

E-BOOK



THE COMPLETE GUIDE TO CLAIMS ADMINISTRATION SOFTWARE



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A claim can have very different results, depending on how quickly and efficiently it is handled. Not only can the process have a significant impact on your end cost, but the experience itself can play a pivotal role in how customers view your organization. With so much at stake, many organizations have decided to step up and take command over the largest piece of the claims puzzle – administration.

Modern claims administration software can lead to better outcomes both for organizations that administer claims on behalf of others as well as for those that self-administer – although the reasons behind the purchase may be very different. New claims administration software gives you direct access to a gold mine of data collected on each and every claim. And you can use this information to optimize operations, enhance customer service, and reduce future expenses.



An efficient claims administration system streamlines the entire claims process, from initial submission through final settlement, using automated processes, advanced analytics, and convenient tracking. It should seamlessly integrate people, systems, and claims data from multiple sources, provide automated workflows for consistency and efficiency, and include tracking tools to make sure things move along smoothly and securely.

Whether you intend to manage your own claims or manage claims on behalf of others, this guide will give you the information you need to evaluate a next-generation claims administration system and decide what is right for you.



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TAKE CHARGE OF CLAIMS ADMINISTRATION

With your bottom line and reputation at stake, are you willing to rely on outdated claims administration technology?

Choosing to go the self-administration route gives you full control over the entire claims lifecycle. The decision to self-administer, however, is not one to be made lightly. Indeed, expenses could initially exceed the cost of using a third party. You also have to have the appetite to take on the additional risk long term since the decision may be costly to reverse. But if you're up for the challenge, the upside can be significant – that is, if you have the right strategy and tools to pull it off.

If you are already administering claims – either for yourself or on behalf of others – the big question is are your tools up to date? Systems that rely on aging technology can be cumbersome to use and costly to maintain. It takes time to manually integrate data housed in separate systems. It takes time to wait for IT to figure out yet another patch to keep the system up and running. It takes time to comply with federal and jurisdictional regulations. It takes time for an outdated system to perform for any type of analysis beyond the most basic reports. Every delay adds to the cost. Plus, the information you do get from these systems can be so unreliable that you end up making decisions based on gut instinct instead of verifiable data.

If you quantify the actual cost of those system deficiencies, inefficiencies, and inaccuracies, you will likely discover that you are spending more to keep the old system running than you would for a new claims administration system. And how much are those trust-your-gut decisions costing you?



To administer claims successfully, you need a deep understanding of the claims process, a knowledgeable team, and sophisticated software. Older systems often struggle to keep up with the advanced analytics, forecasting, system integration, data security, and ad hoc analysis so in demand today. Ironically, many legacy systems are still in use expressly to save money – when in fact, these systems are often more expensive than new technology because of maintenance and data deficiencies that put you at an extreme disadvantage for administering claims effectively.

WHAT IS CLAIMS ADMINISTRATION SOFTWARE?

Claims administration software is simply technology that helps you get a claim closed. Paper-based methods or spreadsheets can do the job done just fine if you have a relatively small number of claims. Simply tracking a claim's status, however, is not enough in today's world. To effectively administer a large number or complex claims, you need to have reliable technology to resolve claims quickly, easily, and fairly.

Modern claims administration software is designed to move every claim through the system with maximum efficiency to resolve even the most complex claims quickly, easily, consistently, and fairly.



The latest software platforms support the entire claims lifecycle – first notice of loss, claims setup, assignment, investigation, reserves, litigation, settlement, regulatory compliance, and reporting – within a single system. Top solutions provide automated workflows for best-practice consistency, seamlessly integrate data from third parties, and are quickly and easily modified to meet your needs. The most advanced solutions also offer predictive analytics to drive better decisions and implement more strategic initiatives.

Today's claims administration technology delivers:

Better visibility. Consolidating people, systems, and claims data from multiple sources into one location makes it easier and faster to uncover trends and relationships between disparate pieces of information.

