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[Auto Casualty](#)

2021 Auto Casualty Predictions: Automation, Miles Driven and More

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4 MIN READ

The past year has been unprecedented—and unpredictable—but through all of the uncertainty, a few patterns have emerged in the auto casualty insurance industry. As we look ahead to next year, our experts shared the trends that they think will continue, change and grow. Here are our 2021 predictions for the auto casualty insurance industry:

Automation and Straight-Through Processing Will Become More Important Than Ever

While automation and straight-through processing have been a hot topic around the industry for a while, 2021 is the year we expect carriers to fully lean into these technologies. As carriers face extraordinary challenges and pressures due to the COVID-19 pandemic, our experts foresee many will shift from an adjuster-driven claims workflow to exception-based processing, looking to [automate the end-to-end claims workflow](#) as much as they possibly can. In order to make this happen, carriers will continue to focus on data analytics, as this is the foundation of a successful automation strategy. Traditional technologies, like [rules engines](#), will continue to play an important role in straight-through processing and automation, but our experts also predict that we will also see increased adoption of artificial intelligence, machine learning, text mining, optical character recognition and more innovative technologies. Automation and outsourcing will not only help improve efficiencies, but it will also help carriers develop competitive advantages in the market.

Carriers will continue to drive automation to reduce manual touches as everyone searches for alternate ways to manage resources in this ‘new norm’ of doing business. —Monica Declercq, Senior VP, Technology Enabled Services.

Miles Driven Will Stay Down as Work-From-Home Continues; Severity Will Continue its Upward Trend

As the COVID-19 pandemic continues and most office-based employees continue to work from home, we expect that miles driven will [continue to stay down](#). While we may see small fluctuations in the number of

drivers on the road, we believe this statistic will stay below pre-pandemic levels for a while. Fewer drivers on the road have already led to increased severity as less crowded roads have led to [more speeding](#). Our experts expect this trend of increased severity to continue as miles driven remains down. When it comes to third party claims, this increased severity could lead to higher demand and settlement amounts.

In 2021, I think total miles driven will have the greatest impact on auto claims as the economy starts to recover and employment sputters. —Norman Tyrrell, VP, Product Management.

Telemedicine Will Undergo Innovation, Security Scrutiny

[Telemedicine](#) boomed this year like never before. In 2021, we expect that additional technologies like wearables, robotics and augmented reality will make telemedicine more useful and will help expand its application to other use cases. As telemedicine usage continues to grow, we believe we will also see an additional focus on the [security of personal health information](#). In 2020, many states passed emergency and temporary rules regarding coverage for telemedicine. As we enter 2021, our experts believe that many state legislatures will pass more permanent telemedicine regulations requiring that insurers cover virtual care for auto injuries.

I expect some new telemedicine technologies will come into play that goes beyond simple video conferencing that will make telemedicine more useful beyond current use cases. —Shahin Hatamian, Senior VP, Product Management.

The Industry Will Increase Focus on Fraud

Property and casualty insurance fraud amounts to [\\$30 billion](#) each year, according to the Insurance Information Institute. As the COVID-19 pandemic continues, we are seeing new types and cases of fraud across the industry. For example, federal agencies recently charged 345 people, including more than 100 medical providers, in a [\\$6 billion fraud case](#)—of which \$4.5 million was connected to telemedicine. In 2021 carriers across the industry will put an increased focus on detecting fraud as the pandemic continues.

Fraud is top of mind right now for carriers. COVID-19 is still fairly new in our world, so detecting fraud related to the pandemic will be a focus area. —Mike Cwynar, Senior VP Product Delivery and Development.

Major Regulatory Changes in Michigan; Other States

In 2021, many major auto casualty regulatory trends are on the docket, including the implementation of the new Michigan no-fault fee schedule. For more information about next year's regulatory trends and legislation be aware of, [click here to listen to our podcast](#).



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