
Claims Adjusters, Appraisers, Examiners, and Investigators

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Significant Points

- Employment is expected to increase moderately, but many job openings will arise from the need to replace workers who retire or leave for other reasons.
- Licensing and continuing education requirements vary by State.
- College graduates have the best opportunities; competition will be keen for jobs as investigators because this occupation attracts many qualified people.

Nature of the Work

Individuals and businesses purchase insurance policies to protect against monetary losses. In the event of a loss, policyholders submit claims, or requests for payment, seeking compensation for their loss. Adjusters, appraisers, examiners, and investigators deal with those claims. They work primarily for property and casualty insurance companies, for whom they handle a wide variety of claims alleging property damage, liability, or bodily injury. Their main role is to investigate the claims, negotiate settlements, and authorize payments to claimants, all the while mindful not to violate the claimant's rights under Federal and State privacy laws. They must determine whether the customer's insurance policy covers the loss and how much of the loss should be paid to the claimant. Although many adjusters, appraisers, examiners, and investigators have overlapping functions and may even perform the same tasks, the insurance industry generally assigns specific roles to each of these claims workers.

Adjusters plan and schedule the work required to process a claim. They might, for example, handle the claim filed after an automobile accident or after a storm damages a customer's home. Adjusters 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. Adjusters may consult with other professionals, such as accountants, architects, construction workers, engineers, lawyers, and physicians, who can offer a more expert evaluation of a claim. The information gathered—including photographs and statements, either written, audio, or on video tape—is set down in a report that is then used to evaluate the associated claim. When the policyholder's claim is legitimate, the claims adjuster negotiates with the claimant and settles the claim. When claims are contested, adjusters will work with attorneys and expert witnesses to defend the insurer's position.

Many companies centralize claims adjustment in a claims center, where the cost of repair is estimated 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, but most specialize in homeowner claims, business losses, automotive damage, or workers' compensation.

Claimants can opt not to rely on the services of their insurance company's adjuster and may instead choose to hire a public adjuster. These workers assist clients in preparing and presenting claims to insurance companies and in trying to negotiate a fair settlement. They perform the same services as adjusters who work directly for companies, but they work in the best interests of the client, rather than the insurance company. Independent adjusters are also self-employed and are typically hired by an insurance carrier on a freelance or contractual basis. Insurance companies may choose to hire independent adjusters in lieu of hiring them as regular employees.

Claims examiners within property and casualty insurance firms may have duties similar to those of an adjuster, but often their primary job is to review the claims submitted in order to ensure that proper guidelines have been followed. They may assist adjusters with complex and complicated claims or when a disaster suddenly greatly increases the volume of claims.

Most claims examiners work for life or health insurance companies. In health insurance companies, examiners review health-related claims to see whether costs are reasonable given the diagnosis. Examiners use guides with information on the average period of disability, the expected treatments, and the average hospital stay for the various ailments. Examiners check claim applications for completeness and accuracy, interview medical specialists, and consult policy files to verify the information reported in a claim. Examiners will then either authorize the appropriate payment or refer the claim to an investigator for a more thorough review. Claims examiners usually specialize in group or individual insurance plans and in hospital, dental, or prescription drug claims.

In life insurance, claims examiners review the causes of death, particularly in the case of an accident, because most life insurance policies pay additional benefits if a death is accidental. Claims examiners also may review new applications for life insurance to make sure that the applicants have no serious illnesses that would make them a high risk to insure and thus disqualify them from obtaining insurance.

Another occupation that plays an important role in the accurate settlement of claims is that of the *appraiser*, whose role is to estimate the cost or value of an insured item. The majority of appraisers employed by insurance companies and independent adjusting firms are *auto damage appraisers*. These appraisers inspect damaged vehicles after an accident and estimate the cost of repairs. This information is then relayed to the adjuster, who incorporates the appraisal into the settlement. 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 mechanics' 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. They also may use digital cameras, which allow photographs of the damage to be sent to the company via the Internet. Many also input information about the damage directly into their computers, where software programs produce estimates of damage on standard forms. These new technologies allow for faster and more efficient processing of claims.

When adjusters or examiners suspect fraud, they refer the claim to an investigator. *Insurance investigators* in an insurance company's special investigative unit handle claims in which the company suspects fraudulent or criminal activity, such as arson, falsified workers' disability claims, staged accidents, or unnecessary medical treatments. The severity of insurance fraud cases can vary greatly, from claimants simply overstating the damage to a vehicle to complicated fraud rings responsible for many claimants and supported by dishonest doctors, lawyers, and even insurance personnel.

