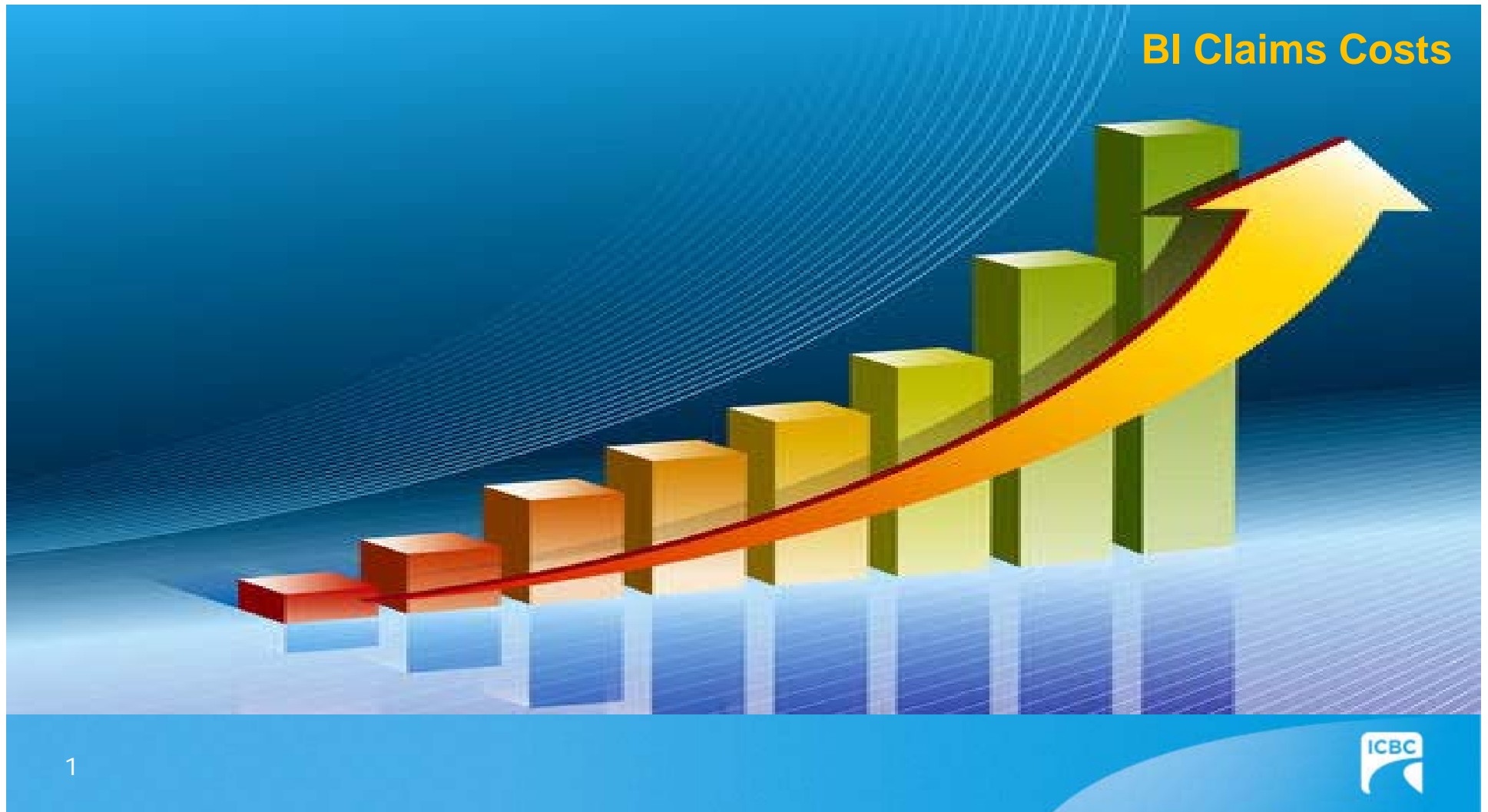# Claims Analytics Case Study:
BI Claims Representation

The All-Too-Familiar Trend

BI Claims Costs

The All-Too-Familiar BI Cost Driver

BI Claims Legal Representation Rate

BI Claims Costs

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Analyzing Factors Influencing BI Representation

Analyzing Factors Influencing BI Representation

Analyzing Factors Influencing BI Representation

Steps	Broad factors investigated	Specific factors	Methods
1. Profile the problem	Demographics	Age, gender, etc.	Claims data analyses
	Geographic	Regions, Urban/Rural	
	Claim types	Injury types and severities	
2. Investigate reasons for representation	Internal	Claims Processes Adjuster Behaviour	Claims SME interviews
	External	Lawyer firm Business models Treatment providers	Stakeholder interviews Lit Reviews Online legal firm research
	Claimant	Perceptions Expectations Needs	Claimant Survey Focus Groups

