



Claims Management Solution

Commercial Auto
Line of Business



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At a glance



For the better part of a decade, the commercial auto line has been a challenging and mostly unprofitable line of business. Litigation, social inflation, driver safety, rising accident costs and decaying infrastructure have all contributed to a hard market.

In 2021 this trend changed, with U.S. commercial auto insurers seeing the lowest average combined ratio of under 100% for the first time in the last five years. But how sustainable is this recovery?

To be successful, insurers now realize that they must reimagine how they're doing business. There is an increasing focus on operational efficiencies and technological advances as a means of improving underwriting margins and paving the way to profitability. Claims management is one of these key investment areas. If done right, claims investments should result in capturing significant value.

Claims Challenges

Internet of Things (IoT)

The value of IoT lies in the constant stream of real-time data it provides. Telematics data can allow you to automatically detect, capture, and provide incident investigative data to your adjusters. It can also reveal subtle frauds, for example, it could tell if a customer who had a legitimate accident, maybe a head-on collision, then tries to lump in previous damage, say to the rear bumper. Some believe telematics will overhaul the underwriting business.

High Severity Injury Losses

Long hours on the road, many miles driven, larger trucks with slower responses – it's no wonder commercial fleet accident rates in the U.S. reach 20%. And they are among the most expensive injury claims to boot. Combine the high frequency losses with much larger policy limits and it becomes imperative for you to have a claims system that facilitates the accurate and efficient investigation, evaluation, and potential litigation of high severity injury claims.

Commercial Vehicle Estimation and Repair

When a collision or unexpected mechanical breakdown puts a commercial vehicle on the disabled list, it's often a scramble to get that vehicle rolling again. Fleet managers are on a perpetual quest to ensure their vehicles are operating at full capacity, and adjusters must be able to resolve these claims quickly. But due to the greater variance in large commercial vehicles when compared to personal autos, the estimation and repair is less uniform and more complex.



Use Case: **Upgrading the claims system**

The Challenge

A regional insurer of heavy long-haul trucks and midsize local delivery fleet vehicles had just completed an initiative to provide discounts for all insured vehicles that are installed with sensors, cameras and EDRs from their preferred vendor. Through the initiative more than 80% of the vehicles they insure are now connected.

Until then it did not make financial sense for the regional insurer to upgrade their green screen claims system and paper process, but with over 80% of their insured vehicles connected, they were in the market to upgrade their claims system. The system needed to reduce their run rate of claim IT ownership and be in production within six months.

The Solution

Five Sigma provided an open, cloud based out of the box commercial vehicle solution that was integrated and in production within six months.

1

In six months, the Five Sigma CMS was in full production and provided the commercial auto insurer with a fully integrated digital claims system.

2

The commercial vehicle insurer can monitor their insured vehicles in real time. When an accident occurs the system automatically begins the FNOL process, and the incident is assigned to an adjuster.

3

The adjuster reaches out to the insured to advise them that the investigative/resolution process has started.

4

All video and EDR data are transferred into the claim system. EDR data is converted into an incident report for the adjuster.

5

Once the adjuster has determined coverage and liability, the system will recommend carrier preferred physical damage partners to the adjuster. The adjuster can e-refer estimates or repair assignments and receive completed estimates and damage invoices through the system.

6

The insurer can create a portfolio of event specific status reports that refresh in real time to proactively keep all internal and external parties informed.

Delivering value for Commercial Auto Claims Management

Automated Claims Submission

Our digital claims management solutions (CMS) provide:

- All FNOL data received from the insurers/digital channels are embedded automatically into our workflows and ready for the next step in the process
- Rapid system identification of claim types
- Automated triage and adjuster assignment

Embedded Omnichannel Communications

Our CMS includes an API-level communication module that support all types of communications including SMS, mail, voice video calls, and even WhatsApp. All claims-related communication is documented, stored and analyzed automatically.

Just in-time Recommendations

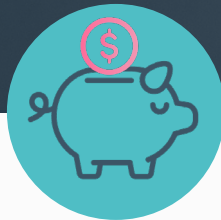
Our systems flags coverage and liability issues and presents the adjuster with relevant information and investigative steps within the claims system.

Damage Assessment & Negotiation

The key to effectively negotiating a claim begins with accurate damage assessment. Our CMS includes a digital bodily injury evaluation module to itemize, assess and aggregate damages

Monitoring and Management

Based on our advanced data modeling, we enable insurers to monitor your operations and receive actionable insights that will help you make strategic management decisions.



Increased
adjusting efficiency



Improved accuracy



Optimized
decision-making



Enhanced
customer satisfaction

About Us

Five Sigma is a cloud-native, data-driven Claims Management Solution (CMS) with embedded AI/ML capabilities to allow simple and smart claims processing for the insurance industry. Five Sigma simplifies claims management by adding automated claims processing workflows, using data modeling and AI to provide smart recommendations, improving adjusters' decision-making processes and reducing errors.

Leading insurance carriers, insurtechs, TPAs and self-insured companies use Five Sigma's CMS to modernize their claims operations, reduce claims leakage, enhance compliance, and improve their customers' experience.

For more information, visit:
<https://www.fivesigmalabs.com>

