

New Auto Insurance Verification Tool

ChoicePoint has launched the industry's first contributory database of insurance policy information for use by auto insurance carriers. Carrier Discovery allows a claim adjuster to instantly identify critical insurance carrier information on claimants and other involved parties in an accident.

The National Association of Independent Insurers and the Insurance Research Council both report that approximately 14 percent of American motorists drive without insurance. However, a number of the estimated 14 percent actually have insurance; the insured may hide this fact in order to avoid paying higher premiums. (People driving without insurance create potential problems for other drivers, insurers and regulators. Insured drivers must bear additional risks and added costs because of the need for uninsured motorists' coverage. According to the Insurance Research Council, in 2002, the average uninsured motorist claim included injury payments of \$8,294 in addition to payments for property damage.)

"Carrier Discovery is the result of our commitment to helping insurance carriers improve their claims outcomes," said Roy Marler, ChoicePoint vice president, claims record unit. "Our customers tell us that approximately 10 percent of all claims processed as 'uninsured motorist' turn out to be situations where an individual actually had coverage. Carrier Discovery will assist with identifying those individuals and help improve recovery opportunities, delivering real value for our customers."

With the recent launch of Carrier Discovery, ChoicePoint discovered numer-

ous instances where this offering saved an insurance carrier money, assisted in identifying a fraudulent claim, and facilitated a speedy resolution. For example: a ChoicePoint customer received a claim from its insured who was involved in an accident with a hit-and-run driver. The insured was struck at an intersection by an oncoming SUV. Luckily, as the SUV was driving away, an eyewitness was able to get the license plate number of the vehicle and provided it to the police.

When the adjuster received the accident report from ChoicePoint's web-based system, OrderPoint, the report only listed the at-fault driver's vehicle plate number. Using ChoicePoint's interactive plate search engine, the adjuster obtained the registered owner's information including the VIN of the involved vehicle. With this information, the search on Carrier Discovery returned the driver's name, insurance carrier and coverage types. The adjuster was able to take this information to subrogation and from there the carrier received payment of damages for the insured.

This was a very successful outcome. Without the information from Carrier Discovery, the insurance carrier may have had to pay for the damages to the insured's vehicle with no recovery. Instead, the result was a recovery of \$7,500 and a quick resolution for the customer. Not only did Carrier Discovery impact the claim process, but it also changed the claim status from what was previously submitted as an uninsured motorist claim, thereby positively impacting the insurance carrier's UM reserve.

The Carrier Discovery service can be

used to streamline the "first notice of loss" call process, provide adjusters and fraud investigators with dual coverage information, or verify insurance coverage for subrogation. Carrier Discovery is also designed to be applied at any point in the claim process.

Carrier Discovery helps where (1) the insured didn't obtain insurance verification, or (2) the accident report doesn't list insurance information, but has VIN and/or name and address. Certain efforts can be avoided, such as calling claimants' to get insurance information, completing paperwork that results in a carrier denial letter as a claim is filed through the claimant carrier, and a carrier's need to determine situations where a claimant was involved in an accident and purchased a policy within days after the accident.

In today's highly competitive environment, this type of critical information is key as insurance carriers continue to increase claim performance by minimizing leakage, controlling claim expenses, improving reserve accuracy, and providing for an improved claimant experience and outcome. Together with our customers, ChoicePoint provides the tools, data and analytics to positively affect claims outcomes with such products as Carrier Discovery. The impact of this product has already been seen with the identification of fraudulent automobile claims and additional recovery opportunities. ■

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