David Morse & Associates
www.dmaclaims.com

Industry:
Independent Adjusting Firm

Solution:
XactAnalysis

Key Challenge:
Efficiently process claims assignments from major client

Key Benefits:
Compared to industry averages, DMA adjusters are:
- Four times faster at contacting insureds
- 50 percent faster at inspecting property losses
- Twice as fast at reporting results.

DMA has doubled the number of assignments from its major client.

David Morse & Associates Uses XactAnalysis to Speed Claims Cycle Times

By harnessing the power of XactAnalysis, David Morse & Associates has developed a management solution that helps its staff monitor and enhance company performance, accelerate claims cycle times, and improve customer service.

Since adopting this management approach at the beginning of 2009, DMA has exceeded each monthly benchmark set by one of its major carrier customers and has doubled the work it receives from that client. Compared to industry averages, DMA adjusters are also four times faster at contacting insureds, 50 percent faster at inspecting property losses, and twice as fast at reporting results.

"The thing we love about XactAnalysis is the control factor," said Henning Heldt, Senior Vice President at DMA. "How fast the adjuster makes that initial contact and how fast you get out there to complete the estimate and get it back so the claim can be settled, is a huge differentiator in the satisfaction an insured feels when he's had a claim."

The Company
DMA is the largest independent adjusting firm in California and has a growing presence in many regions throughout the country. The DMA claims administration division offers vendor services to insurers who need property claims handled quickly.

The Challenge
At the end of 2008, one of DMA's major clients reduced its vendor list by half. This meant DMA had an opportunity to receive more assignments, but it also faced challenges because the client had stringent benchmarks that required vendors to contact insureds, inspect losses, and report results within a narrow time frame. The client tracked vendor performance each month and gave more assignments to vendors that met the benchmarks. It also penalized vendors for each expectation they failed to achieve. Although DMA met and exceeded many of the benchmarks, it continually sought ways to enhance its services.

> "Across the board, XactAnalysis has really helped us, and we love it."

The Standard Process

DMA's claims-handling process usually worked in this fashion:

- The insured files a claim.
- An adjuster is assigned to the claim.
- The adjuster sets up the file.
- The adjuster contacts the insured.
- The adjuster inspects the loss site.
- The adjuster files the report.
- The carrier settles the loss claim.

While DMA had specific benchmarks that outlined how soon adjusters should contact, inspect, and report, they had no means to track performance or determine if those expectations were being met. Examiners could view details of individual claims files, but that didn't provide enough information to evaluate company progress and address overarching issues.

"We just didn't have a tool to get out there and step-by-step, adjuster-by-adjuster, location-by-location detail how we could improve our workflow," Heldt said. "It was hard to identify the weak spots."

Areas DMA Wanted To Improve

DMA leadership recognized the potential to increase their business volume if they were able to surpass the client's benchmarks. To accomplish this, they needed a solution that would help them proactively track claims progress in real time so they could quickly identify and resolve issues. This would allow them to expedite the claims journey and meet their client's high standards.

DMA Picks XactAnalysis

DMA soon realized XactAnalysis could help them meet these needs. The client used the system to track vendor performance, but until the end of 2008, DMA had not used it extensively. Developed by Xactware, XactAnalysis is the insurance industry's only real-time full-cycle claims management and analytical network.

Among the industry-leading features that set XactAnalysis apart:

- Claims are assigned electronically to speed cycle times.
- Tracking tools inform managers when assignments are made, accepted, returned, and more.
- Personal rules alert users when company standards aren't met. For instance, a carrier can set a rule that requires adjusters to contact insureds within eight business hours of receiving the assignment, and the system will notify the user if that rule is violated.
- Real-time management reports lets users compare their performance against industry averages to analyze individual claims, check standards, monitor trends, and identify areas that require additional training.
- Inspection algorithms audit loss estimates to help estimators catch and correct errors.

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The Implementation

From the start, DMA managers treated XactAnalysis as a proactive monitoring tool rather than a reactive reporting tool. This approach has enabled them to identify potential problems early on and fix them before they become a black mark on the client's month-end report cards.

"Success with XactAnalysis starts with a decision not to resist the program but instead to use it to one's advantage," Heldt said. "Once over that hurdle, XactAnalysis' capability to produce real-time metrics becomes your friend."

Recognizing that success hinged on an in-depth knowledge of the system's capabilities, DMA tasked its Vice President of Quality Assurance, Lisa McNamee, with mastering XactAnalysis and monitoring assignments that flow through the network.

Each week, McNamee and her team analyzed XactAnalysis management reports so they could evaluate progress in relation to their client's expectations for response time, inspection time, and report time. If McNamee spotted an area where benchmarks weren't being met, she would work with the local supervisors to resolve the issues before the month ended. McNamee and her team also provided training on inputting data into the system to ensure the accuracy of reports created in XactAnalysis.

In addition to these major initiatives, McNamee now sends out monthly company-wide emails, updating staff on progress and encouraging them to place renewed emphasis on areas that could be improved.

"Knowing your goal, understanding where you are, and correcting along the way helps you achieve your goals," McNamee said. "The XactAnalysis management reporting tools are key to knowing where company performance currently stands at any given time."

The Results

The new approach has helped DMA dramatically enhance its services. Since February 2009, it has exceeded each of its client's benchmarks, and its adjusters now contact insureds in eight hours and return reports within 5.3 days, compared to industry averages of 1.3 days and 10.5 days. They are also nearly twice as fast at reporting back to the carrier. As a result, DMA has received more attention from prospective customers, and the client has increased the number of assignments it sends to DMA.

"Compared to 2008, the assignments we've received during 2009 have doubled," McNamee said. "And now, almost midway through 2010, the number of assignments continues to multiply, and we continue to receive the highly prized 'Excellent' rating from our client."

Clients have also acknowledged DMA's value in helping them retain insureds.

"In a day and age where retaining insureds is so important, how fast an adjuster contacts the insured and how fast the carrier settles the claim is huge," Heldt said. "The faster the process the more likely you are to have an insured who is satisfied with their claims handling and who is likely to renew their policy at the end of the year."

DMA has also made adjustments to its own claims system to gather metrics similar to those in XactAnalysis and to enhance services for clients who don't use the system.

"That's the idea of using it to improve our performance," Heldt said. "Across the board, XactAnalysis has really helped us, and we love it."

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The Lesson

By using XactAnalysis' real-time, detailed metrics to the fullest, a well-organized, motivated claims-handling team can pinpoint weak spots, resolve them, and vastly improve the quality of service they provide.

"In business, your success is entirely related to how much control you have," Heldt said. "That's the thing about XactAnalysis — it is built for control of property claims. You don't have any control if you don't have any information. Information equals control equals success."