Claims Adjusters, Appraisers, Examiners, and Investigators

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Significant Points

- Adjusters and examiners investigate claims, negotiate settlements, and authorize payments, while investigators deal with claims in which fraud or criminal activity is suspected.
- Most employers prefer to hire college graduates.
- The greatest demand for adjusters will be in property and casualty, and health insurance; competition will remain keen for jobs as investigators because this occupation attracts many qualified people.

Nature of the Work

Claims adjusters, appraisers, examiners and investigators perform a wide range of functions, but their most important role is acting as intermediaries with the public. Insurance companies and independent adjusting firms employ adjusters, appraisers, examiners, and investigators to deal with the challenges they face, such as handling claims, interpreting and explaining policies or regulations, and resolving billing disputes.

Within insurance companies, claims representatives investigate claims, negotiate settlements, and authorize payments to claimants. When a policyholder files a claim for property damage or a hospital stay, for example, a claim representative must initially determine whether the customer’s insurance policy covers the loss and the amount of the loss covered. They then must determine the amount to pay the claimant.

In life and health insurance companies, claim representatives typically are called claims examiners. Claims examiners usually specialize in group or individual insurance plans and in hospital, dental, or prescription drug claims. Examiners review health-related claims to see if the costs are reasonable based on the diagnosis. They check with guides that provide information on the average period of disability for various causes, expected treatments, and average hospital stay. Examiners will then either authorize the appropriate payment or refer the claim to an investigator for a more thorough review.

Claims examiners working in life insurance review the causes of death, particularly in the case of an accident, as most life insurance companies pay additional benefits if the death is due to an accident. Claims examiners also may review new applications for life insurance to make sure applicants have no serious illnesses that would prevent them from qualifying for insurance.

In property and casualty insurance, claims adjusters handle minor claims filed by automobile or homeowner policyholders. These workers contact claimants by telephone or mail to obtain information on repair costs, medical expenses, or other details the company requires. Many companies centralize this operation through a claims center, where the cost of repair is determined and a check is issued immediately. More complex cases, usually involving bodily injury, are referred to senior adjusters. Some adjusters work with multiple types of insurance; however, most specialize in homeowner claims, business losses, automotive damage, product liability, or workers’ compensation.

Some clients may choose to hire a public adjuster. They perform the same services as adjusters who work directly for companies. Public adjusters assist clients in preparing and presenting claims to insurance companies and try to negotiate a fair settlement. They work in the best interests of the client, rather than the insurance company.

Claims adjusters primarily plan and schedule the work required to process a claim. They investigate claims by interviewing the claimant and witnesses, consulting police and hospital records, and inspecting property damage to determine the extent of the company’s liability. Claims adjusters and examiners may also consult with other professionals, who can offer a more expert evaluation of a claim. Some of these professionals include accountants, architects, construction workers, engineers, lawyers, and physicians. The information gathered, including photographs and written or taped statements, is included in a report that is then used to evaluate a claim. When the policyholder’s claim is legitimate, the claims adjuster negotiates with the claimant and settles the claim. When claims are contested, adjusters may testify in court and refer claims to an investigator.

Auto damage appraisers usually are hired by insurance companies and independent adjusting firms to inspect auto damage after an accident and provide repair cost estimates. Auto damage appraisers are valued by insurance companies because they can provide an unbiased judgment of repair costs. Otherwise, the companies would have to rely on auto mechanic estimates, which might be unreasonably high.

Many claims adjusters and auto damage appraisers are equipped with laptop computers, from which they can download the necessary forms and files from insurance company databases. Many adjusters and appraisers are equipped with digital cameras, which allow photographs of the damage to be sent to the company via the Internet or satellite. There also are new software programs that can give estimates of damage based on the information input directly into the computer. These new technologies allow for faster and more efficient processing of claims.

