

Gallagher Bassett in the News – Claims Management, May 2015

Inside
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FEATURES

COVER STORY
20 Hail to Pay
Meeting the rising challenge of resolving claims from severe storms.
By BOB CROWLEY, VICE PRESIDENT OF CLAIMS, AND J.D. SATTERFIELD, SENIOR CLAIMS SPECIALIST, SPECIALTY INSURANCE SERVICES CORP.

24 Understanding Structured Settlements
Survey reveals what claims professionals think about these payout arrangements.
By KENN SILG, PRESIDENT, NATIONAL STRUCTURED SETTLEMENT TRADE ASSOCIATION, AND TAYLOR SMITH, PRESIDENT, CLM ADVISORS

28 Visions of the Future
How Gallagher Bassett's leadership embraces change in all aspects of the claims business.
By ERIC GILKIN, EXECUTIVE EDITOR

30 Can't Touch This
The effect of evolving vehicle technologies on accident avoidance and claims workflow.
By SUNIL NAYAK, DIRECTOR, MITCHELL INTERNATIONAL

34 Wasting Away
Sick of throwing money away on medical provider fraud? Here's how to fight back.
By MATTHEW J. SMITH, FOUNDER AND PRESIDENT, SMITH, ROFFIS & SCANDIAHL CO.

42 In the C-Suite: Michael McMyne
IFG Companies' Senior Vice President and Chief Claims Officer explains why claims is all about communication and curiosity.
By TAYLOR SMITH, PRESIDENT, CLM ADVISORS

COLUMNS

INVESTIGATION
10 How Improving Relations Between the U.S. and Cuba Could Impact Fraud Cases
By FRANK GOLUSTIN

EDUCATION
14 Six Drivers That Necessitate Retooling for Survival
By DONNA J. FORCIC

LABOR & EMPLOYMENT
16 Mitigating the Risks of a Department of Labor Audit
By MATTHEW BARETTA AND STEPHEN WATKING

TRAINING
18 A Chat with ClaimVets' First Placement, State Auto's Gregg Easterbrook
By BEVERLEE J. LAYS

DEPARTMENTS

4 Front Desk 9 Inside Risk
6 Exposure 39 Around the CLM
8 Between the Lines 40 Around the Nation

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VISIONS OF THE **FUTURE**

How Gallagher Bassett's Leadership Embraces Change in All Aspects of the Claims Business

By Eric Gilkey

As one of the largest P&C third party administrators in the world, Gallagher Bassett has the kind of clout that can change the insurance claims industry. We sat down with the company's President and CEO Scott Hudson and Executive Vice President of U.S. Claims Operations JoAnn Goff to discuss the industry's biggest problems, its commitment to the "resolution" revolution, and what they think the claims department of the future will look like.

Claims Management: I think we can all agree that the insurance claims industry has an image problem—often one of its own making. What part are you playing in its makeover?

JoAnn Goff: Getting people interested in a career in the claims industry is a major problem that isn't limited to Gallagher Bassett, and changing the industry's image is a key component in fixing that, which we've discussed internally for quite some time. Part of our approach involves going to college campuses and explaining what we do because, more so than ever, today's graduates are seeking out careers with social purpose, careers that allow them to give back. That's exactly what we do in this industry, and it is really just a matter of us building awareness around that when it comes to reshaping and rebranding our image.

Scott Hudson: The notion of "rebranding" is an important one because the whole idea is to ensure the claims industry is able to attract a new breed of professional. I see a future in which

those who previously looked at medicine, technology, and investment banking will begin thinking of our industry as the ideal career. Claims handling organizations should be known as the most caring organizations in the world. I don't know that we would necessarily get that label today, but I think by rebranding the industry in a way that makes people look at us entirely different than they have in the past is a big part of the process. If we want to attract top-notch professionals, we have to prove to them that this is an exciting, interesting career, and it starts with us talking about the industry in exactly that way.

CM: Along those "rebranding" lines, Gallagher Bassett has decided to roll out new titles like "resolution specialist" and "resolution manager" for its claims staff. What convinced you to take this step?

