Auto Casualty

Five Business Trends that Will Become “Business as Usual”

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A business crisis is when something prevents an organization from conducting “business as usual.” That definition has never been more true for more businesses at one time than during the last several months. We have all faced “business unusual” since the pandemic began affecting our lives. As states start to slowly open up, we begin to see the possibility of a light at the end of the tunnel. Parts of our industry are on their way back to normal, but other areas of the property and casualty industry likely won’t return to the way they were before. We’ll discover that new ways of working have become “business as usual” as we embrace new technologies and new processes to better serve our customers in this new environment.

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Finding the Silver Linings

These new technologies and processes may turn out to be a silver lining in this tragic situation. Just take a look at some of the changes affecting the property and casualty industry alone:

1. Working From Home

When we realized that a pandemic was coming, many of us asked our employees to work remotely to protect them. Now, as offices plan to reopen, many organizations are further embracing remote working for their employees. Several prominent organizations both inside and outside our industry, including Nationwide Insurance, have announced they’re moving to a hybrid remote workforce model permanently.

The New Usual

Fortunately, the industries we serve are resilient. Miles travelled have already recovered to about 80% of pre-pandemic levels, even though many offices remain closed and people are still working from home. However, this dramatic growth of remote working will alter the underlying calculations of our business, including shifts to how employees drive and where, the way accident frequency is down but severity is up, the rise in e-commerce, the types of workers' compensation claims that come when you add remote workers to the mix and more.

2. Essential Cloud-Based Processes

Without the ability to work with our customers in person, paper-based processes don't work efficiently at all. The pandemic has pushed many organizations to quickly adopt cloud-based processes and digital workflows in order to serve customers and clients remotely.

The New Usual

Many organizations have been incorporating digital processes for years, and they were better prepared for the abrupt shift in how we all work. While adoption of cloud-based processes for others may have been forced because of the pandemic, they are now learning how effectively these systems have improved their efficiency, accuracy and quality—benefits that will remain even when social distancing guidelines are lifted.

3. Securing Sensitive Information

Working from home, while essential for employee safety, poses a higher information security risk, especially since many organizations had to transition to remote working almost overnight. Demand for videoconference solutions have skyrocketed, and cloud-based processes have become critical underlying technology for customer support. Companies have had to think outside the box to create solutions that work, and solve security issues in weeks that normally would have taken 12 months or more.

The New Usual

While many organizations have made excellent strides in securing their networks, the fact that some amount of remote working will continue for the foreseeable future means IT needs to carefully evaluate security protocols in this context. Employee training to keep them from falling prey to scams, malware and phishing attempts will also be essential.

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4. Virtual Estimating

To maintain social distancing, virtual estimating for auto repair is growing dramatically, from 2% of all estimates before the pandemic began to about 13%, based on Mitchell data, and our early measures show it rising to more than 25% in the coming weeks.

The New Usual

Even when maintaining healthy distances are no longer required, insurance carriers and repair facilities find that this virtualization model is efficient, accurate and a great way to improve client service. Virtual solutions, used the right way, can lower capital requirements while still guiding your team through proper and safe repairs.

5. Telemedicine

Because of the concern patients have expressed about healthcare facility safety, telemedicine and telerehab are growing by leaps and bounds. In some cases those tools are the only way to provide service to those needing to protect their health. One of the largest suppliers of technology in the telemedicine arena, Teledoc, saw 2.04 million telehealth visits in the first quarter of 2020, nearly double the 1.06 million it saw during the same quarter last year. One health system saw its daily telehealth visits go from 2 in early March to 4,150 in May.

The New Usual

This change is good for patients, but creates challenges around effective analytics and how to effectively bill and review these services. Fortunately, many providers have had telehealth solutions ready for years, and have only needed to scale them up. If your technologies and processes are still struggling, identify those who have done well and model those systems, because the demand for telehealth services will only continue to grow. Who could have imagined this scale of change just three months ago? Microsoft CEO Satya Nadella said in their April earnings call, “We saw 2 years of digital transformation in two months.” Being forced to make dramatic changes in the way we do business has been neither easy nor painless.

An Industry Ready for Change

What works in our favor is that the P&C industry had already recognized it needed to change, and to our credit, many were already well along that path. New technology, new working models and a renewed customer focus are essential—not just to survive this pandemic, but to survive as the competitive landscape around us changes, too.

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In the midst of all this upheaval, industry thought leaders are positive about the future. They’ve noted that finance and insurance industries are coping with the pandemic better than expected, thanks to technology that seems perfectly designed for situations just like this. Stephen Applebaum, managing partner at Insurance Solution Group said, “These technologies and the benefits they offer participants in the insurance ecosystem are being more eagerly embraced and adopted by insurers in the battle they are waging for their survival. Artificial Intelligence, in all its manifestations, drives many solutions. It helps us transform the digital rivers of data flowing between us and our many connected devices and facilitates effective real-time decision making.” Now is the perfect time to implement business changes. Those who’ve been waiting should no longer remain on the sidelines with change sitting comfortably in a future plan years away. That time has come. The good news is that you don’t have to wait to add AI, cloud-based solutions and automation tools to your business, and you don’t have to figure this out on your own. Partners can help you take that leap into the future today, navigating issues such as fast-paced legislative and regulatory changes affecting how you operate, and technology and security decisions you can’t afford to get wrong. They can help you make small, agile strides forward, which in turn will make your organization more effective and help you survive in this new landscape. A McKinsey report said the mental model we need to have is to “think about developing a new ‘muscle’: an enterprise-wide ability to absorb uncertainty and incorporate lessons into the operating model quickly.”

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No one can save us from the challenges yet to come—and we are a long way from finding “business as usual.” But taking a proactive approach and building your business with the long-term future in mind may help your business find a positive “business as usual” condition much faster than you might think. One last point—while new technologies and innovations will lead us forward, our personal connections remain as important as ever. One of my favorite things as CEO of Mitchell is spending time in person with you, our customers, and even that has changed and become virtual and socially distant. However, working together to solve once-in-a-lifetime challenges means that in some ways we have never been closer. We are excited to help you navigate towards a new, more effective, more efficient and more resilient future.



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