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Mitchell Issues 3rd Quarter 2019 Industry Trends Report

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5 MIN READ

San Diego, CA—[Mitchell International](#), a leading provider of technology, connectivity and information solutions to the Property & Casualty (P&C) Claims and Collision Repair industries, today released its [Industry Trends Report \(ITR\)](#) for the third quarter of 2019. In this quarter's report, Mitchell executives share insights on leveraging emerging claims technology to improve strategic decision-making. The report also looks at how current positive economic trends coupled with the growing cost and value of cars are increasing the frequency and cost of claims for repairing damage. Mitchell experts also identify key areas of the claims process where workflow technology has the potential to significantly improve performance.

How Humane Automation Leverages Claims Technology for Better Outcomes

In his latest article on humane automation, "[How \(Humane\) Claims Automation Leverages Technology for Better Outcomes](#)," Mitchell CEO Alex Sun notes that insurance automation today can "free workers from rote tasks, providing them with more time to focus on human-centered work and complex decision-making." He notes that automation of the claims process using artificial intelligence, business rules engines and predictive analytics can vastly increase the opportunity for improved outcomes.

Sun said, "the notion of 'humane automation,' is that as claims organizations maintain and ramp up their investments in automation technologies, the focus on the benefits to people—both employees and customers—takes on ever greater importance." Automation, Sun observed, "enables adjustors to quickly identify and focus on the most complex claims where human intervention is likely to have the greatest impact."

Sun is optimistic about the future of humane automation. "As the investment in claims technologies continues to accelerate, it's clear that humane automation remains at the heart of these improvements," Sun said. He noted that "artificial intelligence is, indeed, artificial. It's still up to people to make better and more effective decisions." And, he added, "If automation can continue to be the catalyst for improved decision making in the claims process, then humane automation will be truly human."

Other articles by Alex Sun include Part 1 of the Humane Automation Series; and [5G: What High-Flying Predictions Mean for the Property & Casualty and Collision Repair Industries](#).

The Auto Physical Damage Edition: Economic Trends Impacting Claims and Collision Repair

The strong U.S. economy continues to have an impact on consumer behavior, driving patterns, and thus, the trajectory of auto collision repairs and auto physical damage claims. While the safety and electronic features of new vehicles can reduce claims frequency, these improvements can be expensive to repair.

In his article “Economic Trends Impacting Claims and Collision Repair,” Ryan Mandell, Director of Claims Performance, Mitchell Auto Physical Damage, identifies several economic trends: “Consumers are buying higher-priced cars such as SUVs, which have become the vehicle of choice for more and more drivers. However, the cost of owning a car is moderating: lenders have extended the length of car loans to offer lower monthly payments, and gas prices have been dropping.”

All these trends combined with a healthy economy result in consumers driving more miles. In April, miles driven increased 2.5 percent and in May, that increase was 1 percent. There is a direct correlation between miles driven and the frequency of auto claims. Consumers will likely continue to spend more on their vehicles and drive them more frequently and for longer distances.

Other articles in the auto physical damage edition include Windshield Complexity and their Role in ADAS Functionality; Average Length of Rental for Repairable Vehicles Q2 2019; and a discussion of the current used vehicle market conditions.

The Casualty Edition: The Power of an Optimized Workflow Technology

Claims automation can provide many benefits to the insurance industry. According to a study by [Deloitte](#), it could free up 54 million to 285 million adjuster hours annually, amounting to \$1.7 to \$8.9 billion in potential cost savings within five to seven years.

In the “[Power of an Optimized Workflow Technology](#),” Shahin Hatamian, Senior Vice President, Product Development, identifies key areas where technology can contribute to these savings: claims triage and bill review engine business rules, among others.

The amount of time it takes for a claim to be triaged can have a lasting impact on the outcome of the claim. Hatamian noted that the [Insurance Information Institute](#) found that faster triage at the first report of injury for workers' compensation claims can reduce claim severity and lower the likelihood of litigation.

Hatamian also notes that to achieve or maintain optimization, claims organizations should take another look at their business rules for their bill review processes to evaluate if any can be updated to reduce claim touchpoints and improve efficiency.

Other articles in the casualty edition include [The Power of Streamlined IT Investment: Reducing Barriers to Implementing New Claims Technology](#); [The Changing Workforce: How to Prepare for When Your Best BI Adjuster Retires](#); [How Managing Provider Data Can Make a Positive Impact on the Claims Process](#); [Four Major Trends in Workers' Compensation Legislation](#); [Five Initial Evaluation Issues That May Delay Return to Work](#); and [Premiums Written: Q3 2019 Quarterly Must Read Round-Up](#).

About the Industry Trends Report

Now in its 18th year, Mitchell's ITR reaches more than 30,000 collision and casualty industry professionals and provides meaningful visibility into data-driven trends in the P&C and collision repair markets.

For further collision repair and property casualty industry updates and perspectives, follow Mitchell on Twitter [@Mitchell_Intl](#), [@MitchellClaims](#), [@MitchellRepair](#) and on [LinkedIn](#).

About Mitchell International

Headquartered in San Diego, California, Mitchell International, Inc. delivers smart technology solutions that simplify and accelerate claims handling, repair processes and pharmacy transactions, driving more accurate, consistent and cost-effective resolutions. Mitchell integrates deep industry expertise into its workflow solutions, providing unparalleled access to data, advanced analytics and decision support tools. Mitchell's comprehensive solution portfolio and robust SaaS infrastructure connect its customers in ways that enable tens of millions of electronic transactions to be processed each month for more than 300 insurance providers, over 65,000 pharmacies and 30,000 collision repair facilities, as well as countless other Property & Casualty industry supply partners across the Americas and Europe. For more information, please visit [Mitchell.com](https://www.mitchell.com).



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