

# Presque Isle CPCU Society Chapter

## The Future of Claims & Technology

*Right Insight  
Right Decision  
Right Outcome*





- VP @ Claimatic
- 20-yr insurance industry veteran
- Investigated & managed several thousand claims up to \$1 billion in loss

- Founder/CEO of Mexican Forensic Engineering Company
- Frequent international speaker and writer
- 2-time author

# Agenda

*Right Insight  
Right Decision  
Right Outcome*

- Current claims processes
- Various software tools available
- 2025?
- Book Review
- Q&A

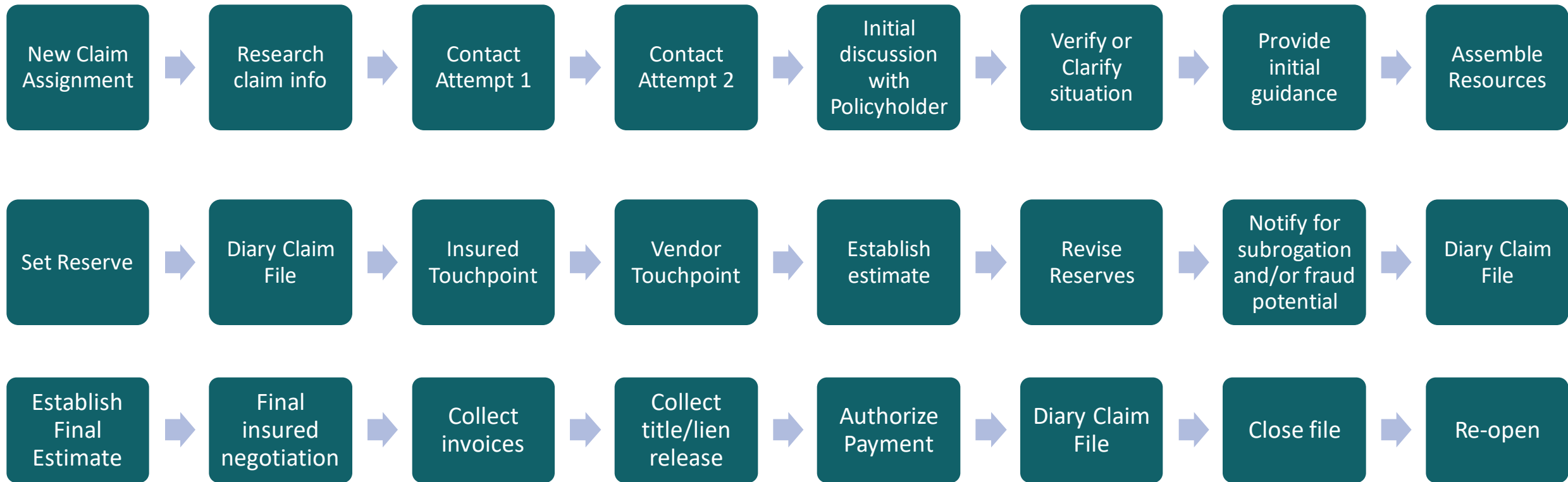


# Beirut Explosion

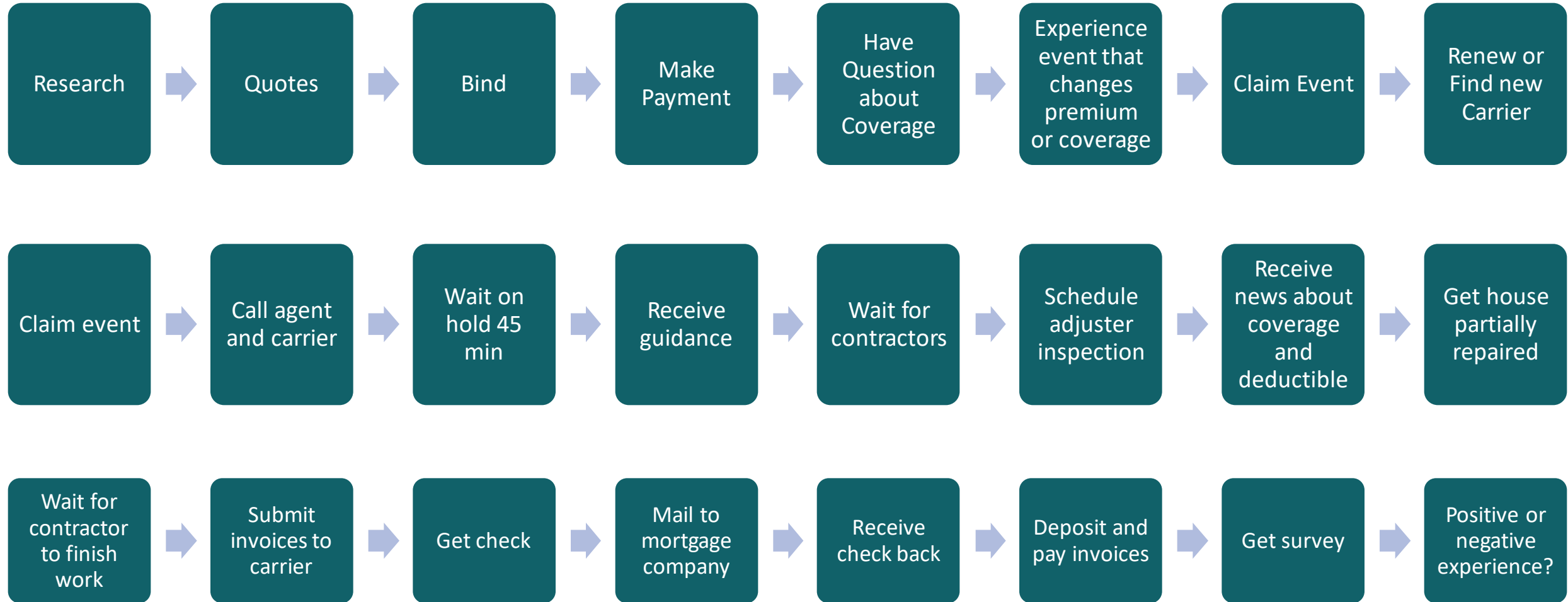
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<https://forensic-architecture.org/investigation/beirut-port-explosion>

# Adjuster Journey



# Insured Journey



# What can be improved?

Low customer demand is related to customer dissatisfaction with the vast number of questions asked at FNOL and carriers' failure to fully integrate data upfront in the claims process to simplify self-service for customers.

- ✓ Self-service Tools
- ✓ FNOL data gathering
- ✓ Insured Communications
- ✓ Fraud/Subrogation Detection
- ✓ Triage/Assignment
- ✓ Inspection
- ✓ Vendor Management
- ✓ Lienholder/Title Release
- ✓ Payment

# Claim Process

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- Straight-through Processing (STP)/Touchless



