Five Sigma

Claims Management Solution

Workers' Compensation
Insurance
Line of Business

Five Sigma

WC Insurance Line of Business

At a glance

Workers' compensation, commonly referred to as "workers' comp," is a government-mandated program that provides cash benefits, healthcare benefits, or both to workers who suffer injury or illness as a direct result of their jobs.

According to AIG (American International Group), Chubb Ltd., and Travelers Companies Inc., employers in the United States paid more than $62 billion in workers' compensation claims in 2021. Approximately $30 billion of that amount went to compensating lost wages, and the remaining (nearly $2 billion) paid for the injured worker's medical care.

Claims Challenges

Compliance Across Multiple States
In the U.S., workers' compensation is handled primarily by the individual states and the required benefits vary greatly state by state. If you are handling claims across multiple states, you need to make sure that your adjusters accurately apply the regulations and required benefits of each individual state.

Efficient and Accurate Medical Bill Adjudication
Whether you outsource the adjudication of medical bills or processes them in house, it's critical for your claims system to function as the financial source of truth for all claims-related payments.

HR Systems Integration
Once the initial report of a workers' compensation claim is filed, all employee indicative information must be acquired and transcribed from your HR system into the claims system. Not only is this time consuming and prone to human entry errors, but it also exposes your company to risk of employee privacy breaches.

Omnichannel Communications
Your policyholders expect real-time communication across multiple channels (text, email, chat, phone, video). Unfortunately, most claims insurance technology is outdated and does not support omnichannel communications, leading to frustrated customers and unhappy adjusters.

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Use Case:
Replacing legacy system with modern SaaS claims management

The Challenge

A U.S. western regional workers' compensation carrier realized that they were experiencing an increase in LAE as their business expanded from writing in NV into several bordering states over the last 5 years.

An internal audit revealed that the root cause of the increase in expenses was the dramatic increase in manual workarounds that were required with their stand-alone legacy claims system that was customized for NV. The audit also revealed that the legacy system served only as a repository for claims information and no real capabilities to improve efficiency.

Based on the findings, the WC carrier went to market to replace their legacy claims system with a modernized, cloud-deployed system.

The Solution

Five Sigma provided an open, cloud-based API claims management solution. Within 12 months of beginning the collaboration with Five Sigma, their operating LAE had flattened and showed signs of improving without any effect on resolution accuracy.

1

The new claims system materially eliminates the manual processes to ensure state compliance outside of NV by presenting the adjuster with state specific regulations and benefits associated with the claim.

2

Integration with the carrier's HR systems eliminates the manual acquisition and entry of employee information. Their adjusters now simply select the employee number or SSN and push a button, and all indicative employee information is populated into the claims system from the HR system.

3

The carrier internally adjudicated medical bills in NV utilizing another vendors software. As they expanded into other states, they partnered with a TPA to adjudicate medical bills.

The new claims system is bi-laterally integrated with both the internal bill adjudication software as well as their TPA partners claim system. This facilitates seamless transfer/referral of medical bills for adjudication and then the return and recording of adjudicated bills for payment through the claims system. This not only dramatically improves operating efficiency but also enables the claims system to serve as the claims financial source of truth for the organization.

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Delivering value for
WC Insurance Claims Management

Automated Claims Submission
Our digital claims management solutions (CMS) provide:

- All FNOL data received from the insurers/digital channels are embedded automatically into our workflows and ready for the next step in the process
- Rapid system identification of claim types
- Automated triage and adjuster assignment

Embedded Omnichannel Communications
Our CMS includes an API-level communication module that support all types of communications including SMS, mail, voice video calls, and even WhatsApp. All claims-related communication is documented, stored and analyzed automatically.

Just in-time Recommendations
Our systems flags coverage and liability issues and presents the adjuster with relevant information and investigative steps within the claims system.

Damage Assessment & Negotiation
The key to effectively negotiating a claim begins with accurate damage assessment. Our CMS includes a digital bodily injury evaluation module to itemize, assess and aggregate damages

Monitoring and Management
Based on our advanced data modeling, we enable insurers to monitor your operations and receive actionable insights that will help you make strategic management decisions.

Increased adjusting efficiency

Improved accuracy

Optimized decision-making

Enhanced customer satisfaction

About Us

Five Sigma is a cloud-native, data-driven Claims Management Solution (CMS) with embedded AI/ML capabilities to allow simple and smart claims processing for the insurance industry. Five Sigma simplifies claims management by adding automated claims processing workflows, using data modeling and AI to provide smart recommendations, improving adjusters' decision-making processes and reducing errors.

Leading insurance carriers, insurtechs, TPAs and self-insured companies use Five Sigma's CMS to modernize their claims operations, reduce claims leakage, enhance compliance, and improve their customers' experience.

For more information, visit:
https://www.fivesigmalabs.com

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