Streamlined processes. Intuitive mobile forms, automatic alerts, real-time access to data, integration with third-party systems, and instant data validation boost both efficiency and accuracy.

Earlier intervention. Automated processes can easily analyze huge amounts of data to identify potential problems claims early on before a seemingly simple claim spirals out of control.



Reduced fraud potential. Current technology is much more sophisticated than humans at detecting a claim's potential for fraud.

Wiser use of resources. Software can automatically route the most complex claims to seasoned adjusters for investigation and management, while routing routine claims to less experienced handlers.

Reduced leakage. Increased jurisdiction acceptance rates can avoid fines and penalties.

Increased productivity. Advanced reporting and analytics can track both individual adjuster performance and overall claims handling efficiency, and benchmarking alerts can notify you when a claim deviates from the expected path.

Stronger customer connections. Customers who feel their claims were handled fairly and efficiently are more likely to remain loyal to your organization.

Smarter decisions. An integrated system leverages all relevant data so you can make educated decisions faster – the impact of which becomes even more profound over time.



Weighing Your Options

Purchasing new claims administration software is by no means your only option. You also can upgrade your existing system. Here's a look at how those options compare:

OPTION	ADVANTAGES	DISADVANTAGES
Next-generation claims administration software	<ul style="list-style-type: none">• Provides full access to claims data.• Improves productivity.• Identifies potential problems for early intervention.• Can decrease total cost of risk over time.• Provides access to a configurable portal for customers to monitor their own claims.	<ul style="list-style-type: none">• Start-up costs (people, office space and equipment, training, etc.)• Lack of line-of-business and jurisdictional expertise• Assumed risk of managing claims
Upgrade current system	<ul style="list-style-type: none">• Easy adoption and implementation since staff is already familiar with the look and feel.	<ul style="list-style-type: none">• May not easily adapt to changing conditions• Risk of incomplete and inaccurate data• High cost of missed opportunities• Technical support and security deficiencies• No customer portal



WHAT ARE THE KEY COMPONENTS OF CLAIMS ADMINISTRATION SOFTWARE?

Even the best software is virtually useless if it's too difficult to use. Make sure your software is quick to learn, intuitive to use, and enjoyable to work with. In addition, it should be accessible from a variety of devices – phone, tablet, laptop, and desktop – so claim data can be captured quickly and accurately by anyone.

Claims administration software can cover a range of related activities. Some systems are a “one-and-done” type, while others allow you to start small and bolt on other capabilities as needed. Some of the most popular uses include:



USE	FUNCTION	LOOK FOR...
Audit	To gauge progress, ensure compliance, and evaluate results against past audit scores	<ul style="list-style-type: none"> • Standardized methodology for consistent results • Tracking for action items and recommendations • Automatic notifications and escalations
Intake	To streamline claim and incident entry	<ul style="list-style-type: none"> • Intuitive mobile forms • Automatic alerts • Real-time access to data • Instant data validation • Ability to save an incident mid-collection and return later
Claims Regulatory Compliance	To monitor regulations and electronic reporting requirements	<ul style="list-style-type: none"> • Dedicated regulatory compliance team • Seamless reporting to state and federal agencies • Proactive monitoring of legislation and regulations • Expertise to sort out complex regulatory issues • Compliance reporting to insurance bureaus • Section 111 reporting • Indemnity benefits integration



