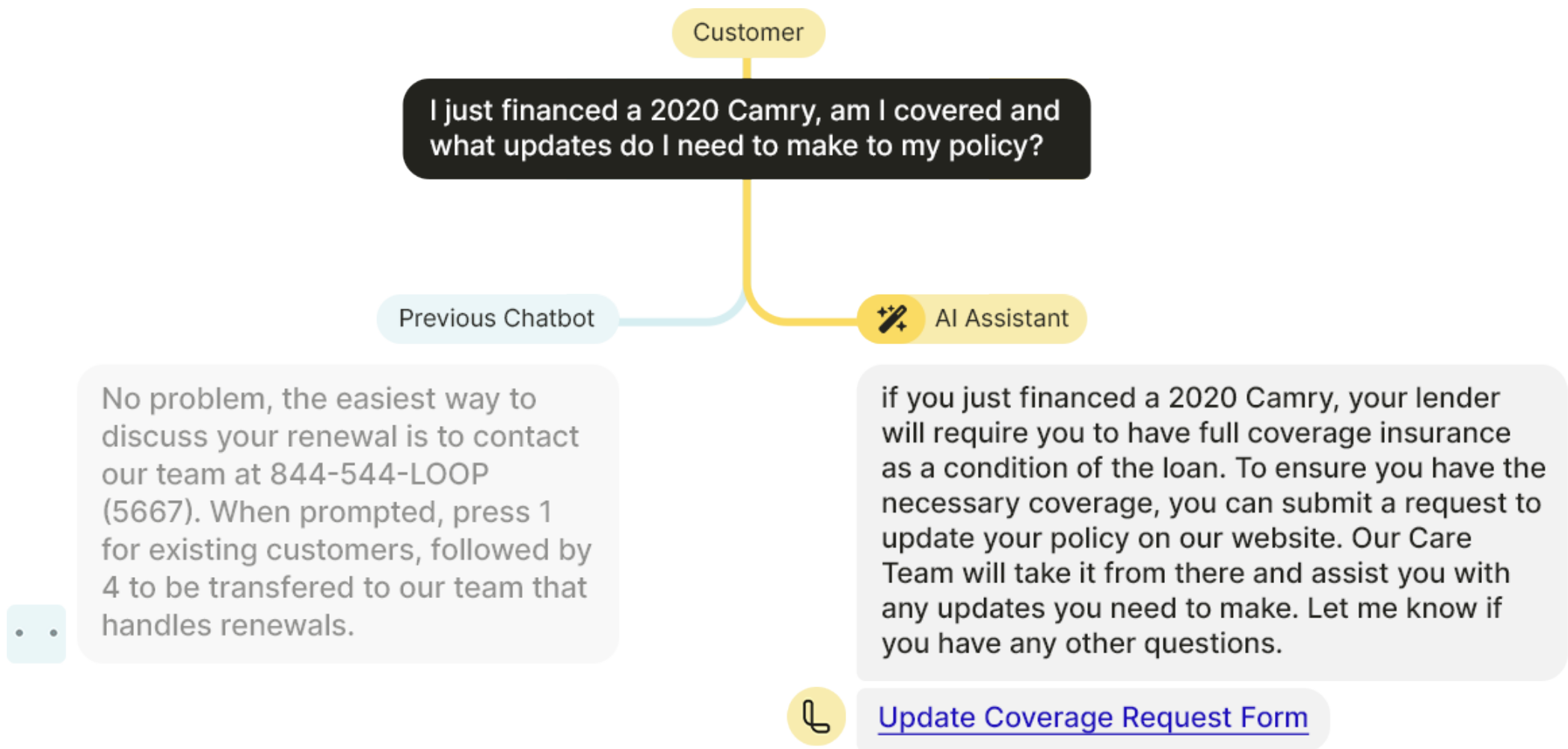Several key advancements underpin the transformative success of LOOP's Generative AI Assistant:
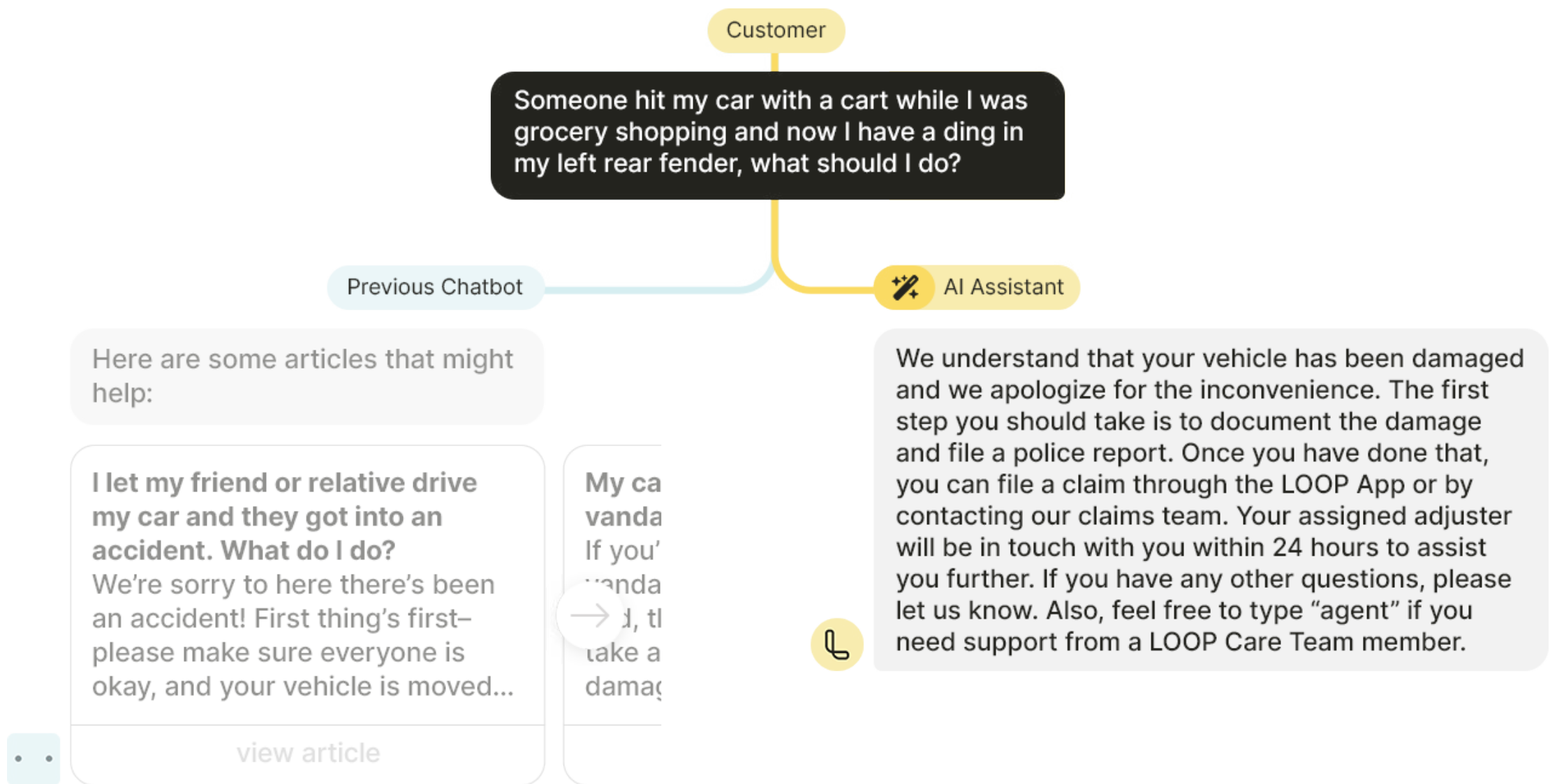
## 1. Enhanced intent understanding.

