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# Claims and Litigation Management Trends

Litigation Management Symposium

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*#CLMSymposium*

# Trends in Claims and Litigation Management

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Principals

Aon Reinsurance Solutions | Inpoint Claims

# Claims Trends – Business Practices



**Customer Expectations:** Emerging shift in expectations - customers want immediate access. Insurers have to provide streamlined claims services that still delivers proper loss cost and expense management.



**Auto and Property Claims Frequency:** Claim frequency continuing to decrease due to multiple factors-e.g. driverless cars, next generation home and commercial property monitoring sensors that making things safer, and mitigating potential problems more quickly.



**Claims Volatility and Severity:** While claims frequency may decrease, the volatility and severity of claims is increasing due to continuing climate change.



**Telematics:** The auto telematics trend is continuing. Telematics provides better data driven investigations, with the potential to more quickly and accurately spot fraud.



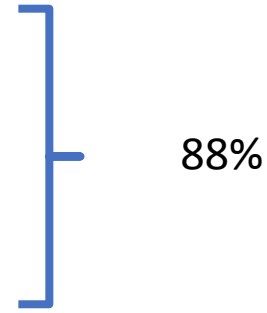
**Claims Institutional Knowledge Loss:** With the aging claim force, the trend is continuing. Carriers have a need to better recruit, train, and retain for the next generation of claims people.



# Claims Trends – Litigation Management Practices

- Gaps in claim handling still seem to lead to a majority of the opportunity in avoiding litigation
- Of the top 10 root cause sources of improvement opportunity on litigated files we have reviewed, almost 90% of the biggest opportunities fall in the core claim handling phases of coverage, evaluation and negotiations

Root Cause of Opportunity	IO%
General damages were not reasonable for stated injury	24%
Claim file did not exhibit proper negotiation skills	23%
Claim handler investigation / evaluation of coverage, liability, and/or damages was not timely resulting in needless litigation	16%
Claim handler investigation / evaluation of coverage, liability, and/or damages was incorrect resulting in needless litigation	14%
Plan was not assertively executed	6%
File did not contain a negotiation plan	6%
All Others	12%
TOTAL	100%



- What can you do? Insurers continue to look for collaboration and insights from their counsel:
  - When a new case comes in, the initial review should highlight key elements – is this a routine matter? Is this a case to be settled? Taken to trial? Are there any repercussions from the allegations?
  - What should the insurer do right now? Is there a process issue they should change to avoid complaints like this in the future?

# Claims Trends – Litigation Avoidance Considerations



**Claim handling impact:** How quality and temp of initial handling, accuracy and timing of coverage decisions, liability evaluations and damages valuations can impact, contribute to or detract from litigation avoidance efforts



**Internal and external communication and collaboration approach:** Internal communication around handling quality, tempo, and factors driving unnecessary litigation



**Collaboration approaches:** Collaborating with claimants and counsel to avoid litigation. Opportunities to request extensions and pursue settlement before going into the litigation process



**Ongoing active resolution strategies and approaches:** Identifying key decision points to pursue settlement, tactics to overcome case weaknesses, integrating and leveraging predictive analytics








**Reacting to new complaints, leveraging statutory or case law changes:** Is this a case to be settled? To be taken to trial? Is there something the insured needs to start/stop/continue doing?



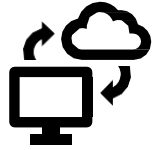
# Technology and Digitization Trends

- E-signature, EFT billing, paperless policy issuance
- Streamlining application process with prefill, reducing the number of questions asked, helps agents and prospects.

## Key Customer service interactions:

	<b>Phone</b>	IVR, voice, NLP (innovation phase)
	<b>Mobile App</b>	ID cards, billing, FNOL
	<b>Online</b>	Chat, self-service, Chat-bot (pilot, limited use)
	<b>Reducing Voice</b>	Companies trying to reduce voice while growing chat and self service interactions
	<b>Workforce planning maturity</b>	More data and analytics to assist in planning

# Claims Trends – Innovation



**Claims apps maturation:** Emerging applications for initial reporting and ongoing claims management make policyholder access easier, facilitate virtual claims adjusting, and drive efficiency for claims handlers.



**AI, ML, and NLP supported alert functions and decision making:** Advancements in visualization technologies help insurers assess and predict claims exposures and provide faster and more accurate insights— i.e. ClaimsMonitor.X.



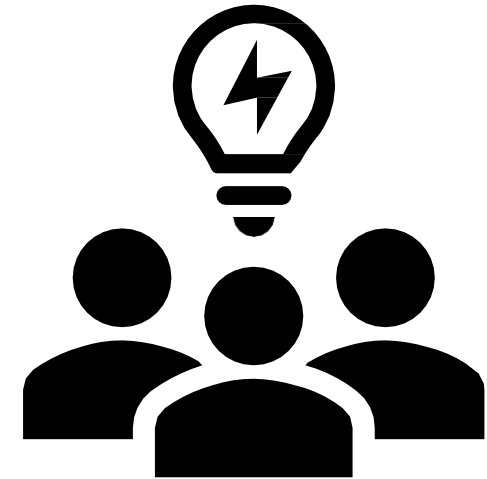
**Bigger presence of blockchain:** Blockchain securely stores data on decentralized servers, allowing carriers to access it, validate it, and use it to detect fraud, subrogation handling, etc.



**Satellite imagery:** Emerging InsureTech technologies are utilizing satellite images to estimate damages to homes, and/or assess before and after damages from events.



**Drone based scoping/estimating:** Use of drones for scoping/estimating similar to satellite imagery. Keeps people off of roofs and give views of hard to reach locations.



# Next Generation Claims Quality – ClaimsMonitor.X (CMX)

## Business Challenge

Claims supervisors and quality teams spend an enormous amount of time reviewing open and closed files of their adjusters leaving them little time to coach and improve adjuster behavior

## Approach

Leverage Inpoint's years of experience, combined with Artificial Intelligence (AI) to constantly analyze open claims

Proactively alert supervisors and adjusters when best practices are not being met

Create an automated closed claims review process on all claims

## Benefits

Reduce loss ratios across all lines of business by mitigating loss leakage before it occurs

Free up supervisors to allow for increased coaching and improved performance





# Q & A

List the presenters:

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