



Injury Schemes Seminar*

Balancing Outcomes

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* Formerly the Accident Compensation Seminar



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SYNOPSIS

THE IMPORTANCE OF CLAIMS MANAGEMENT IN INJURY SCHEMES

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Key words: claims management, claims leakage, compensation, strategy

Purpose of your paper: To highlight the important role that claims management has in injury management schemes.

Synopsis: Schemes have a focus on design of injury schemes, analytical approaches to scheme management, governance and other aspects. However in our experience not enough attention is given to management of claims. From one perspective management of claims is 'the' product that schemes/insurers/agents deliver and it is arguably the most important function within injury schemes.

We firstly define claims management and note that in our definition it includes a range of different activities (e.g. injury management, return to work, management of medical providers, case management, etc). It is important to recognise that we are dealing with personal injuries where medical matters are an important aspect.

We then explore the range of approaches we have seen in the management of claims and identify the deficiencies with the approaches adopted. We also include some examples of the extent of claims leakage we have seen in CTP and workers compensation portfolios and what some of the main causes of the leakage have been.

Lastly we identify what injury scheme should be doing to ensure management of claims delivers on its promise to claimants.

Our views in this paper come from the author's personal experience from working within insurers, to undertaking claims leakage studies both for insurers and for agents of schemes and for monopoly schemes.