

A utility worker wearing a yellow hard hat, safety glasses, and a high-visibility yellow vest over a plaid shirt is standing on a silver extension ladder. He is using a pair of yellow and black gloves to work on a roof gutter, possibly clearing debris or inspecting for damage. The background shows a residential setting with trees and a dark-colored SUV parked nearby. The image is overlaid with a dark purple gradient on the left side, where the text is located.

Weathering the Storm: When Disasters Strike, Fast Claims Matter

**A Playbook for Property & Casualty
Insurance Executives**

zelis[®]



“

We're no longer planning for the '100-year event.' For insurers, the extraordinary has become ordinary.”

– Risk & Insurance

The Era of Constant Catastrophe: Leading Through Uncertainty

Climate-driven disasters are growing in frequency and intensity – and insurers are feeling the pressure. **Catastrophic weather events (CAT events) have increased 5x over the past 50 years.** In 2024 alone, the U.S. experienced **81 major natural catastrophes, resulting in over \$112.6 billion in insured losses.**¹

As claims surge, so do delays. **The average claims cycle time now stands at 23.9 days – and it's rising.**²



“

A single day of delay in claim payment can add weeks to ultimate resolution costs.”

– Claims Journal

Delays are Expensive: Why Every Hour Matters

Every extra day of delay = lost trust, lost loyalty and lost millions.

Delayed claims payments don't just frustrate policyholders – they erode profitability and expose insurers to regulatory and reputational risk.

The Costs of Delays

Revenue leakage: Claims delays increase administrative costs, reduce operational efficiency and can lead to litigation or penalties.

Regulatory risk: States like California and Florida enforce strict timelines for claims acknowledgment and settlement. Non-compliance can result in fines or license reviews.

Reputational fallout: After Hurricane Ian, insurers with slow response times saw a spike in negative press and customer churn.²

BOARDROOM INSIGHT

Claims delays **cut satisfaction by over 20%**, according to J.D. Power. Satisfaction is at **a seven-year low**, especially among catastrophe claimants.³

RECOMMENDATION

Evaluate time to payment as a retention KPI.

Retention is Won or Lost in Claims

Claims are your moment of truth – not your underwriting nor your marketing.

Speed and empathy drive retention. In a crisis, policyholders don't remember your ads – they remember how fast you helped them rebuild. In fact, 87% of customers consider their claims experience when deciding whether to remain with an insurer.⁴

RETENTION = FINANCIAL METRIC

A 5% increase in retention can boost profits by 25-95%.⁵

OUT-OF-POCKET COSTS

Catastrophe claimants often face \$1,500+ in upfront costs, with repair delays compounding stress.³

EMPATHY MATTERS

Transparent communication and fast payments build emotional loyalty.

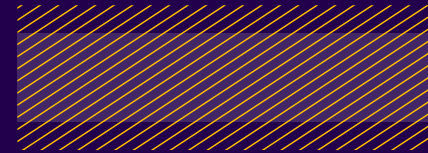
RECOMMENDATION

Conduct post-claim interviews or surveys to identify friction points.

Loyalty Lives by the Claims⁴

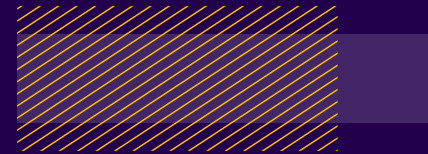
Claims Experience

smooth



85%
renewal
likelihood

delayed



65%
renewal
likelihood

One bad claims experience unravels years of premium loyalty. Retention is earned in moments of crisis.

Digital Payments Deliver Faster, Cheaper, Better^{7,8,9}

Feature	Traditional Payments	Digital Payments
Average Payment Time	10-21 days	< 5 days
Cost per transaction	\$5-8	\$0.25
Customer satisfaction	Moderate	High
Fraud risk	Double	Reduced
Call center load	High	Low

Digital Payments: The Fastest Path to Growth

Fast, digital payments aren't just an upgrade – they're a strategic safety net.

