SHIFT

Stop negotiating in the blind

Adverse carrier intelligence and comparable claims inform a winning strategy for auto subrogation

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Executive summary

Auto subrogation teams send demand packages without knowing how the adverse carrier will respond: how long they will take, what they will counter-offer, and what they will ultimately accept. They also lack a reliable view of how claims of a similar profile have actually been settled. A handler's experience with a specific adverse carrier may provide some insight, but it is limited to the specific claims they have managed.

The next gain in auto recovery will come from more than automation of recovery tasks. It will also come from a better understanding of the adverse carrier before the demand is sent. That understanding has two halves:

- **Adverse carrier intelligence** shows how the carrier typically behaves: response times, how they counter, tendency to escalate or arbitrate.
- **Comparable claims** show how similar claims ended: the fault splits, settlements and arbitration outcomes of resolved claims with the same fact pattern.

Each half is impactful alone. Together they enable a handler to strengthen demands and negotiations. AI agents that bring both to every file turn negotiation from instinct into strategy. Insurers that embrace this insight will be able to recover more and recover faster. The strength of evidence of the case is critical, but equally as important is an understanding of who you are up against.

This paper explains how adverse carrier behavior and comparable claims insights strengthen the recovery lifecycle, from detection to arbitration. The intelligence strengthens the filings, increasing the likelihood of a quicker settlement and decreasing the time and fees associated with arbitration.

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The cost of not knowing the other side

A demand is a bet on how the adverse carrier will behave and how the claim will resolve. The recovery specialist risks effort and time to organize, create and negotiate the demand. Estimates indicate that insurers are missing $15 billion in subrogation potential each year*. Part of the challenge to maximize recovery is knowing when to escalate to arbitration and when to settle. Most subrogation teams today place bets with limited knowledge based on the facts of the claim, the handler's memory of past files, and a guess.

This creates three problems:

- **Inconsistent opening positions:** Two handlers with the same file can demand different amounts and accept different settlements, because each draws on a different set of past experience and a different memory of how similar claims settled.
- **Avoidable concessions:** Without a benchmark for how a given carrier typically counters, and for how comparable claims have been resolved, handlers cannot tell a reasonable counter-offer from an opening offer. Some accept too early and others hold out too long.

Most negotiations are conducted blind. Insurers that understand adverse behavior, negotiate with strength.

- **Late arbitration decisions:** Filing fees and time are spent on cases that were never likely to settle, while cases that should have escalated are prolonged.

Two blind spots sit behind all three. One is the counterparty - how this carrier responds and counters. The other is precedent - what similar claims recovered, and how often they had to be escalated to arbitration. Both need understanding.

*Celent, *Boosting Subrogation Efficiency for a Healthy Bottom Line*

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Lens one: comparable claims

Comparable claims insights show a handler how claims of a similar archetype actually settled, so the demand and the settlement range rest on precedent rather than recollection, white still considering the unique facts of the specific claim.

An AI agent analyzes similar claims of the same profile and summarizes those claims with similar circumstances alongside the outcomes from those cases. A claim's archetype is its fact pattern: the type of incident, the number of parties and vehicles involved, and the evidence on file. The example below is an illustration of a group of similar claims and the resulting intelligence provided when looking across a set.

The comparison answers questions that neither the file nor the carrier profile can: a fault assessment typical for this fact pattern, which evidence was used in the claims that recovered, and how often did similar cases end up in arbitration. It is evidence about the claim's likely path, not about the counterparty.

Signal	Value	What the handler does with it
Comparable arbitrated cases	47 similar cases	Weighs how often this fact pattern went to arbitration, and how it ended
Average insured fault on comparable claims	25%	Tests the liability estimate against how similar claims resolved
Resolution range	Typical 70 - 80%	Sets a realistic settlement range before negotiating
Evidence in recovered claims	Police report and witness statement on file	Helps decide evidence to include at initial demand

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Lens two: adverse carrier intelligence

Adverse carrier intelligence indicates to a handler how this particular counterparty tends to behave, so the first demand and every reply can be planned rather than guessed.

Before a demand is sent, an AI agent can assemble a profile of the adverse carrier, including typical response timeframes and how the carrier regularly negotiates based on specific claim attributes. An example is provided below.

The profile answers questions a single file cannot: is this carrier slow or just busy, is a 50% counter its standard opening move, and does it tend to hold firm until arbitration. It is evidence about the counterparty, not about the claim. This information gives the handler a clear, data-driven basis for how to open, when to hold, and when to settle or escalate.

Signal	Value	What the handler does with it
Average response time	14 days	Sets follow-up cadence and flags a carrier that is running slow
Typical counter-offer	45–55% of demand	Assesses whether a counter is a real position or an opening offer
Negotiating pattern	Low - disputes liability	Decides which part of the demand to defend most aggressively
Arbitration tendency	High - frequently escalates	Decides how to prepare the attachments

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Better together: carrier profile and comparable claims combined

The two lenses are strongest when they are considered and cross-checked against the claim's specific evidence. The agent layers in the specifics of case strength, based on the incident details and the evidence on file, then sets that against the carrier profile and the comparable claims. Together they give the handler a clear, evidence-backed basis for how to approach the claim, demand, when to hold firm, and when to settle or escalate.

