

# Claim Inventory Workout

Outstanding liabilities from aging inventories of open casualty claims can significantly increase required reserves and decrease the operating capital available to your business. Open claims often linger unnecessarily due to limited internal resources for resolving them or high numbers of run-off claims from disengaged, previous administrators. Marsh's Claim Inventory Workout provides aggressive claim closure strategies designed to help your business reduce the backlog of open cases and in some cases reduce accrued liabilities, thereby improving your balance sheet and potentially freeing up capital for growth-oriented investments.

## Service Highlights

Workers compensation programs are complex and costly for virtually all employers. Marsh helps you reduce your total loss cost by applying best practices in claims resolution for your industry to your inventory of outstanding claims. We carefully review each claim and then develop and help execute a resolution strategy. We also conduct a reserve analysis to help you determine appropriate reserves. By focusing on older open files, we free your in-house claims experts to focus on more current claims programs. Our Claim Inventory Workout can also help you in your efforts to:

- Minimize your administrative involvement in claims programs
- Reduce your internal and external claim administrative costs
- Avoid deterioration of your claims inventory
- Improve insurer performance and reduce collateral requirements
- Reduce liability from discontinued operations
- Impact and reduce costs associated with chronic medical pain cases

## Who it's for

Companies with:

- An increasing number of open claims, increasing claim costs, and/or deteriorating portfolio of claims
- Multiple run-off programs
- Discontinued operations or newly acquired business units
- Poor insurer performance or an insurer in financial trouble
- Possible loss portfolio transfer

## What you get

- Focused, sustained effort for bringing claims to closure expeditiously
- Workers' compensation jurisdictional expertise in each of the 50 states and District of Columbia as well as experience with the U.S. Longshore and Harbor Workers' Compensation Act (USL&H) claims
- Experience in all major industries
- Access to a leading chronic pain management company for focused case management

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Our Claim Inventory Workout process involves four primary phases that together provide a comprehensive and effective means of bringing claims to closure promptly and efficiently. Past projects have resulted in reductions for clients of 15 to 25 percent or more, depending on their claims programs.

## Project Preparation

During the preparation phase Marsh will work with you to agree on the process to be implemented, prepare the project plan, and identify resources for the project. We also communicate with all involved, including third-party administrators, insurers, adjusters, and all team members.

## Claim Triage and Resolution Planning

During this phase, all claims are assessed and categorized according to how quickly they can be settled: within 90 days, within 12 months, within 12 to 24 months, or not at all. A resolution plan is then developed with the adjuster. We also review your reserves to assess whether they appropriately reflect your exposures and match your reserve philosophy. At the end of this phase, you will have:

- A list of files with closing potential
- A resolution plan for all open files
- A list of files recommended for referral to a chronic medical management vendor
- An assessment of your reserves
- Information on the performance of your designated adjusters and third-party administrators/insurers

## Claim Follow-Up

Once the resolution plans are in place, claims are monitored by our team of consultants to provide follow-up and closure as indicated. The team continues to monitor the files through the life of the project.

## Project Results

The final phase of the Claim Inventory Workout process involves a review of the project's impact and results. It includes a formal report and follow-up meeting so that you understand and receive the complete benefits of the process. We can meet with your actuary or others to educate them about what was accomplished.

## Further Benefits

Marsh has entered into an agreement with Paradigm Management Services, which provides our clients access to Paradigm's case management services for their catastrophically injured workers and those with chronic pain issues.

Often times, legacy claims involve virtually uncontrollable medical costs due to chronic pain issues such as failed back surgery, reflex sympathetic dystrophy (RSD), medication dependency, and other chronic pain conditions. During the triage phase of a Claim Inventory Workout project, the consultants will identify those files that may benefit from Paradigm's management process, thereby providing clients with an option to reduce the associated costs. Any actual referrals are decided by the client. While there is an additional fee for Paradigm's services, Marsh will assist in prioritizing the referrals through the Claims Inventory Workout process.

For more information on these and other solutions from Marsh, visit [www.marsh.com](http://www.marsh.com) or contact your local Marsh representative.

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