Initial Findings

1. Claimants are becoming represented earlier in the claims process

2. Increased likelihood of future representation if previously represented

3. Growth in rep rates is higher for minor injury claims

4. No significant demographic differences
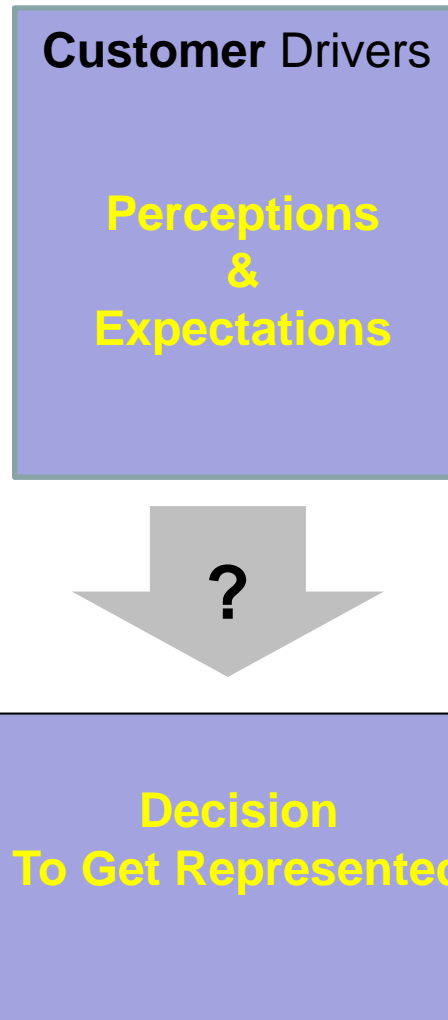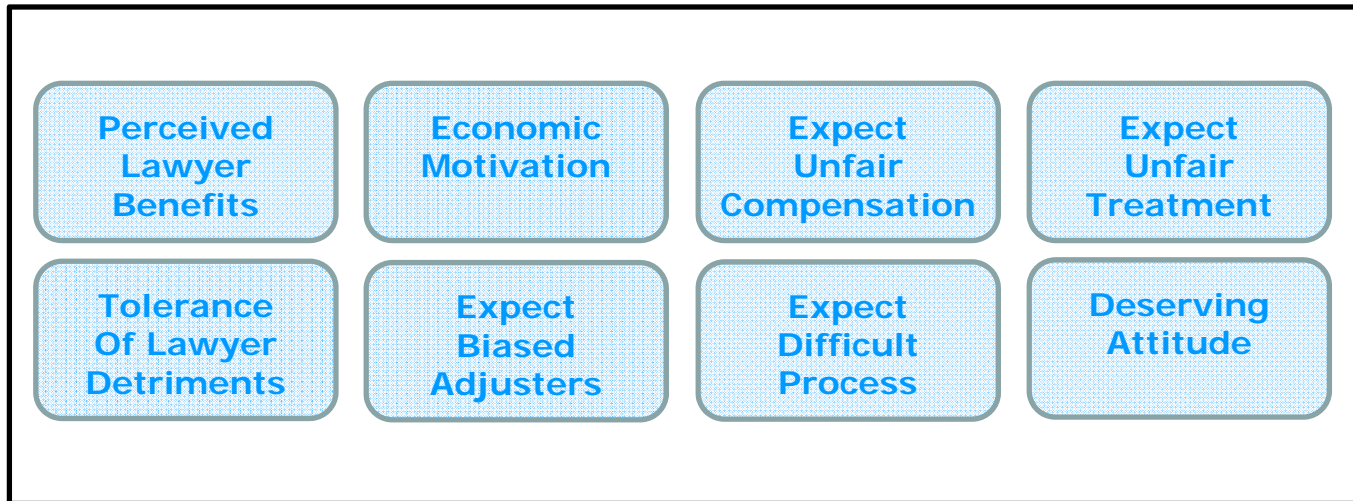
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So why are claimants going to lawyers?

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Investigating Claimant Rep Drivers Using Survey Data

Customer Drivers

**Perceptions
&
Expectations**

?

**Decision
To Get Represented**

Rep Drivers

Define specific rep drivers based on customer and SME feedback

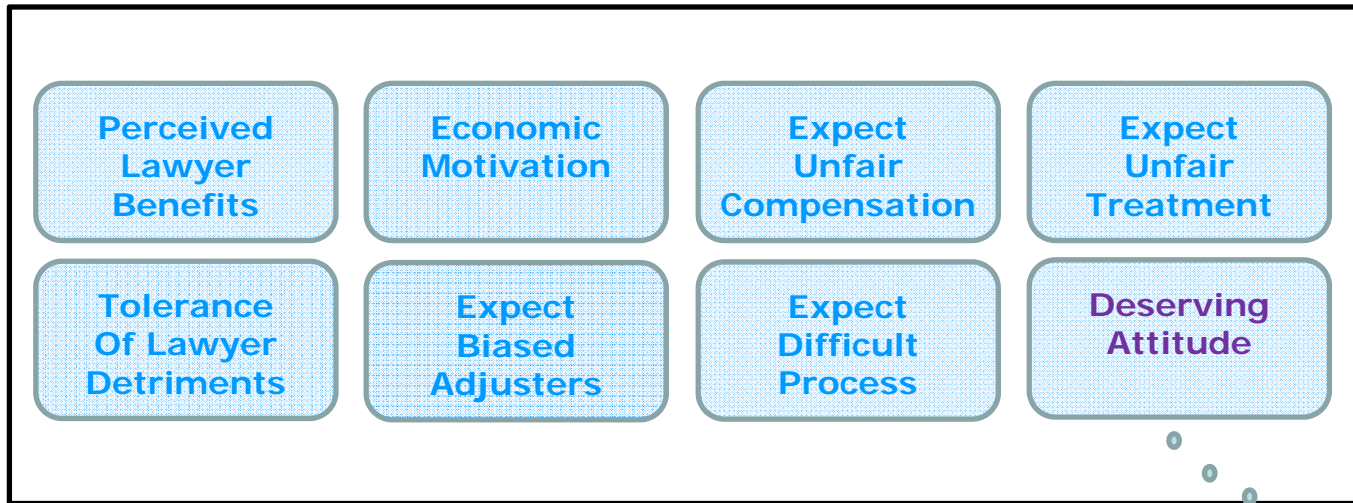|			
Perceived Lawyer Benefits	**Economic Motivation**	**Expect Unfair Compensation**	**Expect Unfair Treatment**
Tolerance Of Lawyer Detriments	**Expect Biased Adjusters**	**Expect Difficult Process**	**Deserving Attitude**

