Needs Analysis of Claims Adjuster Time Management Issues

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Executive summary
This process of reviewing and analyzing time management and efficiency of claims adjusters was undertaken in October 2006. Comments from claims management staff and anecdotal evidence from the field suggested that for some adjusters completing their required duties and responding to customer needs was becoming much more difficult to accomplish within a forty hour work week. The change of adjuster employee status from salaried to hourly has contributed significantly to this sense of pressure on adjusters.

In an effort to understand and address this performance problem, a needs analysis was conducted. The findings of this analysis are included in this report. Rather than approach the concerns from a purely training need focus, this report documents a holistic analysis which attempts to look at all the possible factors which are contributing to the less than optimum performance of claims adjusters in managing work and tasks.   The Performance Pyramid model (illustrated below) formed the framework of the analysis.

To gain an accurate understanding of the situation, data were collected by observing, interviewing and surveying claims adjusters and supervisors and across branches and across areas of specialization.

Data highlighted three areas of need: adjuster planning and organizing skills; consistent and effective tools and procedures for managing tasks; and consistent incentives for completing work in a time efficient manner.

While the implementation of Electronic Claims Handling (ECH) will do much to implement a consistent and systematic approach to managing claims, the intent of this report is to share further insights and recommendations for achieving greater claims adjuster performance.

Problem/Opportunity Statement	Due to the change in legislation and a transition from salaried to hourly employee status, the definition of optimal claims adjuster performance has changed. Effectiveness of adjuster productivity was previously measured primarily by claim count per adjuster, execution of role responsibilities, and providing customer satisfaction. However, with new expectations on adjusters to complete these tasks within a forty hour work week, efficiency of performance has become a critical attribute of a successful claims adjuster. Some adjusters are now struggling to complete their work within a forty hour time frame
	Although claims count figures do not vary dramatically from branch to branch, the claims counts of some individual adjusters is dramatically higher than average. These same individuals appear to also be those requesting the highest levels of overtime. This suggests that those individuals are lacking particular skills, knowledge and or tools to perform with the demonstrated efficiency of their coworkers. The upcoming introduction on ECH gives us the opportunity to offer all adjusters a systematic approach to managing the data and information related to claims adjusting. For those who are currently struggling with time management issues, however, the introduction of ECH may tax these individuals' ability to perform efficiently. For some period of time, following the introduction of the paperless systems, adjusters will be required to work both in the paperless world of ECH and the prior paper file system. Excellent organization and planning skills will be essential for adjuster to effective the transition to the new way of working.
Organizational Description	NoLoss Insurance is a small national insurance company with approximately 1700 employees and 1500 agents. There are 29 branch locations in 23 states, stretching from coast-to-coast. The organization has been in business for about 25 years and has a good reputation. The claims department currently has 723 employees of which 551 are claims adjusters.
	2006 has been an eventful year for NoLoss Insurance. A new of CEO was hired as the current CEO begins transitioning to retirement. Also, two new states were added to NoLoss' coverage area. Despite Hurricanes Rita and Katrina, as well as severe hails storms in the Midwest, NoLoss is in a relatively stable financial position.
	Thge organizational objectives for 2007 include increasing cost efficiencies. In addition to striving for increased efficiencies, this upcoming year will bring a focus on growth of business both in existing states and our newly acquired markets.
Audience Analysis	The claims adjuster group is made up of more than 500 claims adjusters. The claims adjuster role is primarily to collect claim-related data and to fairly and

promptly pay the claims of our insureds. Adjusters work in various areas of specialization (e.g, casualty, auto, property).

Adjusters are located within branch offices, in the Home Office, and nearly 300 operate out of their homes as resident adjusters.

As an organization, NoLoss enjoys a remarkable average employee tenure of 16.2 years. There are many adjusters who have been in their role for more then twenty years, and several with more than thirty years service. As baby boomer adjusters begin retiring, the proportion of newer adjusters entering the department is increasing. This creates a work group consisting of both seasoned adjusters, who have a breadth of claims experience and younger adjusters with highly developed technological skills.

All adjusters report to a supervisor, who reports to a branch or department manager.

Primary and Secondary Data Sources

Primary sources of data include claim count figures across all branches, and overtime figures across the branches. These figures are collated by the claims department and presented to management on a monthly basis.