USE	FUNCTION	LOOK FOR...
Data Transformation Services	To transform and validate data from external systems	<ul style="list-style-type: none"> • Ability to aggregate data from multiple disparate systems • Do-it-yourself template library to expedite conversion • Automatic data validation • Custom business rules • Access to knowledgeable conversion writers and processors
Document Management	To electronically house all files related to claim activities	<ul style="list-style-type: none"> • Easy search and retrieval functions • Ability to attach all document types directly to a claim record and emails • Robust integration with document management systems • Power to email contacts outside the system's user base
Electronic Report of Injury	To manage complex electronic filings for First Report of Injury (FROI) and Subsequent Report of Injury (SROI) for state workers' compensation requirements	<ul style="list-style-type: none"> • Automated form submission by transmission type • Claim data automatically populated into FROI/SROI fields • Automated edits for conditional, mandatory, and state-specific fields • Access to a complete library of state forms • Automatic validation before submission
Reserve Management	To create and maintain financial integrity throughout the life of the claim and to evaluate loss exposures	<ul style="list-style-type: none"> • Full reserving functionality • Audit trail of all recorded changes



USE	FUNCTION	LOOK FOR...
Reporting & Analytics	To create meaningful tables and charts	<ul style="list-style-type: none"> • Real-time claims data • Intuitive design tools • Flexible reporting capabilities • Self-service analysis • Ad hoc or template reporting options • Data visualization tools • Claim-scoring models
Return to Work	To manage the return-to-work process to get ill or injured employees back to work quickly and safely	<ul style="list-style-type: none"> • End-to-end process management • Collaboration capabilities • Access to best practices guidelines and metrics (ODG integration) • Reserve benchmarking
Workflow Management	To automate routine tasks, notifications, and alerts	<ul style="list-style-type: none"> • Configurable data-entry screens, rules, and correspondence. • Duplicate checking • Financial authority/security • SAE compliance • Encryption at rest • Browser agnostic



The Compliance Conundrum

Navigating the complex rules and regulations to stay in compliance is a big job with huge consequences. The right claims administration software – and vendor – can help you avoid steep fines and keep you in compliance by proactively monitoring legislation and regulations, automating required regulatory functions, and resolving complex regulatory issues.



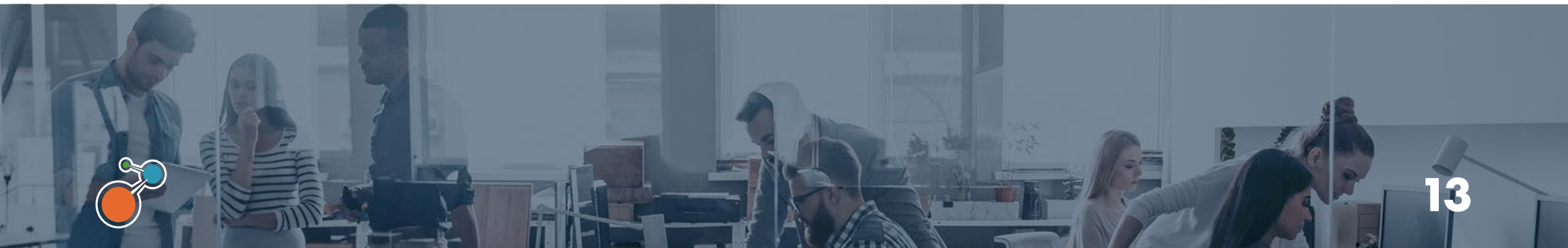
WHAT WORKFLOWS DOES CLAIMS ADMINISTRATION SOFTWARE SUPPORT?

Claims administration software is only as good as the process it supports. Before you sign on for a new system, it's essential that you understand all of the intricate details—not just have a general idea – of your claim process. Are there any redundancies, gaps, or inefficiencies that need to be addressed or eliminated? Do your adjusters regularly need to connect with HR, finance, accounting – or third parties such as ODG, ISO, OFAC, document management, and regulatory compliance?

Directly integrating with the internal and external systems used most can significantly reduce the amount of time adjusters spend gathering, prepping, rekeying, and submitting data. Think through your workflows and identify any issues early because making large-scale changes after implementation can be time-consuming and expensive.

