

ProClaim

Inside the World of Claims Adjusting

Fall/Winter 2015

The Technology Issue

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The Technology Issue

The theme for this edition of ProClaim is cutting-edge technology and is representative of the great strides that Crawford & Company (Canada) Inc. has made in enhancing our Information and Communication Technology (ICT) capabilities. In particular, the launch of Crawford iQ™ showcases our suite of ICT tools, which are tailored to provide our clients with integrated, flexible and user-friendly systems that are easily accessible, accurate and offer simplistic data management solutions.

Delivered in four easy offerings:

- **Crawford iQ Portal™**
Offers clients a gateway to access the work we do for them
- **Crawford iQ Claims Manager™**
Delivers a vast array of claims management solutions
- **Crawford iQ Analytics™**
Provides clients with claims analytics, dashboards and reports
- **Crawford iQ Mobile™**
Allows claims to be managed anytime, anywhere on PC's and mobile devices

To find out more about Crawford iQ, please feel free to watch this [short video](#) or [click here](#) for a detailed breakdown of our various ICT capabilities.

Crawford's Command Centre

Crawford & Company (Canada) Inc. has recently launched our Command Centre – the new home of our Business Intelligence Unit.

The Command Centre serves as a centralized location for our data analysts to review and synthesize information in support of proactive file management, catastrophic event response and other key service driven functions, including stewardship reports, key performance indicators (KPI) reports, exception reports and dashboards.



Patrick Bossey, manager, Business Intelligence Unit

The Command Centre is powered by Crawford iQ Analytics™, built on a state-of-the-art data warehouse that collects information from our proprietary CMS Claims Management System™. This system captures real-time claims information, enabling us to monitor daily business activity and track quality metrics throughout the various stages of the claims handling process.

"The Command Centre represents a key component of the Crawford iQ™ suite of tools, which have been further developed to enhance the customer experience through the efficient

management of claim files and real-time access to information," said Pat Van Bakel, president and chief executive officer, Crawford & Company (Canada) Inc. Using the latest technology and techniques

to capture data in a visually comprehensive manner, the Command Centre hosts a number of interactive dashboards with a virtual reach across Crawford's branch network, providing access to key trends and information. These tools ensure files are proactively managed through the use of milestone monitoring and exception reporting. Our Business Intelligence

"Using the latest technology and techniques to capture pertinent data in a visually comprehensive manner, the Command Centre hosts a number of interactive dashboards..."

Unit analysts are able to analyze claims by region, line of business and client. They monitor KPIs such as acknowledgement, first contact, first visit, first report, status report and closing report. Our business analysts place great emphasis on addressing our clients' needs and demands through the development and design of such analytics. This information is also shared with and reviewed by our Quality & Performance division. As an organization, we are continuously evaluating performance to ensure we are meeting client expectations and developing improvement initiatives.

"Crawford's Business Intelligence Unit is dedicated to generating business analytics with an emphasis placed on data integrity, quality control, and adherence to key measurables. The Command Centre is the vessel through which key Crawford personnel can monitor daily business and track key performance indicators," said Patrick Bossey, manager, Business Intelligence Unit.

An additional feature of the Command Centre is its CAT mode capabilities which are utilised during the occurrence of high volume or catastrophic events, whether they be natural or man-made. In CAT mode, the Command Centre consolidates weather information with intake and call volume information via CLAIMSALERT®, our in-house contact centre. Claim details and adjuster deployment information are gathered to track, monitor and respond to the development of events. Through the use of geocoding, CAT response teams can quickly see high frequency and severity areas to deploy resources most effectively.

"Through the use of the Command Centre our clients will realize the benefits of being able to provide their customers with valuable information on the status of their claim in the midst of a catastrophic event," said Van Bakel.

