Auto Casualty, Workers' Comp

Managing the Labor Challenge: Technology Solutions

March 15, 2023
9 MIN READ
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Tom Kerr (TK): A major issue the insurance industry is facing right now is the changing labor force. This is especially evident at the adjuster level as older, more experienced professionals retire, while others, spurred by the Great Resignation, seek opportunities in other fields. To meet labor demands, younger, less-experienced professionals are entering the field. But, how do we bring these newbies up to speed so they can make the best decisions?

Rebecca Morgan, Vice President of Product Management at Mitchell, joins me today to talk about technology's role in bridging the learning gap. Welcome, Rebecca.

Rebecca Morgan (RM): Thank you. Happy to be here.

TK: There's been concern about the aging workforce in our industry for quite some time. But now that we're moving past the COVID pandemic, the adjuster workforce has really undergone a youth movement. How has that affected the industry?

RM: First off, the industry has undergone some significant transformation these past few years, and more is coming. A study by *Property & Casualty 360* found that about a quarter of all P&C adjusters will retire in the next five years.

We've seen a lot of that already, but we will continue to see that for a few more years to come. We're also seeing really high rates of turnover. Adjusters are staying in jobs an average of one to two years, and a lot of that has to do with the Great Resignation.

We saw much higher rates of turnover through the Great Resignation, but we're really getting through that now. It feels a bit more now like this is a cultural shift with this generation. People just don't stay in jobs as long as they used to, and that's something that we're going to have to adapt to in our industry.

Here's one other interesting data point that we can expect to see with respect to our industry and demographics. We expect to see an overall decline in insurance professionals — three percent — by 2030. Part of that is going to be due to staff shortages. We've seen the lack of ability to hire people, but we're also going to be able to compensate with technology there. So, we've seen some pretty significant changes already and more will come.

TK: And what's the major issue that needs to be addressed as this turnover is occurring?

RM: Well, one of the big pain points around that is definitely the knowledge gap. Getting these adjusters up to speed quickly so that they can be efficient and effective in their jobs. Even if they've had adjusting experience elsewhere, there's always nuances to it at a new organization that they have to adjust to.

And so, training and retraining is a big piece when you've got such high rates of turnover. And, really we're training a generation that are largely not insurance professionals. They're coming into it from other industries or it might be one of their first jobs right out of college. So, there's a subject matter gap there that we have to get these adjusters up to speed on.

TK: You have mentioned that technology can help bridge this knowledge gap. Can you explain how?

RM: Well, the good news is that this generation is already acclimated to tech. In fact, they expect to use technology to perform their job functions.

So, what problems do we expect to be able to solve with technology? Well, a couple of them. Training and retraining is No. 1 and then, No. 2, providing guidance to these adjusters. So, when it comes to training, this is a generation that learns completely differently than I ever did in the early days of my career or in college. Training can't be done in multi?day sessions in a classroom with big binders that are issued to them with every policy or procedure they might need to know. That's just not how this generation, or we as a society, really consume information anymore. Training has to be in the moment and on demand.

So, closely related to that point about training and retraining is adjuster guidance. This generation will expect to be guided and we want to provide that guidance to them, right? There's a subject matter gap here, and we can provide that guidance to them through technology.

For instance, our technology can show "Here are some markers on this claim," and then point them to the interventions that will help: case management, IME, etc. We need to be able to provide guidance to them to help

them understand the claim.

It was interesting, last night I was watching a movie, that was from the early '90s and it showed a monitor with a DOS screen with green text. And I kept thinking to myself, "Boy, we've come a long way." Our software today is very visual and it includes pictures, and diagrams, and graphs. It really confirms that old saying, a picture is worth a thousand words. Today, we can use visualizations to tell the story of the claim to help adjusters, to guide them, to help train them and make sure they're making appropriate decisions on the claim.

TK: OK, so how is this technology implemented into a program?

RM: Well, investments in user experience are key. When I began my career developing software in the 1990s — I was a software engineer —I was the one who decided what the screen was going to look like. We didn't have designers, we didn't consult with customers, we just built it. And we were like, "Well, here you go. Take it or leave it."

