Auto Casualty

Five Questions with Shahin Hatamian About the Future of Claims Automation

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6 MIN READ

We sit down with Shahin Hatamian, SVP of Product Management and Strategy at Mitchell International, to discuss five ways that automation is currently impacting the Property & Casualty industry, and what is on the horizon for the future of claims management.

What is driving the current focus on claims automation?

Automation has existed in the casualty space for many years. It's the foundation of much of what we do here at Mitchell. Rules and workflow engines can do quite a bit in terms of moving things through a system, minimizing manual handling of a claim, and even supporting decision making. But the workforce is changing—experienced adjusters are retiring, and more millennials are entering the workplace, so there's a need to capture more institutional knowledge and build it into solutions, and automation allows us to do that. In addition, the current economic conditions have brought more pressure to bear on claims organizations to streamline processes and reduce loss costs. Add to that the promise of artificial intelligence and the opportunities around data and analytics, and you have a perfect storm in terms of technology potential meeting market needs. And that's really where we are.

If that's where automation is today, where are we headed? What are some of the big opportunities in casualty claims automation?

We can't think about claims automation without thinking about interoperability and interaction between the many disparate systems that exist today. A lot of them are standalone, point solutions that solve unique, isolated problems. They don't really provide insight into the full, end-to-end lifecycle of the claim. One big opportunity around claims automation is integrating systems, getting them working together and interacting with each other, so that you can have one flow from the time of the car accident or workplace injury all the way to the settlement and payment. The big advantage to this is that the more parts of the claim process you connect, the greater visibility you have into it. It's then much more straightforward to get a full picture of what is happening with that claim. Another big opportunity has to do with building automated access to data to support decision making in the claim process. At Mitchell we call the products that provide this type of automation "smarter solutions." There are any number of specific problems along the claim continuum that require deep subject matter expertise

to solve. Take bill review, for example: it's a complex process to begin with, but it's made even more complicated because every state has its own set of regulations and fee schedules. Automation can go a long way toward managing these unique scenarios, thereby increasing straight-through processing of some of these bills so humans don't have to touch them.

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Another example: by integrating pharmacy benefit management systems with bill review, adjusters and pharmacy benefit managers have more complete information about what's been dispensed to an injured party so they can make more informed recommendations about what should be dispensed going forward.

What does artificial intelligence mean for claims automation?

Artificial intelligence (AI) is certainly going to have a big impact. AI enables you to surface data and look at patterns that a human might not see. For example, with AI, you could look at severity patterns to determine which cases need to be forwarded to a doctor immediately versus having a nurse review them. And it's really a win-win. When an injured party gets back to their pre-injury health faster, that's the ultimate goal, but it also reduces the payor's exposure. Fraud is a significant problem in the casualty space, so much so that there are now special investigation units within the claims organization that are separate completely from the adjusters. Artificial intelligence can be used to look at provider analytics in an effort to identify fraudulent billing and invoicing patterns that would be difficult for even seasoned investigators to see.

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These are just a couple of examples—we're just scratching the surface of the types of problems artificial intelligence can solve for us. Eventually, it may even be able to solve problems that we aren't yet aware of.

Is end-to-end casualty claims automation achievable?

Lemonade and other insuretech companies have demonstrated straight-through processing of simple property claims for things like phones or cameras, but we haven't seen this technology in use in the casualty space yet. Casualty claims are complex because there are so many touchpoints. There may be multiple visits to the doctor's office—and in the case of workers' comp, there may even be multi-year or lifetime claims. In cases like these, 100 percent automation of all facets of the claim would not be possible, but there is certainly a lot more to be done, both in terms of streamlining workflows and building smarter solutions into software that enable the end user to take advantage of data and analytics that support decision-making.

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That said, I do think it's possible that several years down the road some simple auto casualty or even workers' compensation claims could be fully automated. For instance, if a person with a minor injury went directly to the doctor, that bill from that visit could theoretically automatically trigger the opening of a claim, fill out all the associated forms and address any regulatory issues. It could then adjudicate and close the claim if there were no further treatments.

What does all this automation mean for people?

Casualty claims at their core are about injured people who need help getting back to their pre-accident or pre-injury condition. When you automate touchpoints that don't really require human thinking, it provides more time and opportunity for people who work in claims organizations to focus on more strategic or higher value work. So, for example, bill review: some insurance payors still have a person touch every single one of their bills when many of them can be processed straight through, with no human interaction. By automating processing of straightforward bills, it frees up more time for people to focus on complex billing situations that really do require a human look at them closely. Another way to look at claims automation is through the lens of people like nurse case managers. When automation takes on simple, more mundane work, it frees up nurse case managers to focus on personal interactions that are so essential to supporting better outcomes for the injured party. There's so much left to automate in the claim process. The idea is to automate as many touchpoints and eliminate as many bottlenecks as possible, then to refocus the efforts of people on places where they can have the greatest impact.



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