Investigators usually start with a database search to obtain background information on claimants and witnesses. Investigators can access certain personal information and identify Social Security numbers, aliases, driver's license numbers, addresses, phone numbers, criminal records, and past claims histories to establish whether 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 doctors' offices, to determine whether the doctors have a proper license. Investigators often consult with legal counsel and can be expert witnesses in court cases.

Often, investigators also perform surveillance work. For example, in a case involving fraudulent workers' compensation claims, an investigator may covertly observe the claimant for several days or even weeks. If the investigator observes the subject performing an activity that is ruled out by injuries stated in a workers' compensation claim, the investigator will take video or still photographs to document the activity and report it to the insurance company.

Work environment. Working environments of claims adjusters, appraisers, examiners, and investigators vary greatly. Many claims adjusters and auto damage appraisers, often work outside the office, inspecting damaged buildings and automobiles. Adjusters who inspect damaged buildings must be wary of potential hazards such as collapsed roofs and floors, as well as weakened structures.

Adjusters report to the office every morning to get their assignments, while others simply call in from home and spend their days traveling to claim sites. New technology, such as laptop computers and cellular telephones, is making telecommuting easier for claims adjusters and auto damage appraisers. Many adjusters work inside their office only a few hours a week, while others conduct their business entirely out of their home and automobile. Occasionally, experienced adjusters must be away from home for days—for example, when they travel to the scene of a disaster such as a tornado, hurricane, or flood—to work with local adjusters and government officials.

Most claims examiners employed by life and health insurance companies work a standard 5-day, 40-hour week in a typical office environment. In contrast, adjusters often must arrange their work schedules to accommodate evening and weekend appointments with clients. This sometimes results in adjusters working irregular schedules or more than 40 hours a week, especially when they have a lot of claims to investigate. Adjusters often are called to work in the event of emergencies and may have to work 50 or 60 hours a week until all claims are resolved.



Auto damage appraisers may document the state of the automobile in their loss estimation reports.

Appraisers spend much of their time offsite at automotive body shops estimating vehicle damage costs. The remaining time may be spent working in the office. Many independent appraisers work from home, which has been made easier through new computer software valuation programs. Auto damage appraisers typically work regular hours, and rarely work on the weekends. Self-employed appraisers also have the flexibility to make their own hours, as many appraisals are done by appointment.

Some days, investigators will spend all day in the office, searching databases, making telephone calls, and writing reports. Other times, they may be away, performing surveillance activities 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. 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.

Training, Other Qualifications, and Advancement

Training and entry requirements vary widely for claims adjusters, appraisers, examiners, and investigators. Although many in these occupations do not have a college degree, most companies prefer to hire college graduates.

Education and training. There are no formal education requirements for any of these occupations, and a high school degree is typically the minimal requirement needed to obtain employment. However, most employers prefer to hire college graduates or people who have some postsecondary training.

No specific college major is recommended, but a variety of degrees can be an asset. For example, a claims adjuster who has a business or an accounting background might be suited to specialize in claims of financial loss due to strikes, breakdowns of equipment, or damage to merchandise. College training in architecture or engineering is helpful in adjusting industrial claims, such as those involving damage from fires or other accidents. 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.

The following tabulation presents the 2006 percent distribution of all claims adjusters, appraisers, examiners, and investigators by their highest level of educational attainment:

	Percent
High school graduate or less	22
Some college, no degree	17
Associate's degree.....	12
Bachelor's degree.....	45
Graduate degree	5

For auto damage appraiser jobs, firms typically prefer to hire people who also have experience as an estimator or as a manager of an auto body repair shop. Also, an appraiser must know how to repair vehicles in order to identify and estimate damage. Technical skills are essential. While auto damage appraisers do not require a college education, most companies prefer to hire persons with formal training. Many vocational colleges offer 2-year programs in auto body repair and teach students how to estimate the costs to repair damaged vehicles.

For investigator jobs, most insurance companies prefer to hire people trained as law enforcement officers, private investigators, claims adjusters, or examiners because these workers have good interviewing and interrogation skills.

