In March, Ryan Mandell, director of Claims Performance for Mitchell's Auto Physical Damage business unit, identified the market drivers converging to make the concept of claims virtualization a reality. For consumers, virtual estimating meets their expectations of speed, ease and convenience. For carriers, it's a way to improve production efficiency while increasing customer satisfaction. Just a few weeks later, another market driver, the COVID-19 pandemic, has accelerated the shift toward virtual claims handling as the “new” preferred method of inspection.

Because of the restrictions put in place during the COVID-19 pandemic, companies are looking for ways to limit in-person interactions while still providing quality service. It’s an ideal time for the insurance industry to adopt an efficient and secure solution for submitting auto claims while limiting personal contact. By allowing the consumer to take the initial first notice of loss photos of an accident and send them directly to a carrier, human contact is minimized.

The “New” Preferred Method of Inspection

Today’s connected consumers have high expectations of self-service options. Studies show over two-thirds of respondents prefer self-service over speaking with a company representative. Customers increasingly prefer digital claims solutions as well, which have been shown to improve customer satisfaction scores by nearly 20%.

Assistance in the case of an incident, getting advice and submitting claims are the three customer touchpoints with the greatest impact on loyalty. As Bain & Company describes, “Insurers face certain ‘moments of truth’ episodes where the companies have the highest potential to delight—or annoy—their customers.” Allowing claimants to choose the option of guided photo capture can contribute to a successful claims experience by fitting the self-service expectations of millennial consumers.
Automating labor-intensive administrative practices through technology leads to much faster claims processing. Sending a staff appraiser to every new claimant’s work or home takes a lot of time. Factoring in appointment setup and drive time between locations, a field appraiser will likely complete three to four estimates in a typical workday.

In virtual, photo-based estimating, the claimant is guided through simple on-screen instructions, capturing the necessary photos of vehicle damage themselves. Trained appraisers then write estimates based on those submitted photos. By working from photo-based estimates, appraiser productivity can increase from three to four estimates a day to more than 15 to 20.

Minor collisions with less than $3,000 in damage are well-suited for visual estimating. However, as appraisers get more proficient in virtual estimating they may adopt this solution for more high-severity claims, such as in cases of total loss when the vehicle is not drivable. Although virtualization is a shift away from the traditional claims process, photo-based estimating may increase the value of a carrier’s talented employees by focusing their time and energy on the appraisal, instead of sacrificing large portions of their time to travel.

Paving the Way for More Productive Workflows

Virtual estimating reduces not only time spent on field inspections, it also helps address concerns about COVID-19 by reducing personal contact. Some carriers are now proactively looking for ways to maintain continuous service delivery by making the shift to virtual estimating.
As a method of inspection, U.S. use of virtual, photo-based estimating is on the rise in 2020 according to Mitchell data.
For example, in just the second quarter of 2020, Mitchell has received over a dozen requests from insurers eager to take advantage of Mitchell’s Consumer Self-Service solutions. And with automated tools like virtual estimating taking a front seat during the pandemic, the industry is one significant step closer to the larger vision of achieving claims automation.