CONSUMERS WANT AI-DRIVEN AUTOMOTIVE CLAIMS: ARE YOU READY?
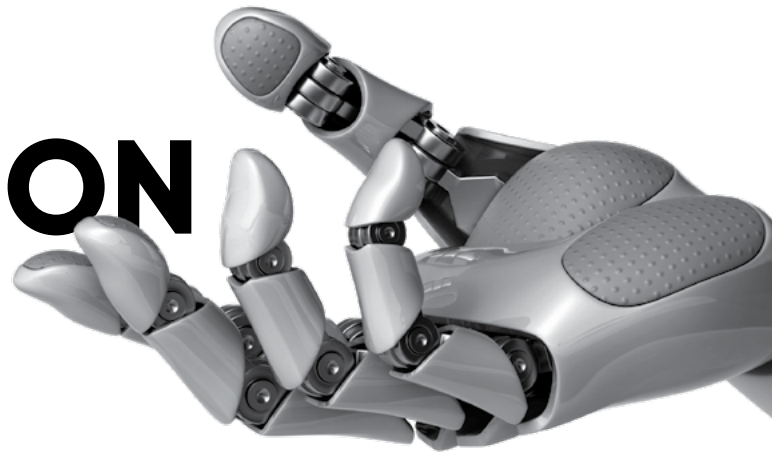
Solera Uncovers Why Three Quarters of Claimants are Calling for Automated Experiences

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INTRODUCTION

Modern-day consumers demand fast, easy and instantaneous experiences. As consumers, we've been conditioned to expect access to information in the palms of our hands, a 24-7 news cycle and conversations that take place digitally. The prolific use of apps, social media and online-everything in our daily lives has translated into an expectation from consumers for digital services in every aspect of our lives, tracking insurance claims and vehicle repairs is no different. Speed, control, and visibility are all integral features of a modern digital claims journey.

In our latest global research Solera set out to investigate this by surveying 1,500 consumers to identify their expectations and appetites for advanced technologies in the automotive claims industry.

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THE **STATE** OF DIGITAL CLAIMS TECHNOLOGY

In the past year, the unusual circumstances of social-distancing and localized lock downs across the globe have accelerated the adoption of digital claims technology. According to our research 98% of all claimants have now used some form of technology throughout the claims process. As providers were forced to speed up the implementation of digital tools to serve customers online and stay operational - with an emphasis on physical safety and efficiency.

On average, claimants have used three forms of digital claims technology; the most common being submitting an online claim (56%) followed closely by checking the status of a claim online (51%). These are critical first steps towards familiarizing consumers with digital claims technology and necessary to ultimately deliver a fully digital process. This data also points to a clear demand and uptake from consumers for fast, accessible channels to initiate claims and receive updates on their own terms and time. This trend will accelerate across the automotive claims sector as digital transformation plays its role in empowering customers across many industries. In their 2021 report on digital transformation, IDC (International Data Corporation) reported that investment in digital transformation is growing at a compound annual growth rate (CAGR) of 15.5% from 2020 to 2023 and is expected to approach $6.8 trillion as companies build on existing strategies and investments.[1]

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UNLOCKING
SELF-SERVICE
CLAIMS AND REPAIRS

Now we need to look beyond simply logging a claim online, to how we can adapt the customers journey to initiate a complete self-service, digital claim. Which begins by digitally capturing the vehicle's damage. Almost half (47%) of global claimants had experience taking their own images of vehicle damage and uploading them onto an insurer's platform. Usage peaked at 50% in North America, 48% in Asia Pacific and 43% across Europe. This data is reinforced by the rapid adoption rate of driver self-service image capture tools that Solera witnessed globally throughout 2020. In some regions Solera saw completion rates on consumer image capture requests of over 85%, and globally received over 1 million consumer submitted images from March – December 2020. This trend is expected to continue to grow exponentially from this point.

Images taken by claimants and uploaded via a smart device can satisfy the level of convenience now expected from their automotive claims, reducing the need for lengthy phone calls explaining the severity and type of damage while avoiding confusion. It can also act as the gateway to a highly intelligent estimation process. By guiding end-users with a set of intuitive tools underpinned by deep learning, insurers and repair shops can provide claimants with faster, more precise triage decisions and damage assessments, ultimately starting users on the right AI journey.

The demand among consumers for more control over their claims journey falls in line with the shift towards self-service across many other sectors and services.

However, Solera data also found that many now want to go one step further, and would be willing to trade off control and communication for trusted automation. As consumers crucially saw most value in AI bringing them an even faster claims experience.

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CONSUMERS ARE READY FOR AN AUTOMATED AI JOURNEY – ARE YOU?