Quiq's AI Assistant demonstrates an advanced understanding of customer language, minimizing false positives and leading to relevant, action-driven responses.

**Customer**

I just financed a 2020 Camry, am I covered and what updates do I need to make to my policy?

**Previous Chatbot**

No problem, the easiest way to discuss your renewal is to contact our team at 844-544-LOOP (5667). When prompted, press 1 for existing customers, followed by 4 to be transfered to our team that handles renewals.

**AI Assistant**

if you just financed a 2020 Camry, your lender will require you to have full coverage insurance as a condition of the loan. To ensure you have the necessary coverage, you can submit a request to update your policy on our website. Our Care Team will take it from there and assist you with any updates you need to make. Let me know if you have any other questions.

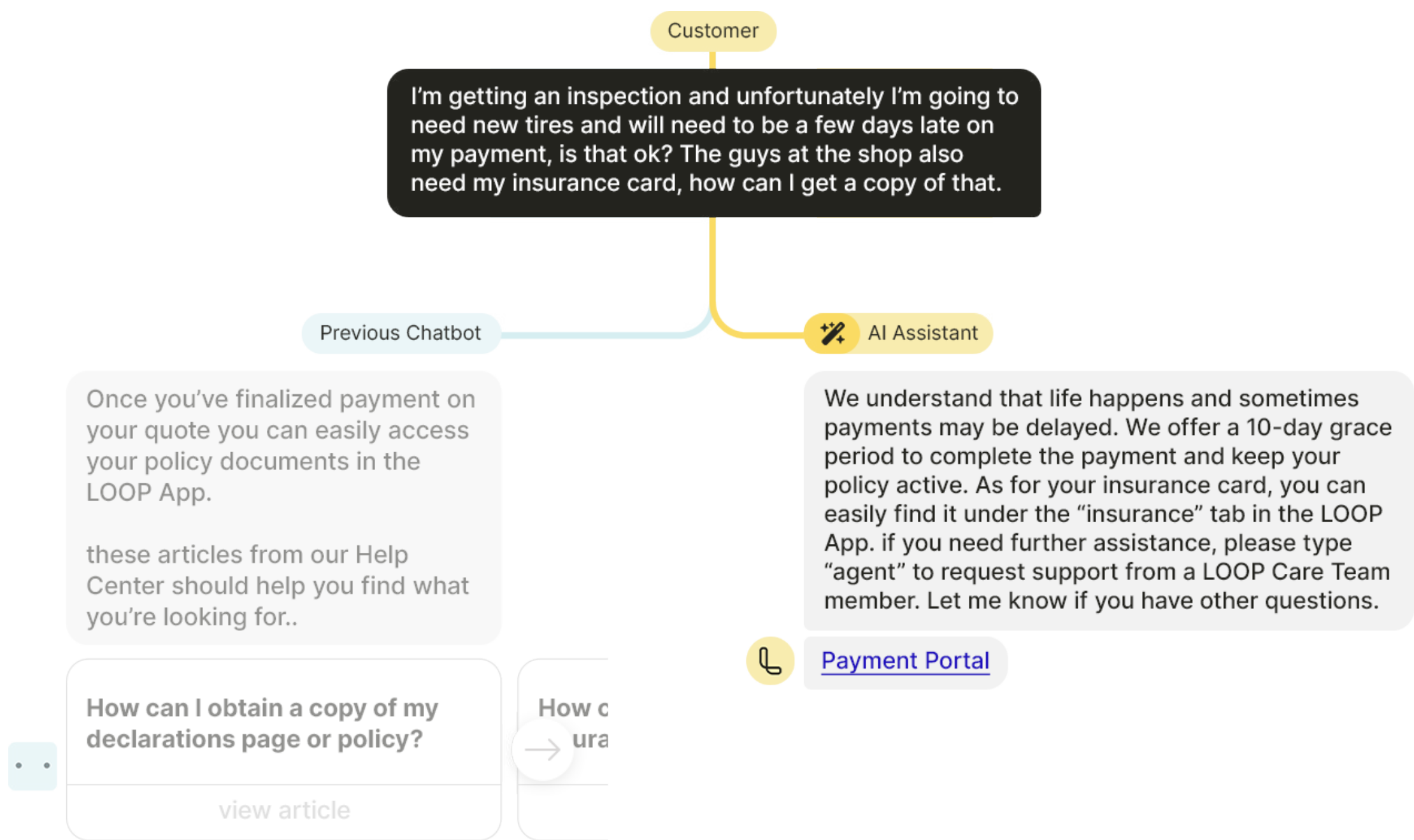Update Coverage Request Form

## 2. Efficient communication.

The AI Assistant eliminates cognitive load for customers by providing direct, specific responses instead of a vague list of articles, significantly enhancing the quality of communication.

**Customer**

Someone hit my car with a cart while I was grocery shopping and now I have a ding in my left rear fender, what should I do?

**Previous Chatbot**

Here are some articles that might help:

**I let my friend or relative drive my car and they got into an accident. What do I do?**
We're sorry to here there's been an accident! First thing's first– please make sure everyone is okay, and your vehicle is moved...

view article

**My ca
vanda**
If you'
vanda
d, t
take a
damag

**AI Assistant**

We understand that your vehicle has been damaged and we apologize for the inconvenience. The first step you should take is to document the damage and file a police report. Once you have done that, you can file a claim through the LOOP App or by contacting our claims team. Your assigned adjuster will be in touch with you within 24 hours to assist you further. If you have any other questions, please let us know. Also, feel free to type "agent" if you need support from a LOOP Care Team member.