Here are some of the processes to map out in advance:

- Notice of loss reporting
- Electronic claim-file screen configuration
- Data management
- Claims case management
- Document management
- Reserve management
- Payment process
- Reporting needs
- Regulatory compliance
- Third-party provider integration
- Reinsurance reporting needs
- Policy management
- Integration with other data sources



CAN THERE EVER BE TOO MUCH DATA?

In a word: No.

Gaining access to large amounts of claims data available with self-administration often leads to an unquenchable thirst for more. What starts as a desire to know simply who filed the claim and what happened can quickly transform into a need to know all of the demographics on the claimant and every last detail about the claim.

The truth is, the more data you have, the easier it is to apply advanced analytics that can uncover problems, help you make more informed decisions, and provide better service to claimants. But keep in mind that you are only as good as your data. Make sure the data you do capture is both accurate and relevant.



SELECTING A CLAIMS ADMINISTRATION SOFTWARE VENDOR

There is no shortage of vendors that say their software can administer claims efficiently. Finding the right vendor and system takes a thorough understanding of your needs, processes, issues, and pain points – followed by plenty of research into how well each vendor matches up. Here are some considerations to help you narrow down the field:

✓ **Ease of Use**

Is the software easy and intuitive to use? Is it designed around the way you work? The easier the software is to navigate, the more efficient users can be. Claims professionals manage heavy workloads, so it should be as easy and enjoyable as possible to review claims, enter notes, set reserves, approve payments, and do all of the other tasks that consume their day.

✓ **Convenience**

How convenient is it to report claims? Is the software easily accessible from any device? Easy and accurate claim entry is one of the most critical functions of claims administration software. Intuitive, mobile-friendly, and standardized forms not only make it easy to report claims, they also ensure that the data captured is accurate and complete.

✓ **Automation**

How many tasks does the software automate? Software that automates routine tasks such as generating correspondence, assigning follow-up tasks, and scheduling payments gives adjusters and supervisors more time to focus on higher-value activities that improve claim outcomes.

✓ **Functionality**

What systems can be integrated into your claims administration software? Many adjusters rely on data from internal departments like HR, finance, and accounting, as well as from other third-party sources like Official Disability Guidelines (ODG), ISO, Office of Foreign Assets Control (OFAC), CMS, medical bill review, pharmacy management, document management, vendors, and regulatory compliance. Automatically integrating this data with your claims administration system can significantly reduce the time spent gathering, prepping, rekeying, and submitting data. A direct interface also means the data is more accurate, which makes for better decisions.



 **Flexibility**

Will you be able to make adjustments to accommodate changing market conditions without enlisting the help of the vendor – or your IT department? Highly configurable systems allow you to quickly and easily modify business rules, change workflows, and add data.

 **Intelligence**

Does the software have advanced reporting and analytic capabilities? Analytics are critical for tracking individual claim performance and potential outcomes, which will help you discover trends, gain insights, and reduce costs.

 **Security**

Is the system cloud-based – and is it public or private? Is the system locally hosted? Do you have the in-house expertise to manage maintenance and updates? And do you have the budget to handle the hardware and software expenses? Make sure your data is protected behind a secure firewall with a robust disaster recovery program in place.

 **Experience**

Does the vendor have demonstrated expertise in risk, claims, and insurance technology, implementation, compliance, and support? Is there schedule for implementation and training? Will implementation be handled by the vendor or through a third party? Purchasing claims administration software is a big commitment. Make sure the vendor you select has the flexibility, scalability, longevity, and customer service to support you well into the future.

GET BETTER OUTCOMES BY INTEGRATING WITH:

- ISO ClaimSearch® to reduce fraud
- ISO's OFAC Check, which screens against the master list published by OFAC to improve compliance
- ODG to get employees back to work sooner and safer



10 QUESTIONS TO ASK EACH VENDOR UNDER CONSIDERATION

1. How easy and convenient is the system to review claims, enter notes, set reserves, and approve payments?
2. How knowledgeable are you about our industry?
3. Will your software easily integrate with all of the necessary internal and external data sources, such as ODG, ISO, OFAC, CMS?
4. Is the system cloud-based, with access available 24/7 from anywhere on any device?
5. How long will implementation take?
6. Does the software support multiple insurance lines?
7. What security measures are in place to protect my data?
8. What type of customer service support do you offer?
9. How long have you been in business?
10. What is the cost?



