

# Enhancing P&C Carriers' Moment of Truth Through Innovation in Claims

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**Jay Sarzen**

## INTRODUCTION

The moment of truth for any P&C insurance policyholder is being made whole in the event of a loss. Yet for many policyholders, the path toward getting made whole is filled with obstacles, many of which are put in place by their carriers. While most policyholders who had filed a claim are generally satisfied with their claim's outcome, this belies the fact that a significant number of these policyholders indicate that they still are likely to switch carriers within a year of having their claim settled. And the number goes even higher for those policyholders who were dissatisfied with their claim settlement. There are likely many reasons why this sentiment exists, but plenty of evidence suggests that one prominent factor may be the claims process itself.

This Impact Report explores the myriad issues policyholders face over the course of the claims process, the developing trends driven by key claims stakeholders, and the technologies that are emerging in support of these trends. The report profiles the following firms: AutoClaims Direct (ACD), BAE Systems, Casentric, CCC Information Services (CCC), CoreLogic, DataRobot, DropIn, Donan, edjuster, Enservio, Equian, Featurespace, Innovation Group, Insurity, Itel, iWE, Livegenic, Mitchell, n2uitive, Pegasystems, RightIndem, SAS, Shift Technology, Solera, Snapsheet, Symbility, Tyche Risk, UpdatePromise, Valen Analytics, and Xactware.

## METHODOLOGY

This Impact Report is based on 43 Aite Group interviews conducted between December 2016 and February 2017 with industry practitioners at insurance carriers, innovators at technology vendors, and industry consultants.

Vendors were selected on the basis of several factors, including the following:

- General reputation in the claims space
- Being mentioned by carriers as a key partner
- Participation in conferences and events at which innovation was a central theme
- Recommendations made by industry consultants

The following firms were asked to participate but ultimately did not: Accurrence, BuildFax, Claimforce, 470 Claim Management, 4sight Business Intelligence, eviid, Property Damage Appraisers, National Water, SightCall, and Wenalyze.

## VENDOR PROFILE:

### ACD

ACD, a Carlsbad, California-based technology firm, was founded in 2003 with a mission to digitize and connect the claims industry by focusing on simplifying processes. ACD is privately held and generates more than enough revenue and profit to sustain itself. ACD has processed over US\$3 billion in assessed damages since its founding and currently services over 225 P&C insurers.

ACD's primary product, AutoLink, is a technology platform that provides full access to claims services and allows carriers to have these elements all in one location. These services include photo estimating, desk reviews, subrogation demand analysis, repair provider management, and reporting and predictive scoring solutions, all of which are provided by a national network of auto damage appraisers who are vetted by ACD.

ACD's process begins with what it believes is the key to a successful claims process—triaging the initial claim with the help of predictive dispatching tools to determine the appropriate appraisal method. ACD offers three options—a standard inspection option that involves an appraiser from ACD's network or an insurer's staff appraiser; a self-service option, called Self(ie) Service, in which photos of the damage can be uploaded through a mobile app and assessed; and a desk review and negotiation option called CollisionSelect, which involves repair shops making an appraisal for future negotiation.

Regardless of the appraisal option selected, ACD can enable a quick decision about whether to repair or scrap the auto in question. Once that decision is made, AutoLink provides claims workflow management components to help carriers shorten the process and keep policyholders apprised of progress. These components include SmartAudit, which electronically analyzes and scrubs estimates to ensure that a carrier's claims guidelines are being met; PartChoice, which allows carriers to access a number of parts databases through one portal; and CustomerFirst, which is a communications tool that keeps claimants apprised of their claim status.

ACD contends that its method is catching on with carriers and points to its relationships with over 225 of them. But ACD maintains that there is plenty of opportunity for it to expand and especially believes that an increasing desire for self-service, especially among millennials, will position it quite nicely to expand its presence among carriers. Beyond the customer aspect, ACD believes that carriers are facing tremendous pressure to contain costs and increase efficiency. These carriers will be willing to consider any technology that will empower its workforce to dedicate itself to more high-severity claims, which is where claims pain is mostly felt.

### OUR TAKE

ACD services are clearly being embraced by a significant number of carriers, and its track record supports that. Carriers looking to address a market segment that places less value on interaction with carriers would be wise to consider a service such as ACD. Carriers of all sizes would benefit from working with ACD.

## MOMENT OF TRUTH ENHANCEMENT AWARDS

Every vendor profiled in this report offers services and solutions that are valued by users for their innovation in claims. However, a few of these vendors make it especially powerful for the policyholders. Since the main focus of this report is to see what carriers can do to enhance their policyholders' moment of truth, it makes sense to call out a few vendors that really devote themselves to that purpose. To this end, Aite Group is awarding "Moment of Truth Enhancement" awards to the following vendors that address claimants' key concerns about the claims process (i.e., slow, confusing, not in their control, not transparent, and designed to minimize payouts). Carriers looking to increase customer retention would do well to consider all vendors in this report but would do even better to consider these vendors.

### MOST OVERALL CUSTOMER-FOCUSED: SOLERA

Solera's leadership team is dedicated to supporting policyholders and creating value for them in the claims process. Other vendors likely have the same intentions, but Solera has made this its mission and is justly rewarded for that focus.

- Runner-up: ACD

### BEST AT PROCESS EXPEDITION: ACD

ACD feels the need for speed and does not disappoint with its offering. ACD recognizes that many policyholders want to minimize their interactions with their carrier in the name of speed and has built mechanisms to allow that to happen. Moreover, ACD has built in a robust data offering that drives quicker decisions.

- Runner-up: Sapsheet

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## AUTHOR INFORMATION

**Jay Sarzen**  
+1.617.398.5052  
[jsarzen@aitegroup.com](mailto:jsarzen@aitegroup.com)

## CONTACT

For more information on research and consulting services, please contact:

**Aite Group Sales**  
+1.617.338.6050  
[sales@aitegroup.com](mailto:sales@aitegroup.com)

For all press and conference inquiries, please contact:

**Aite Group PR**  
+1.617.398.5048  
[pr@aitegroup.com](mailto:pr@aitegroup.com)

For all other inquiries, please contact:

[info@aitegroup.com](mailto:info@aitegroup.com)