

THE IMPACT OF MORE DATA

At First Notice of Loss and Throughout the Claims Handling Process



P&C carriers have incorporated data and analytics into their application and underwriting processes, **but few have integrated data deeply into their claims process.** To assess the effect of having more data earlier in the claims process, LexisNexis® Risk Solutions conducted a study that included the A.M. Best top 20 ranked carriers.

In the study, 10 million claim features were divided into two categories, based on the availability of certain data elements immediately after completing the claims reporting process and before assignment:

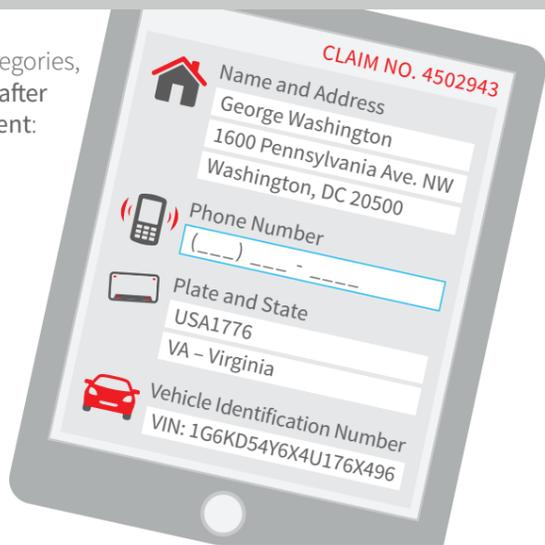
LESS DATA had either:

+1 [📞🏠🚗📄]
a telephone number and only one other data element* or

no telephone number but all other elements (as shown)

MORE DATA included:

+2 [📞🏠🚗📄]
a telephone number and two or more other data elements*



*Other data elements: name, address or license plate

Results showed that more data — earlier — had **considerable** benefits to claims' outcomes

— FOR THIRD-PARTY BODILY INJURY CLAIMS —

More data reduced average cycle times by two weeks and overall claims cost by thousands

111 days



100 days



5–15%

lower average cycle time



25–49%

less in attorney involvement



47%

less in expenses, on average



— FOR THIRD-PARTY PROPERTY DAMAGE CLAIMS —

More data lowered average cycle times and average claims cost by 15%

41 days

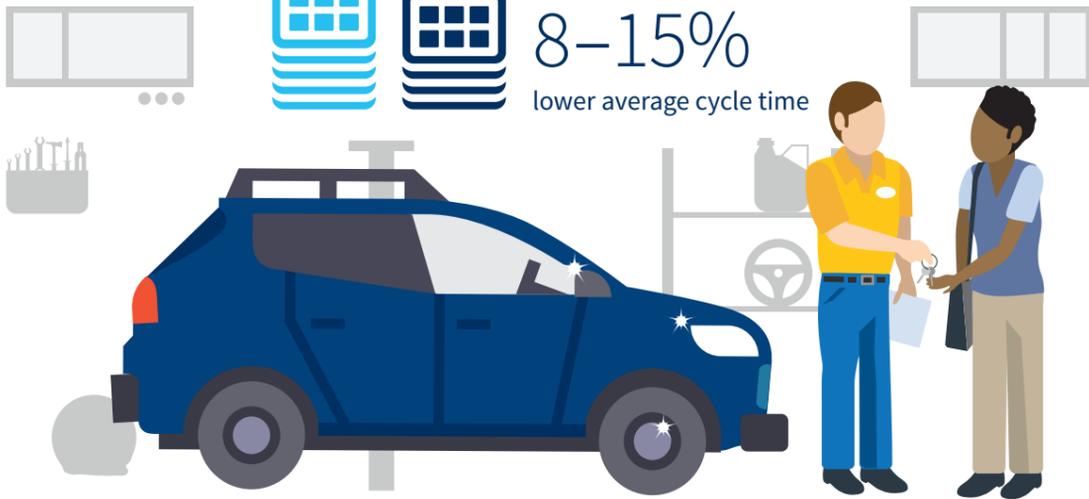


35 days



8–15%

lower average cycle time



— ADDITIONAL ADVANTAGES TO MORE DATA —

Real-time data and analytics for claims offer even more benefits, particularly at first notice of loss (FNOL)

Improve efficiency



Claims go to the right person at the right time.
Claims adjusters and investigators no longer have to chase down information or touch files multiple times.

Reduce losses



P&C carriers can close claims faster and reduce excessive losses, including lower vehicle storage and rental costs for material damage claims.
Carriers can also build rapport with claimants earlier to reduce likelihood of attorney involvement.

Satisfy more customers



Unsatisfied customers are more likely to switch providers, so it's imperative to deliver exceptional customer service.
Prompt contact, effective investigation and timely, fair claims resolution are expected.