The Command Centre and the ever growing use and importance of our Business Intelligence Unit serve as a testament to Crawford's commitment to achieving innovation through the development and use of cutting-edge technology to enhance efficiency and better the client experience. The benefit realized by our clients is the ability to access readily available, key claim file data and benchmarks enabling them to engage in effective risk management and promptly respond to their insureds' request and claims handling need. From an organizational standpoint, we have and will continue to invest in the right technology, develop business processes, and improve on data management capabilities.

Drone Technology in Insurance

Mention “drones” and people often conjure up space-age images of sophisticated machines used for military, law enforcement or search-and-rescue missions. But insurance?

The idea of using unmanned aerial vehicles (UAVs) in the property and casualty insurance industry is quickly becoming a reality. Several insurance companies have either applied for commercial drone licenses related to claims handling or introduced coverage solutions for drone operators.

Thousands of drones are currently operating in Canada in various ways, such as producing films, helping search-and-rescue crews and inspecting mines, pipelines and crops. Drone operators who use UAVs heavier than 25 kilograms must get a Special Flight Operating Certificate (SFOC) through Transport Canada. In 2014, Transport Canada issued 1,672 of these certificates to commercial drone operators or recreational pilots. Canada’s transportation regulator further eased the rules in November 2014 by allowing drones under 25 kilograms to be exempt from the SFOC and to operate under specified safety guidelines. With all this activity, it is not surprising that insurers have moved into the drone risk management space. In April 2015, Zurich Canada launched a drone insurance package featuring first-party property and third-party liability coverage for corporate clients. Coverage extensions could include malicious damage, system hacking and personal injury.

Zurich noted that analysis from The Teal Group predicts the global UAV market will almost double over the next 10 years to more than CAD \$110 billion, largely driven by expanding civilian use. Other insurers, including AIG, also offer drone insurance coverage. In a recent survey by Munich Re, risk managers predicted the use of drones could become common practice for almost 40 per cent of businesses in the next five years or sooner. This could have significant implications for loss adjusting, according to Crawford & Company (Canada) Inc.’s claims experts.

“Some insurers are now offering drone insurance coverage, so it is only a matter of time until claims relating to use of drones start coming in,” says Greg Thierman, branch manager of Crawford & Company (Canada) Inc.’s Kelowna, B.C. office.

Thierman notes that there are several potential aspects of investigating UAV losses relevant to adjusters and risk managers – a drone crashes



and causes property damage, a drone distracts a driver and causes an accident, or an allegation of breach of privacy and subsequent lawsuit against a drone operator or owner.

“With advances in technology and the costs of the equipment coming down, [drones] will become more and more prevalent,” Thierman says. “So too will the possible claim scenarios.”

The rapid emergence of drones for commercial use could also have a crucial application when it comes to managing claims, especially in remote areas affected by catastrophic events.

“One of the main areas being discussed is initial assessment of catastrophic losses, such as after a tornado, hurricane, wildfire or any event,” says Thierman. “Drones can be helpful in situations where access is difficult, where you want an overview of the damage with clear photos and video recording.”

Thierman adds, “information from drones certainly would have been valuable during the initial stages of the Kelowna or Slave Lake wildfires and I certainly anticipate that they will be used during similar events in the future.”

Crawford has recently purchased a company drone and is currently in the early stages of mapping out its future use in the claims handling cycle. However, an incident arose on Monday,

“Van Bakel notes that the potential usage of drones in claims handling is vast... ‘A drone could give almost instant information on the extent of damages.’”

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Drone Technology in Insurance *(continued from previous page)*

September 14, 2015 that proved the effectiveness of the use of drones in surveying damages at a loss site. Crawford's Pat Van Bakel, President and CEO, accompanied by the Crawco Drone attended a loss site of a fire that engulfed the Dollarama in the Parkdale Plaza on Albert Street in the Waterloo, ON region. The Crawco Drone, was flown over the damaged structure and captured significant footage (news coverage of this event can be found on [The Waterloo Region Record website](#)). Such information is vital in surveying and assessing the extent of damage at loss sites that are unsafe or difficult to gain access to.

