WHITE PAPER

2019 Future of Claims Study

Balancing Claims Automation and Empathy

FEBRUARY 2019

Executive summary

Auto insurance carriers are increasingly using automation to be more efficient, reduce costs and improve their competitive edge through better customer service.

In our 2017 Future of Claims study, we took a look at whether carriers were likely to adopt more automated claims handling processes over time — with an eye toward the eventual Touchless claim, where there's no human intervention at all.

This year, we dug deeper into carrier motivations and progress along **the automation continuum — from Traditional to Touchless.** At the same time, we wanted to understand the customer perspective, and whether or not carriers' actions are aligning with customers' needs.

STUDY TERMS

Traditional

A process or workflow where an adjuster goes into the field, inspects the vehicle or property, and prepares an estimate.

Fast Track

A claims process or workflow that is designed to expedite claims handling with minimal insurance carrier employee involvement — for example, a direct repair program (DRP) in which a body shop handles the inspection and repair estimate.

Virtual Claims Handling

A process or workflow in which either a customer or vendor captures damage photos or streaming video that allow a claims adjuster to conduct the damage assessment remotely. No insurance carrier employee conducts a physical, in-person inspection of the vehicle or property.

Touchless Claims Handling

A claims process or workflow that is similar to Virtual Handling except that no claims adjuster or insurance carrier employee is involved in the claims process at all. Technology is used to report the claim, capture damage or invoices, run a system audit and communicate with the customer electronically. If the claim meets approved criteria, the claim is automatically paid without human intervention.

We interviewed **24 auto insurance executives** and surveyed **1,755 auto insurance consumers** to gain insights that can help carriers improve business performance while also pleasing customers.

Key highlights from our research

Carriers are continuing to embrace Virtual Claims options with **95% using or considering** Virtual Claims Processes.

Touchless Claims is growing in popularity, with **79% of carriers** surveyed stating they are considering or open to the idea.

Consumers with prior claim experience exhibit rapid reduction in claims satisfaction when they have to **talk with more than one person.**

One in five consumers currently prefers claim self-service options, but complain that the self-service First Notice of Loss (FNOL) process asks too many questions.

Carriers already using claims automation **report a reduction in touches, faster cycle times,** increased employee productivity, lower loss adjustment expense (LAE) and **higher customer satisfaction.**
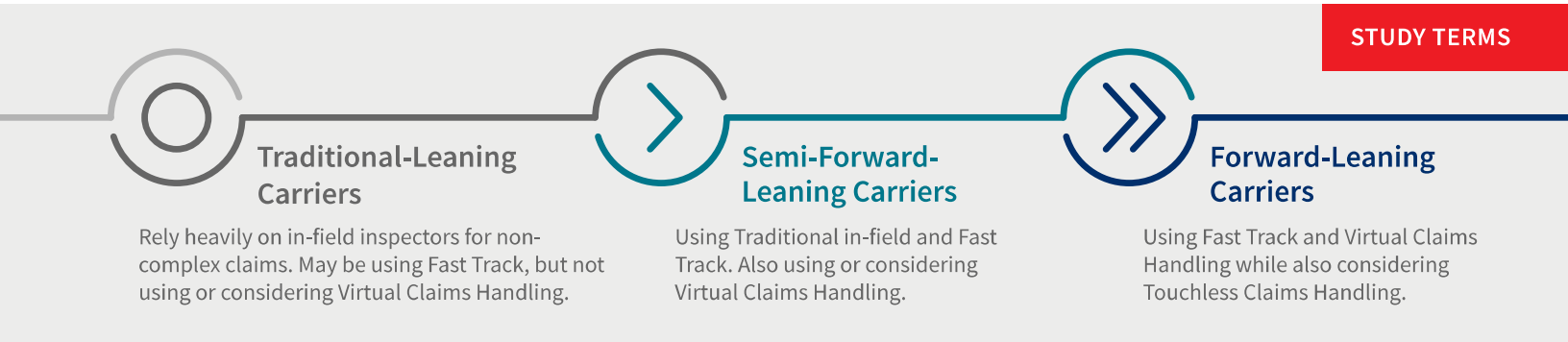
We believe automation adoption can be accelerated by matching data and technology solutions to consumer needs, sharing information with consumers and maintaining some human touch. Overall, the results point to strong alignment between carrier practices and consumer desires, with room to extend automation for greater mutual benefit — as long as carriers can maintain an empathic, personal touch with their customers through the communication method of their customers' choosing.

Introduction: Gaining valuable insights from carriers and customers

Automation is becoming more pervasive in most every industry — including auto insurance.

Like other businesses, insurance carriers are creating efficiencies and reducing costs by implementing automated processes where it makes sense to do so. At the same time, consumers are expecting the companies they do business with to offer easy digital access to products and services while also providing a personal touch — including in the form of empathy.

In 2017, we published a report sharing how carriers are migrating along an automated claims processing continuum from Traditional hands-on processing, to Fast Track and Virtual Claims Handling, to a Touchless Claims Handling model. Our report also explained how carriers tend to fall into one of three defined groups that align with their claims processing practices: **Traditional-Leaning, Semi-Forward-Leaning and Forward-Leaning.**

STUDY TERMS

Traditional-Leaning Carriers

Rely heavily on in-field inspectors for non-complex claims. May be using Fast Track, but not using or considering Virtual Claims Handling.

Semi-Forward-Leaning Carriers

Using Traditional in-field and Fast Track. Also using or considering Virtual Claims Handling.

Forward-Leaning Carriers

Using Fast Track and Virtual Claims Handling while also considering Touchless Claims Handling.

For this year's report, we wanted to check in with carriers to see how they're progressing in their automation journey, but also include the consumer perspective. To do this, we conducted two separate studies. On the carrier side, we interviewed 24 senior-level auto claims executives from among the Top 50 auto insurance carriers. On the consumer side, we surveyed 1,755 auto insurance purchasers between the ages of 25 and 65. A little more than half of these participants had filed an auto insurance claim within the past four years.

