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AI IN INSURANCE

A Five-Stage Framework for Agentic AI in Property Claims Handling

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THE PREMISE

The most expensive thing in a property claim isn't the loss. It's the waiting. Every hour of delay erodes customer satisfaction, drives up loss adjustment expense, and drains adjuster capacity. J.D. Power's 2026 U.S. Property Claims Satisfaction Study put the average time from FNOL to final payment at 40.7 days and the average repair duration at 29.6 days. Together, those two numbers define the industry's real productivity gap.

This framework is a diagnostic tool. It names the five stages where the claims clock ticks loudest, the industry baseline at each, and what is now technically possible with insurance-native agentic AI. The data points are drawn from peer-reviewed industry research (J.D. Power, ContactBabel, U.S. BLS, NAIC) and from Liberate's carrier deployments.

Liberate's deployments span 70+ carriers and support insurance operations representing over $100B in premium volume. The customer-specific data points below are illustrative, one carrier per stage, not aggregated.

THE FRAMEWORK: FIVE STAGES OF THE CLAIMS CLOCK

Every property claim moves through five stages. Each has its own clock, a metric that, when it slips, quietly compounds into LAE, CSAT erosion, and expense-ratio pressure.

The framework shown here maps each stage to:

01 - the clock that matters

02 - the industry baseline

03 - the agentic AI lever that compresses it.

STAGE	NAME	THE CLOCK	AGENTIC AI LEVER
1	FNOL & First Contact	Speed to answer; abandonment	Autonomous voice FNOL
2	Data Capture & Integration	Manual entry; data completeness	Native policy-admin write-back
3	Set-Up, Assignment & Comms	Status-call deflection; adjuster load	Proactive status agents
4	Service Dispatch & Mitigation	CAT surge absorption; dispatch speed	Elastic voice + dispatch routing
5	Resolution & Final Payment	Time to final payment; LAE ratio	Closed-loop payment workflows

STAGE **ONE**

FNOL & First Contact

The clock: 99 seconds vs. 1 second

The first 99 seconds of a claim set the tone for everything that follows. ContactBabel's 2025 U.S. Contact Center Decision-Makers Guide pegs the average speed-to-answer at 99 seconds. J.D. Power's 2025 U.S. Claims Digital Experience Study found that 52% of digital claimants who rate their claim experience as 'poor' or 'just OK' are at risk of switching carriers, versus 4% among those who rate it 'excellent' or 'perfect.' FNOL is where the claim is won or lost.

What hasn't worked: IVR trees, overflow call centers, and "intelligent" routing that still ends in a hold queue. What is now working: autonomous voice agents that answer in one second, capture structured FNOL data natively, and escalate only when the claim truly requires a human.

THE CLOCK	INDUSTRY BASELINE	LIBERATE LEVER
Speed to answer: 99 sec avg vs. 1 sec on Liberate	ContactBabel 2025; J.D. Power 2025 (52% switch risk)	**Autonomous voice FNOL:** 40% of calls fully resolved without human; 0% abandonment

$800M+ P&C CARRIER (FNOL AUTOMATION):

- 40% of FNOL calls handled autonomously (no human in the loop)
- 1-second answer vs. 99-second industry average
- 0% call abandonment; 50% total call volume reduction
- $69,680 per month in direct savings; 72,000 minutes of human time saved monthly

STAGE **TWO**

Data Capture & Integration

The clock: weeks of adjuster re-work vs. zero manual entry

The cost of bad data is the industry's quietest expense-ratio killer. MIT Sloan Management Review has placed the cost of poor data quality at 15–25% of revenue across data-intensive industries. In claims, this shows up as incomplete FNOLs, re-contact loops, and adjusters spending roughly 40% of their day on routine status work [Liberate carrier research, internal]. The fix isn't cleaner IVR scripts. It's a system that writes structured data directly into the policy-admin platform at the moment of capture.

THE CLOCK	INDUSTRY BASELINE	LIBERATE LEVER
Manual data entry at FNOL: 0% when agentic AI writes natively to core	MIT Sloan: bad data = 15–25% of revenue	**Native write-back to policy-admin systems** (e.g., Insuresoft)

ALLIED TRUST (TX, LA, SC HOMEOWNERS/FLOOD):

- Live in six weeks vs. a prior two-year digital FNOL effort
- 22% digital FNOL adoption post-launch
- 0% manual entry into Insuresoft (the policy-admin system of record)
- 0-second hold time; 24/7 availability

> **"Transparent, seamless and friction-free. There were no surprises."**
> — **Ron Ligocki,** VP Claims, Allied Trust

STAGE **THREE**

Set-Up, Assignment & Communications

The clock: 56% of post-FNOL calls deflected

Claims handling is the top driver of insurance complaints. NAIC's 2025 complaint data shows 65.2% of all insurance complaints relate to claims handling. The U.S. Bureau of Labor Statistics projects a workforce shrinkage of roughly 400,000 insurance jobs by 2026. Carriers are being asked to do more with structurally fewer adjusters. The near-term lever is deflecting the calls that don't require an adjuster in the first place.

Agentic AI status agents answer the "what is the status of my claim?" call before it reaches the queue and they do so with the emotional register the interaction demands.