- Fast Track
- Virtual
- Traditional

# Claim Support

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# Claims Leadership

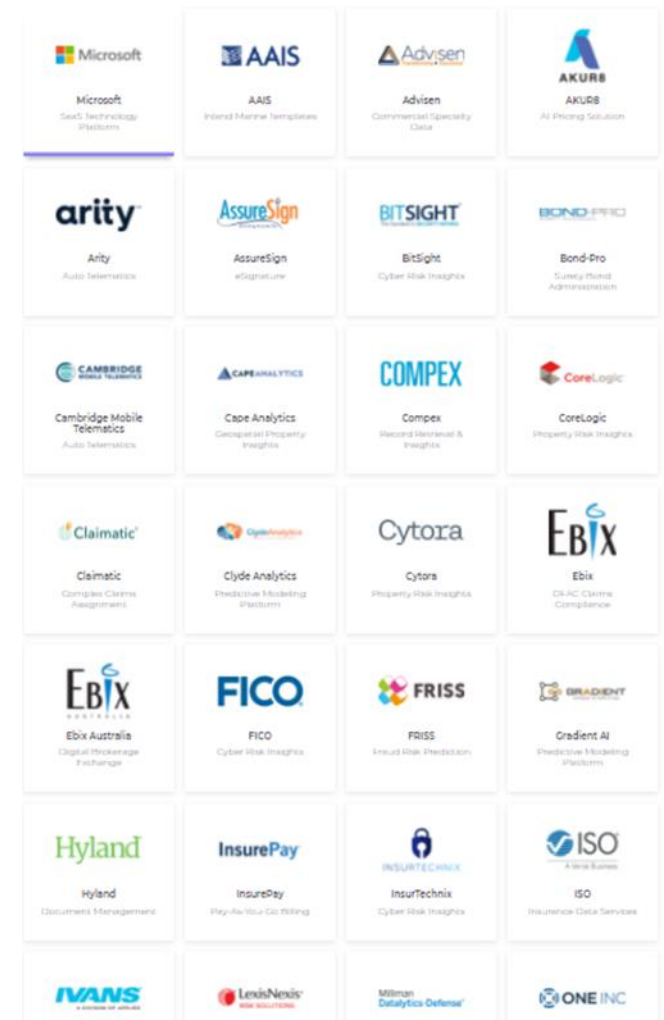
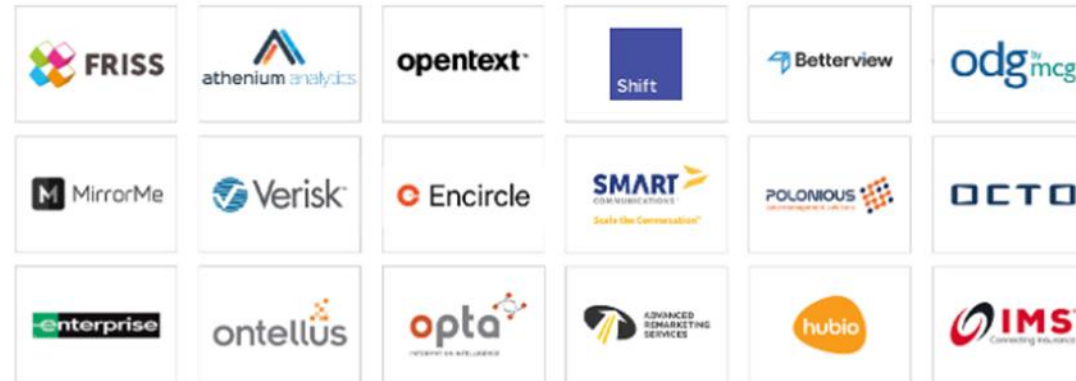
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- Demand & Capacity Management
- How can I get this claim resolved the fastest at an appropriate cost?
- How can I optimize Process Excellence?
- How can I leverage my time in the most effective way?



# What is out there?

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# Automation Impact

## How automation is benefiting carriers and ultimately consumers

	 Manual touches	▼ 1-4 manual touches removed from claims process
	 Cycle time	▼ 1-15 day reduction in processing time per claim
	 Cost/LAE	▼ Up to 50% reduction in processing cost per claim
	 Staff efficiency	▲ 3-10x more cases processed per adjuster
	 Customer experience	▲ Higher satisfaction, loyalty, net promoter scores