Secondary data include observations, interviews and surveys targeting adjusters, their supervisors and department managers. Data has been collected from various types of adjusters (e.g., auto, casualty) as well as from different branches. These varied data sources enabled analysis of job structure, branch culture and practices, and individual leadership styles.

Data Gathering Techniques and Instruments	Through extant data analysis of current claims count and overtime statistics I was able to check assumptions and validate data received during interviews.

Surveys were created to focus primarily on tools and procedures. They were designed both for brevity and to be used with a variety of audience subgroups.

Customized interview guides were created for both adjusters and supervisors. Gathering data from these two viewpoints enabled greater insight into how adjusters did their jobs and how effective particular behaviors were.

Observations provided understanding through which I was better able to analyze data collected via interviews and surveys.

Please see appendices for actual surveys, interview and observation guides. |
| *Data Gathering Process* | Observations were conducted to gain a baseline understanding of the adjuster role and the tasks and processes involved in managing daily tasks. Interviews were conducted with adjusters considered to be effective time managers and those who were perceived to be struggling with time management. The direct supervisor of these adjusters was interviewed as well and provided validation and clarity on information gathered during adjuster interviews.

Surveys were sent out to adjusters in five different branches/departments. This provided the opportunity to note differences due to job function as well as expectations of individual leaders.

Problems with the collection of primary data included the fact that statistics that would have been helpful (claims count and overtime statistics by area of specialization) were not available. Secondary data was also difficult to gather in large quantities. There have been significant changes in the department recently and too broad an initiative was feared to be perceived negatively by adjusters. |
| *Data Analysis Process* | Observation and interview data collected from were viewed side by side. Variances and similarities in procedures and behaviors were noted. These findings were then discussed with their supervisor prior to conducting interviews with those supervisors.

Survey data were entered onto an excel spreadsheet and analyzed both across audience subgroups and within individual surveys for correlations between responses to various questions |

TECHNIQUE	INSTRUMENT	SOURCE	SUMMARY
Surveys	Time Management Survey	15 casualty, auto, property adjusters and supervisors.	100% of those adjusters already using a paperless imaging system, track tasks electronically –
Interviews	Claims Adjuster Interview Guide	2 casualty adjusters within the same branch one deemed highly effective and one struggling with time management issues.	Effective time manager consistently used a systematic approach to managing tasks and work. Adjuster with more systematic approach more confident that environment is conducive to productivity. .
Interviews	Claims Management Interview Guide	4 claims supervisors/ managers	75% cite managing mail as key area of competence for effectively managing and adjusting claims. 50% respond that productivity expectations on adjusters are not too high while 50% suggest that expectations are unrealistic given current business practices. 100% report that adjusters without a systematic approach to approaching their day suffer poor performance consistently.
Observation	Claims Adjuster Observation Guide	Two casualty adjusters reporting to the same supervisor	Inconsistency of tools and methods used to organize tasks, specifically in the management of incoming mail.

General Data Summary and Interpretation

Data shows that auto adjusters are more likely to feel they have both the tools to complete their jobs and the ability to complete their jobs within a forty hour time frame. This may be attributed to both the level of complexity of job responsibilities and also the use of CCC, an automated estimating system.

Property adjusters report the greatest confidence that they have the tools and methods to do their jobs. This department has been using paperless mail imaging for more than 2 years and has a systematic, while primitive information management system developed on excel spreadsheets.

Overall, there is a direct correlation between the use of task management tools/ procedure and time effectiveness. There is consensus that highly effective adjusters apply a systematic approach to managing work tasks. The data also clearly highlights inconsistency of tools and methods used to organize tasks, specifically in the management of incoming mail.

Self concept and confidence appears to be higher for adjusters with a defined, systematic approach to managing work. Those individuals with a clearly

defined routine for managing work respond most favorably to the introduction of ECH.

Among both supervisors and adjusters there is consensus that current overtime pay is sending conflicting message and incentive regarding efficiency of work.

Data highlighted three areas of need: Adjuster planning and organizing skills; consistent and effective tools and procedures for managing tasks; and consistent incentives for completing work in a time efficient manner.