Van Bakel notes that the potential usage of drones in claims handling is vast. "It could be on a large commercial loss such as a retail warehouse or industrial site, where access may be delayed due to safety concerns or clean up," he says. "A drone could give almost instant information on the extent of damages."

Recently, some insurers have applied for commercial licenses to operate UAVs for claims handling purposes. In the U.S., State Farm, AIG and USAA have recently received approval from the Federal Aviation Administration (FAA) to test drones in areas such as assessing roof damage

a required certificate, or if the certificate's rules are not followed, the regulator can issue fines from \$3,000 to \$25,000. Since January 2014, Transport Canada has handed out 12 fines for illegal drone-flying.

Licensing and appropriate usage of drones in regulated air space is an ongoing issue, as shown recently with wildfires in California. In late June and early July 2015, there were four incidents of firefighting aircraft in the Greater Los Angeles area being forced to ground after drones were spotted in the area getting too close to the blazes, according to a July 12 report by ABC News.

Privacy is another prominent concern with drone usage, particularly if there is intrusion into personal property or space. "We take photos of losses now so I don't see the insured's privacy as being an issue," Thierman observes. "It would be the perception perhaps from neighbours if the drone was near their property. It would be one thing to use them just on the insured's property; quite another if they were to be used for surveillance or had to fly over someone else's property to get to the insured risk."

When it comes to insurance for drones, it is fair to say that coverage is still in its early stages. Zurich Canada claims its insurance solution "closes an important coverage gap for companies already making use of drones in their operations." In the past, drone coverage has been available mainly through specialist aviation insurers. For many insurance companies and brokers, the emphasis today is on risk management and safety procedures for the use of UAVs. In addition to insurance, Zurich Canada, for example, also offers safety training, risk management tools developed specifically for staff who will be operating drones, updates on regulation and risk insights and advice.

While there are still obstacles for widespread adoption of drones by insurers and adjusters, the industry is addressing the new reality of UAVs. Increased drone usage is especially relevant for loss adjusters, who may be able to use it as another tool at their disposal to gather information and serve clients faster and more effectively.

The future may be difficult to predict in terms of how UAVs will evolve for loss adjusters and their clients. Will the data emanating from drones be "plug and play," with adjusters adapting to the technology much like they have done with tablets or estimating programs? Or will there be third party drone operators working closely with claims adjusters, origin and cause specialists, engineers and insurance companies?

"I think you will likely see drones become another tool for adjusters, engineers, and origin and cause personnel," Thierman concludes. "It should be an interesting area to watch in the years ahead." ■



and responding to natural disasters.

While the applications of drones are virtually limitless, it is important to be knowledgeable of the regulations surrounding and licensing of UAVs in the commercial environment. "There are regulatory, privacy, licensing and insurance issues that still need to be dealt with," Thierman says.

Canada is seen as a leader in drone regulation and has been regulating UAVs since 1996. Since 2010, Transport Canada has launched 50 investigations into drone incidents across the country, including the unauthorized use of UAVs near airports. If a drone is used without

Making the Most of Social Media in Claims Investigations



The use of social media is not new in investigating insurance claims. However, today there are clearer rules on what can – and cannot – be done when it comes to researching claimants on Facebook or other social networking sites. One thing is for certain: the number of social media users has grown exponentially in recent years.

Social media refers to the means of interactions among people in which they create, share and exchange information and ideas in virtual communities and networks. Social network penetration worldwide is increasing. In 2016, it is estimated that there will be roughly 2.13 billion social network users around the globe, up from 1.4 billion in 2012, according to research firm Statista. While Facebook is often referred to as the most popular social media platform, with over one billion users worldwide, there are several other outlets such as YouTube, LinkedIn, MySpace, Twitter, Instagram, Pinterest, Tumblr and Snapchat, to mention a few.

“With publicly available information, it is relatively easy for adjusters to research claimant activity on social media sites.”

Increased social media usage means more sharing of often personalized information online in public forums. Some of those posting lifestyle details, such as a vacation or sporting activity, also

happen to be insurance claimants alleging a debilitating injury.