And that just won't work for this generation. The design process starts with user discovery. So we go to the end users of the software and we try to uncover what they like and don't like ... what they need to see different in the next generation of the software.

We go back, we design prototypes, we validate those prototypes with customers, and only then do we build the software. We take the software back to customers, beta testing, etc., before we ever get to a general release of the software.

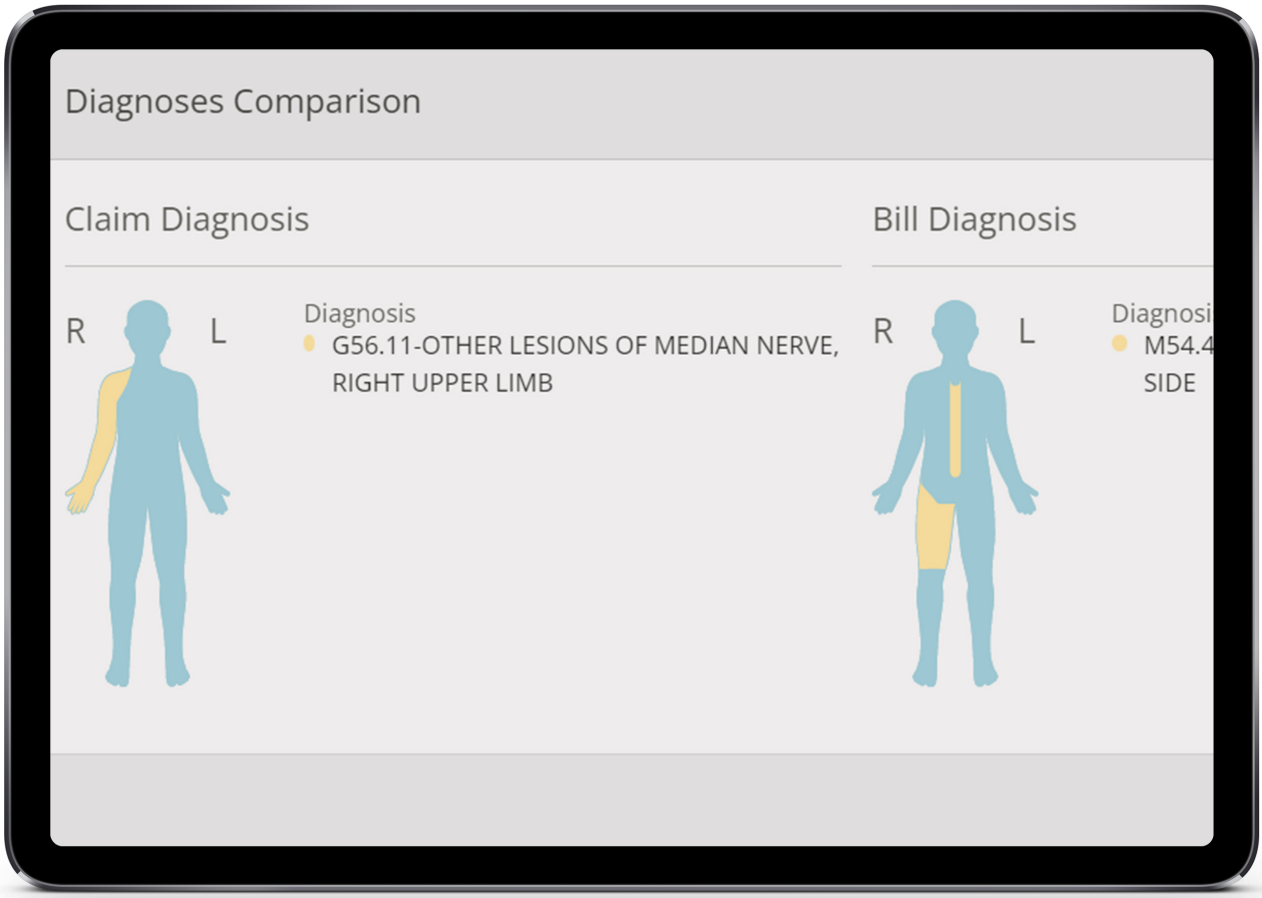
It’s a much more important process to pay attention to because the experience that a user has with that software affects how usable it will be and how efficient they will be in their jobs.

