

Aerial Measurement Reports: Uncovering the Hidden Costs of DIY Tools

With the increasing availability of aerial and satellite imaging tools, more insurers are turning to these resources for more efficient processing of claims. In the case of property damage claims, EagleView® Technologies, Inc. created 3D aerial roof measurement reports that approximately 96 percent of the top 25 insurance carriers rely on in their claims departments.

Many carriers are still trying to determine the best way to utilize aerial and satellite imaging in their processes. Lured by the seemingly low cost of do-it-yourself tools, there are some carriers that believe this method to be the most efficient choice. A recent study shows that the do-it-yourself technique is actually costing carriers more money than they thought.

One insurance carrier worked with EagleView to conduct a study of the cost efficiency of using do-it-yourself sketching tools versus purchasing EagleView reports on each property. The study involved 500 addresses and closely analyzed time, cost and human error to determine the efficiency of both methods.

The do-it-yourself group was assigned the same 500 addresses that were also sent to EagleView for an independent report. In looking at purchase price alone, 500 addresses at five dollars each (\$2,500) for the do-it-yourselfers versus 500 addresses at an average cost of \$40 per report (\$20,000) from EagleView, it would appear that this has an obvious answer for cost savings.

A STUDY OF 500 ADDRESSES

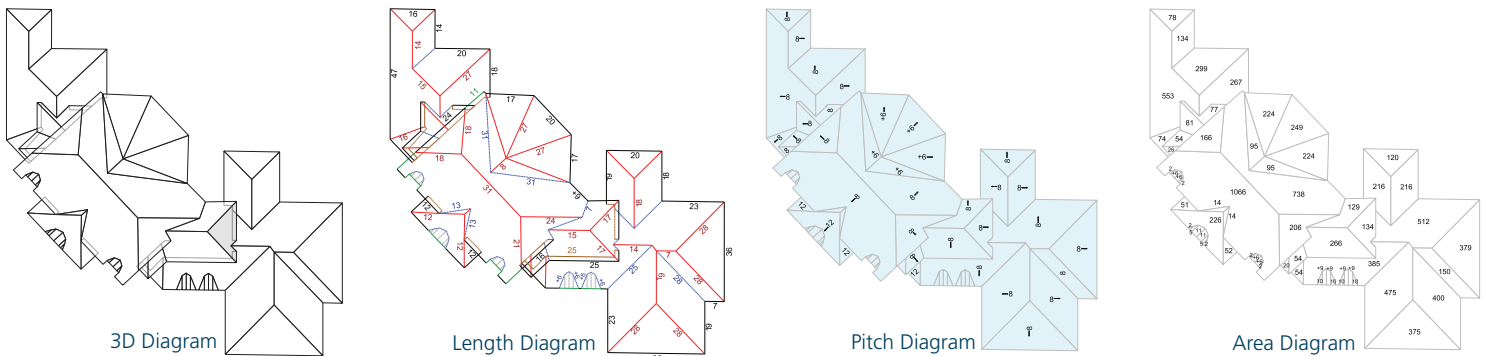
+10% = the average error rate
of do-it-yourself sketchers

\$ 637,500 = the real cost
of do-it-yourself

\$ 617,500 = cost savings by
using EagleView



EagleView provides accurate and detailed diagrams



One must dig deeper and evaluate the hidden costs involved in using the do-it-yourself tool to get a true picture of the cost of each method.

The carrier's adjusters were spending an average of one hour sketching a property and completing approximately four per day. One half of their day was lost to time spent sketching a property. The group of adjusters using independent measurement reports from EagleView was able to conduct two to three more appointments with claimants per day.

Accuracy is a critical factor in the cost equation. The do-it-yourselfers in this study averaged an error rate of +10 percent on the 500 addresses that would have resulted in total overpayments of \$600,000 by the carrier! The EagleView measurement reports on the properties were accurate, resulting in exact payments and a savings of \$600,000.

Let's not forget about supplementals. While the average do-it-yourselfer was over by 10 percent, five percent of the homes in the study were underestimated resulting in 25 supplementals. At a conservative, average cost of \$1,000 per supplemental, this would have cost the carrier an additional \$25,000. The accuracy of the EagleView reports resulted in zero supplementals.

Upon final review, the do-it-yourself tool had a real cost of \$637,500 (\$600,000 overpayments + \$10,000 time drawing + \$2,500 to purchase images + \$25,000 supplementals) whereas the \$20,000 invested in EagleView reports produced a cost savings of \$617,500! The cost and time savings ultimately led to more efficient processing and closing of claims resulting in satisfied customers and higher overall CSAT scores.

With new measurement tools emerging every day, it is important to note that these are tools, not services. A majority of these do-it-yourself tools have not been tested for accuracy; they do not eliminate adjuster bias and do not represent an independent, third party focused solely on the accuracy of the measurement.

About EagleView Technologies, Inc

Headquartered in Bothell, Wash., EagleView Technologies, Inc. invented the concept of 3D aerial roof measurements. Its patented software and process provides detailed calculations and offers higher accuracy and precision than any other method. EagleView is currently in its sixth generation of aerial measurement software.