Knowledge/Skill Needs - Details

Planning and organizing skills are essential to the adjuster role. Current training on time management should be expanded to include:
- How to prioritize tasks
- How to schedule follow up reminders
- How to manage phone calls
- How to minimize and handle interruptions.
- Chunking work into measurable, achievable tasks.

All adjusters must be proficient in the use of ECH, Lotus notes and Microsoft Word. Some adjusters currently lack full proficiency, and are relying on dictation services provided by the word processing department. Training for adjusters should focus on training adjusters to:
- Keyboard with accuracy and speed.
- Demonstrate proficiency in using ECH to take new claims, process and pay claims.
- Create word documents through the ECH letters system
- Schedule follow up reminders in the ECH system
- Schedule follow up reminders in Lotus notes for existing paper claims.
- Demonstrate proficiency in using Lotus notes email function

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Recommendations

Based on data collected, the following recommendations should be considered:

Knowledge and skills

Provide training and support for successful implementation of ECH. Provide basic keyboarding and computer application skills to 'level set' technological competency throughout the department. Increase quantity and specificity of time management training provided to new adjusters (see notes in previous section)

Performance capacity

Selection considerations should be given when hiring new claims adjusters to ensure that job candidates demonstrate excellent planning and organization skills. An assessment tool such as a planning and organizing exercise would be a valuable addition to the selection system for claims adjusters.

Motivation and self concept

Supervisors need to work with those adjusters who are struggling with time management issues. Supervisors must ensure adjusters' understanding that

time and task management skills are trainable skills and that becoming more proficient in these skills will enhance their overall success in the adjuster role.

For all adjusters: Consider moving all existing paper claims to designated adjusters. These may be those adjusters who are nearing retirement and/or those lacking confidence and competence in using the ECH system. Other adjusters would focus solely on handling new claims in the ECH system. This will greatly reduce stress on this subgroup as well as eliminate the time pressures on all adjusters as they will not be forced to transition between the new and old claims handling systems.