Each driver category is measured by a set of survey questions

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Rep Drivers

Define specific rep drivers based on customer and SME feedback

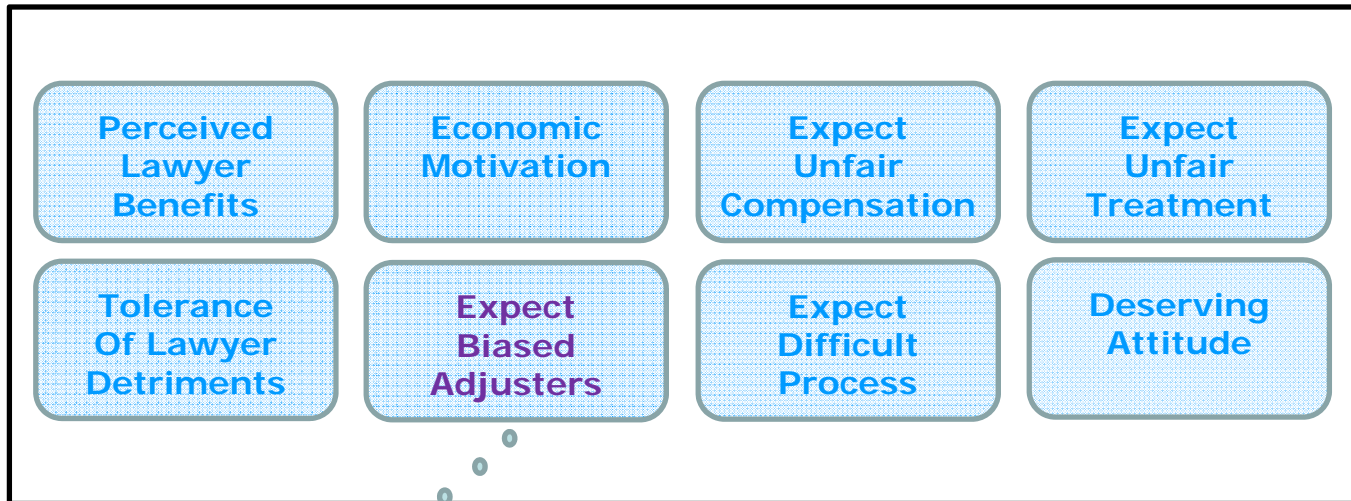| Perceived Lawyer Benefits	Economic Motivation	Expect Unfair Compensation	Expect Unfair Treatment
Tolerance Of Lawyer Detriments	Expect Biased Adjusters	Expect Difficult Process	Deserving Attitude

E.g. *If injured in a crash, I deserve to be compensated for any stress I might have experienced.*

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Rep Drivers

Define specific rep drivers based on customer and SME feedback

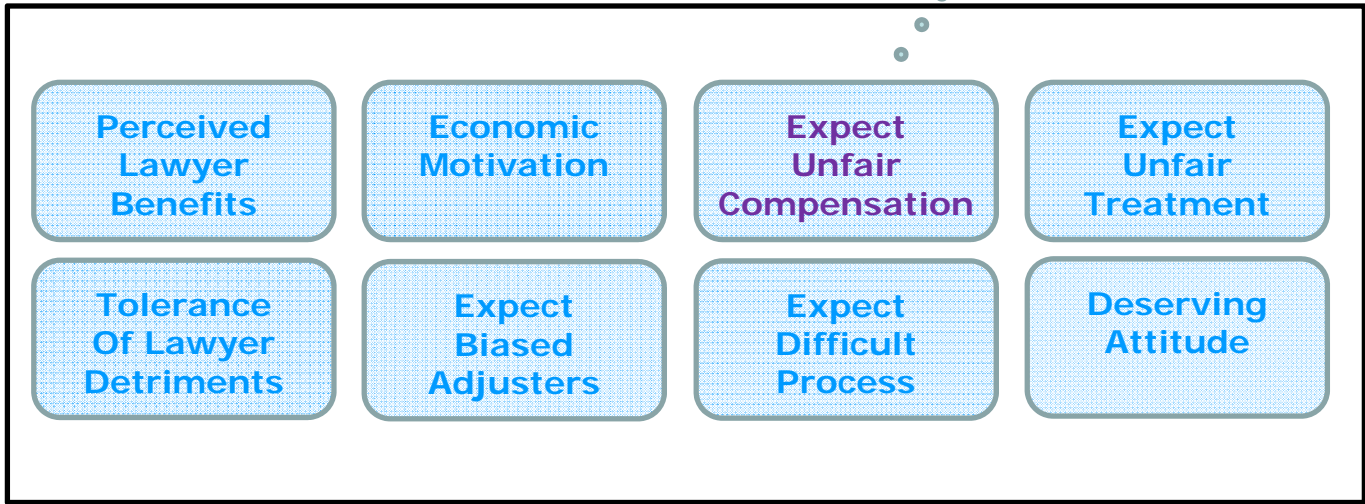|			
Perceived Lawyer Benefits	Economic Motivation	Expect Unfair Compensation	Expect Unfair Treatment
Tolerance Of Lawyer Detriments	Expect Biased Adjusters	Expect Difficult Process	Deserving Attitude

