

# NEW MANAGEMENT OPERATING SYSTEM HELPS INSURER REDUCE COST PER CLAIM PROCESSED BY 30%, PREPARES FOR GROWTH



This leader in special-risk insurance plans sought a fast-acting remedy to its operational growing pains. It needed to reduce its claims backlog, boost service levels, lower processing costs, and create a platform for growth. Powers established performance standards by position, enhanced supervisory training, and implemented management systems to track productivity, backlog and cost of claims. The results? A 30% decrease in cost per claim handled and 70% drop in claims processing time.

Our client is a self-contained division of a large insurance company. It offers high-limit-accident medical expense products to colleges, universities, K-12 schools and sponsoring organizations. These plans cover student-athletes competing in sponsored activities, games and practices. Among other functions, the business unit markets, underwrites and services policies; collects premiums; administers claims; and handles case management.

## PROBLEMS

- High claims processing costs
- Back log of claims and related correspondence
- Lack of an effective Management Operating System
- Declining service levels

## OBJECTIVES

The company needed to reduce its claims backlog, boost service levels, lower processing costs, and create a platform for growth.

## STRATEGY

- Enhanced supervisory training via workshops & train-the-trainer programs
- Implemented front-office tools to support growth
- Improved the Management Operating System:
  - Central reporting system
  - Identified process bottlenecks
  - Developed time & performance standards
  - Implemented claims inventory tracking system
  - Developed daily/weekly reports

## RESULTS

By reshaping the behavior of their people and implementing new management controls, the contracts group sharply reduced its case backlog and turnaround times.

- **70% DECREASE** in inventory backlog
- **30% REDUCTION** in cost per claim processed
- **30% INCREASE** in productivity
- **70% CUT** in overtime hours
- **40% REDUCTION** in claim review and processing time