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Insurtechs Demand A Platform Designed For Their Unique Needs

Snapsheet empowers insurtechs to create their own success stories using digital solutions and cloud-based technology

Claims aren't the first consideration for most insurtechs. The focus is rightfully on back-end development, product development, and creating all the systems and workflows to bind a policy and service customers.

But when the first claims roll in, the lack of a developed claims platform becomes apparent quickly. And starting with something simple like a Google or Excel sheet makes sense until claims volume and complexity explode to a breaking point.

Macroeconomic Issues Affecting the Insurance Industry

Pressures continue to build for the global insurance industry. The insurance and risk management industry tends to mirror macroeconomic conditions, so during times of recession the industry struggles. Insurtechs and traditional insurers are always looking for new ways to reduce expenses and increase profits.

Optimizing the staff and resources it already has, insurance companies often leverage existing solutions beyond their usefulness. This overreliance on legacy systems has created an industry in need of modernization. Digital solutions enhance the customer experience by making processes faster and reducing the effort required by the customer.

Other macroeconomic issues affecting the insurance industry include:

- **Natural catastrophes** have increased in frequency and severity in recent years. Eight of the top ten costliest natural disasters in the US have occurred in the last two decades. [1]

- **Climate change** is exacerbating natural disasters. Longer periods of drought and warmer ocean and surface temperatures can cause catastrophes like wildfires and hurricanes to be severe. We have experienced a megadrought

Then the gaps in the program quickly become roadblocks, holding the insurtech back from growing and scaling.

Insurtechs need a scalable digital technology solution to solve this claims platform problem. They need a solution that can move as quickly as they do, and one that grows alongside them. And delivering an exceptional, low-effort customer journey is critical.

across the Western US worse than any in the last 1,200 years. These unique conditions are driving storm uncertainty and complexity for insurers. [2]

- **Supply chain issues** continue to cause challenges. Repairing property damage to vehicles and homes involved in accidents is increasingly difficult when repair shops and contractors can't get the necessary parts. These supply chain issues drive up costs and repair time. [3]

- **Labor shortages** cause delays in cycle time. And while the gap between job vacancies and available workers fluctuates, worker shortages continue to cause higher wages and longer cycle time for home and auto repairs. [4]

- Insurers are struggling to write profitable business in **coastal areas**, particularly California and Florida. GEICO announced the closure of its agency offices in California, and the Florida home insurance market has seen the closure or downgrade of multiple insurers. [5]

- **Nuclear verdicts**, excessively high jury awards often defined as those over $10 million, are on the rise. This has a disproportionate effect on the commercial trucking industry, but insurers overall are paying the price for these nuclear verdicts. A study from The American Transportation Research Institute (ATRI) found the size of verdict awards increased 51% annually from 2010 to 2018. [6]

- The **average cost** of gas across the US continues to fluctuate. Prices can vary drastically throughout the country. Some parts of the country were affected more than others. The increased costs and price volatility mean insurers pay more to adjust claims when field appraisers inspect damaged vehicles and property in person. [7]

- **Global factors** affecting insurers worldwide include the war in Ukraine, increased capital requirements for Solvency II, growing cybersecurity risks, continued inflationary pressures, and challenges arising from GDPR and US privacy law non-compliance.

Insurtechs Face Unique Challenges Within The Insurance Industry

Insurtechs face unique challenges in the centuries-old insurance industry. Being a new player on the block means many insurtechs face an identity crisis as they find their place in the ecosystem. But even among traditional players, many insurtechs have carved their unique niche in the industry, finding success by providing a tailored experience.

But this success doesn't come without its challenges. Insurtechs face unique pressures within the insurance industry.

Embracing the Need for a Modern Claims Platform

Insurtechs often outsource claims at first. Using a TPA means they can focus their attention on structure, workflow, and administration of front-end systems to sell and bind policies and service customers while relying on a third party for claims. This works well at first — until claims start being reported. Claims follow the policies, and often the first claim received is a challenging moment of truth for a startup insurtech.