Many insurance companies are emphasizing better customer service. One way they are achieving this is by offering access to claims services at any time. Most larger companies use call centers, staffed with customer service representatives. (See the statements on customer service representatives and insurance sales agents elsewhere in the Handbook.) These workers obtain information from policyholders regarding claims resulting from fire damage, personal injury or illness, or an automobile accident, for example. They primarily are responsible for getting the necessary information on a claim, such as specific details of an accident. Once the information is entered, the customer service representative forwards the claim to a claims adjuster or examiner. This allows the adjusters or examiners to concentrate on investigating the claim. However, claims adjusters and examiners working for small insurance companies may still answer phones and take claims information, and then handle the claims themselves.

When adjusters or examiners suspect a case might involve fraud, they refer the claim to an investigator. Insurance investigators work in an insurance company’s Special Investigative Unit and handle claims in which a company suspects there might be fraudulent or criminal activity, such as arson cases, false workers’ disability claims, staged accidents, or unnecessary medical treatments. The severity of insurance fraud cases can vary greatly, from claimants simply overstating damage on a vehicle, to complicated fraud rings, often involving many claimants, fraudulent doctors and lawyers, and even insurance personnel.

Investigators usually start with a database search to obtain background information on claimants and witnesses. Investigators can access personal information and identify Social Security numbers, aliases, driver license numbers, addresses, phone numbers, criminal records, and past claims histories to establish if a claimant has...
ever attempted insurance fraud. Then, investigators may visit claimants and witnesses to obtain a recorded statement; take photographs; and inspect facilities, such as a doctor’s office, to determine whether it has a proper license. Investigators often consult with legal counsel and can be expert witnesses in court cases.

Often, investigators also will perform surveillance work. For example, in a case involving fraudulent workers’ compensation claims, an investigator may carry out long-term covert observation of the subject. If the investigator observes the subject performing an activity that contradicts injuries stated in a workers’ compensation claim, the investigator would take video or still photographs to document the activity and report it to the insurance company.

Working Conditions
Working environments of claims adjusters, appraisers, examiners, and investigators vary greatly. Most claims examiners working for life and health insurance companies work a standard 5-day, 40-hour week and work in a typical office environment. Claims adjusters and auto damage appraisers, on the other hand, often work outside the office, inspecting damaged buildings and automobiles.

Damaged buildings provide potential hazards such as collapsed roofs and floors and weakened structures of which adjusters must be wary. Occasionally, experienced adjusters are away from home for days when they travel to the scene of a disaster—such as a tornado, hurricane, or flood—to work with local adjusters and government officials. Some adjusters are on emergency call in the case of such incidents. In general, adjusters are able to arrange their work schedule to accommodate evening and weekend appointments with clients. This accommodation may result in adjusters working 50 or 60 hours a week. Some report to the office every morning to get their assignments while others simply call from home and spend their days traveling to claim sites. New technology, such as laptop computers and cell phones, is making telecommuting easier for claims adjusters and auto damage appraisers. Many adjusters work inside their office only a few hours a week. Some adjusters’ business is based entirely out of their home.

Insurance investigators often work irregular hours because of the need to conduct surveillance and contact people who are not available during normal working hours. Early morning, evening, and weekend work is common. Some days investigators will spend all day in the office doing database searches and making phone calls. Other times, they may be away doing surveillance or interviewing witnesses. Some of the work can involve confrontation with claimants and others involved in a case, so the job can be stressful and dangerous.

Employment
Claims adjusters, appraisers, examiners, and investigators held about 207,000 jobs in 2000. Of these, almost 13,000 were auto damage insurance appraisers. Two percent of adjusters, appraisers, examiners, and investigators were self-employed.

Insurance companies employ the vast majority of claims adjusters, appraisers, examiners, and investigators. Insurance sales agents and brokers and independent adjusting and claims processing firms employ them as well.