“Many people who use social media do not realize that, based on their privacy settings, everyone can see their public posts,” says Cynthia Doyle, supervisor, commercial lines, National Claims Management Centre at Crawford & Company (Canada) Inc. “People will converse on social media and actually ask for advice on their claims, essentially self-disclosing vital information.”

For example, if a bodily injury claimant complains about a severe disability and alteration of their lifestyle due to an insured event, social media can provide evidence to either verify or counteract their allegations.

Doyle notes that social media research can be used for several purposes. “Adjusters use social

media now more than ever to assist in the investigative process of a claim,” she says.

She adds there are various investigative uses for social media, including reviewing publicly accessible photos and information, and gathering background information. These tools are helping adjusters to identify any red flag indicators during the preliminary stages of a claim investigation. “It is a great tool in the preliminary investigation, but you cannot rely solely on social media,” Doyle notes. “You still have to conduct a thorough investigation into the claim and that may involve using an investigation company to conduct other kinds of physical surveillance.”

Social media has been used in different types of insurance claims scenarios – from auto personal injury to slip and falls to workers’ compensation. Claim departments are increasingly using Facebook postings to assist in claims determinations for disability claims.

At Crawford & Company (Canada) Inc., adjusters use social media such as Twitter, Facebook and Instagram to assist in claims investigation. One Crawford adjuster had a recent claim involving a claimant who reported that she sustained an injury as a result of a slip and fall at a store location, and that she could no longer work because of various ailments to her body. However, her Facebook page showed her waterskiing after the incident.

In another Crawford example, one insured claimed that his antique vehicle was stolen. However, after some investigation, the adjuster found a Facebook page showing that the insured was running a business by selling car parts for antique vehicles, which he did not disclose. Doyle notes there are important ethical standards that adjusters must adhere to in all investigations.

“You still have to keep in mind privacy rules and regulations, and there are also certain parameters that adjusters have to understand and follow,” she says. “For example, an adjuster cannot misrepresent him or herself as a friend and try to gather information in that manner. In addition, as soon as claimants retain counsel, you have to advise them that you cannot communicate with them directly at all, and that includes social media.”

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Making the Most of Social Media in Claims Investigations *(continued from previous page)*

The Canadian Independent Adjusters' Association's (CIAA) Code of Ethics states that adjusters will identify themselves "as an insurance adjuster in dealings with any policyholder or claimant and shall, if requested, fully identify their principals." For social media purposes, that means adjusters cannot use subterfuge or act as a "fake friend" to a claimant's social media platform.

Canadian courts have made several rulings on the use of social media in insurance claims investigations. With an increasing number of legal cases acting as precedents, or at least guideposts, adjusters and investigators can now confidently conduct broad inquiries on publicly available information to verify or challenge a claimant's allegations, statements or medical conditions. The legal test rests on the relevance of the social media postings to the nature of the claim.

In the 2009 personal injury case *Leduc v. Roman*, an Ontario Superior Court judge ruled that social media posts count as documents under the Rules of Civil Procedure, meaning lawyers can both request access to the posts and question the claimant about what's posted.

Since then, defence lawyers have successfully argued for the production and preservation of private social networking information in some capacity. An Ontario Superior Court Justice ordered production of a plaintiff's social media photos in *Morabito v. DiLorenzo* (2011). In the case, which involved a lawsuit for injuries sustained in a motor vehicle accident, Ontario Superior Court Justice James A. Ramsay ruled that photographs, but not necessarily status updates or wall posts, were relevant to the matter at hand and producible.

One of the most recent legal cases related to Facebook and insurance claims was heard in the B.C. Supreme Court earlier this year, *Tambosso v. Holmes* (2015). The plaintiff was in car accidents in 2008 and 2010. She alleged that the accidents had significantly impinged on her social and recreational activities and rendered her unemployable. The defendants introduced into evidence 194 pages from the plaintiff's Facebook page posted between May 2007 and July 2011. The Court concluded that the social media life portrayed by the plaintiff was "completely inconsistent with the evidence the plaintiff gave at trial." At the end of trial, the plaintiff asked for \$2.6 million. The Court awarded her damages of \$36,042.30.