# Customer Experience (CX)

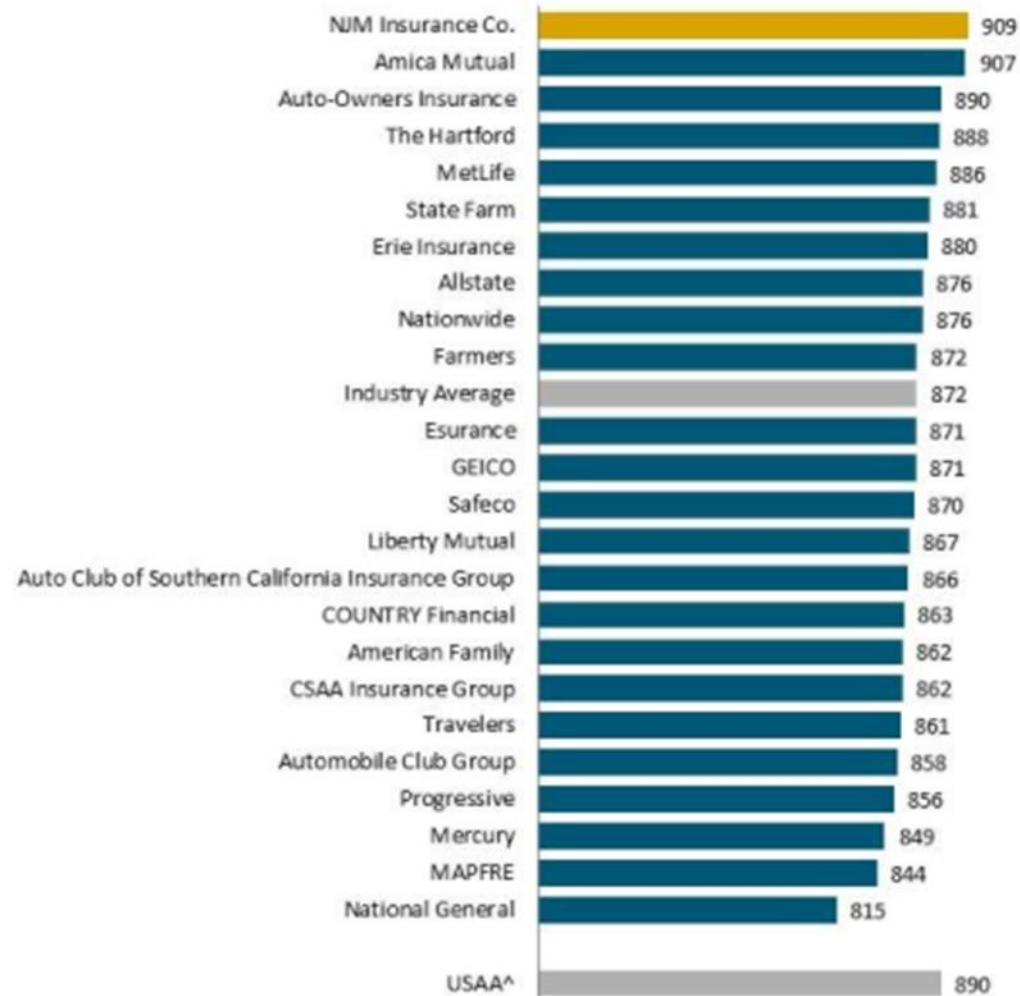
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## J.D. Power 2020 U.S. Auto Claims Satisfaction Study<sup>SM</sup>

### Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



# Customer Experience (CX)

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Following are key findings of the 2020 study:

- **Record-high customer satisfaction with auto claims:** Overall satisfaction with the auto insurance claims process increases to a record-high 872 (on a 1,000-point scale), up four points from 2019. This is the third consecutive year of improvement in auto claims satisfaction, which has been driven by increases in performance across nearly every factor measured in the study: claim servicing; estimation process; repair process; rental experience; and settlement. The only factor that has not improved year over year is first notice of loss, which remains flat from 2019.
- **Cycle time improves as claims volume slows:** Auto insurers have upped their game during the pandemic, taking advantage of the drop in frequency to increase the speed of processing for claimants. Overall cycle time for claimants with reparable vehicles has improved to just 10.3 days during the pandemic, down from the pre-virus average of 12.6 days.



# Progressive's 10-K

In claims, our LAE (loss adjustment expenses) dropped over one point in the last 10 years and nearly 3 points since 2006. In more recent years, we have hired ahead of need in order to make sure that we have enough time to thoroughly train our claims associates, so they are able to serve our customers in the way they have become accustomed. That is a more expensive model, but we believe it is just the right thing to do. In addition, we've had some tailwinds due to premium increases.