Training, Other Qualifications, and Advancement
Training and entry requirements vary widely for claims adjusters, appraisers, examiners, and investigators. However, most companies prefer to hire college graduates. No specific college major is recommended. A claims adjuster, though, who has a business or an accounting background might specialize in claims of financial loss due to strikes, equipment breakdowns, or merchandise damage. College training in architecture or engineering is helpful in adjusting industrial claims, such as damage from fires and other accidents. Some claims adjusters and examiners who are professionals in their field might decide to use their expertise to adjust claims. A legal background can be beneficial to someone handling workers’ compensation and product liability cases. A medical background is useful for those examiners working on medical and life insurance claims.

Because they often work closely with claimants, witnesses, and other insurance professionals, claims adjusters and examiners must be able to communicate effectively with others. Knowledge of computer applications also is extremely important. Some companies require applicants to pass a series of written aptitude tests designed to measure communication, analytical, and general mathematical skills. About one-third of the States require independent, or public, adjusters to be licensed. Applicants in these States usually must comply with one or more of the following: Pass a licensing examination covering the fundamentals of adjusting; complete an approved course in insurance or loss adjusting; furnish character references; be at least 20 or 21 years of age and a resident of the State; and file a surety bond. Claims adjusters working for companies usually can work under the company license and do not need to become licensed themselves.

It is very important for claims adjusters and examiners to receive continuing education in claims. There frequently are new Federal and State laws and court decisions that affect how claims are handled or who is covered by insurance policies. Also, claims
examiners working on life and health claims must be familiar with new medical procedures and prescription drugs. Some States that require adjusters to be licensed also require a certain number of continuing education (CE) credits per year in order to renew the license. These credits can be obtained from a number of sources. Many companies offer training sessions to inform their employees of industry changes. Many schools and adjuster associations offer courses and seminars in various claims topics. Correspondence courses via the Internet are making long-distance learning possible. Adjusters also can earn CE credits by writing articles for claims publications or giving lectures and presentations.

Many adjusters and examiners choose to pursue certain certifications and designations to distinguish themselves. The Insurance Institute of America offers an Associate in Claims (AIC) designation upon successful completion of four essay examinations. Adjusters can prepare for the examination through independent home study or company and public classes. The Institute also offers a certificate upon successful completion of the Introduction to Claims program and an examination. The Registered Professional Adjusters, Inc., offers the Registered Professional Adjuster (RPA) designation. For public, adjusters specifically, The National Association of Public Insurance Adjusters offers both the Certified Professional Public Adjuster (CPPA) and Senior Professional Public Adjuster (SPPA) designations. For claims examiners in the life and health insurance industries, the International Claim Association offers the Associate, Life and Health Claims (ALHC) and the Fellow, Life and Health Claims (FLHC). Most designations require at least 5 to 10 years’ experience in the claims field, passing examinations, and earning a certain number of CE credits a year.

Auto damage appraisers typically begin as auto-body repair workers, and then get hired by insurance companies or independent adjusting firms. While auto-body workers do not require a college education, most companies require at least a bachelor’s degree. Only four States require auto damage appraisers to be licensed. Like adjusters and examiners, continuing education is very important because of the introduction of new car models and repair techniques. The Independent Automotive Damage Appraisers Association provides seminars and training sessions in different aspects of auto damage appraising.

Most insurance companies prefer to hire former law enforcement officers or private investigators as insurance investigators. Many experienced claims adjusters or examiners also can become investigators. Licensing requirements vary among States. Most employers look for individuals with ingenuity who are persistent and assertive. Investigators must not be afraid of confrontation, should communicate well, and should be able to think on their feet. Good interviewing and interrogation skills also are important and usually are acquired in earlier careers in law enforcement.

Beginning claims adjusters, appraisers, examiners, and investigators work on small claims under the supervision of an experienced worker. As they learn more about claims investigation and settlement, they are assigned larger, more complex claims. Trainees are promoted as they demonstrate competence in handling assignments and progress in their coursework. Employees who demonstrate competence in claims work or administrative skills may be promoted to claims approver or claims manager. Similarly, claims investigators may rise to supervisor or manager of the investigation department. Once they achieve a certain level of expertise, many choose to start their own independent adjusting or auto damage appraising firms.

