

ALE as a Predictable Allocation

A better way to manage emergency & catastrophe-related ALE



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Additional Living Expense, or ALE, is one of the hardest parts of catastrophe claims to forecast and control. In many carrier organizations, it is still handled as a post-event expense, which creates leakage, delays, and unnecessary pressure on claims teams. As catastrophe events become more frequent and more complex, carriers need a more predictable operating model.

The opportunity is to move ALE from a reactive cost to a managed allocation inside the claims process. With clearer authority thresholds, early-warning controls, and better visibility into spend, carriers can improve control without slowing down service. AI can support that shift by helping carriers forecast more accurately, flag exceptions earlier, and manage ALE with more consistency across events.

Why this matters now

The pressure on catastrophe operations is rising. Swiss Re reported that secondary perils accounted for 92% of global insured losses in 2025, showing that catastrophe risk is no longer limited to rare, high-severity events. In Canada, insured losses from severe weather reached CAD 8.5 billion in 2024, the highest on record. The operating reality has changed, and ALE management needs to keep pace.

This matters because ALE is not just a cost item. It sits at the center of the policyholder experience during a claim. When it is managed well, it reduces stress, lowers friction, and helps the carrier demonstrate responsiveness at a critical moment. When it is managed manually, it becomes harder to control spend, harder to forecast exposure, and harder to deliver a consistent experience.



What good ALE management looks like

A more disciplined ALE model starts with clear controls. That includes authority limits, escalation thresholds, and earlier visibility into claims that are trending beyond expected ranges. It also includes stronger coordination across the people and vendors involved in the process.

AI can help carriers support this model by improving forecasting, surfacing exceptions, and reducing the amount of manual effort required to track and coordinate ALE. The goal is not to replace adjuster judgment. It is to make that judgment easier to apply with better information and less operational noise.

For carriers, this means:

- less leakage,
- more predictable spend,
- faster escalation when needed,
- lower manual workload,
- and a better policyholder experience.

Why the customer experience matters

ALE is one of the most visible parts of the claims process to policyholders. If it is handled well, the customer feels supported during a stressful time. If it is handled poorly, the frustration is immediate and memorable.

That makes ALE a trust signal. A smoother ALE process can reduce unnecessary contacts, improve service consistency, and strengthen the carrier's reputation when customers need certainty most. In that sense, ALE is not only an operational issue. It is also a retention and service issue.

How Atlis helps

Atlis helps carriers bring more predictability, control, and visibility to ALE operations. By combining AI-supported forecasting with practical workflow automation, Atlis helps reduce manual effort, improve operational oversight, and create a more manageable ALE process for both claims teams and policyholders.

The result is a better operating model for catastrophe response: one that is easier to budget, easier to govern, and better aligned to the realities of modern claims.

Third-party data points

Swiss Re: secondary perils accounted for 92% of global insured losses in 2025.

Insurance Bureau of Canada: CAD 8.5 billion in insured severe-weather losses in 2024.

NOAA: 27 U.S. billion-dollar weather and climate disasters in 2024.



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