

Solve Industry Claims Issues

By Ken Cunningham, with contributions from Kathleen Walker and Warren Taylor

Recent reports on claim handling in the auto insurance industry have not been complimentary. The recent J.D. Power and Associates 2007 Insurance Shopping Study showed that almost 75 percent of consumers who experience poor customer service with claims switch carriers. Then there is the continuing issue of claims losses and loss adjustment expenses absorbing \$.75 of each premium dollar. Further compounding the problem is the impending retirement of many experienced claims adjusters in the near future.

How can an insurance carrier improve customer service, reduce losses and confront the changes to its claims adjuster workforce? One potential answer lies in the adoption and use of technology specifically developed for the claims process. Some of the claims-related products and processes that carriers can adopt to help them enhance customer service and strengthen claims systems include the use of analytics, subrogation and fraud case management, and claims data prefill services.

The use of analytics facilitates quick and consistent detection of fraud and recovery opportunities. Analytic solutions such as ChoicePoint's SubroFocus® and FraudFocus™ use predictive modeling techniques to build models based on a customer's data and a historical definition of good and bad fraud and subrogation referrals. These models effectively apply the best practices of experienced claims adjusters to evaluate new claims consistently, allowing the insurance carrier to benefit from the knowledge of long-time adjusters without having to spend years training new staff. By capturing and leveraging existing experience and informa-

tion with analytic solutions, an insurance carrier can worry less about how to confront the potential changes to its claim adjuster workforce and spend more time focusing on areas of potential improvement.

Case management systems such as ChoicePoint's FraudFocus Investigation Management System facilitate the claims investigation process from referral to close, allowing for straight-through claims processing. Information regarding the investigation process is readily available, including costs, up-to-the-minute status and detailed log notes. Other advantages of case management systems are the ability to attach relevant documents to case files and to create best practice procedure templates for different investigation types. Use of best practice templates aids in consistency and completeness of investigations and reduces the need for claims investigation audits. These features can relieve the investigator from some tedious paper-based processes while allowing for speedy investigation tracking through the use of status and log notes. The existing technology available through case management systems also can assist insurance carriers with reducing losses and loss adjustment expenses.

Claims data prefill services provide comprehensive, nationwide data through an interactive tool that populates a call center or claims representative's screen. This process saves the representative from having to manually enter all the information related to the claim. Instead, the claimant provides basic information—name, address, claim number, etc.—and the claims data prefill system automatically populates additional information. Having the customer and/or claim information readily available reduces call time, improves accuracy and enhances

customer satisfaction. The dual benefits of reduced costs and a better customer experience are a powerful combination that can help insurers lower expenses and retain current customers.

For each of the three types of technology solutions mentioned above – the use of analytics, case management systems for fraud and subrogation, and claims data prefill services – the goal is to help make the claims workforce more effective by improving the efficiency of the claims process. Even with the help of these new technologies, the experience of the seasoned claims adjuster will still be at the heart of the claims process. By using these new tools, adjusters will have more time to focus on specific claims issues rather than the administrative tasks associated with aggregating information in order to review and report on those claims.

By adopting the products and processes provided by ChoicePoint, featuring current technology developed specifically for the claims process, insurance carriers can improve customer service, reduce losses and better prepare for the changes to their claims adjuster workforces.

With our advanced claims solutions, ChoicePoint can help your organization face the challenges of the changing claims process by:

- ▶ Leveraging existing experience and information with analytic solutions.
- ▶ Assisting insurance carriers with reducing losses and loss adjustment expenses.
- ▶ Reducing call time, improving accuracy and enhancing customer satisfaction. ■

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