Each insight is strong, but even more effective when both views are considered together. And the insights are only as credible as the data behind them. An agent builds carrier profiles and comparable claim sets from the carrier's own historical claims and its arbitration decisions. The more complete the claim file, the more comprehensive this analysis. The data must then be anonymized and aggregated to provide analysis, while removing any bias or another carrier's identifiable data.

Carrier profile shows	Comparable claims show	Handler move
Counter is in line with how this carrier usually opens	Similar claims recovered well above that level	Hold, and respond with additional evidence
Counter is in line with how this carrier usually opens	Similar claims settled close to that level	Treat it as a real position and weigh settling
Carrier is slower than its usual response time	Similar claims rarely needed arbitration	Follow up and keep the file moving
Carrier usually holds firm until arbitration	Similar arbitrated cases ended favorably	Prepare for escalation early and avoid prolonged back-and-forth

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Considerations for insurance leaders

For Subrogation leaders and teams

Data-driven insights for recovery pursuit offer a proactive approach to improve recovery rates and reduce cycle times:

Consistent approach: Every handler works from the same carrier profile and comparable outcomes, not personal memory.

Readable counter-offers: Carrier habits plus similar-claim results show whether a counter is a real position or an opening move, reducing early acceptance and over-holding.

Earlier arbitration calls: Unlikely settlements reach arbitration/litigation sooner, and filing fees are eliminated for cases that were never going to settle.

Scaled expertise: The agent acts as a training and guidance tool, easing the talent gap and staff turnover.

Handlers decide: The agent recommends, and insurers set the automation level by line of business.

For IT, data and technology leaders

The potential offered for more successful recoveries brings a compelling opportunity for data and IT teams.

One clean data foundation: Both lenses depend on structured fields and free-form text (loss descriptions, adjuster notes, third-party statements). That same foundation serves the entire organization.

Closed claims gain value: Historical data is the best starting point and can reveal recoveries on claims previously closed, so the data you already hold is put to use.

Explainability and audit: Every recommendation provides a visible rationale and audit trail to defend positions and answer regulators.

Human-in-the-loop control: Insurers set oversight levels by line of business, so IT and compliance can match automation to their own risk appetite.

Conclusion

As agentic AI gains momentum, it is in the foreseeable future when a demand built by one carrier's agent is reviewed by another's. When both sides have automated the process, the advantage moves to the side with better data on how the other behaves and on how comparable claims have been resolved.

Carriers that negotiate blind will meet counterparts that do not. The gap will show up in recovery rates before it shows up in anyone's strategy deck.

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Shift Subrogation: Intelligence at every step of the recovery lifecycle

Shift Subrogation agents manage recovery pursuit across exposures, including PIP, collision, rental and MedPay, whether the referral was detected by AI or flagged by a handler. Each step feeds the next, and what the agent learns early sharpens the negotiation later.

Detection. Generative AI reads free-form adjuster notes, statements and police reports to surface subrogation indicators a manual review could miss. It applies state negligence law and statutes of limitations to judge viability, in a fraction of the time a handler takes.

Liability calculation. Agents evaluate points of impact, vehicle movement, statements and rules of the road the same way every time, removing the variability of subjective judgment. The result is a precise fault assessment and an explainable, defensible reasoning, updated as new evidence arrives. Comparable claims test that percentage against how similar claims are resolved.

Recovery preparation. The agent triages the case, organizes the evidence and sets case strength considering the adverse carrier profile and the comparable claims shown above. Handlers know how firmly to negotiate, and what a realistic range looks like, before they begin.

Demand package creation. The agent builds the demand, supported directly by the evidence - duties owed/breached, state laws and statutes, police report, insured statements or witness statements. Carrier behavior and comparable outcomes inform how the package is framed and with what evidence to lead. It is ready to send with minimal handler intervention, based on the insurer's parameters.

Negotiation. When the adverse carrier counters, the agent tests the counter against the original evidence, the carrier's known behavior and the outcomes of comparable claims, then recommends whether to accept, counter or escalate. The handler decides, with additional evidence attached where it strengthens the position.

Arbitration. If negotiation fails, the case is escalated with the full demand package and evidentiary record. Better preparation with insights that strengthen negotiations mean fewer cases reach this step, and fewer filing fees are paid.

Every step of the workflow can include human review, and the insurer decides how much automation to allow, by line of business. Handlers control every decision and what is automated, including whether to follow the guidance provided by the carrier profile and comparable claims.

Learn more about Shift Subrogation.

About Shift Technology

Shift delivers AI agents that transform insurers' most critical work. By combining deep industry expertise and unmatched data resources, Shift provides proven results that have earned the trust of hundreds of the world's leading insurers. Our insurance-grade AI is accurate, explainable, and secure—empowering human experts to move with unmatched speed, total confidence, and a renewed focus on the people they serve.

Learn more at www.shift-technology.com