The overarching goal in conducting this research was to gather insights that can help carriers continue to expand the benefits they're gaining from automation while also improving the customer experience.

The current state

Carriers are thoughtfully shifting toward more automation, and customers appreciate the thoughtful approach.

Over the past two years, carriers have been steadily moving toward a more automated claims process, with the primary goal of removing touches where they can to reduce costs. However, they have not yet completely abandoned Traditional claims handling methods — nor do we expect them to. Traditional processing will always be appropriate for some claims. Rather, carriers are taking a thoughtful and exploratory approach toward augmenting Traditional methods with automation and reducing the number of claims handled through Traditional processing (Figure 1).

Automation expansion for non-complex claims over the past two years

Traditional

	2016	2018
Not using	0	0
Using	24	24

■ Number of carriers in 2016
■ Number of carriers in 2018

Fast Track

	2016	2018
Not using	4	3
Using	20	21

Virtual Claims Handling

	2016	2018
Not using	5	1
Considering or open to	10	7
Using	9	16

Touchless Claims Handling

	2016	2018
Not using	14	5
Open to	7	11
Considering	3	8
Using	0	0

Figure 1. Claims executives considering or open to Touchless Claims increased to 79% versus only 42% just 18 months ago.

However, while many carriers stated their automated processes have increased significantly over the past three to five years, that doesn't mean they're using a broader array of automation. Rather, it's most common to see automation in the form of rules-based logic and software-driven photo estimation for limited liability non-complex claims at specific parts of the claims process. This includes FNOL, resource assignment and documentation gathering (Figure 2).

Where and how carriers are using automation

FNOL/Claim Entry	Resource Assignment	Documentation	Investigation Analysis Estimate	Decision/Payout

• Self-service online or mobile reporting (customer opts in)
  – System often used to begin document collection
  – Some dynamic customization of entry form/questions asked
  – Vehicle details may be pulled directly from policy
  – Coverage evaluation may follow automatically
• Automated electronic notifications versus letters (e.g., claim confirmation)
	• Automated claim routing, typically using rules-based approach (e.g., drivable or not, type of damage, type of vehicle)
	  – **Fast Track or Virtual Handing:** to shop or desk appraiser if damage below set thresholds and customer opts in
		• Customer can submit/upload digital documents/photos via website, app, or text
		• Automated tools pull external documents like police reports; some use of keyword analysis
			• **Fast Track:** repair shop or other third party (common for loss) generates estimate; carrier software sends/receives digital info and monitors
			• **Virtual Handling:** rules-based tools to aid estimate generation from photos or videos
			• Rules-based or less commonly predictive tools to detect fraud (may also be run at early steps in claims process)
				• Rules-based system can automate payment in certain cases (e.g., DRP, low dollar value)
				• Some use of direct payment versus physical check

Figure 2. While carriers are making greater use of automation, they have not significantly expanded their use across the entire claims continuum.

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.

In addition to making small moves toward more Virtual Claims Handling processes, carriers are also more receptive to the notion of Touchless Claims Handling. However, as intriguing as the concept of fully-automated claims might be, the demand from consumers for self-service options is still fairly low and tied mostly to the younger generations — Millennials (Figure 3, next page). Until this generation comprises a larger portion of the customer base, cost reduction will likely remain the key driver behind further automation, and carriers will choose the automation options that work best for them. However, insurance carriers should not rest on their laurels as many project that Millennials will be the largest living adult demographic in the years to come.

Our findings also suggest that 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. Carriers must rectify these issues before making deeper investments in Touchless Claims Handling.

Though carriers' primary motivation for increasing automation was to remove touches in order to reduce cost, **customers are also benefiting from faster, easier claims processing** and are more satisfied as a result.

Though carriers' primary motivation in automating claims handling was to remove touches in order to reduce cost, improve cycle times and lower LAE, consumers also benefit from a faster, easier claims process and are more satisfied as a result. Many consumers are simultaneously tentative about increased automation, and still want support in the form of a real person — **particularly if they've never filed a claim before and are uncertain about the process.** Interestingly, while Millennials are the consumer group most interested in self-service options, they're not looking for it in every situation. They also want human interaction easily available when they need it (Figure 3, next page).

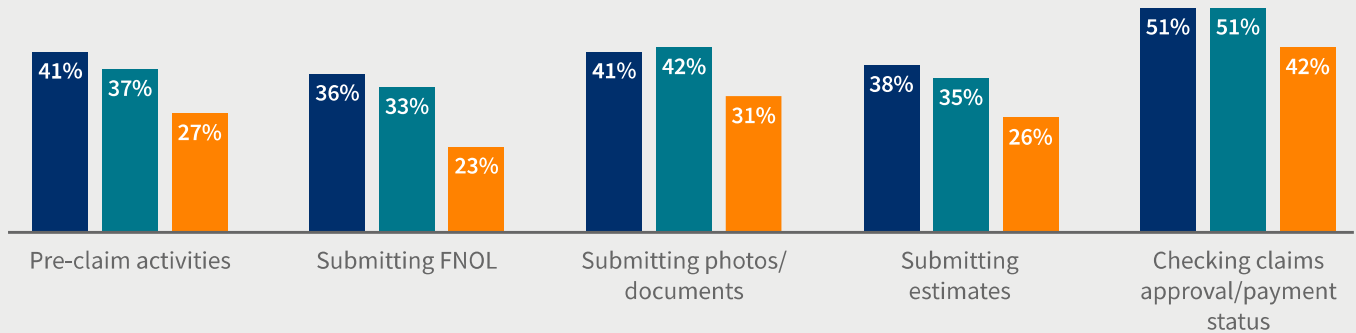# Consumer attitudes toward self-service and automated options
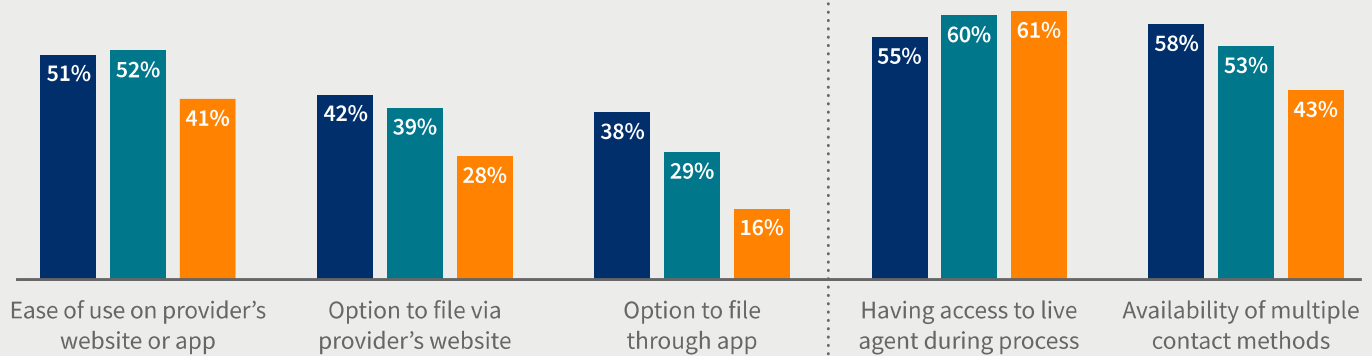
Millennials