In the early days of AI, consumers expressed fear and doubt in the technology. However, as it has become more common place in products from Alexa to Netflix, consumers have welcomed the technology into their homes. Complete confidence in AI is the holy grail for organizations looking to build or enhance a digital customer journey. Our research found that three quarters (76%) of consumers would be confident with an entirely digital claims experience powered by AI, with one third 'extremely confident'.

Confidence was high across all regions, as 83% of North America and 82% of Asia Pacific respondents stated they would trust an AI-driven claims journey. However, this was slightly lower in Europe (66%). This data may illustrate Europe's lower level of maturity in relation to AI adoption than in the regions that traditionally rank higher in terms of technological advancements . Lower consumer exposure to AI-driven solutions can also be linked to higher security concerns about AI and the way in which personal information is used to drive deep learning and feed machine learning algorithms.

The onus is on providers to educate customers about the value of AI along the customer journey and how personal data is used in the process. Service providers must work with expert partners with proven, secure technologies that can support these efforts and instil confidence among customers with trusted solutions and market credibility.

Our research also uncovered that complete automation is now the benchmark for successful repair claims as consumers demand more digital convenience. Globally, almost three quarters (72%) of claimants would now be confident with a fully automated vehicle repair and claims journey. However, only a third (34%) of claimants globally had actually completed an automotive claim without speaking to a human. Clearly showing there is an opportunity here for early adopters to get ahead of the competition.

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DIGITIZE *TODAY* OR LOSE CUSTOMERS TOMORROW

Our research found that the provision of digitized claims journeys is now having a large impact on how consumers select their repair and insurance service providers. Two thirds (67%) of claimants would be willing to change insurance providers to one that offers more digital claims services, and nearly three quarters would change to an insurer using AI to process their claim quicker (73%).

Desire for an AI-powered claims journey was equally strong in all regions, with demand in Asia Pacific slightly higher (74%) than Europe (73%) and North America (72%). So, despite the lower levels of in trust an AI-driven claims journey in Europe, there was still a strong desire to bring the technology into the claims journey. As desired benefits for increased speed and convenience out weigh the potential concerns for data privacy. For insurers, across the globe this is a clear incentive for service providers to push through AI adoption barriers in order to continue their digital transformation efforts and both attract and retain customers.

More than three quarters (76%) also agreed that they would choose one repairer over another if they offered more digital channels to quote, book and track vehicle repair. Preference for digital repair services was highest in Europe (85%) but remained strong in North America (79%) and Asia Pacific (76%). This further demonstrates how consumers globally now expect to initiate and track progress of their vehicle repairs across the claims journey, moving away from traditional, on-site customer service and to online self-service.

An average of 72% of survey respondents stated they would be willing to submit their own images of vehicle damage if it meant that claims were resolved faster. With speed acting as a clear driver of digital adoption among claimants, insurance companies must work closely with their technology providers to ensure the tools they provide enable users to capture damage accurately for the fastest, most precise end-result.

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CONCLUSION

As our research revealed, consumers are AI-ready and automation will ultimately move away from 'nice-to-have' towards convention, as demand for a touch-less claims experience increases.

Consumers are willing to explore their options to find a provider to serve their digital needs. It also underscores the need for more digital channels amid the ongoing COVID-19 pandemic, which has taken digital transformation and consumer adoption to a new level..

The takeaway is clear; insurance service providers and repair shops must innovate today to retain customers tomorrow. Larger organizations who fall behind the rest with next-generation technology will not only face huge challenges when competing with more agile, digital-first players, but risk suffering the loss of critical customer loyalty.

Whatever the process, approach or desired outcome, those who work to bring AI into their roadmap and digitize rapidly will win in the digital age.

To find out more about Solera's Touch-less AI claims workflow visit **www.qapter.com**

COLEMAN PARKES RESEARCH   Solera's latest research series was conducted by Coleman Parkes between November and December 2020 with 1,500 tech-savvy consumers globally across North America, Europe and Asia Pacific.

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ABOUT SOLERA

Solera is a global leader in risk and asset management data and software solutions, empowering companies across the automotive and insurance ecosystem with trusted solutions that adhere to the highest standards of data privacy, security and integrity to support connectivity across the vehicle value chain. Solera's solutions bring together customers, insurers and suppliers, empowering smarter decision-making through service, software, enriched data, proprietary algorithms and machine learning that come together to deliver insight and ensure customers' vehicles and property are optimally maintained and expertly repaired.

The company is active in over 90 countries across six continents, processing more than 300 million digital transactions annually for over 235,000 customers and partners. By drawing on the market-leading solution capabilities and business process best practices from its technologies around the world, Solera provides unsurpassed scale and strength with superior performance while delivering innovation to move the industry forward.

For more information, visit solera.com

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