Specifically for auto adjusters:
- Authorize the use of independent adjusters when travel to an inspection site is deemed unreasonable (2 ½ hours or more)
- Provide wireless network access to enable adjusters to complete paperwork immediately after inspecting a vehicle.
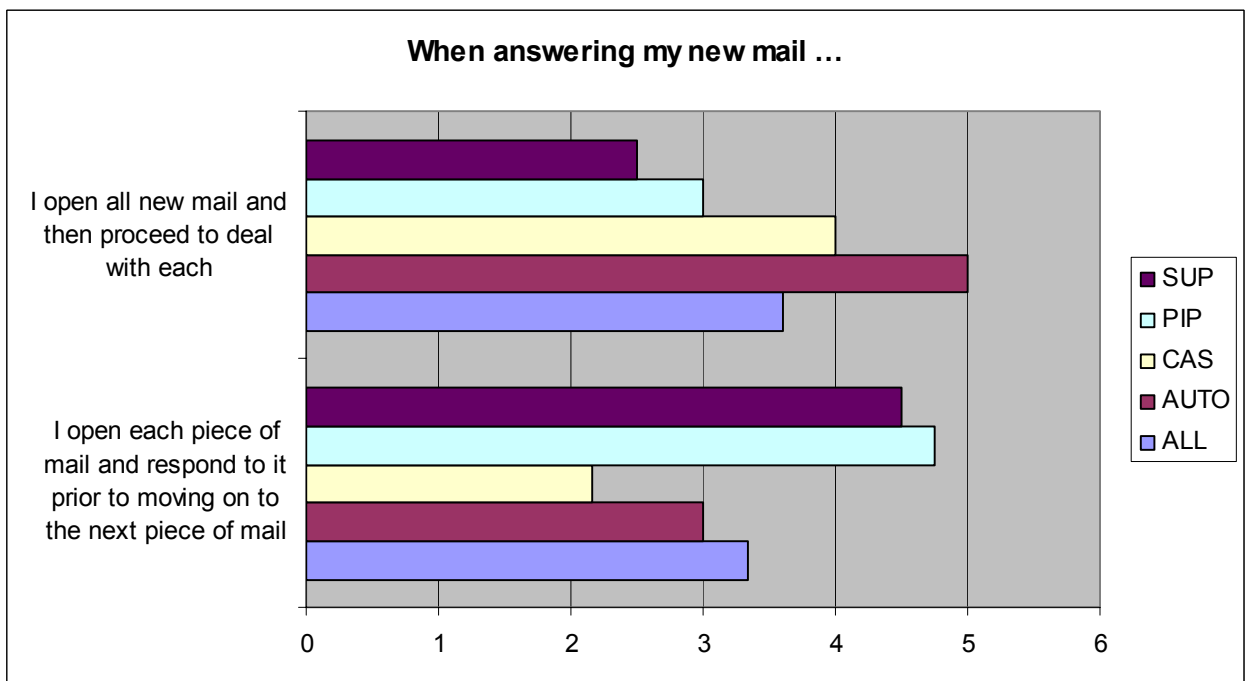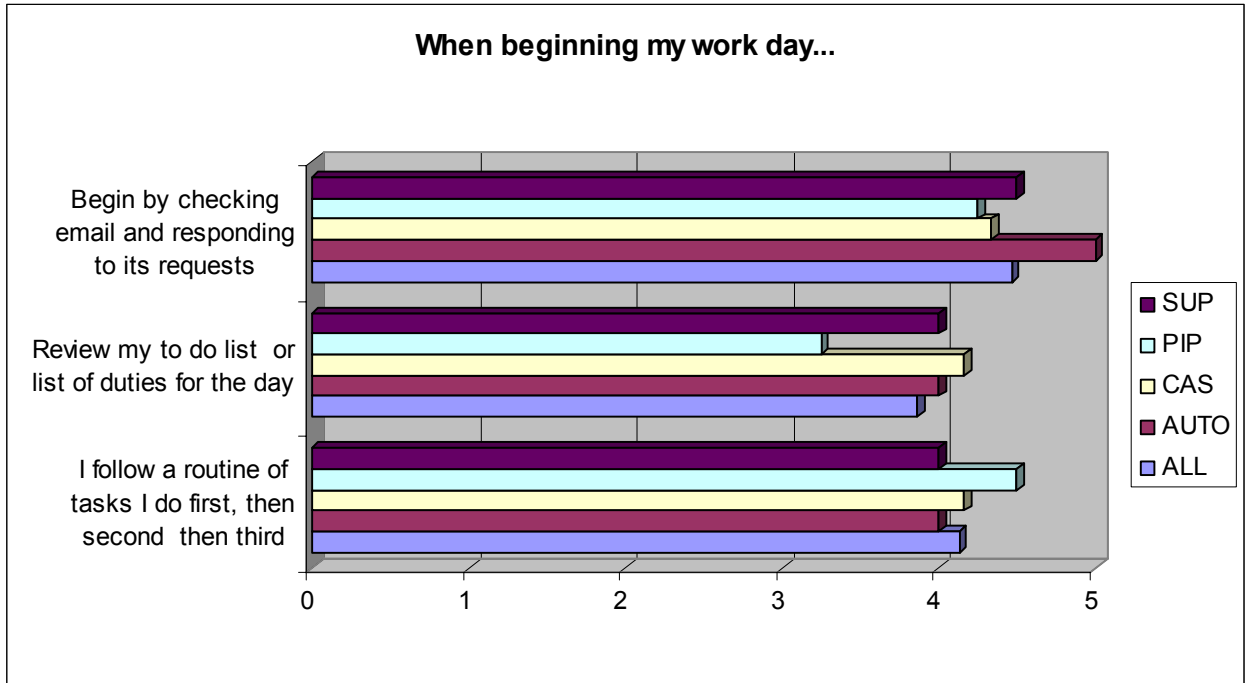
Claims count and average overtime figures should be readily available to all adjusters. ECH will help to ensure equity of claims workload distribution. Supervisors must also monitor and provide feedback on how well adjusters are able to complete all follow up activities related to prior claims as well as handle new claims.
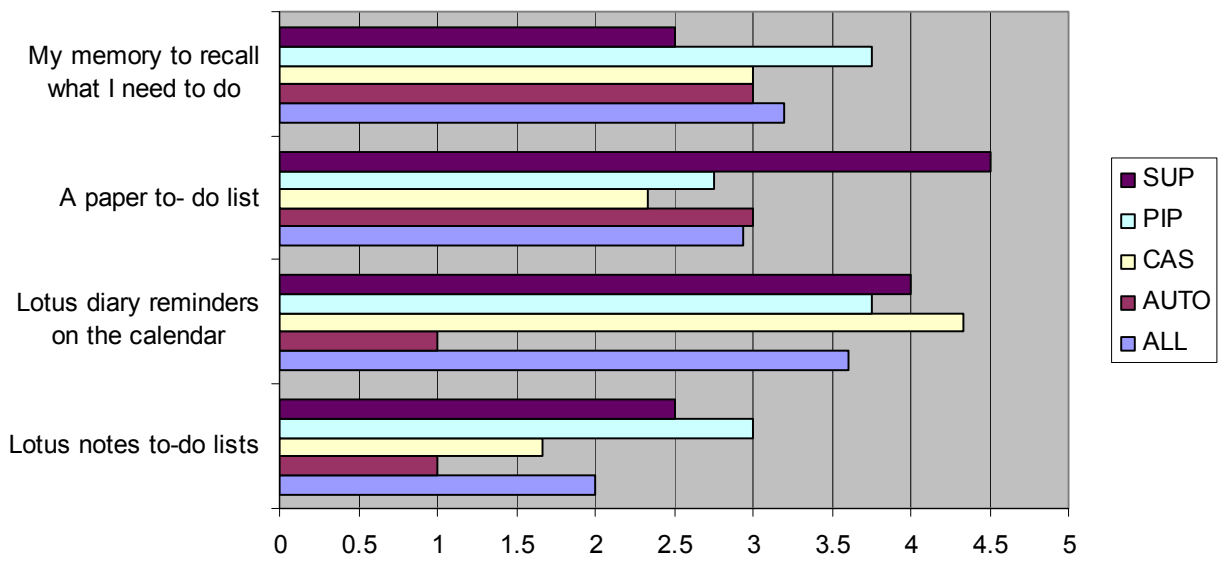
Provide recognition for adjuster efforts to maintain claims count and process claims quickly. Eliminate negative incentive by effectively managing/ reducing overtime hours worked.