Gen X

Baby Boomers

% who prefer self-service options

	Millennials	Gen X	Baby Boomers
Pre-claim activities	41%	37%	27%
Submitting FNOL	36%	33%	23%
Submitting photos/documents	41%	42%	31%
Submitting estimates	38%	35%	26%
Checking claims approval/payment status	51%	51%	42%

% very important during claims process

TECHNOLOGY

	Millennials	Gen X	Baby Boomers
Ease of use on provider's website or app	51%	52%	41%
Option to file via provider's website	42%	39%	28%
Option to file through app	38%	29%	16%

Net percentage of consumers who deemed technology important to the claims process.

Millennials: **65%**
Gen X: **62%**
Baby Boomers: **48%**

OPTIONS TO CONNECT

	Millennials	Gen X	Baby Boomers
Having access to live agent during process	55%	60%	61%
Availability of multiple contact methods	58%	53%	43%

Net percentage of consumers who deemed having options to connect important to the claims process.

Millennials: **70%**
Gen X: **74%**
Baby Boomers: **71%**

Figure 3. Millennials are the consumer group most receptive to self-service and automation. However, they don't yet have the largest voice in the customer base and there are issues around too many questions asked and not enough upfront data integration during FNOL.

For example, Millennials and Gen Xers are more receptive to self-service options (Figure 3). Self-service preferences are largely mixed between the availability of an insurer's app and an online form. Additionally, these groups place more importance on technology-related attributes and the availability of multiple contact methods. Given these preferences, coupled with the fact that younger generations are growing up with technology, it's reasonable to assume **consumers will seek self-service options even more in the future** — and carriers must meet that demand to remain competitive. This includes using automation to make self-service options easier for customers — for example, leaving fewer fields for them to complete.

What's working well

The automated processes carriers offer dovetail with what customers want — for now.

Carriers who have implemented automated processes rated themselves
7.8 out of 10 *on automation success*

Automating to improve customer satisfaction and reduce costs is paying off for carriers, and most consider automation a competitive imperative. As carriers move to more fully adopt automation, they're finding that integrating more data earlier in the claims process leads to more efficient handling. Based on our research, carriers that are using a data prefill solution at FNOL see a 14% improvement in days-to-pay for bodily injury claims, a 10% reduction in severity as compared to the industry, and a 15% improvement in their shopping-rate ratio as compared to the industry.[1] Not surprisingly, the Top 20 carriers are more progressive in adopting automation. Others will likely follow their lead based on the results. In general, carriers are happy with the value automation is delivering (Figure 4), and consumers are feeling good, too (57% of all respondents indicate they are fairly or very comfortable with automated processes).

What carriers say are the key drivers and benefits of automation

Key drivers

Reduced touches/ Increased efficiency	Faster cycle times/ Speed of process	Growing customer demand	
17 · 6 · 1	12 · 9 · 2	3 · 11 · 9 · 1	■ Significant ■ Somewhat ■ Minor ☐ None

Driving the following benefits

Key benefits

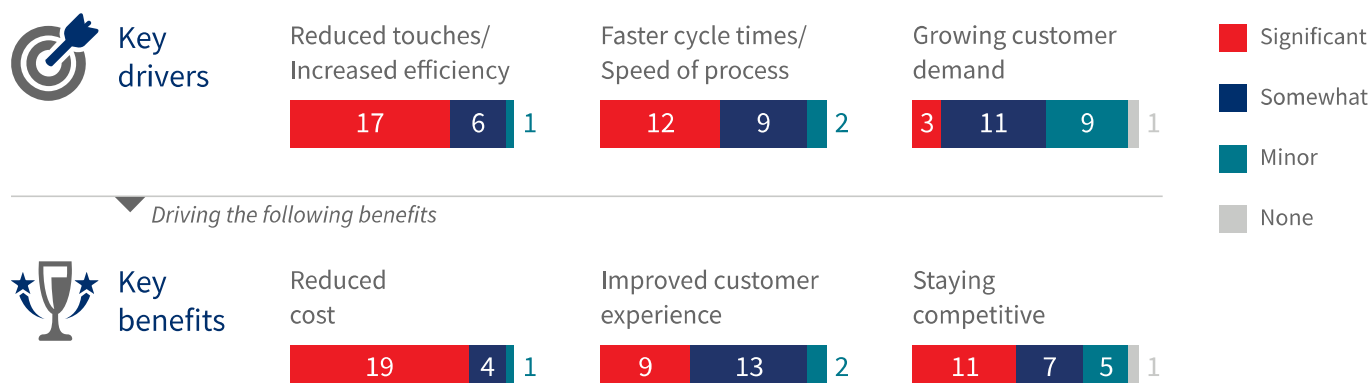| Reduced cost	Improved customer experience	Staying competitive
19 · 4 · 1	9 · 13 · 2	11 · 7 · 5 · 1

Figure 4. Driven by the need to automate for greater efficiency, carriers are enjoying reduced costs that are helping them stay competitive — with the by-product of improving the customer experience.