It is at this time that insurtechs realize they need a claims system. In researching options, both traditional legacy systems and the huge claims platforms of recent years are ruled out for different reasons. Legacy systems are slow and clunky and cannot keep up with the demands of a digital insurer. And the huge claims platforms are expensive and time-consuming to set up and maintain.

Insurtechs need a claims solution that grows and scales alongside them and one that moves quickly. Updates to one part of the platform can't break another, and maintenance must be fast and easy. Being able to change on the fly, test, fail, and reiterate quickly is a mainstay for many insurtechs — so they need a claims system that can keep up with their pace.

Finally, insurtechs need their claims system to be agnostic, or able to connect with any policy administration platform they utilize. A workflow agnostic claims system works with existing policy platforms through API connections, creating seamless workflows and exchanges between claims and policy administration.

Control the Way You Communicate With Your Customers During the Claims Process

Insurtechs want to own their customer journey from end to end. Creating a unique and satisfying customer experience is the backbone of many insurtechs. And crafting a special experience also means owning every part of that journey — controlling the quality every step of the way, including throughout the claims process.

This means insurtechs don't want to outsource the customer experience — instead they want to insource the process using tools and technology to amplify the experience. For many insurtechs, the customer journey is the most important process map to solve.

Insurtechs are savvy and know which parts of their workflow to send to a vendor, and which parts to keep in-house. Customer-facing communications remain in-house, facilitated by cloud-based technology. Besides, it would be completely off-brand for a sleek digital insurtech to create a seamless digital policy experience followed by an awkward, slow claims experience.

You Can Have a Small In-house Technology Team

With a small — but mighty — in-house tech team, insurtech employees take on many roles. Developers and programmers work hard to create and implement software updates and new deployments. But to move large technology projects forward, often insurtech teams need outside assistance from a SaaS vendor.

But insurtech startups face another overall challenge, which is to do more with less funding. Without being able to invest in an expensive claims system, they need alternative solutions. And while they may not be able to spend the capital for the most expensive claims platform, they still need to find the best technology to implement quickly.

A fully cloud-based solution with open APIs allows insurtechs to build their system, adding components to create their robust claims platform. But customers can also take advantage of a well-developed, out-of-the-box software solution and do very little customization. The latter allows insurtechs to be functioning in an average of 12 weeks, not months or even years like with the largest claim platform alternatives on the market.

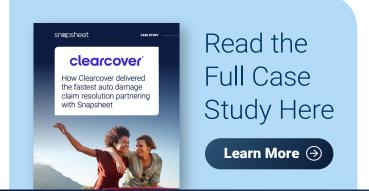| **3M**	**5-10**	**5000**	**31**
Claims Processed	Weeks to get the Platform "Up & Running"	Daily Claims Platform Users	Customers on the Platform

Work With Your Claims Teams in Different Ways

Insurtechs are built differently. Doing things creatively and innovating every day is in their DNA. And when it comes to working with their claims teams, insurtechs don't want to follow the same old traditional operating model. They want to do it better and find ways to be more efficient and effective.

Finding more clarity on how claims are managed and mitigated is a critical step in the claims journey, and once insurtechs deepen their knowledge of their claims organizations they can better manage them. Integrated metrics and reporting drive results as insurtechs see granular claim-level detail.

Then insurtechs can find new ways to work with their claims team, whether through an in-house department of adjusters or a third-party administrator handling claims. When considering how to hire, manage, and collaborate with claims teams in different ways, insurtechs have to consider the costs of a decentralized team, remote workers, and maximum volume adjusters can handle. Having access to built-in reports makes this process simple for insurtechs to see their data to make smart decisions and iterate quickly.

Read the Full Case Study Here

Learn More ⊙

Solutions Designed to Meet the Needs of Insurtechs

Snapsheet's digital solutions were designed to meet the needs of insurtechs. We know insurtechs because we are one. Our pioneering virtual appraisal software started a digital revolution and we've built on our expertise to create a simple and powerful claims platform and payment system.