*E.g. **ICBC adjusters try to minimize people 's injuries.***

Rep Drivers
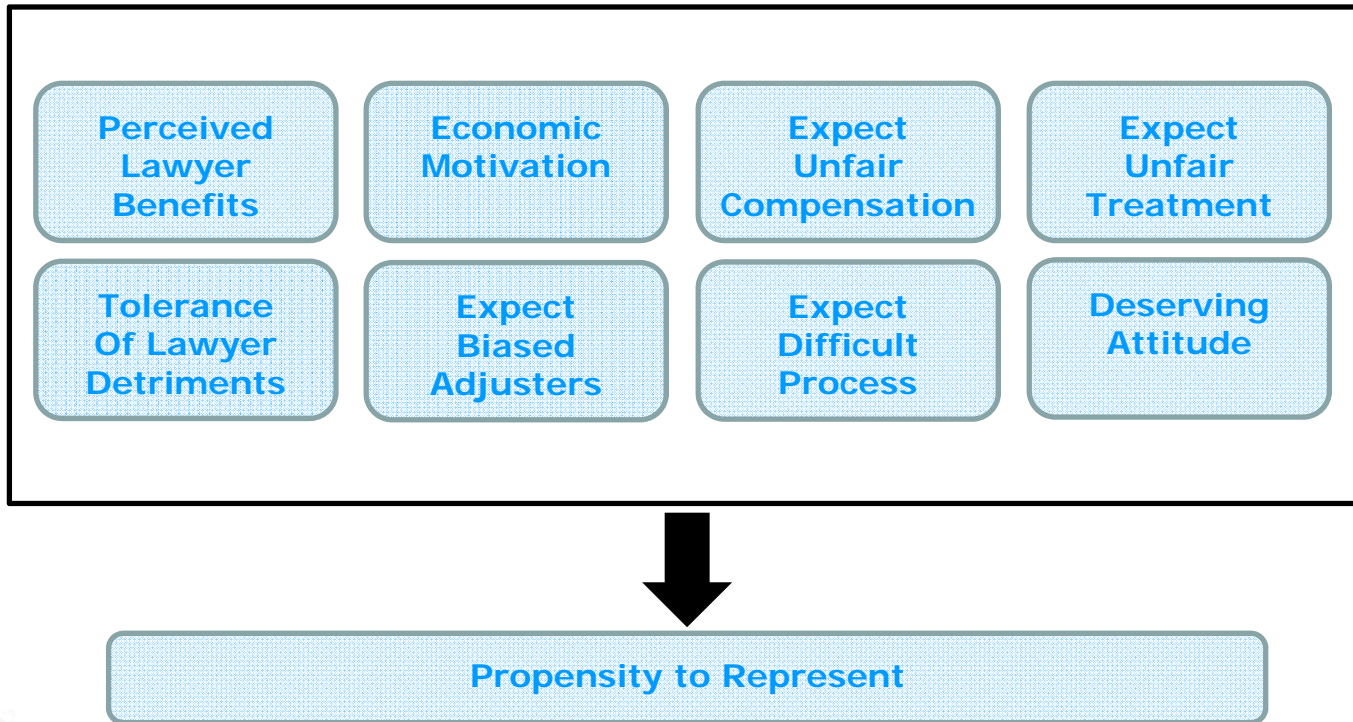
E.g. *ICBC can be trusted to compensate people fairly for their injuries.*

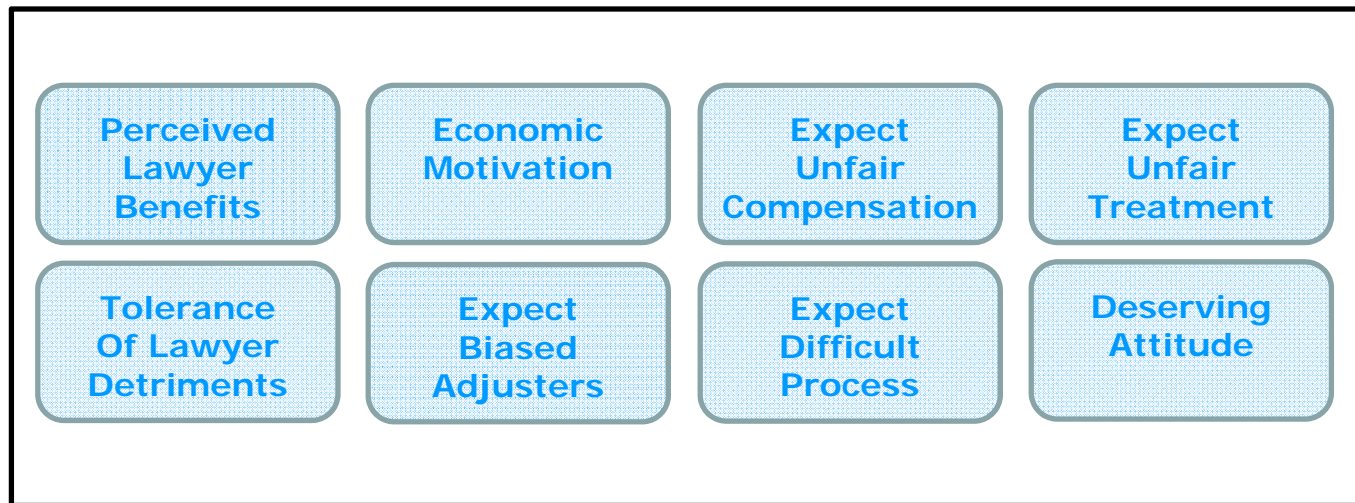**Define specific rep drivers based on customer and SME feedback**

Perceived Lawyer Benefits	Economic Motivation	Expect Unfair Compensation	Expect Unfair Treatment
Tolerance Of Lawyer Detriments	Expect Biased Adjusters	Expect Difficult Process	Deserving Attitude

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Rep Drivers

Define specific rep drivers based on customer and SME feedback

Perceived Lawyer Benefits	Economic Motivation	Expect Unfair Compensation	Expect Unfair Treatment
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Propensity to Represent

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Rep Drivers

Define specific rep drivers based on customer and SME feedback

Perceived Lawyer Benefits	Economic Motivation	Expect Unfair Compensation	Expect Unfair Treatment
Tolerance Of Lawyer Detriments	Expect Biased Adjusters	Expect Difficult Process	Deserving Attitude

Propensity to Represent

E.g. If injured in a crash, how likely are you to hire a lawyer?

