



Taming Complex Claims

By Paul McLaughlin

WE DON'T MEAN TO QUIBBLE WITH terminology. But *complex* is often defined in terms of the system used to manage claims.

Case in point: Many times, complexity seems to result from four challenges:



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(1) Issues related to a single claim. (2) Several seemingly unrelated claims of different types. (3) Insufficient coverage in the policy terms. (4) Litigation over that insufficiency. If a system built to manage those four things were being used, that seeming complexity could be resolved as a matter for course. Here's how:

#1 is easy. One claim. One set of processes. One set of reports. One payment. Done.

#2 is a little trickier. But if every seemingly unrelated claim were tracked by the incident that caused the claim (a traffic accident), the claims (property damage, bodily injury, workers comp, et al.) would be more easily managed and adjudicated.

If the system being used links every claim to its corresponding policy, #3 become easier to manage because coverage sufficiency will be determined automatically. If not, exclusions or insufficient limits can be communicated to the claimant. In either case, the claimant can be notified promptly.

As for #4, if the system being used tracks incidents of litigation by claim and corresponding incident — and if the system even includes reminders for court dates — disputes can be settled more quickly, easily, and efficiently.

PUT DOWN THE WHIP AND THE CHAIR

You don't have to be a lion tamer to manage complex claims. But you do have to close the gap between your claims-management strategy and its tactical execution. In doing so, there are three key considerations:

1. Digitalization. Yes. We know. *Digital transformation* is all the rage. But as a matter of practicality, digitizing your files, eliminating paper files and documents, and enhancing your processing activities facilitates the efficient taming of ...
2. Organization. The real beast in claims management is administrative cost. Digitizing files can reduce or eliminate the cost of storage space, while minimizing the time spent searching for files by maximizing ...
3. Accessibility. There's a corollary to the old adage, "You can't manage what you don't measure." It's this: "You can't manage what you can't find." With digital organization and accessibility, you can find everything you need to manage quickly and easily.

The added benefits, of course, are that by improving 1 through 3, you'll achieve

three other things: You'll improve your efficiency. You'll improve your policyholder satisfaction. And you'll improve your bottom line.

LION, TAMED

Does all that sound too simple? It should be simple. Given the human propensity to complicate just about everything, let's take our simplicity where we can find it. Better yet, let's create simple alternatives to accomplishing seemingly complex objectives. And what objectives could be more worth accomplishing than efficiency, policyholder satisfaction, and profitability?

We don't know, either.

Paul McLaughlin is the founder and president of APP Tech (apptechllc.com) the developer of Cloud Claims, a claims-management system for the insurance, transportation, construction, and hospitality industries, as well as for local governments, TPAs, and self-insured groups.



CLAIMS MANAGEMENT SHOULD BE SIMPLE

We don't think there should be any such thing as a complex claim.

If your software can track every incident, track every track claim to its originating incident, track every activity related to every claim, automate workflow, and automate reminders for everything, everything gets pretty simple.

That's what Cloud Claims does.

To learn more, please go to:
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