The truly amazing part about this graph is that the claim handling quality has stayed relatively flat (per our internal audit quality score), which is incredible with so many new people and a tribute to how much each person cares about settling each claim fairly. It should be noted that the claims organization (the largest part of Progressive as far as employees) also had the highest Culture and Engagement scores in 2019. It's all about balance.



# The Future Claims

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- Steady progression of small improvements over time
- Better underwriting to manage out the bad risks and reduce claim volume
- Improve prevention mechanisms to lower claims frequency and severity
- How far will we get by 2025?



# Wrap Up

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- What can be improved?
- Where should I start?
- What are the areas of largest opportunity?
- What's next?



# Why Claimatic?

## Improve Customer Experience (CX)

- Reduces time to 1<sup>st</sup> customer contact & identifies best customer journey through the lifecycle
- Improves NPS & reduces churn

## Powerful Tech that simple to manage

- Easy to change rules & attributes
- Managed by the business, not IT

## Demand & Capacity Management

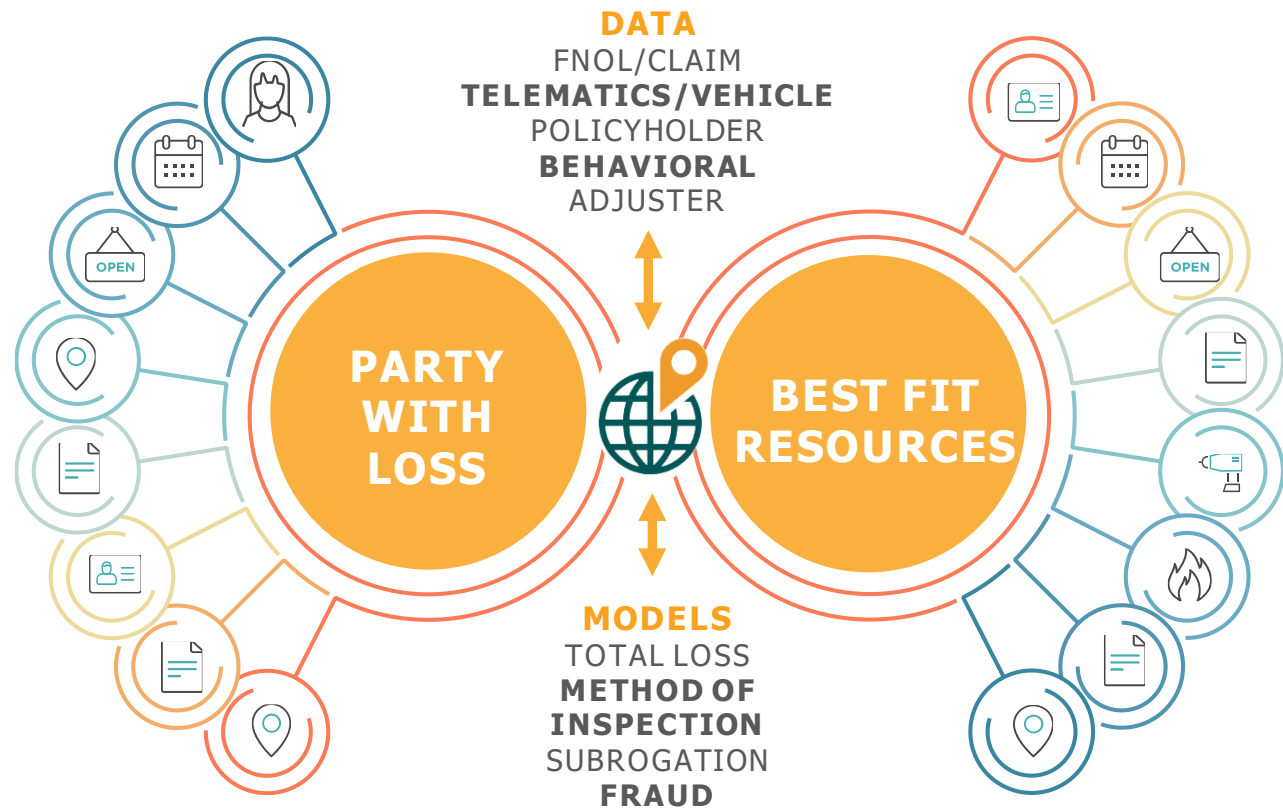
- Provides real-time insight into staffing needs
- Dramatic reduction in claim re-assignment

