

# Best Practices to Improve Auto and Property Claims Experience Through Automation



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# Best Practices to Improve Auto and Property Claims Experience Through Automation

The P&C insurance claims experience can add additional stress to an already challenging time, or it can ease a customer's anxiety to usher them through the claim process and the repair to their vehicle, home, or other property. Fortunately for insurers, the benefits of automation to improve the claims experience can be realized in weeks not years, and without replacing core systems.

According to Accenture, up to \$170 billion of insurance premiums could be at risk in the next five years due to poor claims experiences. The report found that one-third (31%) of the policyholders were not fully satisfied with their home and auto insurance claims-handling experiences over the past two years. Four in five (79%) of the claims executives surveyed said they believe that automation and AI can bring value across the entire claims value chain to — from damage assessment and loss estimation, to processing optimization and subrogation, and beyond. However, the adoption of these technologies has been slow to date, with only about one-third (35%) of claims executives reporting that their organizations are advanced in their use of these technologies.[1]

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One area where automation can help is significant weather events, ranging from heavy rain to hurricanes, which have caused over \$2.2 trillion in damages since 1980 and consistently impact call centers as policyholders end up spending what can feel like hours on hold.[2] Some carriers have a process in place to notify customers about catastrophic events, like hurricanes. When those warnings include loss prevention guidance, it enables policyholders to take an active role in their safety, damage reduction if not prevention.

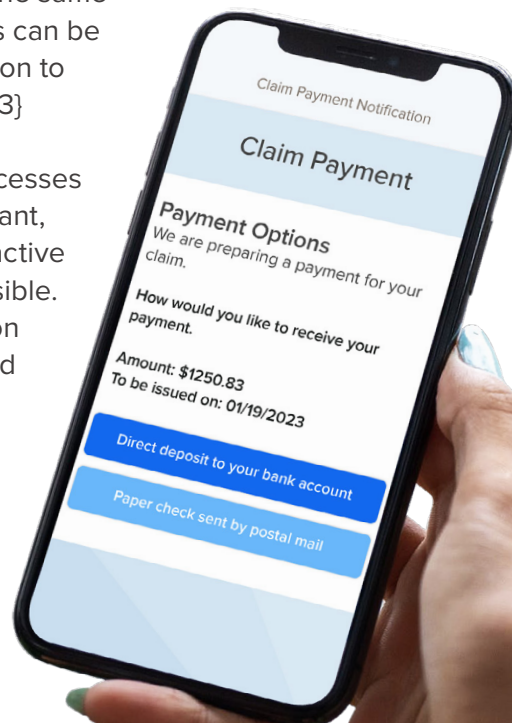
However, proactive customer communication should not stop at catastrophic events. Whenever their property or vehicles are at substantially increased risk due to a forecasted event, say, heavy wind that poses a risk of trees falling and roof damage, policyholders need the same loss prevention and safety guidance.

After an auto accident or property loss, automation can be used to streamline communication as customers and claims adjusters engage and coordinate obtaining documentation and information from multiple parties. Delayed and complex claims resolution also comes at a high cost to the carrier. For example, onsite appraisals can be avoided for smaller losses if a carrier offers customers the option to submit damage photographs and a detailed repair estimate.

**40%** Reduction in operational expense  
for carriers by 2030 through the  
use of automation

The insurance industry cannot ignore the ongoing pressure to reduce their operating costs. McKinsey predicts that by 2030, there is the opportunity for carriers to reduce operational expense by up to 40% through improved productivity, while at the same time improving their customers' experience. This can be accomplished by using automation and digitization to streamline high-volume, predictable processes.[3]

Forward-thinking insurers are evolving their processes to incorporate digital, HIPAA-secure, PCI-compliant, self-service automation to support as much proactive communication along the claims journey as possible. Most rely on digital automation that works well on a smartphone and that can be built and deployed rapidly enough to meet the timeline.



# Best Practices

In order to strengthen the process and improve the claims experience, insurance companies need to take three actions: communicate, personalize, and streamline. All three can be used to varying degrees throughout the claims process in conjunction with an effective automation solution.

