

CASE STUDY



THEFT-LOSS TEAM USES XACTCONTENTS TO CUT ITS CLAIM CYCLE TIME IN HALF

Finding a way to improve a successful team, a top-20 insurance carrier settled theft-loss claims more quickly and accurately, improved customer satisfaction, and reduced claims handling costs. Less than six months after implementing a new approach that centered on the XactContents personal property estimating solution from Xactware, an elite theft-loss team saw dramatic results in reduced claims cycle time, increased productivity, and reductions in vendor costs.*

THE COMPANY

This top-20 insurance carrier delivers quick service to its policyholders who are victims of theft through a specialized group of theft-loss adjusters. Even in a company that places a high emphasis on customer service, the managers who oversee the theft-loss group and the adjusters who provide the service were especially focused on improving the customer's experience.

INDUSTRY

Top-20 Insurance Carrier

IMPLEMENTATION PARTNER

Xactware

SOLUTIONS

XactContents, XactAnalysis, Xactimate

KEY CHALLENGES

- Resolve theft-loss claims in less time
- Reduce cost of outside vendor to estimate replacement costs

KEY BENEFITS

- Using XactContents, the insurer achieved the following results:
- Cut claims cycle time in half
- Reduced outside vendor costs by 97%
- Increased productivity by 34%
- More than 80 percent of all estimates were turned around less than a day

THE CHALLENGE

Customers gave the theft-loss team high marks for its service. At the same time, the team worked to keep claims processing costs low by using outside vendors to help compile and estimate costs for the lists of items lost in each claim.

Although the theft-loss team was meeting and exceeding industry standards for speed and customer satisfaction, the team routinely analyzed the process used and looked for ways to improve.

THE STANDARD PROCESS

The theft-loss team used a process that typically worked like this:

- A loss was reported to the theft-loss team.
- The loss was assigned to an adjuster and sent to a third-party vendor who compiled a list of the items stolen and provided the costs to replace those items.
- The initial estimate of lost items from the third-party vendor was submitted to the adjuster.
- The adjuster carefully checked the estimate for potential math errors, pricing errors, and omissions. When an item was no longer available (e.g., an obsolete TV), the adjuster made sure the vendor-provided pricing was based on an available item with the same features and with the same quality.
- When the vendor did not find pricing for an item the adjuster was responsible to conduct research or the vendor was paid to do additional research.

THE AREAS THE THEFT-LOSS TEAM WANTED TO IMPROVE

- Adjusters had to wait for the third-party vendor to compile the initial estimate.
- As the estimate was being compiled by the third-party vendor, there was no way to see the progress of the estimate or to report on that progress to the policyholder.

- When policyholders lost unique or unusual items that were not in the third-party vendor's database, the initial estimate was returned without pricing for those items. If requested, the vendor would provide research for that item for an additional hourly fee. The bill for this research was typically three to four hours for each line item researched. Paying a fee did not guarantee the vendor would be able to find a cost for the item.
- Adjusters spent significant time reviewing estimates for accuracy, researching questions, and searching for costs when pricing was not available from the third-party vendor.

THE SOLUTION

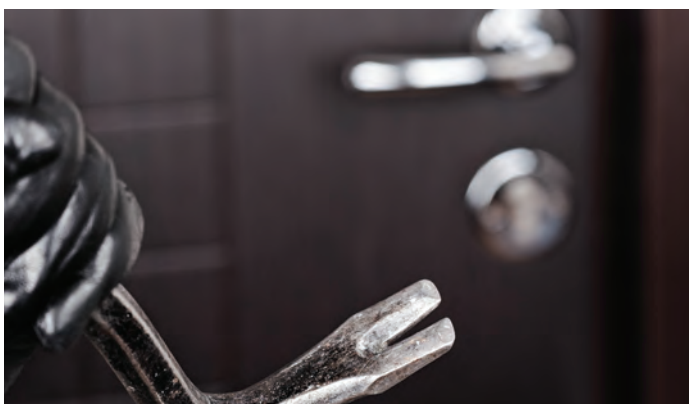
The theft-loss unit created an estimation team that would use Xactware's XactContents software to estimate losses that had previously been sent to third-party vendors. XactContents provided a range of features for contents losses of all sizes. Some of the key features include the following:

- XactContents pricing is always up to date and comes directly from a variety of sources including major national retailers.
- XactContents users can use an array of specialized searches to find items.
- Integrated Internet searches allow the user to find items online from participating national retailers, then simply click to add the item to the estimate.
- Internet searching for hard-to-find items can work in the background while the estimator is doing other work.
- XactContents QuickEntry makes it fast and easy to enter line items.
- XactContents allows policyholders and others to enter items in a spreadsheet that is imported directly into XactContents.
- XactContents is available online or as an integrated module of the Xactimate property estimating system.

THE IMPLEMENTATION

The theft-loss team replaced most of the estimating services received from third-party vendors with an inside estimating team. This team used XactContents to complete estimates for adjusters on the theft-loss team just as third-party vendors had previously.

The in-house estimating team learned how to use XactContents with the built-in real-time training and from an onsite training seminar from Xactware. The supervisor with responsibility over the theft-loss estimators, said the training was a big help. "The training helped us really take advantages of some of the shortcuts and search features built in to XactContents."



"In less than six months, the theft-loss estimating team reduced claims handling costs by an amount that was equal to more than \$50,000 per year for each person on the team."