While automation is improving the claims experience for customers in many respects, they're not yet clamoring for further digitization in significant numbers. However, as the customer base shifts to a younger population, there's likely to be a trend toward more automation in at least some aspects of the claims process — as carriers respond to changing customer preferences.

66% of Millennials are *fairly* or *very* comfortable with automated processes.
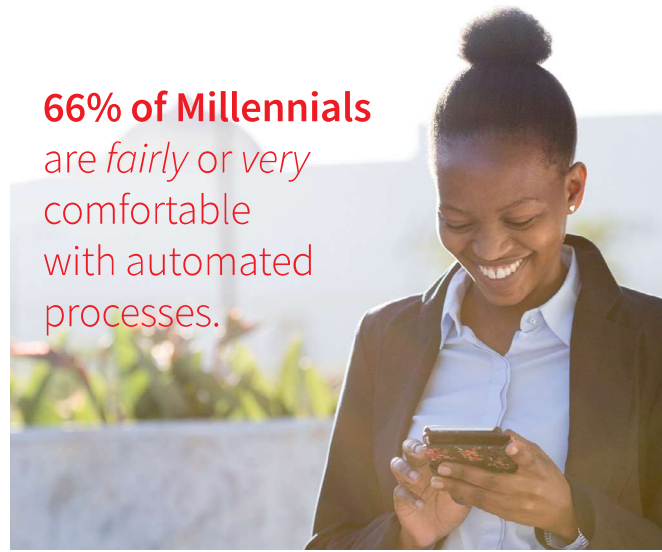
The win-win of automated claims processing

Carriers and their customers are both enjoying benefits from more automated processes

Automation helps carriers do their jobs more efficiently and provides convenience for their customers. It's a win-win situation (Figure 5).

As carriers continue to seek greater efficiency and cost reductions, they are moving toward Virtual Claims Handling approaches. This could be very beneficial to customers in terms of added convenience.

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

Figure 5. The benefits carriers are receiving from automation are improving the customer experience too.

The more informed customers are about the benefits of automation and the more benefits they receive, the **more receptive they're likely to be to self-serve options.**

However, the caveat is that those customers will still get the human touch they want and need at the relevant parts of the claims process. That could be different for different customer groups. Carriers can improve automation-related decision making by understanding various customer profiles so they can reach out to the right ones at the right time (Figure 6).
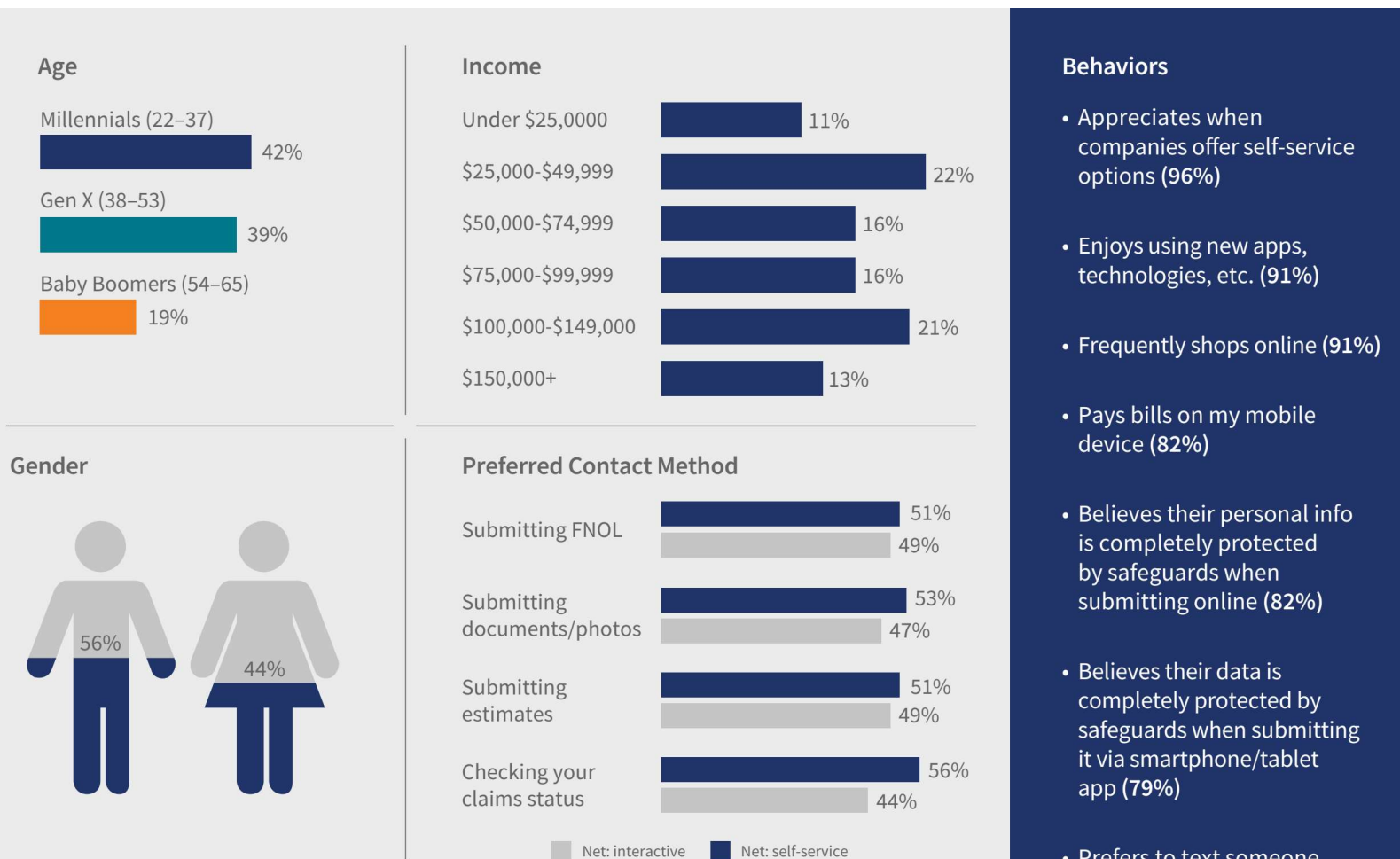
Profile of customers most comfortable with automation