THE CLOCK	INDUSTRY BASELINE	LIBERATE LEVER
Post-FNOL support calls deflected: 56%	NAIC: claims = 65.2% of complaints; BLS: –400K jobs by 2026	**Conversational status agents (e.g., cAltlin) with empathy-aware tone**

BRANCH INSURANCE (HOME & AUTO):

- 85% of initial claims handled via cAltlin
- Average call duration: 3:22 on cAltlin vs. 12:23 with human agent
- 70% expected cost reduction
- 56% of post-FNOL support calls deflected
- 1-second answer; live in eight weeks

> **"cAltlin was not only empathetic. Her tone would shift when she sensed answers that required some level of empathy. That was huge."**
> — **Charlie Wendland,** Chief Claims Officer, Branch

STAGE **FOUR**

Service Dispatch & Mitigation

The clock: 14x surge, zero added staff

Catastrophe response is the single hardest test of a claims operation. CAT events can push FNOL volume up by as much as 500% within hours [Liberate carrier research]. The industry's historical answer, call-center surge staffing and overtime, is both expensive and too slow. The 2024 Atlantic hurricane season (Helene, Milton) made the gap visible.

The agentic model replaces surge staffing with elastic capacity: voice agents that scale to demand instantly, triage FNOLs, and route dispatch in real time, holding the clock steady even as volume spikes.

THE CLOCK	INDUSTRY BASELINE	LIBERATE LEVER
Surge absorption: 14x baseline volume with zero added staff	CAT FNOL spikes: up to +500%	**Elastic voice + real-time dispatch routing**

LEADING COASTAL P&C INSURER (2024 CAT SEASON):

- 14x surge volume absorbed with 0 added staff
- 67% faster claim handling during surge
- 33% of claims fully self-served
- 925 CSR hours logged in a two-week window
- Deployed pre-Helene and pre-Milton 2024; 0-sec hold time maintained throughout

> **"Technology can make or break an insurer's ability to quickly respond in a crisis."**
> — **Amrish Singh,** CEO, Liberate

STAGE **FIVE**

Resolution & Final Payment

The clock: 40.7 days to final payment

The back end of the claim is where savings compound. J.D. Power's 2026 Property Claims Satisfaction Study put average time to final payment at 40.7 days and average repair duration at 29.6 days. The savings from every day trimmed off either figure can directly impact claim severity, LAE, customer satisfaction, and retention. When Additional Living Expenses are involved, the math is sharper still.

THE CLOCK	INDUSTRY BASELINE	LIBERATE LEVER
Time to final payment: 40.7 days industry avg	J.D. Power 2026 U.S. Property Claims Satisfaction	**Closed-loop payment workflows; AI-driven total-loss identification**

The framework in this paper is one way to locate where compression is available.
The five diagnostics below are how claims leaders identify which stage is worth attacking first.

METHODOLOGY & SOURCES

- All industry figures are drawn from published third-party research: J.D. Power 2025 U.S. Auto Claims Satisfaction Study; J.D. Power 2026 U.S. Property Claims Satisfaction Study; J.D. Power 2025 Claims Digital Experience Study; ContactBabel 2025 U.S. Contact Center Decision-Makers Guide; U.S. Census Bureau; U.S. Bureau of Labor Statistics; NAIC / ValuePenguin 2025; MIT Sloan Management Review.
- Liberate platform figures are drawn from published case studies (liberateinc.com/case-studies) and Liberate company materials. Case study customers cited by name: Branch Insurance, Allied Trust. Anonymized case study customers cited: Leading Coastal P&C Insurer; $800M+ P&C Carrier (FNOL); Fortune 500 Global Mobility Co.

Five diagnostics every claim leader should run to prepare for AI

Agentic AI is not a procurement question until the claims operation knows, quantitatively, where its own clock is slipping. The five diagnostics below are designed to be run internally. Each maps to one stage of the framework, and each is a metric claims leaders should own and manage.

1 Measure your actual FNOL speed-to-answer and abandonment rate

Against the 99-second baseline from ContactBabel 2025, where does your organization sit? Distinguish IVR time from hold time; most dashboards conflate them. If you cannot report the two separately, that inability is itself the first finding.

2 Audit the cost of bad data at FNOL

Ask adjusters to log, for one week, every re-contact triggered by missing or incorrect FNOL data. Multiply the count by fully loaded adjuster cost. This is the single largest line item most carriers do not track. MIT Sloan's 15–25% of revenue figure is the industry ceiling; most carriers' floor sits closer to that ceiling than leadership assumes.

3 Quantify status-call load on your adjusters

What percentage of inbound calls are status inquiries? What percentage of adjuster time is consumed answering them? Liberate's carrier research places the latter near 40%. If your internal number is meaningfully lower, verify the methodology before treating it as a baseline.

4 Pressure-test your CAT response plan at 10x volume, not 2x

If your surge plan assumes a staffing ramp, model it without the ability to ramp. Include the cost of overtime, contractor spin-up, and the customer-experience cost of calls during a weather event. That scenario is the relevant comparison set for an agentic AI evaluation. The blue-sky baseline is not.

5 Set a cycle-time target, not a cost target

Time to final payment drives LAE, CSAT, complaint volume, and retention in a single number. Name a specific reduction goal, for example a 25% compression against the J.D. Power 2026 40.7-day property benchmark, before any vendor evaluation begins. Without a target, every vendor's numbers will look compelling.

ABOUT LIBERATE

Liberate is the System of Action for Insurance, deploying insurance-native AI agents across sales, service, and claims. Liberate helps carriers, agencies, and insurance operators drive more than 10% revenue growth and delight their customers while cutting operating costs by greater than 25% by resolving customer requests end-to-end across voice and digital channels. Unlike basic voice bots or horizontal AI platforms, Liberate orchestrates complete workflows with built-in governance, safety controls, and full auditability designed for regulated, long-form customer interactions. Today, Liberate supports insurance operations representing over $100B in premium volume.

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