- 1. Be Proactive:** Beginning at the FNOL and moving forward, provide information to keep the customer engaged and aware.
  - Be sure every interaction includes what happens next and when. Your company can automatically issue a notification at each step of the claim process informing the customer about their claim status or requesting missing documents, thereby eliminating the need for them to call.
  - The best question is the one answered before it's asked. An example of proactive engagement would be reaching out to the customer to alert them to their upcoming claim payment.
- 2. Personalize the Customer Experience:** With an automated claims process, it's possible to maximize trust and the quality of each customer's experience by proactively delivering the relevant facts for their particular claim; from FNOL to claim closure.
  - NPS scores soar with the perception of increased responsiveness to customer inquiries and more choices offered throughout the process – such as the option to use the digital channel they prefer or go back to reach their claims adjuster.
  - Companies who give their customers choices impart a feeling that the customer is part of the process, and their active involvement increases their satisfaction with their insurance claim experience.[4]
- 3. Streamline the Claims Process:** Replacing manual, repetitive and predictable tasks with an automated process allows insurers to collect critical data and retrieve important documents from the customer as well as other parties directly.
  - As an example, the body shop estimate would simply be scanned and uploaded directly without the need for intervention by the adjuster. As would the medical records or the rental car agency documentation.
  - Another example would be offering an easy and secure path to enroll in direct deposit. This not only makes the funds rapidly available without the policyholder needing to wait for the mail and then deposit the check. Issuing paper checks can cost a carrier 6x more than a digital payment.





## Top Automation Trends in P&C

Below are four top areas where forward-thinking P&C executives are investing in automating the claims journey to improve the customer experience.

### Significant weather event alerts:

- Alert customers when they could be in the path of a storm
- Guide customers on how to prepare, give critical instructions for reporting losses, and instruct how to document damage

### Photos, estimates & police reports:

- Provide policyholders and claimants with quick and secure processes to submit documents assisting in coverage and liability
- Lessen the need for onsite appraisals of smaller losses via use of damage photos and repair estimates

### Claim payment instructions:

- Empower customers and claimants to confirm their desired payment methods
- Make it easy for payees to enroll in your digital payment options for speed and savings

### 3rd party details for subrogation recovery:

- Reach back to policyholders when more info is needed about the liable party
- Shorten delays in initiating subrogation to recover loss payments and deductibles

## Conclusion

Claims processes can, and often do, lead to customer dissatisfaction. Dissatisfaction with the claims process then leads to customers moving to a different insurance company as they search for a better experience. In fact, according to a recent study, over 85% of people who felt frustrated during the claims process planned on switching carriers. [5]

Ushur makes it easy for insurance carriers to automate urgent, time-sensitive interactions. With pre-built automation workflows, insurers can get up and running in weeks with secure, proactive digital self-service options to meet customers in their time of need on their channel of choice..

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## Checklist:

- Are our claims communications HIPAA-compliant and secure?
- Can our automation plan deploy across multiple channels so customers can choose where to engage?
- Can it be both responsive and proactive?
- Are we proactively reaching out to customers to let them know about impending weather?
- Do our customers know what to do if they need to file a claim?
- Do we have an easy process for gathering documents?
- Do we reach out with claim payment notifications?
- Do we offer digital payment enrollment with a PCI-compliant process?

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1. <https://newsroom.accenture.com/news/poor-claims-experiences-could-put-up-to-170b-of-global-insurance-premiums-at-risk-by-2027-according-to-new-accenture-research.htm>

2. <https://www.ncei.noaa.gov/access/billions/summary-stats>

3. <https://www.mckinsey.com/industries/financial-services/our-insights/insurance-productivity-2030-reimagining-the-insurer-for-the-future>

4. <https://www.i-scoop.eu/insurance-claims-processing-customer-experience-and-digital/>

5. <https://www.quadient.com/blog/why-insurance-companies-need-mind-gaps-when-it-comes-customer-experience>



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