TK: And how do these technology programs work??

RM: Well, let me give you a couple of examples. On the training front, we have a piece of software that’s a reporting and analytics tool. When a user first logs in to the software, it detects that this is their first login and it presents them with a screen that says, "Would you like to be guided through the first time creating a visualization?" They can click yes or no and, in about 30 seconds, they're guided through how to do it step by step. And, timing’s key. It has to be short, right? We consume information now in short, little snippets.

So, that little guided walkthrough helps give them training on demand and in the moment that they need it. It wasn't something that they consumed in a classroom a month ago that they've forgotten about. They can't remember anything that happened there. It was presented to them on demand and in the moment when they needed it.

An example of adjuster guidance is key here. So, these adjusters come into the industry now, typically without much background in insurance, or in medical care in general, but yet they're going to have to make decisions that help guide this claim. And so one of the things that we have done in our software is something that we refer to as the “blue man.” This is a visualization. It’s an image of a human body that is blue, and that's why we call it the blue man.



On the body, we mark the parts of the body that were injured. So, a diagnosis code could be meaningless to an adjuster if they're brand new and just learning. They don't really understand, what part of the body was injured there with that diagnosis.

But in the program, we can light that area of the body and do some visualizations that help them compare the diagnosis code on the bill with the diagnosis code on the claim and help them understand what's happening there so that they can make a correct decision about that claimant's care.

TK: And, what's the learning curve for using this technology on the job?

RM: Well, the good news here is that this generation doesn't have as much of a learning curve as prior generations when it comes to technology. They've grown up with it. So, this isn't something new that we have to teach them from square one.

There is a learning curve for the subject matter area for claims and insurance, but the technology piece doesn't require much training. The goal in designing these technology solutions is that we should be able to put it into the hands of the user and just let them go. You know, not have to sit them down in a classroom and provide training like we have in the past, just as I described with that reporting and analytics tool where it gave them a guided walkthrough, right? We just put the tool in their hands and let them go. It should be intuitive enough that they can detect the steps that they need to take to accomplish that objective.

TK: Great, and can you share some feedback that you've heard from companies that have implemented this technology?

RM: So a couple of examples here, from our claims examiner portal that we released a couple of years ago. We reduced the number of clicks when they were accessing their work queue by 75 percent so they can get to their work quicker. We reduced the steps it takes to edit a bill line by 44 percent. So, we're just trying to make them more efficient. We go back and we measure those things to make sure that the software is indeed more intuitive and usable.

We've also taken some subjective, feedback from our customers as well, trying to understand, was the software just more intuitive? Did it help guide you? So a couple of things that they've told us, we have a particular card that helps to identify findings on the claim. You know, areas of concern, the markers on that claim that they should pay attention to.

And we heard from them, this quote, "Findings triggered are great. We can get claims to medical management sooner." So, that's what we want to hear, right? Actionable insights. We pointed something out to that user, "Pay attention to this," and, "This is what you should do next with it."

Here's another comment. "The new design is going to be a lot more efficient, especially with the new dashboard." We like to hear that as well, right? We want them to be more efficient. We want them to be able to get their job done quicker.

And this comment, "Pretty detailed and self?explanatory." That last one, especially, "Self?explanatory," right? The programs need to be very self?explanatory.

Technology is a passion of mine, and as we continue to meet the demands of our industry today, our changing workforce, it's going to be very exciting to see what we can do as we continue to evolve our technology.

TK: Thanks, Rebecca. In the next part of our podcast series, we'll explore the role clinical services and programs play in helping new adjusters adjust to their roles. Until then, thanks for listening.



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