When beginning my work day...

When answering my new mail …

I use the following to help me manage my time and my tasks:

Categories (top to bottom within each group): My memory to recall what I need to do; A paper to-do list; Lotus diary reminders on the calendar; Lotus notes to-do lists

Legend: SUP, PIP, CAS, AUTO, ALL

X-axis: 0, 0.5, 1, 1.5, 2, 2.5, 3, 3.5, 4, 4.5, 5

General

Categories (top to bottom): I feel that I have the necessary tools to do my job efficiently; I have a good method for doing my job and managing my time; Interruptions and unplanned occurrences often set my schedule back; I feel completely capable of completing all my job tasks within a 40 hour work week.; I am able to complete all the tasks I intend to each day

Legend: SUP, PIP, CAS, AUTO, ALL

X-axis: 0, 1, 2, 3, 4, 5, 6

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Feelings about CWS

I am pleased that NoLoss is introducing CWS

I am concerned that I will not be able to get my job done within the 40 hour work week once CWS is introduced.

I believe I will adjust quickly to using CWS

I believe CWS will make my job easier

Legend: SUP, PIP, CAS, AUTO, ALL

X-axis: 0, 0.5, 1, 1.5, 2, 2.5, 3, 3.5, 4, 4.5, 5

Claims Adjuster Time Management

Please answer the following honestly according to how you do your work. Results will be kept strictly confidential

I am:

- ☐ A Casualty Adjuster
- ☐ A PIP/MedPay Adjuster
- ☐ An Auto Adjuster
- ☐ A Property Adjuster.
- ☐ A Claims Supervisor
- ☐ Other: _____

When Beginning my work day ….	Aleays	Often	Sometimes	Seldom	Never
I follow a routine of tasks I do first, then second then third					
Review my to do list or list of duties for the day					
Begin by checking email and responding to its requests					
Other (list):					

When answering my new mail …	Aleays	Often	Sometimes	Seldom	Never
I open each piece of mail and respond to it prior to moving on to the next piece of mail					
I open all new mail and then proceed to deal with each					
Other (List):					