Age

Millennials (22–37)
42%

Gen X (38–53)
39%

Baby Boomers (54–65)
19%

Income

Under $25,0000 — 11%

$25,000-$49,999 — 22%

$50,000-$74,999 — 16%

$75,000-$99,999 — 16%

$100,000-$149,000 — 21%

$150,000+ — 13%

Behaviors

- Appreciates when companies offer self-service options **(96%)**

- Enjoys using new apps, technologies, etc. **(91%)**

- Frequently shops online **(91%)**

- Pays bills on my mobile device **(82%)**

- Believes their personal info is completely protected by safeguards when submitting online **(82%)**

- Believes their data is completely protected by safeguards when submitting it via smartphone/tablet app **(79%)**

- Prefers to text someone rather than call them **(75%)**

Gender

56%   44%

Preferred Contact Method

Submitting FNOL
51%
49%

Submitting documents/photos
53%
47%

Submitting estimates
51%
49%

Checking your claims status
56%
44%

Net: interactive   Net: self-service

Figure 6. By knowing their customers, carriers will do a better job serving them with a combination of automated processes and a personal touch.

What's getting in the way

Much of what's holding carriers and consumers back from expanded automation is fear.

While the vision of a Virtual Claims Handling process might look promising (especially for simple, non-injury claims), in general, carriers and consumers alike are hesitant to take the leap to Touchless Claims Handling. Just as we saw in our 2017 survey results, there is a reluctance to entirely exclude human involvement.

On the carrier side, this reluctance is driven by the concern that automation will introduce more error and a higher risk of fraud into the non-complex claims process. Carriers are not fully confident that systems and solutions are mature enough to counterbalance these types of situations, a concern shared by consumers.

Top concerns from consumers range from the fear of making a mistake to potential glitches or technology issues that could negatively affect their claim (Figure 7). Interestingly, these concerns are significantly higher among respondents who have not had a claim than respondents who have recently filed a claim. Perhaps there is an opportunity for carriers to share more testimonials of customers who have a had a positive experience with automated claims processing.
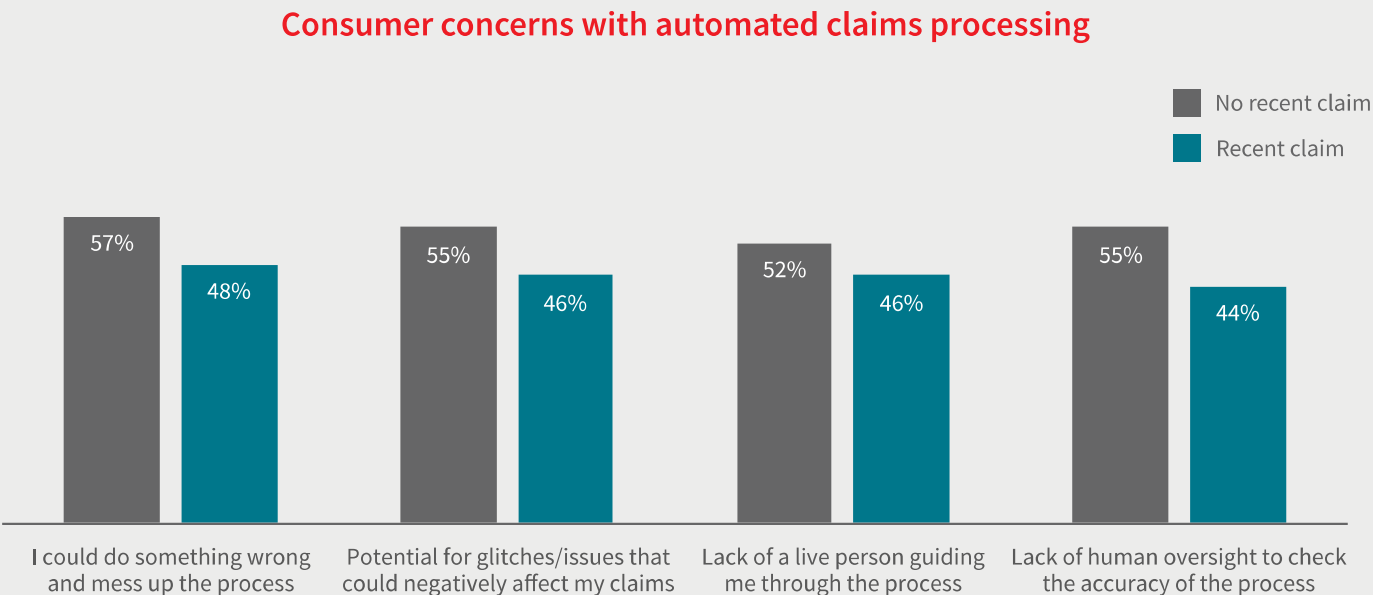
Consumer concerns with automated claims processing

Legend:
- No recent claim
- Recent claim

Concern	No recent claim	Recent claim
I could do something wrong and mess up the process	57%	48%
Potential for glitches/issues that could negatively affect my claims	55%	46%
Lack of a live person guiding me through the process	52%	46%
Lack of human oversight to check the accuracy of the process	55%	44%

Figure 7. Top consumer concerns with automated processing are significantly higher among respondents who have not recently filed a claim.