Our software helps insurtechs build the most intelligent, automated claims experience — in a fraction of the time. Kyle Nakatsuji, Founder and CEO of Clearcover, described how using Snapsheet's iterative process led to a more streamlined claims experience: "We continuously uncovered and removed friction from the auto collision claims process to unlock a better, faster customer experience." Read the Clearcover case study for more details.

Snapsheet claims management software delivers:

- **Powerful integrations.** The right integrations create a cohesive, powerful platform optimizing your results to reduce loss adjustment costs and increase capacity. Scale and grow with strong vendor partners.

- **Smart automation.** Reduce cycle time and waste through smart automation focused on reducing effort and maximizing workflows. Automating manual processes lets employees handle critical, customer-facing tasks.

- **Increased simplicity.** Streamline workflows and processes to reduce complexity, eliminate waste, and triage claims quickly. Route incoming claims to the right adjuster the first time and reduce wasted effort.

How Snapsheet Solves Challenges

1

Insurtech Challenge
Insurtechs need a claims platform designed for their needs.

Snapsheet Solution
Snapsheet's claims management platform is designed for Insurtechs. With complete out-of-the-box functionality at a fraction of the cost of the larger players, Insurtechs can be functioning in a matter of weeks.

2

Insurtech Challenge
Insurtechs want to control their customer experience from end to end.

Snapsheet Solution
Snapsheet's claims management platform includes integrated emails, text messaging, and communication templates. Insurtechs control their customer experience using Snapsheet's end-to-end system.

3

Insurtech Challenge
Insurtechs have a small in-house tech team with a limited budget.

Snapsheet Solution
Snapsheet has built-in capability upgrades pushed to production every two weeks. Our no-code solutions allow Insurtech business team members to innovate, test, and iterate quickly.

4

Insurtech Challenge
Insurtechs want to work differently.

Snapsheet Solution
Snapsheet's claims management platform enables insurtechs to manage their in-house or third-party claims teams easily. Integrated metrics and reporting mean leaders can make informed decisions and iterate quickly based on real-time results.

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Our simplified workflows and automated processes enable Carriers & MGAs to manage claims from start to finish. Some features of the platform our customers love include:

- Built-in metrics and reporting

- No code workflow automation

- Integrated emails and text messaging with templates designed for inbound and outbound communications on the claim file/exposure level

- Integrated document, photo & media management

- Automatic assignments get the right claim to the right person at the right time

Snapsheet designed its platform with consistent capability updates deployed automatically every two weeks. Our customers love taking advantage of the newest and best functionality, and we love providing it.

At Snapsheet, we know what it's like to work for a growing and thriving insurtech — so we make the experience with our software as seamless and simple as possible for other insurtechs. Our straightforward and transparent design improves both the customer and the employee experience.

And one of the best features of Snapsheet's platform is our seamless integrations with existing partners and vendors to make life easy.

Imagine integrating your partner ecosystem with the claims management system to reduce cycle time and loss adjustment expenses through our robust API layer.

Bottom Line

Many insurtechs are facing an inflection point. The time has come to decide how to move forward with managing their claims experience. Will they outsource or build and manage in-house? Not just any claims platform will do. Some will be cost-prohibitive and time-consuming. Others won't have the capability to power an insurtech at scale.

But we've done it before. Snapsheet's customer success stories speak for themselves. Join our growing list of thriving insurtech customers and build the most intelligent, automated claims experience today!

Contact Snapsheet for your personalized demo and see how our innovative digital software solves the unique challenges of insurtechs.

Get up & running in weeks with our modern claims management platform.

→ Request a Demo

EXTERNAL LINKS:

1. https://www.iii.org/fact-statistic/facts-statistics-us-catastrophes
2. https://www.usgs.gov/faqs/how-can-climate-change-affect-natural-disasters
3. https://www.scientificamerican.com/article/western-megadrought-is-the-worst-in-1-200-years/
4. ttps//www.sacbee.com/news/california/article263946861.html
5. https://www.insurancejournal.com/news/southeast/2022/08/02/678316.htm
6. https://truckingresearch.org/2020/06/23/new-research-documents-the-scale-of-nuclear-verdicts-in-the-trucking-industry/
7. https://gasprices.aaa.com/