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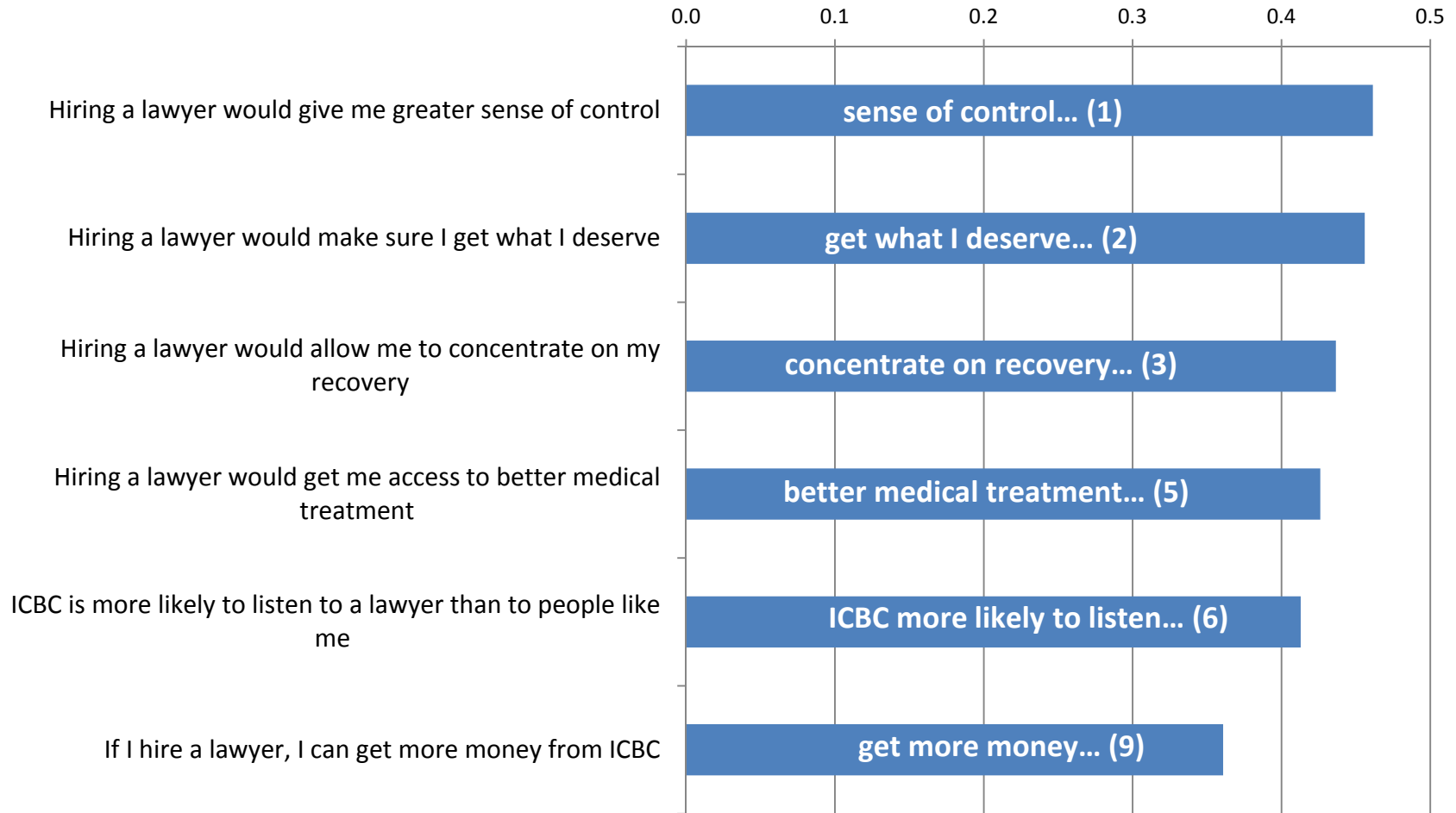
Relative Impact of Customer Drivers on Rep Propensity
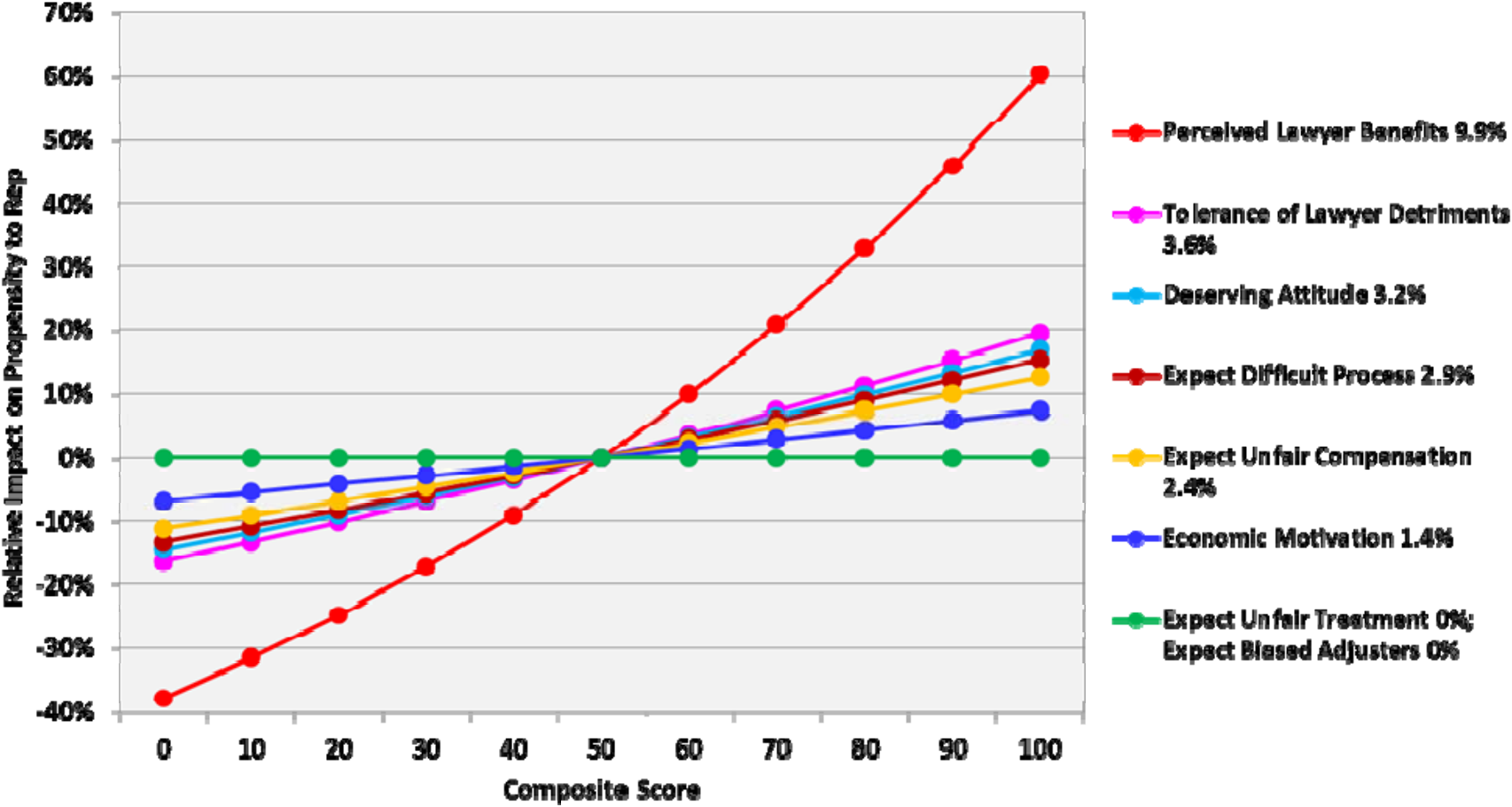
Breakdown of #1 Driver:
Perceived Lawyer Benefits

