

Carrier Reduces Attorney Involvement Rates by More Than 60% with CLARA claims



PROBLEM

A California-based insurance carrier wanted to contain the rising trend around attorney involvement in their claims. Many studies have shown that the cost of a lost-time claim **can go up by \$50-70K if an attorney gets involved**. With attorneys being involved in 13% of the carrier's lost-time claims, the opportunity for savings was considerable. With an average of 1,000 lost-time claims created each year, every percentage drop in attorney involvement could reduce costs for the carrier by \$250K or more.

SOLUTION

The carrier decided to tackle the problem using a combination of technology and operational changes. On the technology side, the carrier implemented CLARA claims to predict the likelihood of attorney involvement in the early stages of each claim. If the system discovered activities that had correlated highly with attorney involvement in past similar claims, it alerted the responsible claims adjuster.

These alerts enabled claims adjusters to focus on the claims most in danger of litigation first. The carrier created an operational shift by implementing a rapid response process to communicate with injured workers from high-risk claims. The rapid response team was composed of the carrier's most personable in-house attorney and a UR nurse, with the goal of building trust with the injured worker.

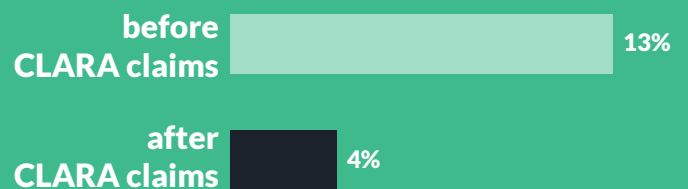
RESULT

CLARA claims successfully identified claims at high-risk of attorney involvement at 90%+ accuracy from Day 1. The results were then easily communicated via email to the rapid response team.

After implementing CLARA claims, the carrier saw a decrease of more than 60% in claims that involved an attorney. This led to a cost savings of \$2 Million per year.

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% of Claims with Attorney Involvement



About CLARA analytics

CLARA analytics improves claims outcomes in commercial insurance with easy-to-use artificial intelligence (AI)-based products. CLARA's suite helps claims team reduce various sources of loss-costs in claims handling by keeping claims on-track throughout their lifecycle. The suite uses the latest in AI and Machine Learning (ML) technology and can integrate easily into any workflow or infrastructure to rapidly start showing value. CLARA's customers include companies from the top 25 insurance carriers to small, self-insured organizations. CLARA analytics was founded in 2015 and is headquartered in Silicon Valley in California. For more information, visit claraanalytics.com, and follow CLARA analytics on LinkedIn and Twitter.