Digital disbursement platforms help insurers modernize operations, reduce cycle times, and build trust.

Improve operational efficiency: Digital payments reduce call center volume by up to 40%.¹

Elevate customer experience: Real-time tracking and choice of payment method improve Net Promoter Scores (NPS).

Increase savings: Digital payments cost less per transaction and reduce fraud risk.

STRATEGIC ADVANTAGE

Digital disbursements improve retention, reduce overhead and future-proof your claims operations.¹⁰

RECOMMENDATION

Pilot digital payments in one high-risk region before scaling nationally.

Building a Claims Network That Doesn't Break

Resilience is now table stakes. CAT events are no longer rare – they're routine.

To thrive, insurers must build a scalable, interoperable claims ecosystem that can flex to sudden spikes in volume.


Align ecosystem players: Carriers, TPAs, banks, payment processors, regulators

Evaluate surge capacity: Can your systems handle a 10x spike in claims volume?

Implement integration: Payment systems must sync with claims platforms for real-time visibility.

RECOMMENDATION

Run annual "CAT drills" with all ecosystems to test surge capacity and integration.



RESILIENCY CHECKLIST

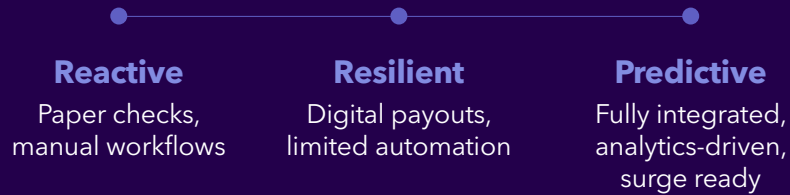
Do you have surge capacity?

Do you have a digital-first payment rail?

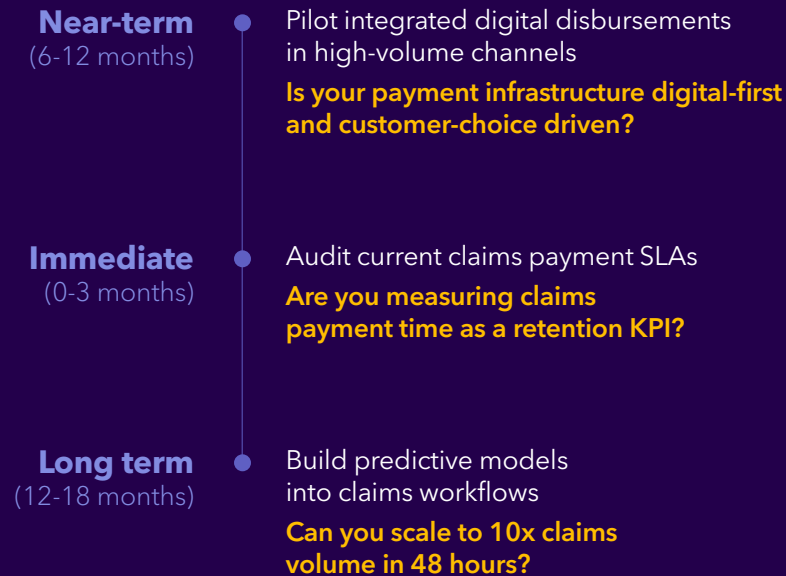
Do your payments systems integrate with existing claims systems?

Do you have redundancies in partners?

Readiness Scorecard



Executive Action Plan



From Firefighting to Forecasting: Readiness Scorecard

You can't afford to be reactive. The next CAT event isn't an if – it's a when.

Payments modernization is a key step toward predictive claims operations – forecasting demand, pre-positioning resources and communicating with customers before they ask.

PREDICT > PREPARE > PERFORM

Move from **claims processor** to **claims strategist** to stay relevant in the next decade.

RECOMMENDATION

Hold quarterly cross-functional reviews between Claims, IT and Finance to align on resilience KPIs.



The Path to CAT Readiness: How Zelis Can Help

The future of claims is fast, digital and customer-centric.

For more information about how to better lead with speed and compassion, visit zelis.com.

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