**Job Outlook**

Employment of claims adjusters, appraisers, examiners, and investigators is expected to grow about as fast as the average for all occupations over the 2000-10 period. Opportunities will be best in the areas of property and casualty insurance, and health insurance. Many job openings also will result from the need to replace workers who transfer to other occupations or leave the labor force.

Many insurance carriers are downsizing their claims staff in an effort to contain costs. Larger companies are relying more on customer service representatives in call centers to handle the recording of the necessary details of the claim, allowing adjusters to spend more of their time investigating claims. New technology also is reducing the amount of time it takes for an adjuster to complete a claim, therefore increasing the number of claims one adjuster can handle. However, so long as insurance policies are being sold, there will be a need for adjusters, appraisers, examiners, and investigators. Despite recent gains in productivity resulting from technological advances, these jobs are not easily automated.

Adjusters still are needed to contact policyholders, inspect damaged property, and consult with experts. The greatest demand for adjusters will be in the property and casualty field, as well as in health insurance. An increase in the number of auto and homeowners policies sold eventually will result in more claims. As Federal and State laws require health insurers to accept more applicants for insurance coverage, the number of policies sold will increase. And as the population ages, there will be a greater need for health care, resulting in more claims.

Demand for insurance investigators should grow along with the number of claims in litigation and the number and complexity of insurance fraud cases. Competition for investigator jobs will remain keen, however, because this occupation attracts many qualified people, including retirees from law enforcement and military careers. Many claims adjusters and examiners also choose to get their investigator license.

Like that of claims adjusters, examiners, and investigators, employment of auto damage appraisers should grow about as fast as the average for all occupations. Insurance companies and agents are selling more auto insurance policies, which eventually will lead to more claims being filed that will require the attention of an auto damage appraiser. This occupation is not easily automated, because most appraisal jobs require an onsite inspection. However, employment growth will be limited by industry downsizing and the implementation of new technology that is making auto damage appraisers more efficient.

**Earnings**

Earnings of claims adjusters, examiners, and investigators vary significantly. Median annual earnings were $41,080 in 2000. The middle 50 percent earned between $31,960 and $54,300. The lowest 10 percent earned less than $25,860, and the highest 10 percent earned more than $68,130. In 2000, median annual earnings in the industries employing the largest number of claims adjusters, examiners, and investigators were:

- Fire, marine, and casualty insurance .................. $45,060
- State government ............................................ 41,620
- Life insurance ............................................. 39,850
- Insurance agents, brokers, and service ............. 38,960
- Medical service and health insurance .............. 34,560

Claims adjusters and appraisers working for insurance companies tend to earn slightly higher average earnings than independent adjusters because they have a steady income. Independent adjusters receive a percentage of the insurance company’s settlement with
its clients. This can result in irregular income. Many claims adjusters receive additional bonuses or benefits as part of their job. Adjusters often are furnished a laptop computer, a cellular telephone, and a company car or are reimbursed for use of their own vehicle for business purposes.

Median annual earnings of insurance appraisers, auto damage, were $40,000 in 2000. The middle 50 percent earned between $31,900 and $49,170. The lowest 10 percent earned less than $25,030, and the highest 10 percent earned more than $56,330. In 2000, median annual earnings in the industries employing the largest number of insurance appraisers, auto damage were:

- Fire, marine, and casualty insurance ........................................... $43,090
- Insurance agents, brokers, and service ........................................... 35,850

**Related Occupations**

Insurance adjusters and examiners must determine the validity of a claim and negotiate a settlement. They also are responsible for determining how much to reimburse the client. Similar occupations include cost estimators, bill and account collectors, medical records and health information technicians, billing and posting clerks, and bookkeeping, accounting, and auditing clerks.