Improved customer experience

Convenience of being able to submit a claim anytime/anywhere

Peace of mind that all necessary information has been provided

Faster claims settlement

While a sizeable portion of consumers say they are fairly comfortable with the idea of automated claims processing, only 17% are very comfortable with automated processing. Not surprisingly, tech-savvy Millennials have higher comfort levels than other groups, at 24%. But they have complaints, too. For example, a sizeable group of Millennials who've submitted a claim through a carrier's app in the past four years feel that they were asked too many questions. This signals the need for automation that streamlines the information gathering process, such as prefill solutions.

A variety of factors can have a negative impact on customer satisfaction with the claims process, **even among those who are very satisfied** (Figure 8):

- A perceived lack of empathy from carrier and agents (consumers want ease of use, but they want to know someone cares about their outcomes)
- Long claims processing times
- Having to speak with a carrier multiple times to get a claim through processing
- Having to interact with several people about a claim, rather than just one representative

Factors that impact customer satisfaction (% of very satisfied)

Degree of empathy perceived

A lot	Some	A little	None
88%	39%	31%	10%

Length of claims process

1 day	2 days	3 days	4–5 days	6+ days
86%	76%	83%	69%	56%

Number of conversations

Once	Twice	Three times	Four times+
81%	73%	63%	48%

Number of different people involved

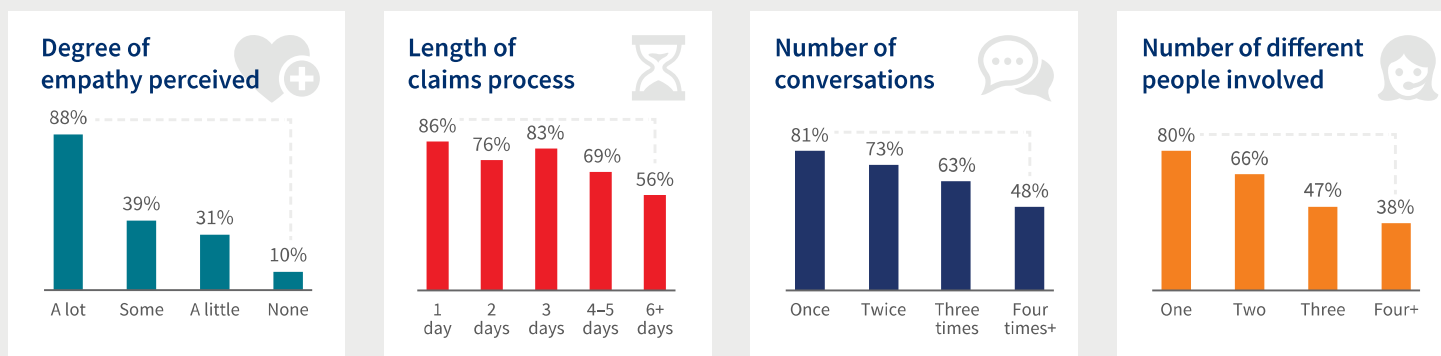| One	Two	Three	Four+
80%	66%	47%	38%

Figure 8. Of the factors that impact customer satisfaction, empathy is the most impactful.

Automated processes can go a long way toward fixing several of these issues. For example, automation shortens claims processing time. Prefill solutions can minimize the amount of information claimants are asked to provide. In fact, the success of mobile applications may depend on incorporating pre-filled fields so that fewer questions are asked. Still, with empathy being the most impactful element in customer satisfaction, carriers must look for ways to integrate the human touch into automated processing.

Consumers are also letting fear hold them back from fully embracing self-service claims automation. These are their top four concerns:

1. Making a mistake that would negatively affect their claim (52%)
2. Potential system "glitches" that could negatively affect their claim (50%)
3. The absence of someone to guide them through the process (49%)
4. The absence of human oversight to check for accuracy (49%)

To overcome these fear-based barriers, carriers should offer consumers the option to access a live representative, at least for the pre-claim and FNOL stages — which consumers identify as the stages where they most want to talk with a real person (Figure 9). Live chat options are very useful for accomplishing this and creating a closer customer touch. Because empathy has a strong impact on customer satisfaction levels, representatives who interact with customers should receive proper training and their interactions should be monitored.

Carriers should also **tailor their messaging** toward assuaging consumer fears and promoting the customer benefits of automated processing.

Consumer concerns involve lack of human interaction.

When customers believe interaction with a live person is critical

Legend: Millennials, Gen X, Baby Boomers

Submitting FNOL: 52%, 52%, 55%
Submitting documents/photos: 33%, 27%, 22%
Submitting estimates: 24%, 21%, 19%
Checking claim approval/payment status: 29%, 28%, 27%
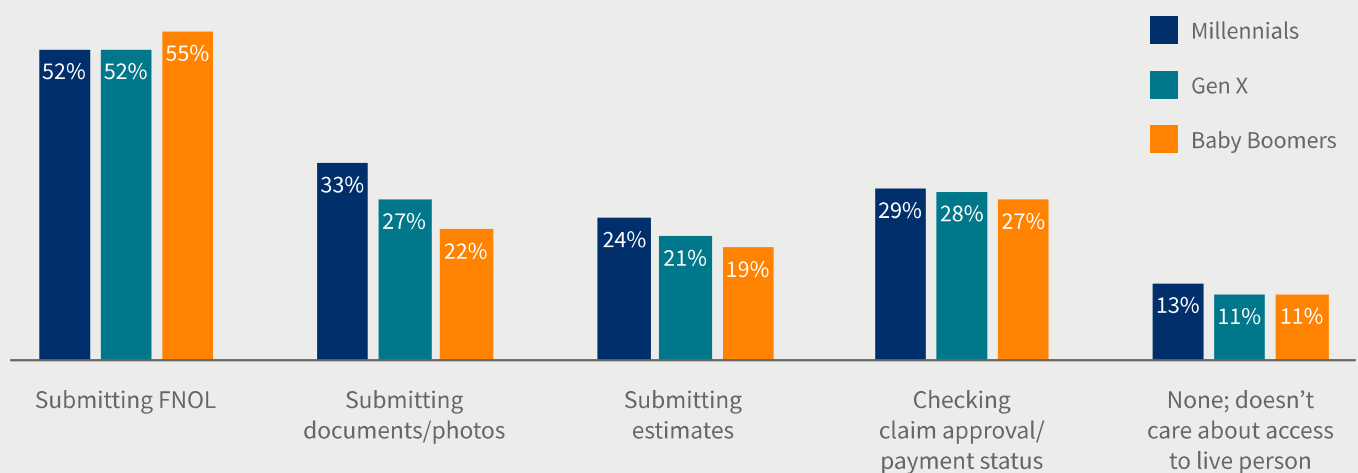None; doesn't care about access to live person: 13%, 11%, 11%

Figure 9. Carriers should make sure customers have the option to interact with a real person when they need to.