| | 0.0 | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 |

Hiring a lawyer would give me greater sense of control — sense of control... (1)

Hiring a lawyer would make sure I get what I deserve — get what I deserve... (2)

Hiring a lawyer would allow me to concentrate on my recovery — concentrate on recovery... (3)

Hiring a lawyer would get me access to better medical treatment — better medical treatment... (5)

ICBC is more likely to listen to a lawyer than to people like me — ICBC more likely to listen... (6)
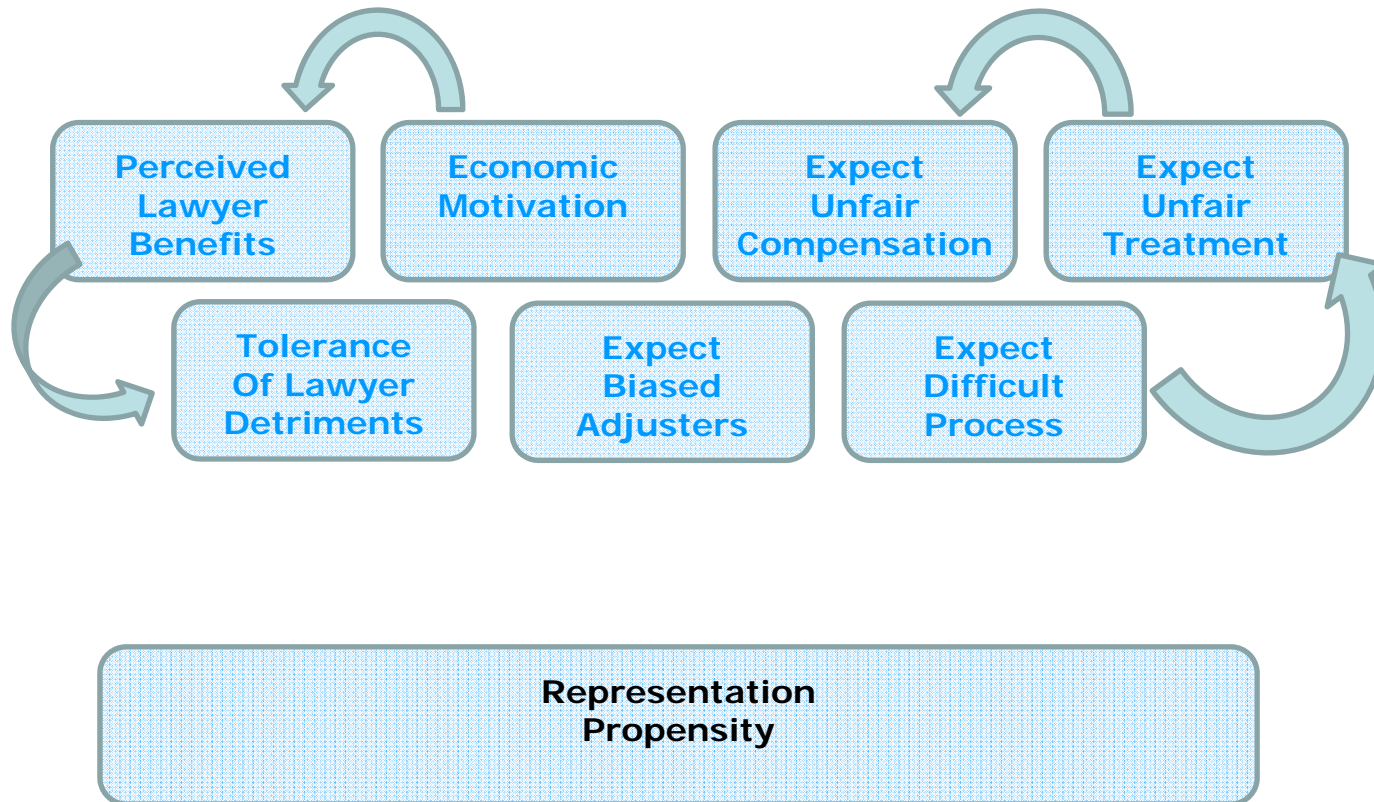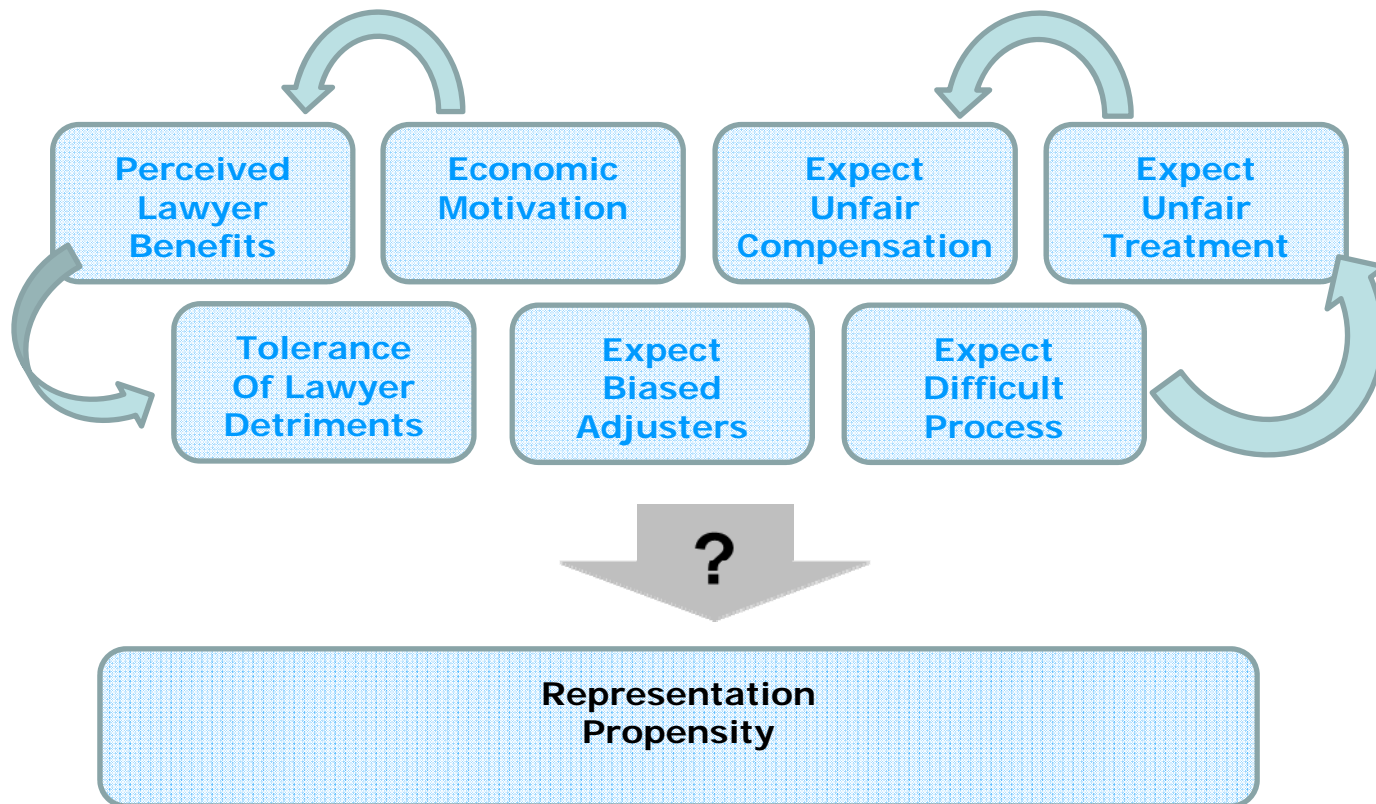
If I hire a lawyer, I can get more money from ICBC — get more money... (9)