HOW TO BUILD SUPPORT FOR A CLAIMS ADMINISTRATION SOFTWARE PURCHASE

The longer a claim stays in the system, the more expensive it usually gets. So, it stands to reason that anything you can do to hasten the claims process will likely reduce costs.

New claims administration software can help you resolve claims faster with better outcomes. Sophisticated capabilities give you new abilities to detect subtleties in the data – for potential fraud, litigation, subrogation, and other troubling claim trends – and to comply with regulatory reporting requirements. And claims more likely to drive up expenses can be routed to expert resources for better productivity and performance.

Justifying a purchase when you already have a system in place, however, can be a challenge. Start by quantifying the true cost of the current system. How much time and money are you spending to patch, upgrade, or revise the software? How much time is wasted logging on to separate systems or tracking down necessary data? How much time is spent manually entering data?

Attaching numbers to those delays and inadequacies can cast that system in a whole new light. And then there are costs that are harder to quantify. What is the added cost of claims delayed by system breakdowns? How much are your decisions unsupported by timely and accurate reports costing? What is the cost of opportunities missed because of incomplete or inaccurate data? And do you trust your current system to properly maintain records – or are you keeping back-up paper files “just in case”?

Next-generation claims administration software empowers you to take control over the entire claims process – which keeps claims costs down, while delivering exceptional service.

The question is: Can you manage your exposure better than someone else? With the right claims administration software, you can confidently answer yes.



THREE WAYS TO START A CONVERSATION ABOUT PURCHASING CLAIMS ADMINISTRATION SOFTWARE



1. GREATER CONTROL.

Self-administration using next-generation claims administration software puts the claims function squarely in the hands of your own people who truly have a vested interest in the outcome – which can lead to lower costs and happier claimants.



2. RETURN ON INVESTMENT.

Automated processes, real-time integration with third parties, advanced analytics, and comprehensive tracking abilities improve productivity and accuracy, which saves both time and money.



3. PREVENT FUTURE CLAIMS.

The advanced analytics available with new claims administration software allow you to spot potential problems faster and take the necessary actions to prevent similar claims – which can have a significant impact on costs over time.



HOW TO ACHIEVE A SUCCESSFUL IMPLEMENTATION

Once you've made your selection, it's time to integrate the new claims administration system into the workflow of your organization. The more thoroughly you prepare, the greater your chances of success.

- 1. Review the project schedule.** Make sure the schedule includes milestones and due dates for every item – and that those dates work with the schedules of everyone involved.
- 2. Prepare for implementation.** Identify who is on the team, map out current workflows, develop a communication plan, as well as a plan for training and adoption.
- 3. Begin implementation.** Conduct a review at each milestone to make sure everyone is onboard, and work is progressing as planned. And be sure to document any discussions or decisions in case the project scope changes.
- 4. Test the software.** Be sure to thoroughly test and retest your workflows with those who will be doing the work. Working out the kinks during testing will save you plenty of headaches down the road.
- 5. Go live.** Train all users on the new system. Demonstrating all of the system enhancements will encourage adoption.



Strong vendor relationships can balance workloads, control costs, and drive efficiency.





ABOUT RISKONNECT

Riskconnect is the leading integrated risk management software solution provider that empowers organizations to anticipate, manage, and respond in real-time to strategic and operational risks across the extended enterprise. Through its unique risk correlation technology, over 900 customers across six continents are benefitting from actionable insights that have not been previously attainable to deliver better business outcomes. To learn more, visit riskconnect.com.

