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### **What's Likely Ahead in 2017 in the Handling of Personal Lines Property Insurance Claims?**

Steve Brown – President, Brown Claims Management Group

Technology continues to be a driving force behind the latest advancements in how Property and Casualty insurance claims, particularly how personal lines property insurance claims are being (and will be) inspected, estimated, reported and resolved. It is important in 2017 that all of us involved in the insurance industry recognize, understand, and embrace these advancements in order to remain competitive.

Ernst & Young, L.L.P. (EY.com), a self-described global leader in assurance, tax transaction, and advisory services recently published its 2017 U.S. Property-Casualty Insurance Outlook , <http://www.ey.com/gl/en/industries/financial-services/insurance/ey-2017-us-property-casualty-insurance-outlook> and classified 2017 as a “time for reassessment”.

Super-imposed on the financial pressures that insurers will face this year, the article states, that **“advances in technology and growth of InsurTech are raising customer expectations for greater innovation and revising traditional property & casualty insurance models.”** [For those unfamiliar with the term, “InsurTech” is defined by Investopedia.com as “the use of technology innovations designed to



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squeeze out savings and efficiency from the current insurance industry model”.]

In the EY study, the impact of external factors on the P&C insurance market in 2017 are ranked, with 1 = low impact, and 10 = highest impact. Advances in technology ranked a “9”, while customer expectations had a ranking of “8”. The article asserts that “**Insurers will need to keep up with rapidly changing customer expectations for 24/7 digital access, greater transparency, and self-directed customer experiences.**” These customer expectations and customer experiences would seem to include those in the claims sector. Spend any time watching prime-time television and you will notice the number of commercials sponsored by national P&C insurance carriers advertising smartphone apps that allow auto insurance policyholders to submit a claim, upload digital photos, and otherwise “self-serve” or fast-track the processing of their auto insurance claim. Does anyone really question whether these same policyholders, many of them millennials, will in time have a similar customer expectation when it comes to the handling of their homeowners’ claim? Indeed, *Lemonade*, [www.lemonade.com](http://www.lemonade.com), a new online insurer and overall industry disrupter for on-demand renters and home insurance, is boasting on Twitter about how it used artificial intelligence to settle a theft claim in 3 seconds! That is quite an impressive feat, and suffice it to say that all personal lines insurers and claims professionals had better at least take note and expeditiously begin researching how similar advances in technology might make a positive impact on their own claims handling processes.

At **Brown Claims Management Group, (BCMG)**, we have begun to introduce innovation & technology in our property claims adjusting processes in order to try and get ahead of the curve in meeting the increasing expectations of a new generation of policyholders. We are very encouraged by the results from our beta testing of these processes. By dedicating our adjusting resources strategically and integrating available technologies, we are for example able to actually stream live video in some cases of an inspection from the loss location back to our assigned BCMG inside desk adjuster who is literally able to participate audibly and visually in the inspection and collaborate in the preparation of the estimate of damages and loss report, sometimes while the BCMG field adjuster is still present at insured location. We are still a bit away from utilizing these processes to their fullest, but are already confident that the benefits will include greater transparency and visibility on claims, a more consistent work-product, shorter claim turn-around times, and an overall enhanced policyholder/customer experience...all of which tend raise the level of service that we as independent adjusters are able to deliver to our insurance carrier clients and their policyholders.

I encourage all interested to read the EY 2017 U.S. insurance outlook publication cited above.

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