## 3. Empathetic interactions.

The AI solution shows an ability to understand and respond to complex customer inquiries empathetically, acknowledging the customer's needs, and delivering appropriate responses and action.

Customer

I'm getting an inspection and unfortunately I'm going to need new tires and will need to be a few days late on my payment, is that ok? The guys at the shop also need my insurance card, how can I get a copy of that.

Previous Chatbot

AI Assistant

Once you've finalized payment on your quote you can easily access your policy documents in the LOOP App.

these articles from our Help Center should help you find what you're looking for..

We understand that life happens and sometimes payments may be delayed. We offer a 10-day grace period to complete the payment and keep your policy active. As for your insurance card, you can easily find it under the "insurance" tab in the LOOP App. if you need further assistance, please type "agent" to request support from a LOOP Care Team member. Let me know if you have other questions.

Payment Portal

**How can I obtain a copy of my declarations page or policy?**

view article

How ...
...ura

"Our Generative AI Assistant is helping us improve the quality of our CX while allowing us to gain efficiency as we scale our mission to 10 new states. Quiq's expertise has been critical to helping us unlock our path forward."

**John Henry**
Co-Founder and Co-CEO, LOOP

# What about keeping LOOP's AI Assistant on brand?

Quiq first worked with LOOP to define its brand identity. For example, the company is currently only offering coverage in Texas and LOOP always capitalizes its full name.

When the Quiq AI Assistant is processing a question, it is not only understanding what the question is about but also other aspects of the question, like the person's location or whether the person is an existing customer or prospect.

These additional attributes are used to identify the most pertinent knowledge to be used in the response. The refinement of results through additional attributes derived from the conversation is another way in which the Quiq AI Assistant is much more accurate than LOOP's prior chatbot.