While legal cases yield general precedents, the future of social media in claims points to technological awareness around how to properly track and investigate claimant allegations or statements. For example, some social media outlets like Instagram upload metadata, or geotags, showing when, where and how the photo was

taken. Others, such as YouTube or Facebook, do not provide this information, meaning that adjusters have to keep a record of information they find online, whether that's through screenshots, printouts or more advanced techniques. The prevalence of social networking through mobile devices also provides an opportunity for savvy adjusters to track activity through mobile operating systems, location settings and GPS.

For Doyle, however, the use of social media in insurance will evolve far more broadly than just tracking claims.

"I think down the road social media will be used more on the awareness side for prospective policyholders in terms of their preferences, their buying habits, their behaviour," she concludes. "There will be integration of sales, underwriting, and claims. It will grow into more than just taking a look at someone's activity and seeing what they are doing when they file a claim."



Onwards & Upwards



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As an auto claims manager at Crawford, Christopher oversees over 40 adjusters and the overall operations of our designated auto physical damage department within our National Claims Management Centre. Having worked for Crawford for over eight years he has held a number of progressive roles ranging from property adjuster to auto physical damage adjuster to team lead and supervisor, to his current role as auto claims manager. As an insurance professional, he is an active member of the Canadian Independent Adjusters' Association and an instructor at the Insurance Institute of Canada.



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Terry began his career in 2002 and has been with Crawford since 2009. He received his diploma in manufacturing engineering from Humber College in 1989, became a Chartered Insurance Professional (CIP) in 2006, and subsequently obtained his CRM and CFEI designations. He has instructed CIP courses for Sheridan College and the Insurance Institute of Canada. Terry's expertise is in property & casualty, catastrophe, aviation and liability. He is a member of the Crawford CAT Team, the Canadian Independent Adjusters' Association (CIAA), the Global Risk Management Institute and the Canadian Association of Fire Investigators.



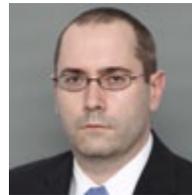
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Jennifer joined Crawford in 2010 and has held progressive roles throughout her professional career commencing as a desktop adjuster and advancing to team lead. Her areas of expertise lie in all aspects of automobile losses. Having acquired her business administration diploma from Sheridan College, she is currently working towards completing the CIP designation.



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Steve began his career in 1988. He has significant experience in both the independent adjusting field and insurer markets. Steve rejoined Crawford in 2015, as assistant branch manager of the Global Technical Services division. Throughout his career, he has adjusted and managed staff in auto physical damage, commercial and personal lines property, accident benefits, bodily injury and liability lines of business. Steve has successfully obtained his CIP, FCIP, and CRM designations. As an active member of the insurance industry, Steve is a past president of the Ontario Insurance Adjusters Association and has sat on the executive committee of the Ontario chapter of the CIAA, in addition to being an active volunteer with the Insurance Institute of Canada.



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Chris began his career in 2007 and joined Crawford originally as an accident benefits adjuster at the NCMC in 2010, later moving to our commercial claims division as a client service manager before becoming the supervisor for the Sears account. He received his diploma in Automotive Repair Mechanical from the Nova Scotia Community College in 1995, and his diploma for Electronic Engineering Technician from RCC College of Technology in 1999. Chris became a Chartered Insurance Professional in 2011, and received his Fellows with Honors in 2015. Chris' expertise has involved specialty lines markets inclusive of the film industry, motorsports, and commercial liability.



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Blair began his career in 1988 and joined Crawford in 2009. His areas of expertise include: construction claims and other matters involving complex contractual arrangements and multiparty disputes; casualty claims; professional liability; sports liability claims; and E&O and D&O claims. He holds a bachelor of arts from Carleton University and is also certified in conflict resolution.



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