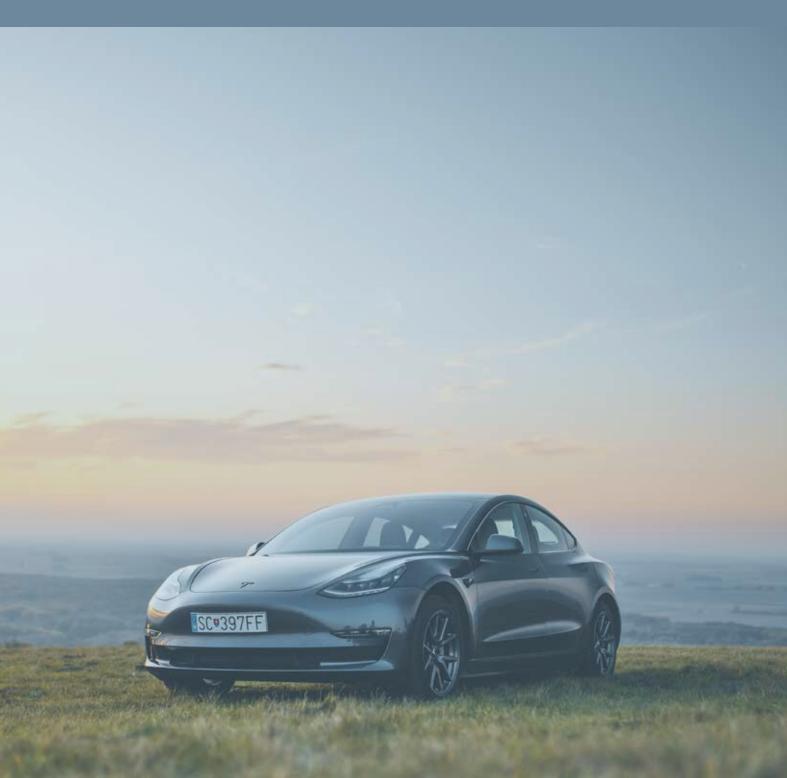# arnie

The future of the motor claims industry in 2023 and beyond

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In 2021 I wrote about tackling the issues in motor vehicle claims in 2021 and beyond, and as we see the headlights of 2023 coming (puns absolutely intended), I reflect on how we have progressed since and the challenges we face in 2023 and beyond.

Common themes were advancing technology, regulatory change and compliance, customer experience, complaints and the rising costs of claims handling and operations. The themes remain; although the individual problems to be solved are becoming clearer, and collaboration with Arnie partners, customers and their service providers is proving to create mutual benefits.

The insurance customer's view

Complaints relating to a lack of transparency and service are still at an uneasy high. Those who have been involved in recent regulatory change will know the flavour of fair, honest, and transparency is in demand. So what are we doing to demonstrate this to the insurance customer?

Customers are *still* asking:
- How do I make an educated decision as to whether or not it is worth my making a claim?
- What information are you using to determine the outcome of my claim?
- Where, when, who, and why is this assessor looking at my car in my driveway, and what's next?
- How long will my car be in the repair shop and when can I expect to hear back?
- How does the hire car option work on my policy?

The insurers' and authorised service providers' view

Insurance execs, how's your digital transformation going? Overwhelming? Budget blowing out? Is the scope going wide? Dependencies are a spider web and a trip hazard? On countless occasions I've heard "I want to avoid APIs and integration with that system because it'll never happen or it'll cost us an arm and a leg and it'll never be approved." When in reality, the alternative is often manual processes, band-aid solutions, impractical workarounds, while excluding the right problem-solvers who could solve the root cause.

Building the automated insurance claims ecosystem

It's a very simple solution. Connect your software providers and enable them to form a technical and professional relationship so they do the heavy lifting using automation and integration. Systems should be designed to talk to one another. The reality of having a 'one size fits all' is slipping further and faster away, and it is imperative that software providers remain open-minded to join forces with experts in other areas. Your insurance customers will thank you for providing an open, transparent and seamless process. Even if the timelines exceed their initial expectations, they'll feel involved and informed.

Enterprise software providers are able to set themselves apart from many software teams as industry experts and aggregators. I feel fortunate to have a seat at the virtual table when invited to solve our customers' and partners' problems alongside them. Often it costs nothing and pays dividends through a deeper understanding of your business and objectives and the ability to share aligned initiatives and innovation.

Here's a deeper dive into motor claims challenges for insurers in 2023:

Parts

Parts are harder to source and more expensive and experts are even less confident in authorising quotes. We are thinking outside the (insurance) box when finding partners to work with us on this global issue and keep ahead of the game moving forward. Insurance experts including Finity reported in OptimaLite 2022 "inflation on some parts – particularly lampware, grilles, external trim and panels – [are] significantly outstripping CPI inflation in recent years." The industry predicts inflation will continue into 2023 as we continue to experience vehicle parts and repair labour pressures world-wide.

Second-hand vehicle market

Vehicles are still tough to locate in the complex second-hand vehicle market. Car Concierge services are provided via Arnie as the central platform and platform partner service providers such as AutoGrab enable your customers to get back on the road.

Changes to the repairer landscape

Repairers are under the pump with a shortage of repairers and a higher number of advanced tech vehicles on the road requiring a new set of skills and tools to do the job. There are ways to make the repairers' job more efficient and less painful when dealing with insurers, which is only going to benefit everyone in the long run. Get your system and process ducks in a row to improve their daily operations while also improving yours.

Moving away from manual claims processes

Service providers and insurers are still handling an obscene number of manual processes to handle claims, including paper documentation, hand-written quotes, email exchanges and an unnecessary third-party software systems for niche tasks. Often a handful of 'quick-win' software functionlity implementations can transform the process - that's the nature of continuous improvement.

Automated assessing solutions

Labour and paint times remain inconsistent across insurers and repairers. Insurers are supporting their repairers to introduce systematized and simplified, scientific ways of estimating and quoting repair jobs. With claims and assessing solutions adapting to the same methodologies, manual processing and human intervention will becoma a thing of the past for hundreds or thousands of quotes and invoices.

Insurers rely heavily on the expertise of motor vehicle assessors to progress with the outcome of a claim. Assessors' worklists are long and often tasks are time-consuming and labour-intensive. Arnie brings together many sources of assessing evidence to take the repeatable work out of manual research and consolidation of findings. Assessors are able to do what they do best - assess the complex jobs with less administration.

Cyber security

Cyber security is non-negotiable. For software providers and our customers, there are strict governance controls and measures that increase the need for documentation, testing, reporting, evidence and assurance. Cyber security processes and safeguards protect business and customer data, ensuring confidentiality and business continuity.

Repair methods

All repairers, assessors, insurers and their customers want and need to assure all vehicles are repaired to manufacturer standards. As of July 2022, manufacturers must provide these methods to repairers to make the process more accessible for insurance assessors to hand back the keys knowing they are doing business with reliable, safe and sound repairers. Even better, systems can audit and store the information to support it.

Summary

Execution is key in 2023. We have had years to consult, discuss, digest, interpret and deeply understand the problems and impacts. Now we are taking action. With data-driven decisions and leaders to implement change, 2023 shines as a bright year for advancing technology, continuously improving compliance, improving customer experience and reducing customer complaints. Costs will likely continue to be an external force outside (for the most part) out of our control, but what is in our control are many operational efficiencies with cost-saving and other measurable benefits in the interim.

Contacting the Arnie team

The Arnie team would like to connect with you this year to discuss your thoughts on the transformation of the insurance claims industry. Please don't hesitate to reach out to discuss any aspect of your motor claims process.

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