The end result of this is that anyone who asks about getting coverage outside of Texas gets the correct response:
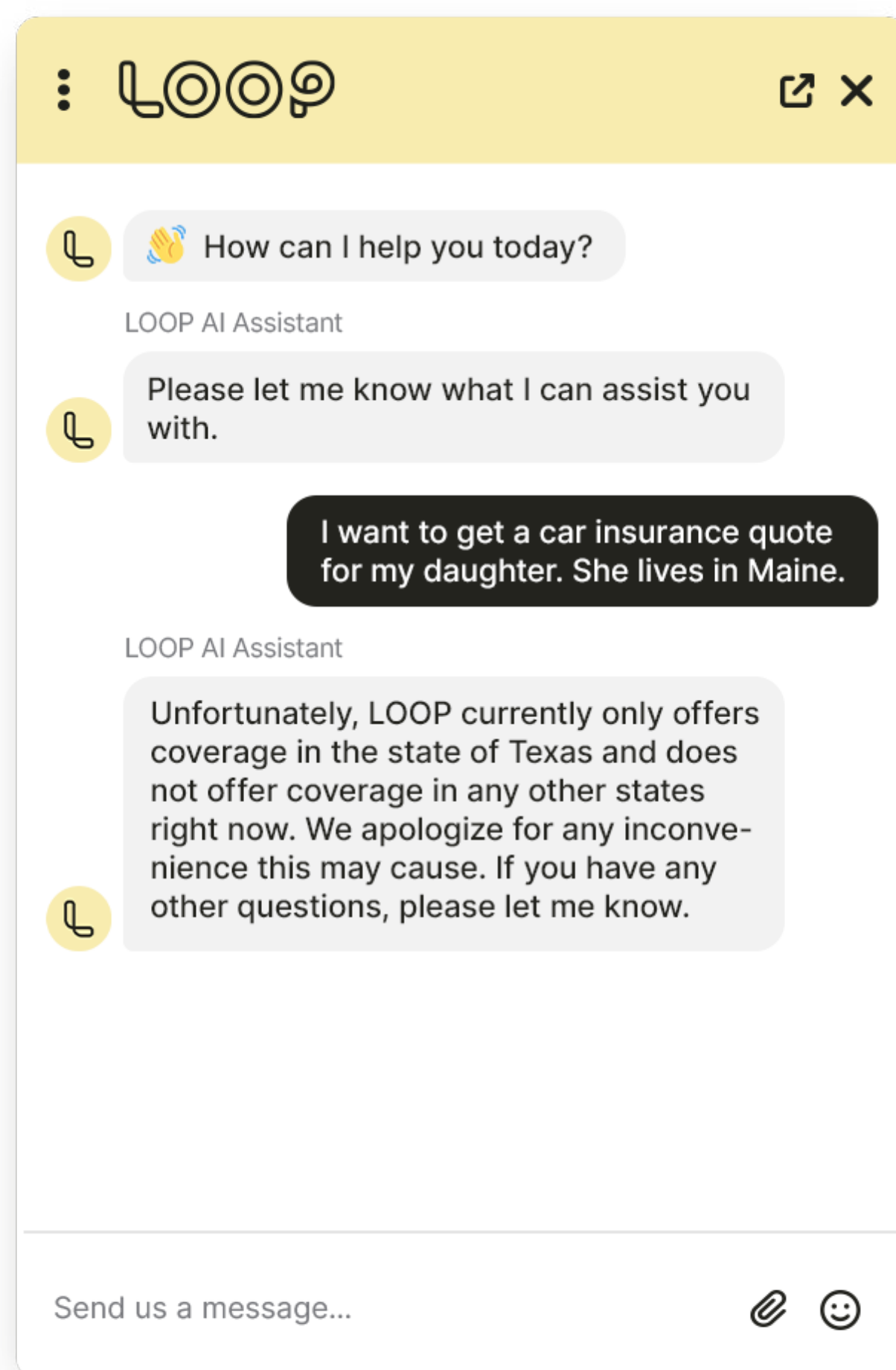
