Auto Casualty

5 Steps to Prepare for a Successful Post-COVID Future

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5 MIN READ
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In the span of just about a year and a half, the auto casualty and workers' comp insurance industry has seen more transformation than perhaps in the past decade. From increased technology implementation to changes in the makeup and frequency of claims, the industry appears much different than it did at the start of 2020. As we look ahead to the future, it's important that the industry prepares now for whatever comes next, and eventually, for success in a post-COVID-19 world. Specifically, there are five key steps insurance carriers and other claims organizations can take today in order to stay competitive as the industry continues to change and evolve post-pandemic:

1. Plan for Future Scenarios
2. Assess and Apply Technology Automation
3. Integrate Intelligent Workflows and Reduce Paper
4. Dive Into Data Analytics
5. Establish Strategic Relationships

1. Plan for Future Scenarios

If there's one lesson the world learned from COVID-19, it is to be prepared for anything. Now is a great time for carriers and other types of claims organizations to assess their emergency plans and make sure they're prepared for all types of situations that could happen into the future. Some key areas to consider when building out plans for all scenarios include:

- Managing Claim Volume Changes: As states continue to change COVID-19 restrictions and businesses across the country are making different decisions about their working models, it may be difficult to

estimate claim trends for the next few months, or even years. It's vital that every organization stays prepared and can scale up and down as claim trends change.
- Preparing for Outages: Again, although it may be hard to predict how the world and industry are going to change over the next few months, it's important that in the event of an outage or employee absences, your organization can easily shift capacity to other teams, areas or office locations to help prevent any delays or issues.

2. Assess and Apply Technology Automation

Manual workflows and workarounds can make it difficult for claims organizations to adjust and adopt changes on the fly—which many companies realized pretty quickly during the pandemic. About 88% of insurance executives reported that they increased their rate of implementation of automation and artificial intelligence since the start of the COVID-19 shutdowns, according to a McKinsey study. About 71% of claims professionals reported that their organizations implemented some type of new technology into the claim process during COVID-19, according to a 2021 Mitchell survey. Specifically, at Mitchell, we've seen many of our clients make one or more of the following three changes:

- Added electronic billing and electronic payments
- Increased straight-through processing
- Enhanced security and shift to the cloud

As we all prepare for what's ahead, incorporating these changes are a great way to help make claims programs more nimble. Here are some questions claims executives should consider asking themselves now about their programs:

1. Is there any way we can reduce the number of different systems that my adjusters are required to go into in order to do their jobs?
2. Are my team members inputting data manually anywhere?
3. Has my vendor established electronic touchpoints with all managed care services?
4. Can I increase my straight-through processing throughput?
5. Is there any part of my bill review program that I can outsource to help free up time for my adjusters?

3. Integrate Intelligent Workflows and Reduce Paper

Efficiency is one of the top challenges workers' compensation and auto casualty claim professionals have struggled with for years, even prior to the pandemic, according to Mitchell's annual industry survey results. Many adjusters are asked to constantly manage and oversee administrative tasks, in addition to their core duties. Additionally, many claim organizations still utilize a great amount of paper in the claims process, which can result in slowed processes and increased costs. As we look ahead to the future, there are a few different steps companies can take to help boost claim processing efficiency:

1. Break processes out of silos to create integrated workflows.
2. Automate routine and repetitive tasks.
3. Supplement internal processes with outsourced services for non-core tasks.
4. Explore ways to remove or reduce paper in the claims process.

By striving to strike the right balance between automation and outsourcing, claims organizations can help free up time for their adjusters to focus on their core responsibilities—processing claims and restoring lives.

4. Dive into Data Analytics

Throughout the COVID-19 pandemic, trends changed quickly, and auto casualty and workers' compensation teams began to see patterns they had never witnessed before. As the world emerges from the pandemic, the trends will most likely continue to be somewhat unpredictable. It is virtually impossible to manage trends if you aren't tracking and identifying them on an ongoing basis, which is why it is vital that claim professionals lean into data analytics now more than ever. Data can help claims organizations debunk their own biases, provide claim trend analyses and compare their performances to the industry. Here are a few areas organizations can use data analytics to help make improvements for claims programs:

- Detect the risk of fraud.
- Triage claims quickly and appropriately.
- Identify providers with outlier behavior.
- Compare performance to other carriers.
- Improve experiences for your customers.

5. Establish Strategic Relationships

To help better manage all of the changes and challenges brought on by the COVID-19 pandemic, many companies started building and enhancing their strategic relationships, whether to outsource non-core functions, improve performance or achieve cost savings. Outsourcing non-core tasks can not only save time, but can also help companies be better prepared in the event of unexpected changes or emergencies. As we look ahead to the future, strategic relationships will continue to be a vital piece of the strategy for auto casualty and workers' compensation carriers, and other claims organizations. Here are some key questions claims organizations should ask their current and prospective vendors to make sure they are building and maintaining the best possible relationships:

- What is the company's business expertise? Do they specialize in bill review?
- What technology does the company leverage, and what is their relationship with the owner of that software?
- What are the company's typical results?
- Is the company prepared to help you scale if you experience changes in volume?
- What processes has the company implemented to ensure quality?

Looking Ahead

Though it is impossible to predict what challenges may lay ahead for our industry, by starting to take the five steps we recommended above, claims organizations will likely be more prepared for whatever comes their way as the world continues to evolve. Interested in hearing more details on Mitchell's recommendations on how to prepare for success post-COVID? Watch our on-demand webinar now!
https://www.mpower.mitchell.com/event/claims-orgs-post-pandemic-preparation/



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