Goff: My immediate reaction to [CLM Executive Director] Adam Potter's pitch to replace "adjuster" with resolution-based titles was "This is great!" From my perspective, adopting "resolution specialist" as a title for our claims professionals was the last missing ingredient for rebranding what we were already doing to make the adjuster role less about confrontation and transaction, and more about helping people get back to their lives. Our executive team felt the same way. However, it's not just about changing our titles; it's about getting everybody to recognize internally for ourselves as claims professionals that we do a lot of good things and that we provide a very great social purpose. There is a lot of reward and satisfaction



"More so than ever, today's graduates are seeking out careers with social purpose, careers that allow them to give back," says JoAnn Goff. "That's exactly what we do in this industry."

in helping people restore their lives, and I think we can attract a lot of talent by emphasizing that. But first we have to change how we think and talk about ourselves.

Hudson: That's an important distinction. If you get a group of claims professionals together and ask them what they do, they will spend a fair amount of time talking about setting up a claim, the number of claims they have in their inventories, how they determine compensability, and other technical aspects. What gets lost is the fact that we're actually trying to help people put their lives back together. The technical side doesn't go away; those steps still exist and are critical. But, how we talk about ourselves and our jobs is how people will perceive us.

CM: What was the response around the company when the move was announced?

Goff: Last summer, we pulled together a focus group of people across our organization that included claims professionals, managers, senior leaders, sales, and others and we talked about what we do as a company, what we stand for, and what kinds of skills are needed. One thing that came out of this group—which continues to provide guidance and input on matters like this—was how the word "adjuster" doesn't really depict who we are or what we do. Claims professionals are a little bit of everything: teachers, social workers, lawyers, doctors, nurses, and investigators. It became very clear that the word "adjuster" doesn't really define or adequately depict all the skills needed to be a successful claims professional today. So the response to using the new resolution-focused titles has been very positive. When I'm out visiting branches or on the phone with staff, I continually receive responses like "This is great. I'm so glad we're doing this."

CM: Let's talk a little more about the future of claims and what the industry will look like in ten years. Where are we headed?

Hudson: I think we're going to become more and more an organization of specialists, and it will be brought together through the combination of leadership and technology. We'll have more people with business cards describing themselves as behavioral health managers,



"I see a future in which those who previously looked at medicine, technology, and investment banking will begin thinking of our industry as the ideal career," says Scott Hudson.

return-to-work specialists, and something I call an "addictionologist." At the heart of all of this will be a relationship manager because I would never want to imply that there wouldn't be a strong connection to managing the relationship with, say, an injured worker. This person brings all these specialists together to give a truly spectacular experience to all those involved in the claims process.

CM: You mentioned technology as a crucial piece of the future claims professional's job. Can you explain how?

Hudson: Technology will continue to transform the work and the way we do it. We're going to get smarter. To give you a flavor for how we're thinking about it in broad terms, consider this: We'll know more about physicians, attorneys

and the other people that are involved in the claims handling process than we've ever known before. This will make us far more effective under any set of circumstances in terms of being able to work with those individuals who are integral to the process. We will also be able to detect claims heading in the wrong direction and intervene before it's too late. I think this is where people get into this whole notion of predictive modeling, of using the data that we have in a practical way to get smarter about the participants in the process to drive a more thoughtful resolution to a claim.

In addition to that, different forms of data, video, and voice records also will be included in the claims file, and technology is going to enable us to do amazing things with it, such as evaluating the likelihood of witnesses telling the truth based on their tone of voice. We'll be able to observe exactly how an incident occurred in order to make sure it never happens again, while also assessing the likelihood that the incident may have been staged. Imagine looking at data and listening to voice recordings and being able to determine things like whether or not a claimant is going to file a lawsuit or if they are motivated to actually get back to work? These are all things that we will be able to use to revolutionize the process of handling a claim.

CM: So is the use and implementation of technology one of the industry's biggest challenges to solve?

Hudson: To me, a challenge is something that we haven't figured out yet. When it comes to technology, I think we are already on our way in terms of using it to deliver better outcomes and solutions. What very clearly is a challenge—something that we haven't solved—is figuring out how to attract top talent. As I alluded to, we're a people business, and to succeed at this means getting the best people out there to do the job. Right now, it's more of a vision than a reality in terms of being able to attract some of the top-tier talent that we're talking about, those who might initially be more attracted to Silicon Valley or Wall Street. That means we have more work to do to convince them otherwise, and we believe that a rebranding of the claims professional into a resolution provider is the first step forward in helping us achieve that. **CM**