Auto Casualty

5 Steps to an Optimized Third Party Liability Claim Workflow

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Third party liability claims present unique difficulties for insurance carriers, as pressures from rising medical expenses, aggressive plaintiff attorneys, and restrictive legislation combine to form a challenging landscape. Many carriers are looking for ways to optimize their third party liability claim workflow for adjusters and claimants alike in an effort to build a competitive advantage and respond to the changing environment. Emerging technologies such as computer vision, machine learning, risk scoring and other innovations are providing realistic solutions to help streamline and improve the claim handling experience. If there has ever been a time that technology has the potential to fundamentally change the insurance industry that time is now, as technology will fundamentally change virtually every part of the claims process–including the third party liability area. Applying technology to the third party claims workflow can help improve consistency and efficiency, ultimately providing better consumer experiences and outcomes.

5 Steps to Optimizing a Third Party Workflow

1. Look for Opportunities to Increase Internal Efficiencies

Liability claims adjusters are highly skilled professionals that shouldn't be taking valuable time for administrative tasks such as organizing demands and other paperwork related to a claim. This is an opportunity for efficiency gains within an organization that is currently relying on adjusters to sort through and organize demands. Carriers should consider outsourcing this process to either an internal service or a vendor that provides technology-enabled services to sort, organize and provide first level coding for demands. By offloading some of these administrative tasks, experienced and well-paid adjusters will have more free time to focus on their core duties and improving claim outcomes.

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Another area of opportunity for increasing internal efficiencies is to apply business rules to the medical specials evaluation process by using a bill review platform. Adding custom business rules and work queues can help automate consistent decision making across the company, again freeing up time for adjusters to focus on complex or high-risk claims. Automating business rules can also be beneficial for SIU departments as automation could reduce or eliminate the need for manually identifying potentially fraudulent claimants and providers. By taking manual tasks off adjusters' plates and freeing up their time, a carrier could reorganize adjusters so they specialize in certain parts of a third party workflow. For example, one group could focus on only high-dollar claims. This way, a carrier is capitalizing on each adjuster's best skills and allowing them to grow in that specific area for consistent, improved outcomes and better internal efficiencies.

2. Leverage your own experts for more consistent liability & general damages results

Consistency and defensibility are extremely important when evaluating liability and general damages. One of the best ways to keep evaluations consistent is to scale the knowledge of the best adjusters throughout your organization using technology, while also maintaining adjuster authority to evaluate based on the merits of the claim.

> By automatically applying adjuster best practices in the evaluation process, a carrier is setting itself up for more successful negotiations and settlements.

A general damages and liability evaluation platform that runs on a data model that is created based on the best practices of your top adjusters can help to achieve these goals. For example, a platform can help you to consistently and accurately assess comparative negligence, which could be a huge competitive advantage for a carrier. By automatically applying adjuster best practices in the evaluation process, a carrier is setting itself up for more successful negotiations and settlements.

3. Understand the injury and treatment for better negotiations

Technology can not only improve a third party liability claim workflow and claim triaging, but it can also provide the right information to adjusters at the right time. For example, an end-to-end third party solution centered on an adjuster workspace and run on a powerful bill review platform could help apply various fee schedules and other pricing benchmarks to medical specials automatically. Definitions for CPT and ICD codes, along with detailed descriptions of recommended reductions help to empower adjusters when they are preparing to negotiate complex medical claims. A combined bill review platform can help to surface all of these key findings, set accepted treatment timelines and even seamlessly connect with services like nurse review, IME and provider negotiations. Adjusters who are armed with more information and data and have a full understanding of the injury and associated treatments are much better prepared for a successful negotiation with a claimant or claimant's attorney.

4. Use technology as a way to manage performance

An advantage to applying technology to the third party claims process is that it generates reporting that gives managers and decision-makers a clear view into the performance of the organization. Carriers should be using technology as a way to track and manage performance internally. For example, operational reports could help to enhance file quality and help ensure compliance with regulations. They could also help managers easily identify

gaps in performance and coaching opportunities at an adjuster or team level.

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Other analytics reports can give managers insight into medical specials and generals trends – for example, a report could give information about a specific problematic county or injury group, or even compare a carrier's performance against the industry. It's also important for reporting to be scalable – that is, to be useful and informative to multiple levels within a claims organization. Reporting becomes powerful and actionable when it gives a carrier the capability to identify and track trends at a high level, but also to drill down to the individual adjuster and claim level. This concept in reporting follows the idea of a root cause investigation – getting to the "why?" By tracking internal performance, managers are better able to spot potential problem areas before they get worse, make shifts and improvements in real-time and easily find ways to help employees reach their potential.

5. Partner with an industry expert

Partnering with an industry expert to apply powerful, integrated end-to-end third party technology solutions can help improve overall claim outcomes and optimize a third party liability claim workflow. Here are some characteristics to look for when choosing a partner for your third party solution.

Customization

Every third party workflow is unique, so it's important that a partner's solution is highly customizable, flexible and integrated in order to meet each carrier's unique business needs. From capturing adjusters' best practices on liability determinations to applying business rules to make sure adjusters minimize their involvement with low-dollar claims, customized and tailored solutions can help an organization achieve its efficiency and consistency goals.

Compliance

Keeping up with the changing regulatory compliance landscape can be complicated. Choose a partner that has an expert compliance team with years of industry and regulatory experience that has the ability to build rules, regulations and compliance support directly into the technology solution. This type of in-product information can help an organization eliminate headaches and build out the necessary functionalities to support regulatory changes to remain compliant; which ultimately can help improve claim outcomes.

Optimization

Powerful, integrated technology systems are even more effective when supported by a partner who helps you optimize your solutions and workflows for best results. A trusted partner should provide continued support beyond implementation via a dedicated client services team that can help make sure the company is performing to its potential.

> An end-to-end solution can help you optimize an organization's workflow, improve performance across different groups and more to help improve consistency, efficiency and ultimately claim outcomes.

Applying technology to the third party claims process can help give adjusters access to more information and insights into a claim, ultimately improving the process and setting them up for more successful negotiations. An end-to-end solution can help you optimize an organization’s workflow, improve performance across different groups and more to help improve consistency, efficiency and ultimately claim outcomes.

Mitchell is a partner to the third party market offering an end-to-end technology and services solution. You can learn more about Mitchell's third party solution here.



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