To maintain LOOP's branding, LOOP must be capitalized in every response even when a customer is off-brand:
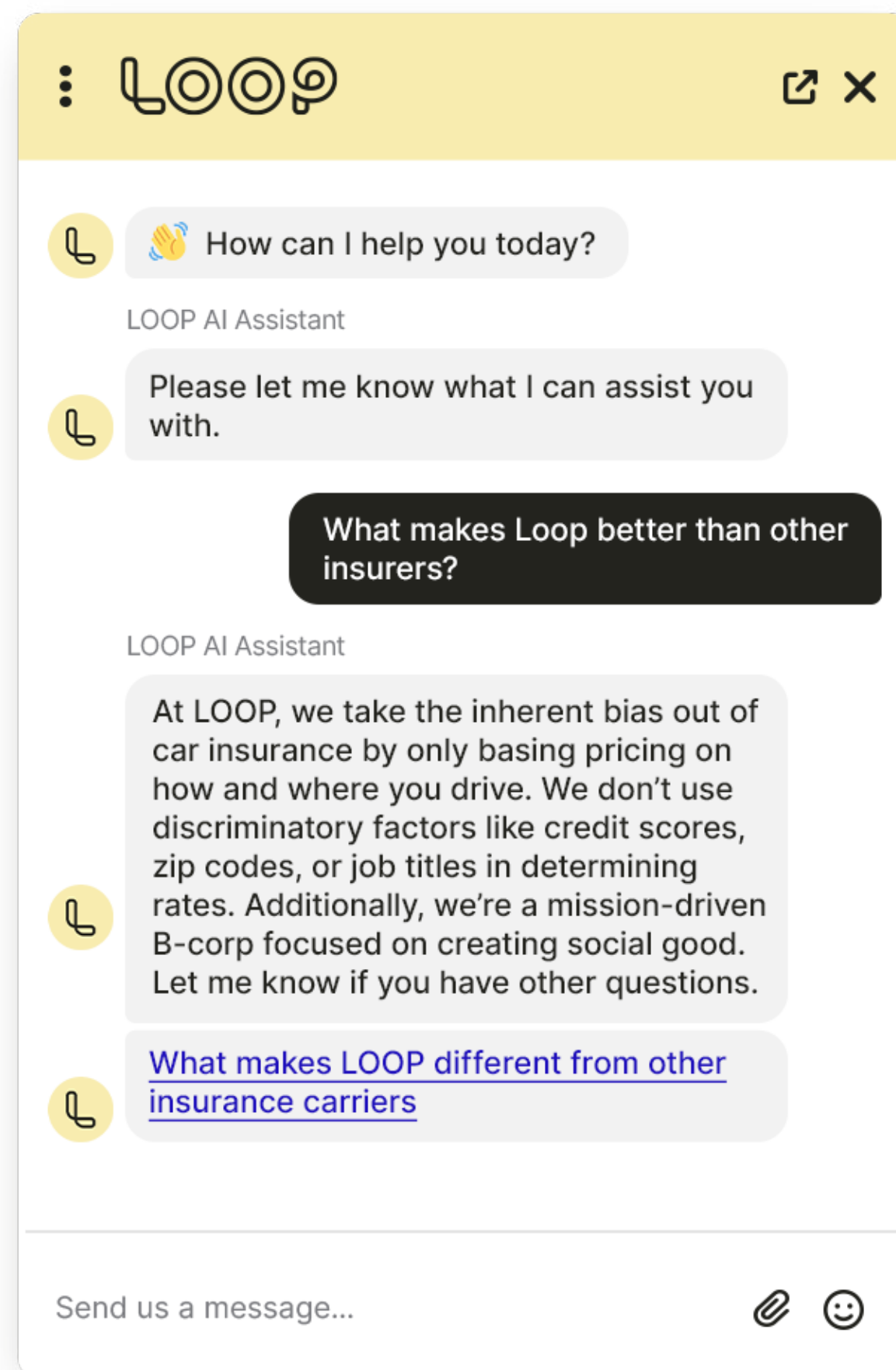