Beginning claims adjusters, appraisers, examiners, and investigators work on small claims under the supervision of an experienced workers. As they learn more about claims investigation and settlement, they are assigned larger, more complex claims. Trainees take on more responsibility as they demonstrate competence in handling assignments and progress in their coursework. Auto damage appraisers may also receive some on-the-job training, which may last several months. They may work under close supervision while estimating damage costs until their employer decides they are ready to perform estimates on their own.

Continuing education is very important for claims adjusters, appraisers, examiners, and investigators because Federal and State laws and court decisions affect how claims are handled or who is covered by insurance policies. Also, examiners working on life and health claims must be familiar with new medical procedures and prescription drugs. Examiners working on auto claims must be familiar with new car models and repair techniques.

Many companies offer training sessions to inform their employees of industry changes, and a number of schools and associations give courses and seminars on various topics having to with claims. Correspondence courses via the Internet are also making long-distance learning possible.

Licensure. Licensing requirements for claims adjusters, appraisers, examiners, and investigators vary by State. Some

States have few requirements, while others require either the completion of prelicensing education, a satisfactory score on a licensing exam, or both. Earning a voluntary professional designation can sometimes substitute for completing an exam. In some States, claims adjusters employed by insurance companies can work under the company license and need not become licensed themselves. Public adjusters may need to meet separate or additional requirements. For example, some States require public adjusters to file a surety bond.

Some States that require licensing also require a certain number of continuing education credits per year in order to renew the license. Workers can fulfill their continuing education requirements by attending classes or workshops, by writing articles for claims publications, or by giving lectures and presentations.

Other qualifications. Claims adjusters, appraisers, and examiners often work closely with claimants, witnesses, and other insurance professionals, so they must be able to communicate effectively with others. Knowledge of computer applications also is very helpful. In addition, a valid driver's license and a good driving record are required for workers who must travel on the job. Some companies require applicants to pass a series of written aptitude tests designed to measure their communication, analytical, and general mathematical skills.

When hiring investigators, employers look for individuals who have ingenuity and who are persistent and assertive. Investigators should 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.

Certification and advancement. Employees who demonstrate competence in claims work or administrative skills may be promoted to more responsible managerial or administrative jobs. Similarly, claims investigators may rise to become supervisor or manager of the investigations department. Once they achieve expertise, many choose to start their own independent adjusting or auto damage appraising firms.

Numerous examiners and adjusters also earn professional certifications and designations to demonstrate their professional expertise. Although requirements for these designations vary, many entail at least 5 to 10 years of experience in the claims field and the successful completion of an examination; in addition, a certain number of continuing education credits must be earned each year to retain the designation.

Employment

Adjusters, appraisers, examiners, and investigators held about 319,000 jobs in 2006. Insurance carriers, agencies, brokerages, and related industries, such as private claims adjusting companies, employed more than 7 out of 10 claims adjusters,

Projections data from the National Employment Matrix

Occupational Title	SOC Code	Employment, 2006	Projected employment, 2016	Change, 2006-16	
				Number	Percent
Claims adjusters, appraisers, examiners, and investigators	13-1030	319,000	347,000	29,000	9
Claims adjusters, examiners, and investigators.....	13-1031	305,000	332,000	27,000	9
Insurance appraisers, auto damage	13-1032	13,000	15,000	1,700	13

NOTE: Data in this table are rounded. See the discussion of the employment projections table in the *Handbook* introductory chapter on *Occupational Information Included in the Handbook*.

appraisers, examiners, and investigators. Less than 5 percent of these jobs were held by auto damage insurance appraisers. Relatively few adjusters, appraisers, examiners, and investigators were self-employed.

Job Outlook

Despite average job growth, keen competition for claims adjuster, appraiser, examiner, and investigator jobs is expected, especially in smaller, privately owned companies. For claims adjusters, opportunities will be best for those who have a license and related experience. For appraiser jobs, opportunities will be best for those who have some vocational training and previous auto body repair experience.

Employment change. Employment of claims adjusters, appraisers, examiners, and investigators is expected to grow by 9 percent over the 2006-16 decade, which is about as fast as the average for all occupations. 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, for example, to handle the recording of the necessary details of the claim, allowing adjusters to spend more of their time investigating claims. New technology is reducing the amount of time it takes for an adjuster to complete a claim, thereby increasing the number of claims that one adjuster can handle. The demand for these jobs will increase regardless of new technology, however, because they cannot be easily automated. Additionally, a growing need for adjusters, appraisers, examiners, and investigators will stem from more insurance policies being sold to accommodate a growing population. Further, as the elderly population increases, there will be a greater need for health care, resulting in more health insurance claims.