I use the following to help me manage my time and my tasks:	Aleays	Often	Sometimes	Seldom	Never
Lotus notes to-do lists					
Lotus diary reminders on the calendar					
A paper to- do list					
My memory to recall what I need to do					
Other:					

General	Aleays	Often	Sometimes	Seldom	Never
I am able to complete all the tasks I intend to each day					
I feel completely capable of completing all my job tasks within a 40 hour work week.					
Interruptions and unplanned occurrences often set my schedule back					
I have a good method for doing my job and managing my time					
I feel that I have the necessary tools to do my job efficiently					
Comments					

Feelings about ECH	Agree	Somewh at Agree	Don't Know	Slightly Disagree	Disagree
I believe ECH will make my job easier					
I believe I will adjust quickly to using ECH					
I am concerned that I will not be able to get my job done within the 40 hour work week once ECH is introduced.					
I am pleased that Shelter is introducing ECH					
Comments:					

Please list any additional comments below:

Thanks again for taking the time to complete and return this survey!

Claims Adjuster Interview

Date:_____

Interviewee:_____

Group:_____

Interviewer:_____

Introduction

First of all, thanks for taking the time to talk with me today. Claims is going through so many changes right now – first the move from exempt to hourly and now preparing to roll out Electronic Claims Handling. The new expectation to complete all work within 40 hours has been an adjustment for everyone. We have received numerous requests to help with time management training.   As we are preparing to change work practices radically in the next few months I want to make sure we in training are doing the most we can to help you make that transition.

Processes	Walk me through how you manage the tasks you have to do for the day?
	In terms of getting things done, (getting information when and where you need it, communicating internally and processing data) What processes (or systems) are in place to help you?
	What kinds of help would you most like to receive? How would you like to receive this help?
Tools	What tools do you use to manage your workload? (Lotus notes to-do's, reminders, etc.)?
	What have you been advised to use?
	What other resources do you need?

Knowledge/Skill	What are the skills that you believe an adjuster needs to be successful?
	What things should others be doing to help you be successful.? What kind of skills should they have and demonstrate?
	-supervisors
	-co-workers
	-others
Environment	Is your work environment set up to help you complete your work in time and be successful? How so?
	What barriers to getting work done in time do you and your co-workers face?
	How could these barriers be overcome?
Capacity	What things about your work are just tough for you to deal with? (e.g., reading a computer screen; working in a loud environment)

Vision	The change to hourly was mandated by legislation, but what do you think the claims department is trying to accomplish with respect to work hours and the adjusters' work? What do you wish it would accomplish?
Expectations	What do you believe are the expectations for how you are to handle your claim load within the 40 hour time frame? How would you change these expectations if you could?
Feedback	How will you know when you are meeting these expectations and managing your time well? What is a good way for you to find out how well you are meeting expectations?

Recognition	What kind of rewards do you get for completing work in a time efficient manner? What kind of recognition should there be?
Rewards	Hourly status was implemented because of law and without thinking through what the rewards might be – what do you think some of the benefits to you might be in being able to get everything you need to accomplish done in 40 hours? How do you think the customers will benefit from this?
Incentives	In what way are you encouraged to do different things in order to get your work done more efficiently? What other incentives would lead you to do more?

Motivation	What aspects of your job do you find most enjoyable? What aspects do you find least enjoyable?
Self-Concept	If your organization was extremely effective, how would you see yourself in that picture? (Describe what you see.)

| Organizational Culture | How does your organization get people involved in day-to-day tasks and decision making?

     - Does this seem to work OK? How so?

How does your organization respond to internal and external opportunities and challenges (i.e., disruptions)?

     - Does this response usually work? How so?

How consistent is your organization in terms of how it carries out day-to-day operations? How consistent is it in terms of working to achieve long-term objectives and addressing major challenges?

     - Do the policies and procedures (formal and informal) used in your organization help achieve long-term stability? How so?

Does your organization's culture, its resources, and activities fit together in such a way that the organization accomplishes things that are important? |

Claims Supervisor/ Manager Interview

Date:

Interviewee:

Group:

Interviewer:

Introduction

First of all, thanks for taking the time to talk with me today. Claims is going through so many changes right now – first the move from exempt to hourly and now preparing to roll out Electronic Claims Handling. The new expectation to complete all work within 40 hours has been an adjustment for everyone. We have received numerous requests to help with time management training.   As we are preparing to change work practices radically in the next few months I want to make sure we in training are doing the most we can to help you make that transition.