# Eliminating risks with fact-checking and guardrails.

In this first iteration of LOOP's AI Assistant, the scope did not include any customer data. So the information retrieved was all publicly available, reducing the risk for the initial launch.

Nonetheless, insurance is a regulated industry so it was imperative that all answers from the Assistant contained only facts that were pre-approved by LOOP. To ensure safety and maintain LOOP's regulatory compliance, Quiq's answer-processing pipeline utilizes a number of techniques at different steps in the process to ensure that the AI isn't introducing any unintended information or making inferences that are not contained in LOOP's knowledge.

LOOP sought to ensure that customer information was protected and would not be used by third parties. While third-party LLMs are used, Quiq's agreements with LLM vendors specify that data is only pursuant to LOOP's wishes and is not used in AI training.

quiq.com

# Measuring the AI Assistant's performance.

One of the most challenging problems for brands deploying AI Assistants is understanding user behavior and measuring how good the AI is. There is a great deal of nuance in language and it's often hard to quantify why one agent or brand consistently delivers better CX results than others. Last-generation chatbots were simply not capable of nuanced communication.

With their new Quiq AI Assistant, LOOP has a deep set of analytics, well beyond that provided by their prior toolset.. Using Quiq Insights, LOOP can create custom analytics and visualizations.

For instance, LOOP can now visualize the flow of users through the AI journey, understand user demographics like the number of customers vs. prospects, and most importantly, know how many customers are getting their questions answered.

# Digging into the results.

Quiq's AI solution is delivering impressive results for LOOP's customer experience.

## 3x
### Self-service rate increase

**3x increase in self-service rates to more than 50% resolution.**
LOOP's previous chatbot was estimated to have a self-service resolution rate of 15-20%. This is in line with industry benchmarks for a basic knowledge article assistant. This is an estimate because the prior generation didn't have any performance measurement capabilities. With Quiq's generative AI, LOOP has been able to increase self-service resolution to 50-60% of inquiries.

## 75%
### Positive CSAT

**75% positive customer satisfaction rating.**
The AI Assistant achieved an impressive 75% positive customer satisfaction rating, in line with LOOPs human agent performance. demonstrating the effectiveness of personalized and reliable responses in meeting customer expectations.

## 55%
### Decrease in email

**55% email reduction.**
The number of emails LOOP's support team received was more than cut in half upon the launch of the AI Assistant, as customers were able to find answers without needing to resort to email follow-ups that required agent intervention.

# What's next?

LOOP's story showcases how companies can leverage AI to improve customer experience and operational efficiency simultaneously. In an industry where customer-centricity and efficiency are paramount, the power of next-gen AI cannot be overstated.

With LOOP's tremendous AI Assistant results already reducing the heavy volume load on human staff, the company plans to work with Quiq to introduce IVR to SMS to convert phone calls to digital conversations with the AI Assistant and to look at other channels that can be routed to the AI Assistant. Later, LOOP plans to expand the Assistant to provide real-time quotes, bind policies and receive payments.

To learn more, go to quiq.com.

# Interested in speaking with our team about an AI Assistant for your business?

Reach out to sales@quiq.com