

# Property Casualty 360

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FROM THE AUGUST 2013 ISSUE OF CLAIMS MAGAZINE • SUBSCRIBE!

## Aite: Insurers Losing Out on \$36B Through Missed Tech Opps

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August 1, 2013 • Reprints

Insurers can drive down their claims costs by \$36 billion if they embrace technology innovations allowing them to better manage their information assets, says an industry analyst.

"The waste in this industry is shocking," says Aite Group Senior Analyst, Property & Casualty Group, Stephen Applebaum.

The consulting group has released a report, "10 Startups Transforming P&C Claims: A US \$36 Billion Opportunity," says that by adopting innovative claims-technology solutions, insurers would not only stop wasting money, but improve their relationships with their customers and reduce their yearly double-digit retention losses. The report reviews ten technology companies Applebaum says are innovative leaders with a lot of buzz in the industry.

"All of the companies have the potential to fundamentally change the claims process and improve it," he says.

For example, the report says Enservio provides a suite of software and service solutions to help property insurers correctly price policies, settle and pay claims, and help policyholders replace their insured property.

Symbility Solutions offers cloud-based technology—using smartphones or tablets—that produces "accurate, simplified property claims field appraisals on mobile devices" to improve "claims work flow and outcome."

In the report, Aite recommends carriers embrace technology for the purposes of:

- Promoting and leveraging open-market electronic parts procurement solutions to improve auto physical damage claims outcomes.
- Adopting new property and contents solutions for homeowners and commercial property and contents claims.
- Optimizing property and injury claims-settlement-process technology.
- Driving out fraudulent, duplicate and inflated medical injury costs in auto and workers' compensation claims.
- Streamlining the recorded claims statement process and leverage data.

As a whole, the industry does a poor job of making the necessary technological advances, especially in the area of claims, Applebaum says. Only a few have made great strides. The report cites Allstate, Amica, Chubb, Farmers, State Farm and USAA.

Applebaum says he believes the best hope for change lies in the younger generation of professionals—often referred to as Millennials—who grew-up with smartphones and tablets and will not tolerate a future of pen, paper and file cabinets. Aite's report is available to subscribers and available for individual sale through its website

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