When determining the validity of a claim, insurance adjusters must inspect the damage in order to assess the magnitude of the loss. Workers who perform similar duties include fire inspectors and investigators, and construction and building inspectors.

Insurance investigators detect and investigate fraudulent claims and criminal activity. Their work is similar to that of detective and criminal investigators and of private detectives and investigators.

Like automotive body and related repairers and automotive service technicians and mechanics, auto damage appraisers must be familiar with the structure and functions of different automobiles and parts.

Other insurance-related occupations include insurance sales agents and insurance underwriters.

**Sources of Additional Information**

General information about a career as a claims adjuster, appraiser, examiner, or investigator is available from the home offices of many life, health, and property and casualty insurance companies.

Information about licensing requirements for claim adjusters may be obtained from the department of insurance in each State.

For information about the Associate in Claims (AIC) designation, or the Introduction to Claims program, contact:
- Insurance Institute of America, 720 Providence Rd., P.O. Box 3016, Malvern, PA 19355-0716. Internet: [http://www.aicpcu.org](http://www.aicpcu.org)

For information on the Certified Professional Public Adjuster (CPPA) and the Senior Professional Public Adjuster (SPPA) programs, contact:

For information on the Registered Professional Adjuster (RPA) designation, contact:
- Registered Professional Adjusters, Inc., P.O. Box 3239, Napa, CA 94558. Internet: [http://www.rpa- adjuster.com](http://www.rpa-adjuster.com)

For information on the Associate, Life and Health Claims (ALHC) and the Fellow, Life and Health Claims (FLHC) programs, contact:
- International Claim Association, 1255 23rd St. NW., Washington, DC 20037. Internet: [http://www.claim.org](http://www.claim.org)

Information on careers in auto damage appraising can be obtained from:
- Independent Automotive Damage Appraisers Association, P.O. Box 1166, Nixa, MO 65714. Internet: [http://www.iada.org](http://www.iada.org)

### Computer and Information Systems Managers

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**Significant Points**

- Projected job growth stems primarily from rapid growth among computer-related occupations.
- Employers prefer managers with advanced technical knowledge acquired through computer-related work experience and formal education.
- Job opportunities should be best for applicants with a master’s degree in business administration with technology as a core component.

**Nature of the Work**

The need for organizations to incorporate existing and future technologies in order to remain competitive has become a more pressing issue over the last several years. As electronic commerce becomes more common, how and when companies use technology are critical issues. Computer and information systems managers play a vital role in the technological direction of their organizations. They do everything from constructing the business plan to overseeing network and Internet operations.

Computer and information systems managers plan, coordinate, and direct research and design the computer-related activities of firms. They determine technical goals in consultation with top management, and make detailed plans for the accomplishment of these goals. For example, working with their staff, they may develop the overall concepts of a new product or identify computer-related problems standing in the way of project completion.

Computer and information systems managers direct the work of systems analysts, computer programmers, support specialists, and other computer-related workers. These managers plan and coordinate activities such as the installation and upgrading of hardware and software, programming and systems design, the development of computer networks, and the implementation of Internet and intranet sites. They are increasingly involved with the upkeep and maintenance of networks. They analyze the computer and information needs of their organization and determine personnel and equipment requirements. They assign and review the work of their subordinates, and stay abreast of the latest technology in order to purchase necessary equipment.

The duties of computer and information systems managers vary with their specific titles. **Chief technology officers**, for example, evaluate the newest and most innovative technologies and determine how these can help their organization. The chief technology officer, who often reports to the organization’s chief information officer, manages and plans technical standards and tends to the daily information technology issues of their firm. (Chief information officers are covered in a separate *Handbook* statement on top executives.) Because of the rapid pace of technological change, chief technology officers must constantly be on the lookout for developments that could benefit their organization. They are responsible for demonstrating to a company how information technology can