# Optimal assignment can be deceptively complex

Matching 25+ dimensions between claim and resource exceeds 1M+ permutations . . . on a single claim. Dimensions can be weighted to improve accuracy; unlimited user-defined custom attributes.

## FACTORS

FIRST/THIRD PARTY  
 REPAIRABLE/DRIVABLE  
 BODILY INJURY  
 LOCATION  
 IOT DATA  
 AVAILABILITY  
 COMPLEXITY/SEVERITY  
 REPPED/UNREPPED  
 COVERAGES  
 UM/UIIM



## FACTORS

INTERNAL/EXTERNAL  
 AVAILABILITY  
 CAPACITY  
 LICENSE  
 EXPERTISE/EXPERIENCE  
 PERILS  
 VEHICLE STATE  
 ADJUSTER LOCATION  
 MODEL SCORES  
 + CUSTOM ATTRIBUTES

# Life Insurance Case

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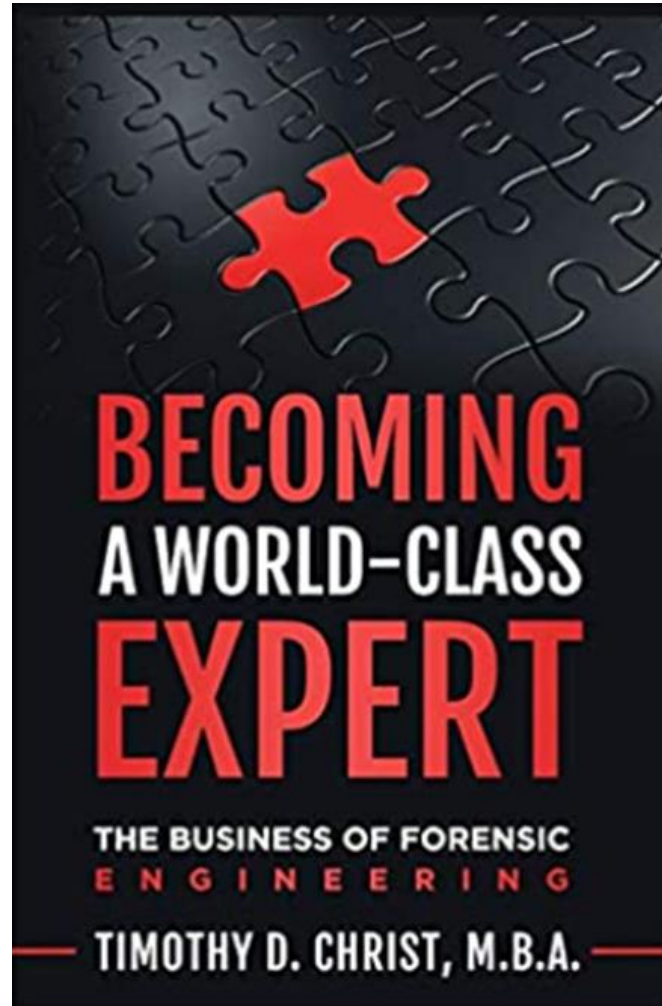
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# Thank You!