Numbers in () above represent the correlation ranking out of 52 survey questions with rep propensity.

ICBC
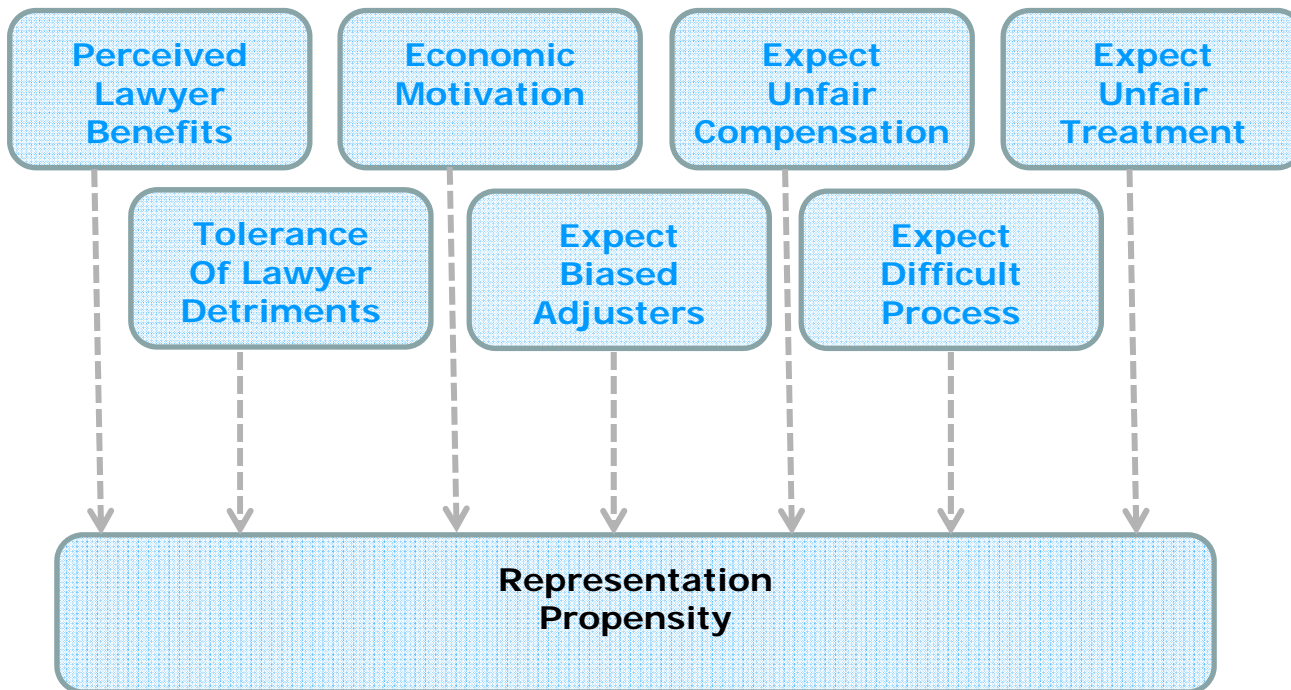
Model of Collective Influence of Claimant Rep Drivers on Rep Propensity
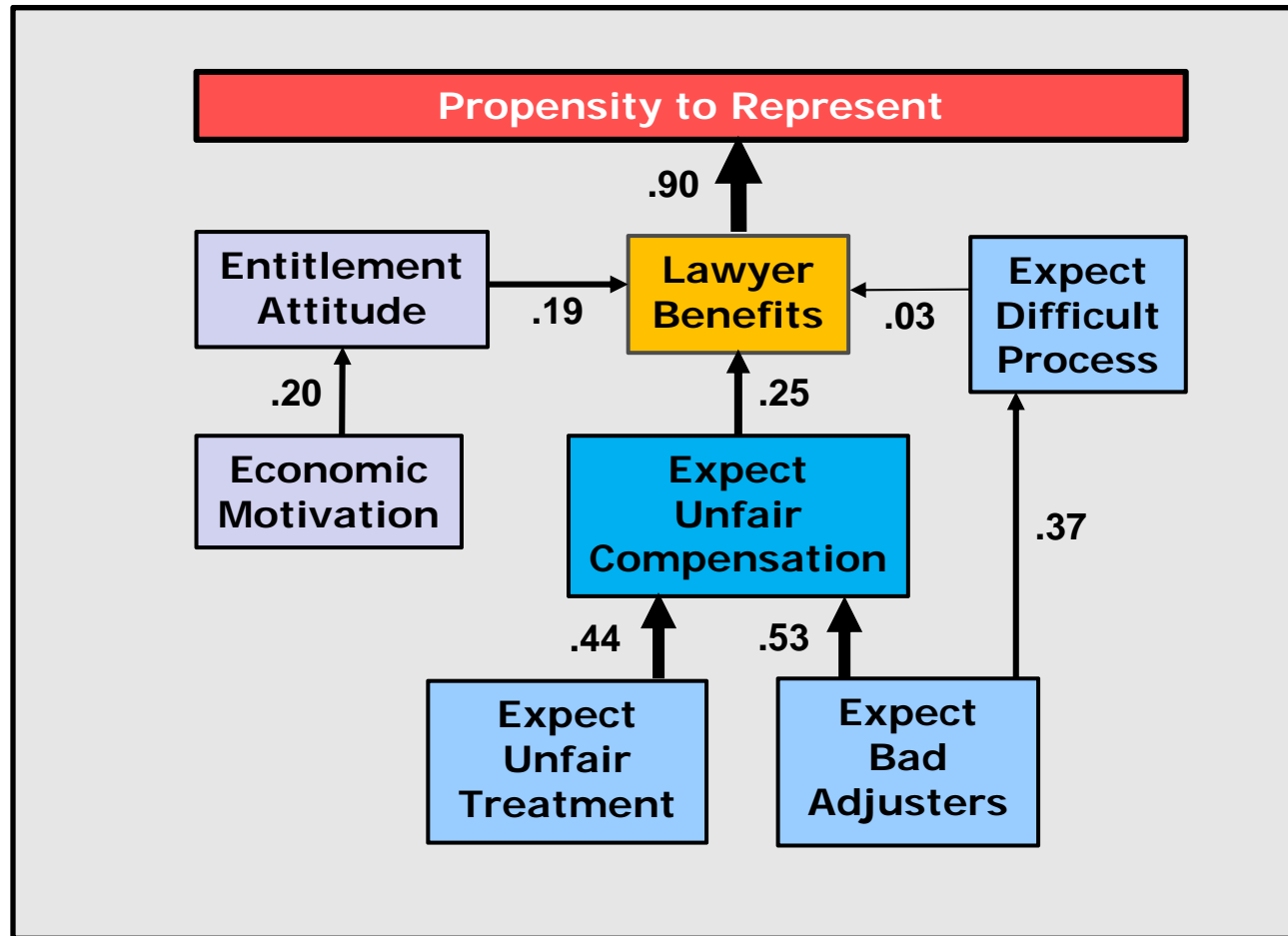
Summary of Key Findings

1. Perceived lawyer benefits exert the most powerful influence on rep decision

2. Sense of control is a key lawyer benefit

3. Perceived adjuster behaviours influence rep propensity indirectly

4. Economic motivation influences rep indirectly through sense of entitlement

5. Rep propensity is driven more by attitudes rather than language, ethnicity, or income

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Examples of Further Insights...

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Perceived Lawyer Benefits:
Further Insights
from Customer Focus Groups...

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Perceived Lawyer Benefits

- Convenient (hassle-free)
- Peace of mind (expert on my side)
- Higher chance of higher settlement

Perceived Lawyer Benefits

- **Convenient (hassle-free)**
- Peace of mind (expert on my side)
- Higher chance of higher settlement

It's great not dealing with ICBC directly.

Perceived Lawyer Benefits

- Convenient (hassle-free)
- **Peace of mind (expert on my side)**
- Higher chance of higher settlement

My lawyer has my best interest at heart.

Perceived Lawyer Benefits

- Convenient (hassle-free)
- **Peace of mind (expert on my side)**
- Higher chance of higher settlement

A lawyer makes you more aware of how the injury is going to affect you in the long run.

Perceived Lawyer Benefits

- Convenient (hassle-free)
- Peace of mind (expert on my side)
- **Higher chance of higher settlement**

They want a bigger settlement - they get paid more.

Additional Insights:
External Drivers

1. Claimants' social networks, particularly friends and family exert strong influence on rep decisions

2. Some treatment providers and brokers are advising claimants to hire a lawyer

3. Newly emerging, volume-oriented law firm business models enable (if not directly drive) higher rep rates: They are positioned to meet market demands with efficient, customer-centric service and a willingness to represent virtually any BI claim

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The Dynamics of Rep Growth:
Integrative Summary of Key Findings