Another big advantage to XactContents was the up-to-date pricing information. "This was a huge benefit," said the theft-loss supervisor. Although this substantially reduced the number of unique or unusual items that needed additional research, items such as rare artwork and custom jewelry sometimes required contact with an industry professional. The in-house team developed contacts that could quickly provide specialized information when needed.

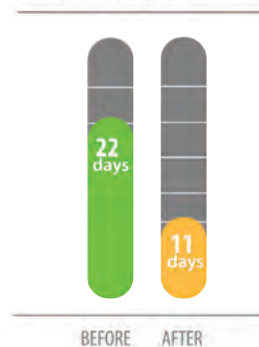
Efficient use of the XactContents tool, integration with key personal-property professionals, and skilled theft-loss estimators combined to make implementation fast and efficient.

THE RESULTS

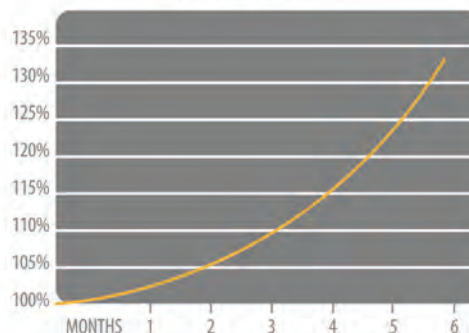
In less than six months the theft-loss team achieved some astonishing results. The claims cycle time was cut in half, outside vendor costs were reduced by 97%, and the productivity of the theft-loss claims team improved by 34%. More than 80% of all estimates handled by the theft-loss estimation team were turned around in less than a day.

The 10-person adjusting team that formerly handled theft-loss claims was reduced to seven. The other three team members moved to the estimating team.

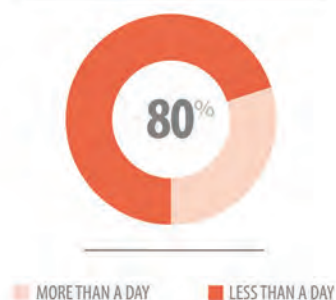
Claims Cycle Time



Productivity Increase



Claims Settled in One Day or Less

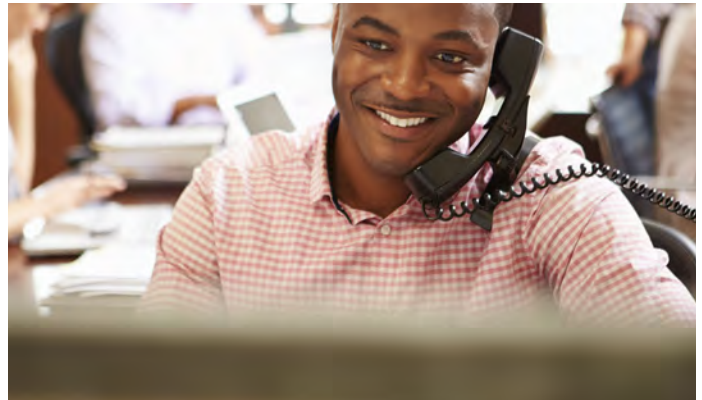


The estimating team handled most of the estimates that were previously sent to third-party vendors with no net addition of staff to handle the new work. “We’re very proud of the fact that we were able to create the new contents estimating team without adding staff,” said the theft-loss supervisor. The net savings from this achievement is more than \$500,000 per year for the theft-loss team. That’s a \$50,000 savings for each team member, every year.

The new approach also has additional far-reaching impacts that are yet to be fully measured. Some of the key benefits the theft-loss supervisor sees from the new program include the following:

- The theft-loss estimating team has improved productivity so dramatically they are now able to take estimating requests from other adjusting teams that need contents estimating such as the catastrophe team.
- Theft-loss contents estimators understand coverage issues, the company policies, and its commitment to customer service. Once they complete an estimate, no additional proofreading, corrections, or additions are required. Adjusters who received the estimates know they are accurate and complete and that the estimating team will stand behind the product.
- The contents estimators take on all challenges, including hard-to-find items. They do not pass on incomplete estimates.
- XactContents pricing research pulls prices directly from retailers and is always up to date. This provides unparalleled accuracy. When estimators use these prices they have exact, actual sources where products can be purchased. Customers can even go to a pricing source and buy a replacement item if they choose.
- Anecdotal evidence suggests customers are also noticing the change. Because the quality of the theft-loss team was always high, the theft-loss supervisor said it wasn’t unusual to hear customer comments such as, “That turned around so fast. I’m, thrilled.” With the new approach and XactContents, “We are hearing that so much more now.”

- Communication has dramatically improved. There is no time when the claim is “out” being worked on by a third party. An adjuster assigned to the loss can see progress in the file and provide feedback to the estimator and policyholder. Policyholders are always in the loop. “The quality of the information we’re getting is so much better,” said the theft-loss supervisor.



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THE LESSON

The combination of XactContents and a well-led team of knowledgeable and committed experts can significantly reduce personal-property claims handling costs, improve accuracy, improve the service provided to the policyholder, and improve customer satisfaction. The theft-loss supervisor says the team’s performance has exceeded all expectations. “When we see the result we’ve gotten and all of the improvements—it’s just really exciting to see that,” she said.

**The insurance carrier’s corporate policy and contractual agreements prohibit the use of the company’s name in this case study.*