[tchrist@claimatic.com](mailto:tchrist@claimatic.com)  
210-632-4571



Endorsed by Vale Training, a Sedgwick Company, and is now recommended reading for all their insurance students! Great introduction to the insurance claims industry, key roles, business models and an approach to build a career trajectory. An easy, fast read that will familiarize the reader with terms and processes using large and complex claims examples.

- *Doug Dell, VP at Vale Training*

GREAT BOOK! Very well written and an easy read about a complicated topic! Tim Christ nailed it!

- *Pamela Pettus, Executive Director of TheGavel.net, a national association of defense attorneys*

Came across the book one night, and found I couldn't stop reading it until I finished the whole book!..His war stories are also entertaining and page turners...The book also helped me to identify some areas I can improve upon as an engineer. Everyone can take some nuggets from this book, no matter your experience level.

- *Jeff Foster, Managing Principal at Teal Forensics*



# Thank You!

[tchrist@claimatic.com](mailto:tchrist@claimatic.com)  
210-632-4571



## WEBCAST

Claims Automation Implementation Strategies

05

DAYS

03

HOURS

12

MINUTES

54

SECONDS

### Featured Speakers:

**Tori Santos** | Director of Claims Modernization | *USAA*

**Jaqueline Turpak** | Corporate Claims Officer | *Erie Insurance*

**Darin McCarthy** | VP of Claims | *Hippo*

**Tim Christ** | Vice President of Growth | *Claimatic*

REGISTER NOW

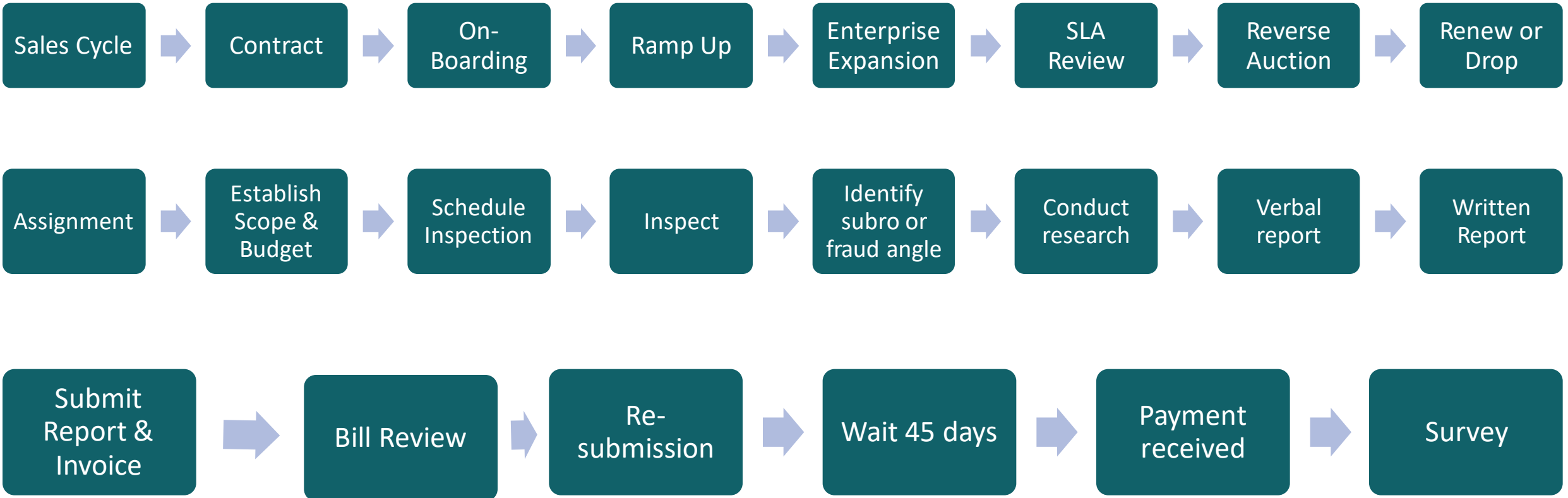
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# Appendix

# Vendor Journey



# Claim Process

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