Processes	How do your various adjuster walk through their daily tasks? (most time efficient and least time efficient? In terms of getting things done, (getting information when and where you need it, communicating internally and processing data) What processes (or systems) are in place to help adjusters? What kinds of help would you most like to receive? How would you like to receive this help?
Tools	What tools do your adjusters use to manage their workload? (Lotus notes to-do's, reminders, etc.)? What have advised them to use? What other resources or tools do you believe they need or would benefit from?

Knowledge/Skill	What are the skills that you believe an adjuster needs to be successful? Walk me through the differences in knowledge and skills between: • High performing adjusters • Low performing adjusters • Highly time efficient adjusters • Inefficient adjusters • Effective supervisors • Ineffective supervisors
Environment	Is your work environment set up to help adjusters complete your work in time and be successful? How so? What barriers to getting work done in time do adjusters face? How could these barriers be overcome?

Capacity	What things about your work are just tough for some of your adjusters to deal with? (e.g., reading a computer screen; working in a loud environment) Who and what issues? What impact do these factors have?
Vision	The change to hourly was mandated by legislation, but what do you think the claims department is trying to accomplish with respect to work hours and the adjusters' work? What do you wish it would accomplish?
Expectations	What do you believe are the expectations for how adjusters are to handle their claim load within the 40 hour time frame? How would you change these expectations if you could?

Feedback	How do you let your people know they are meeting these expectations and managing your time well?
Recognition	What kind of rewards do you offer for completing work in a time efficient manner? What kind of recognition should there be?
Rewards	Hourly status was implemented because of law and without thinking through what the rewards might be – what do you think some of the benefits might be in adjusters being able to get everything accomplished within the 40 hour work week? How do you think the customers will benefit from this?

Incentives	In what way have you encouraged your staff to do different things in order to get your work done more efficiently? What other incentives are you considering?

Motivation	What are the most motivating aspects of the adjuster job you manage, and how are people motivated by it? What aspects are considered least enjoyable? What impact does that have on adjuster performance?
Self-Concept	If your organization was extremely effective, how would you see yourself in that picture? (Describe what you see.)

Organizational Culture	How does your organization get people involved in day-to-day tasks and decision making?
	- Does this seem to work OK? How so?
	How does your organization respond to internal and external opportunities and challenges (i.e., disruptions)?
	- Does this response usually work? How so?
	How consistent is your organization in terms of how it carries out day-to-day operations? How consistent is it in terms of working to achieve long-term objectives and addressing major challenges?
	- Do the policies and procedures (formal and informal) used in your organization help achieve long-term stability? How so?
	Does your organization's culture, its resources, and activities fit together in such a way that the organization accomplishes things that are important?

Observation of Claims Adjuster

Date: _____

Adjuster: _____

Observer: _____

Introduction

First of all, thanks for allowing me the opportunity to sit with you and observe you as you are doing your work this afternoon. As you know, Claims is going through so many changes right now – first the move from exempt to hourly and now preparing to roll out Electronic Claims Handling. The new expectation to complete all work within 40 hours has been an adjustment for everyone. We have received numerous requests to help with time management training.   As we are preparing to change work practices radically in the next few months I want to make sure we in training are doing the most we can to help you make that transition.

Seeing you as you perform you job will give me great insight and will help me and the training team immensely. Thanks again.

Look for opportunities to observe:

> **Vision - Expectations –Feedback- Recognition- Rewards- Incentives- Motivation - Self- Concept- Culture**

Aspect Observed	Actions/ Steps	Comments/ Dialogue	Observer Comments
Process Tools Knowledge/ Skills Environment Capacity Vision Expectations Feedback			
Process Tools Knowledge/ Skills Environment Capacity Vision Expectations Feedback			
Process Tools Knowledge/ Skills Environment Capacity Vision Expectations Feedback			
Process Tools Knowledge/ Skills Environment Capacity Vision Expectations Feedback			
Process Tools Knowledge/ Skills Environment Capacity Vision Expectations Feedback			