Auto Casualty

Three Ways Technology Is Changing the Nature of the Property & Casualty Industry

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5 MIN READ

The insurance industry is always changing, but continuous technological advancements have the pace of change occurring faster than ever before. Property & Casualty (P&C) market insiders are experiencing companies of all sizes undertaking major digital initiatives to add efficiencies and increase economies of scale. While change of any kind can add complexity, the claims and collision repair industries are finding technology is breaking down barriers by improving innovation in all areas. The result is a dynamic, interconnected claims ecosystem that is changing the fundamental way we do business. In this article, we explore how automation, connectivity and artificial intelligence are changing the nature of risk, the nature of work and the nature of how consumers interact with claims organizations.

The Nature of Risk Is Changing

As we enter the Age of Automation, a time where jobs and tasks are increasingly handled by machines, the nature of risk is changing within claims and collision repair. The innovation enabled by embedded sensors to smart devices offers new ways of reaching underserved people. However, the combination of automation and AI brings new complexities. New sources of data are coming from every connected device, bringing about new types of risks and potentially insurable transactions making the most powerful driver behind this changing nature of risk the increased connectivity and preponderance of data generated by the Internet of Things (IoT).

> It’s up to each insurer to determine how it will participate in the new world of risk.

The new risk types created by IoT have no historical precedence. The data collected from smart cities, smart utilities, smart homes, autonomous vehicles and embedded sensors must be secured, increasing opportunity for insurers. Now consider the bevy of activities that have warranted insurance for decades such as driving, home ownership and owning valuable assets. These will look completely different in the next 10 to 20 years—along with the risks associated with them—making it clear that as the Internet of Things becomes more fully realized, the universe of insurable transactions will grow exponentially. Many lines of insurance will be completely reinvented, and the many currently insurable segments will be joined by hundreds, if not thousands, of insurable micro-transactions, such as embedded and wearable devices and the blockchain. The field is wide open, and increased risk presents great opportunity. It’s up to each insurer to determine how it will participate in the new world of risk.

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The Nature of Work Is Changing

As the nature of risk changes with IoT connectivity, so is the nature of work for Property & Casualty professionals. Data connectivity requires new tools and technologies to analyze and act on the insights captured. As a result, automation tools are quickly becoming commonplace in claims organizations.

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Robotic process automation (RPA) is freeing knowledge workers from routine tasks, such as filling out forms, taking notes, taking a voicemail, or transferring information from one system to another; and intelligent automation aids in decision-making. The general idea is that if a person does a two-minute task thirty times a day, automating that task saves an hour of work a day, adding up to weeks over the course of a year. As such, automation technologies free up human beings to focus on higher-value activities, such as patient interactions and care, or handling a service complaint, when taking a few minutes to provide a personalized response can prove invaluable. When leveraged appropriately, automation can create great efficiencies by freeing up workers to deal with critical tasks. As artificial intelligence becomes increasingly ubiquitous, it will allow knowledge workers to become more efficient by spending less time on repetitive, mundane tasks and more time on the higher value, human ones that drive better outcomes and help restore lives.

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The Nature of Consumer Interactions Are Changing

While technology is fundamentally changing how work is done in the Property & Casualty industry, it is also leading to a substantial shift in how consumers prefer to interact with claims and insurance companies. The proliferation of technologies that provide greater personalization, and the explosion of handheld and wearable devices, have led consumers to expect fast, personalized service electronically in some instances, while placing a premium on talking to a human in others. This has created a standard for companies to provide tailored support of both kinds, with chatbots and automated FAQ guides for non-human interactions, while increasingly leveraging video chat and real-time messenger services for human-to-human interactions. In claims organizations, technology has further enabled a human touch when it comes to customer service. Personalized, digital-centric platforms for both non-human and human interactions have become widely available, allowing consumers to seek service and support based on their preferences and needs.

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These advances mean smaller, more mundane support tasks will be addressed prior to escalation and solved by either an AI or by the customer. One benefit of this is that customer service and support reps will have more time to focus on larger problems, allowing for more personalized interactions and quicker resolution.

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Technology has greatly aided the Property & Casualty industry, bringing both challenges and opportunities in how we manage risk, the way we work and consumer interactions. While the nature of business changes with new technologies and how we apply them, one thing is clear: we must be proactive in how we approach and address this changing technological landscape. Whether it’s adapting to and managing new types of risk caused by IoT connectivity, applying automation to streamline how we work or leveraging AI to improve customer

interaction, advanced technologies are driving change in our industry and how we provide service. Property & Casualty insurers and the collision repair ecosystem would do well to stay informed of these and emerging technologies and their potential to alter and enhance these ecosystems.



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