



Digital Diversity and Loss Adjusting

As digital technology is increasingly adopted by the insurance industry, claims professionals have an important role to play in ensuring that there is no 'digital divide' when it comes to the services provided and outcomes derived, for different customers. Often referred to as the 'shop window' of the insurance world, our interactions with policy holders are a key factor in the provision of good customer service. So, what steps can loss adjusters take to ensure that all policy holders are treated equally, regardless of their access to digital technology?

Online Inequality

Diversity, inclusion, and equality should all be front of mind for workplaces across the globe, yet discrimination comes in many guises and whilst online platforms and mobile apps are extremely useful and powerful communication tools, there is a firm body of evidence to suggest that reliance upon them can lead to inequality and exclusion.

US studies confirm that African Americans and Hispanics lag behind Caucasians in broadband connection, citing socioeconomic and cultural reasons, as well as racially biased structural barriers (income, education, geographical location, credit check criteria).¹

The UK Office for National Statistics also reports an ethnicity gap, concluding that digital divide is disproportionately affecting some BAME groups.²

Furthermore, the Department of Informatics at King's College London highlights that artificial intelligence decision-making, based on personal data, is a potential source of racial discrimination.³

Race is not the only factor in digital exclusion and divide. The UK has an ageing population (18 million citizens over 65 years). Most adults over the age of 75 years have not recently used the internet, with a higher proportion being women than men.⁴ With services and information increasingly reliant on online access and our older generation without family and friends to help during lockdown, they are at risk of becoming ever more isolated. Unsurprisingly, millennials, now in their 20s and 30s, may be least likely to experience a digital divide. They have grown up with the internet and slowly learnt how it works as it has developed, from it being referred to as 'new technology', to using it at school and at work. As people retire with technology skills, acquired in the workplace, there may be a shift towards the position currently seen in the millennial generation. Alternatively, the rate of

Five basic skills are commonly used to measure digital inclusion:



Communicating or sharing information via email or online



Managing information using search engines, websites, downloading/saving information



Buying from a website or buying and installing apps on a device



Problem solving such as verifying sources of information online or accessing online help services



Completing online application forms or creating something new from existing online images, music or video

In the current climate, any customer without these skills is potentially a ‘vulnerable customer’ and loss adjusters must be alive to the need to assess the suitability of technology, case by case.

technological advance may make current retirees’ skills obsolete, widening the divide.

Considering all options

At McLarens, we are using our mobile McLarens App, along with other technologies, to conduct virtual investigations and negotiations, with the option of a COVID-19 compliant visit or telephone discussion, where a visit isn’t feasible due to travel restrictions and social distancing requirements. It’s important that we remain alert to the potential risk of a digital divide and continue to develop our approach accordingly and foster an environment for staff, partners and customers to discuss these issues and, where necessary, consider alternative options.

Given the nature of our work and the markets in which McLarens operates, we believe the best customer experience is still face to face contact at the loss location. Technology assists us when this is difficult or when immediate access to the site is not possible, or may be delayed, and we are now able to review a loss location anywhere in the world almost immediately as a result. We have the ability to respond to customer demands in

both ways and as lockdown eases, our commitment to delivering an inclusive customer service, to our broad customer base, will inevitably give rise to more visits (conducted safely in accordance with social distancing measures for the time-being).

Conclusion

Looking ahead, to loss adjusting in a post COVID-19 world, we will undoubtedly continue to see some amazing technological innovation. However, part of an adjuster’s role is to consider the most appropriate way to communicate with each customer. It’s crucial, therefore, that we take a personal approach to all business and understand that not all our of customers have the same access to information and technology.



Kim Alcock LL.M ACII FCILA AInstLM
Head of UK Casualty & TPA Operations

+44 (0)7767 100 623

kim.alcock@mclarens.com

References

- ¹ Urban Institute (2019). Technology and Equity in Cities. [online] Washington: Urban Institute, p.40. Available at: https://www.urban.org/sites/default/files/publication/101360/technology_and_equity_in_cities_1.pdf [Accessed 12 June 2020]
- ² Office for National Statistics (2019) Exploring the UK’s digital divide. [online] London: Office for National Statistics, p16. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/articles/exploringtheuksdigitaldivide/2019-03-04> [Accessed 12 June 2020]
- ³ Digital Discrimination, Natalia Criado, Jose M. Such, Department of Informatics, King’s College London, United Kingdom <https://nms.kcl.ac.uk/jose.such/pubs/Digital-Discrimination-AV.pdf>
- ⁴ Office for National Statistics (2019) Internet users, UK: 2019. [online] London: Office for National Statistics, p5. Available at: <https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2019> [Accessed 23 June 2020]