A look to the future

Can carriers and consumers take a harmonious automation journey together?

As a result, movement toward full Touchless Claims Handling remains gradually progressive, with carriers conducting various tests and pilots of Virtual or semi-Touchless applications. Those outside of the Top 20 are more likely to take a wait-and-see attitude, letting Top 20 carriers work the bugs out before they make investments.

There is also an expectation that advanced analytics and artificial intelligence (AI) will begin to play a larger role in the automation of non-complex claims over the next five to ten years (Figure 10). However, there is less expectation that these elements will be used for more complex claims, including those involving injury.

A glimpse into the future of claims automation: advanced analytics and AI

Drivers

- Further reduce cost and touches; increase efficiency
- Improve accuracy, particularly for estimates and fraud
- Free employees up to do higher-value work

Today ⋯⋯> ⋯⋯ **3 years** ⋯⋯> ⋯⋯

Limited use

- Basic predictive fraud models
- Automated hail damage estimates using laser measurements
- Predictive listening tools in call center

"Semi–artificial" intelligence

- Tools to identify areas in an estimate that don't make sense or meet certain standards
- More sophisticated resource assignment looking at multiple factors
- Advanced predictive models for fraud — looking at more factors like credit score, vehicle type, number of owners, involved parties connections from broader sources (e.g., Google, Amazon)
- Machine learning for photo estimating

May be a period where human and AI overlap as the AI system is "trained"

Barriers

- May not have internal resources to develop AI tools; external tools costly
- Need different employee skillset (more analytic); may face employee push-back
- May be customer friction with automated estimates

10 years ⋯⋯< ⋯⋯ **5 years** ⋯⋯< ⋯⋯

More sophisticated and broadly applicable AI

- Estimates of both external and internal damage (e.g., leveraging laser measurements, sensors in the vehicle, etc.)
- Behavioral analytics to sense customer mood, get at needs, detect fraud

Full AI for certain processes

- Estimates for cosmetic/exterior damage; ability to incorporate multiple documentation types (pictures, police reports, etc.)
- Audio transcription for FNOL
- Tools to detect fraud within endpoint devices (e.g., phone, laptop) by looking for abnormalities or deviations

Figure 10. Consumer demand for automation will be increasing, and carriers must be ready to meet that demand.
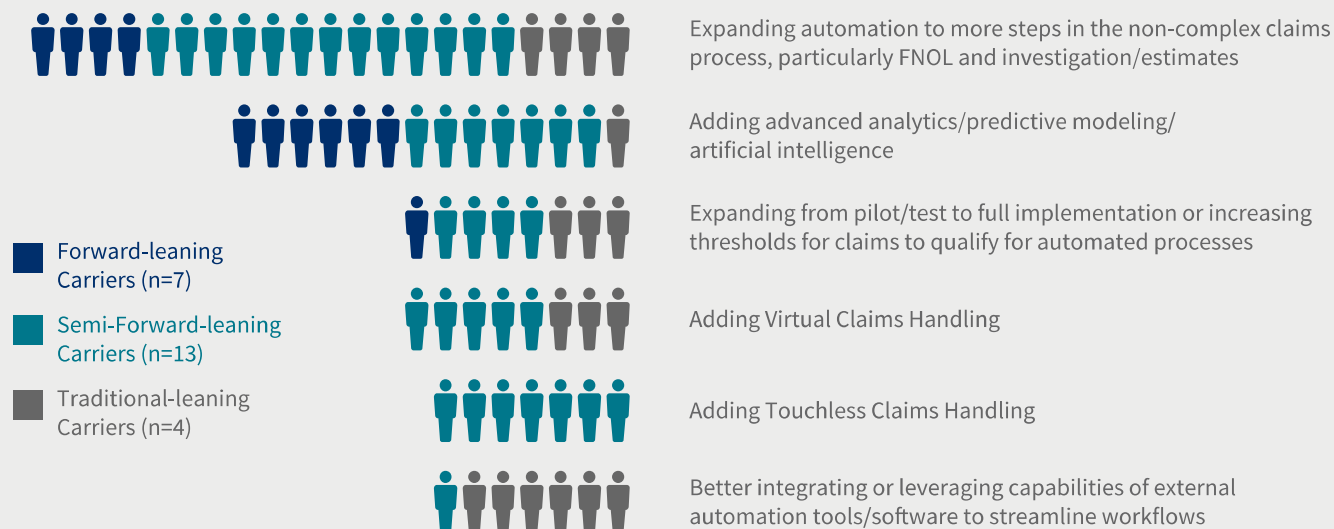
Continued expansion of automation beyond FNOL

Expanding automation to more steps in the non-complex claims process, particularly FNOL and investigation/estimates

Adding advanced analytics/predictive modeling/ artificial intelligence

Expanding from pilot/test to full implementation or increasing thresholds for claims to qualify for automated processes

Adding Virtual Claims Handling

Adding Touchless Claims Handling

Better integrating or leveraging capabilities of external automation tools/software to streamline workflows

Legend:
- Forward-leaning Carriers (n=7)
- Semi-Forward-leaning Carriers (n=13)
- Traditional-leaning Carriers (n=4)

Figure 11. Carriers expect enhanced automation to be part of their business plan.