Employment of insurance investigators is not expected to grow significantly, despite the expected increase in the number of claims in litigation and the number and complexity of insurance fraud cases. Technology, such as the Internet, reduces the amount of time it takes investigators to perform background checks, allowing them to handle more cases. However, adjusters are still needed to contact policyholders, inspect damaged property, and consult with experts.

As with claims adjusters, examiners, and investigators, employment of auto damage appraisers should grow by 13 percent, which is also about as fast as the average for all occupations. Insurance companies and agents continue to sell growing numbers of auto insurance policies, leading to more claims being filed that require the attention of an auto damage appraiser. The work of auto damage appraisers is also not easily automated because most appraisals require an onsite inspection, but new technology is making them somewhat more efficient. In addition, some insurance companies are opening their own repair facilities, which may reduce the need for auto damage appraisers.

Job prospects. Numerous job openings also will result from job growth and the need to replace workers who transfer to other occupations or leave the labor force. Overall, college graduates and those with previous related experience will have the best opportunities for jobs as claims adjusters, examiners, and investigators. Auto damage appraisers with related vocational training and auto body shop experience will also have good

prospects. People entering these occupations with no previous experience or formal training may find more opportunities working directly for an insurance carrier.

Competition for investigator jobs will remain keen because the occupation attracts many qualified people, including retirees from law enforcement, the military, and experienced claims adjusters and examiners who choose to get an investigator license. Heightened media and public awareness of insurance fraud also may attract qualified candidates to this occupation.

Earnings

Earnings of claims adjusters, appraisers, examiners, and investigators vary significantly. Median annual earnings were \$50,660 in May 2006 for wage and salary workers. The middle 50 percent earned between \$38,520 and \$65,210. The lowest 10 percent earned less than \$30,890, and the highest 10 percent earned more than \$79,170.

Median annual earnings of wage and salary auto damage insurance appraisers were \$49,180 in May 2006. The middle 50 percent earned between \$40,870 and \$57,830. The lowest 10 percent earned less than \$34,220, and the highest 10 percent earned more than \$68,420.

Many claims adjusters, especially those who work for insurance companies, 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 the use of their own vehicle for business purposes.

Related Occupations

Property-casualty insurance adjusters and life and health insurance examiners must determine the validity of a claim and negotiate a settlement. They also are responsible for determining how much to reimburse the client. Occupations similar to those of claims adjusters, appraisers, examiners, and investigators include cost estimators; bill and account collectors; medical records and health information technicians; billing and posting clerks; credit authorizers, checkers, and clerks; and bookkeeping, accounting, and auditing clerks.

In 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.

To ensure that company practices and procedures are followed, property and casualty examiners review insurance claims to which a claims adjuster has already proposed a settlement. Others in occupations that review documents for accuracy and compliance with a given set of rules and regulations are tax examiners, collectors, and revenue agents, as well as accountants and auditors.

Like automotive body and related repairers and automotive service technicians and mechanics, auto damage appraisers must be familiar with the structure and functions of various automobiles and their parts. They must also be familiar with techniques to estimate value, which is a requirement similar to appraisers and assessors of real estate.

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

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 insurance companies.

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

Information about the property-casualty insurance field can be obtained by contacting:

► Insurance Information Institute, 110 William St., New York, NY 10038. Internet: <http://www.iii.org>

Information about the health insurance field can be obtained by contacting:

► National Association of Health Underwriters, 2000 North 14th Street, Suite 450, Arlington, VA 22201.

Internet: <http://www.nahu.org>

For information about professional designation and training programs, contact any of the following organizations:

► American College, 270 South Bryn Mawr Ave., Bryn Mawr, PA 19010-2196.

Internet: <http://www.theamericancollege.edu>

► American Institute for Chartered Property Casualty Underwriters and the Insurance Institute of America, 720 Providence Rd., P.O. Box 3016, Malvern, PA 19355-0716.

Internet: <http://www.aicpcu.org>

► International Claim Association, 1255 23rd St. NW., Washington, DC 20037. Internet: <http://www.claim.org>

► LOMA, 2300 Windy Ridge Parkway, Suite 600, Atlanta, GA 30339-8443. Internet: <http://www.loma.org>

Information on careers in auto damage appraising can be obtained from:

► Independent Automotive Damage Appraisers Association, P.O. Box 12291 Columbus, GA 31917-2291.

Internet: <http://www.iada.org>