Forward-Leaning carriers quoted a wide range expectations for share of non-complex claims that could be Touchless Claims Handling **(15% to 95%)**; this wide range indicates that they are still trying to figure out how to operationalize it.

100%
expect enhanced automation in their business

Carriers anticipate that the timeline for self-service demand is close, as more Millennials enter the insurance marketplace and consumers in general come to expect digital services (Figure 11). As this occurs, cost reductions will remain a key automation driver, but not the single driver. **Customer experience and retention will rise in importance — particularly to win over younger customers, who tend to exhibit less brand loyalty than previous generations.**

Openness towards Touchless Claims Handling has increased since 2016, though carriers remain tentative about embracing it. There is a potential three-year window for some Forward-Leaning carriers to implement some form of Touchless Claims Handling — though not necessarily full Touchless. Just as we saw in our 2017 report, there is still concern about entirely excluding human involvement — and with good reason. Consumers are clear that they still want a personal touch when they need it.

Consumers are clear that they still want a **personal touch** when they need it.

Times are changing. While carriers were initially motivated to integrate automation into claims processing to reduce costs through greater efficiency, and still are, they're also benefiting from an increase in customer satisfaction. Consumers want fast, easy, accurate claims processing — and that's not going to change (Figure 12). Carriers that are able to deliver on this expectation will lead the market.

Carriers are balancing the imperative of preparing for the future with the need to minimize customer friction today

Customer Demand — Today

Customers not demanding "automation"

- Predominately older customer base (Baby Boomer and older Gen X) is less tech savvy and values human interaction
- Hard for customers to understand the benefits of automation until they experience so not "asking" for it
- Customers complacent about insurance and not looking for innovation — "it's always been the same"

Some emerging demand for self serve options and digital communications in last few years

Customer Demand — Future

All carriers expect customer demand to increase

- Driven by younger customers (Gen Z and Millennials, as well as some Gen X) who are more tech savvy and will make up an increasing share of the customer base
- Customers of all ages will have increased expectations for speed and convenience, driven by experiences in other industries

Self-serve options such as online/mobile FNOL will be "table stakes"

Many carriers allow customers to choose/opt in to self-serve or automated processes

- Can call agent/rep rather than self-serve reporting and monitoring
- Can opt in or out of DRP or virtual estimates (if claim qualifies)

Customer adoption of automation processes reported to be low or mixed at best

% Customers Choosing Self-Serve FNOL

10-25%

One carrier reports **50% of consumers** choosing self-serve FNOL **still request a follow-up call**

Figure 12. The future of claims automation is advanced analytics and AI.

Conclusion

It's about balancing automation with empathy

Our research shows carriers and consumers are for the most part on the same page when it comes to automated claims processing — both in terms of capabilities and pace. Carriers began their automation journey with three important objectives in mind:

1. Reducing costs

2. Staying competitive

3. Improving the customer experience

Even though improving the customer experience may not have been the first or top motivation, they've achieved it anyway — **and that's a good thing for carriers and their customers.**

Going forward, carriers are likely to include customer retention as an important metric in evaluating automation effectiveness. And they should. However, there's a soft variable in the customer retention formula that carriers must address to get good results — empathy. While consumers, especially younger consumers, increasingly demand self-service and digital access, there are times their biggest desire is a human touch.

Automation can help carriers deliver this human touch by freeing representatives to be available when a customer needs personal attention. Also, carriers must find ways to creatively customize how they integrate the human touch into the claims experience. It won't be the same for every consumer group. Profiling and targeting will help carriers do a better job of personalizing the claims process.

While the human element of treating others with empathy may be more difficult to improve upon than adding more automation, data and analytics can be more deeply incorporated into the claims process to improve accuracy and efficiency. Those factors impact how customers feel about their claims experience.

What emerges from the research overall is the desire on both sides for a hybrid approach that leverages automation where it can be most effective — including creating more opportunities for insurers to personally help customers when they want and need it. Not only that, carriers have the opportunity to quell customers' fears about automation by sharing more information and creating messaging that helps customers better understand how automation benefits them, too.

Appendix — Methodology

Carrier study

Telephone interviews were conducted with 24 senior-level insurance executives having responsibility for auto claims. Each interview lasted one hour. Participation involved a mix of the Top 50 auto insurance carriers. Fourteen represented the Top 20; ten represented the Top 21–50.

Consumer study

Over the course of 23 days (from August 21 through September 12, 2018), 1,755 auto insurance purchasers completed a 20-minute online survey. Participation represented a balanced cross-section spanning four age groups ranging from 25 through 65 years.

All participants had auto insurance decision-making responsibility and had purchased their current policy themselves; 1,000 participants had filed a claim within the past four years while 755 had not. Claim types were mixed between single vehicle, no injury (450) and multi-vehicle, no injury (300); single vehicle with injury (140) and multi-vehicle, with injury (140).

About the authors

Bill Brower
Vice President, Product Management, Claims

Bill Brower is Vice President, Product Management, Claims for LexisNexis® Risk Solutions. He is responsible for leading the development of innovative products that help insurers achieve greater efficiency within their claims departments. With 30 years of P&C Insurance industry experience, Brower has held numerous leadership roles with top carriers such as Liberty Mutual and Nationwide Insurance Company. Most recently, Brower served as Vice President and Manager of Strategic Partnerships for Liberty Mutual Personal Insurance where he led innovation efforts and managed vendor relationships across all claims disciplines. Brower earned his bachelor's degree in Organizational Leadership from Franklin University and his MBA from Shorter University.

Todd Fannin
Senior Director, Auto Insurance, Claims

Todd Fannin is Senior Director, Auto Insurance, Claims for LexisNexis® Risk Solutions. He is responsible for gathering market feedback from customers and prospects, then working with the LexisNexis product development team to create the solutions that help customers improve claims workflow processes and manage their bottom line. He joined LexisNexis in January 2012. Previously, Fannin served as director of both technology and the claims process at Esurance. He also served as manager of the company's claims process. Fannin earned his bachelor's degree in accounting from Shorter College.

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