


# .complnsights Report

## Data Analytics

Evaluating the Current Analytic Needs  
of Risk and Claims Managers



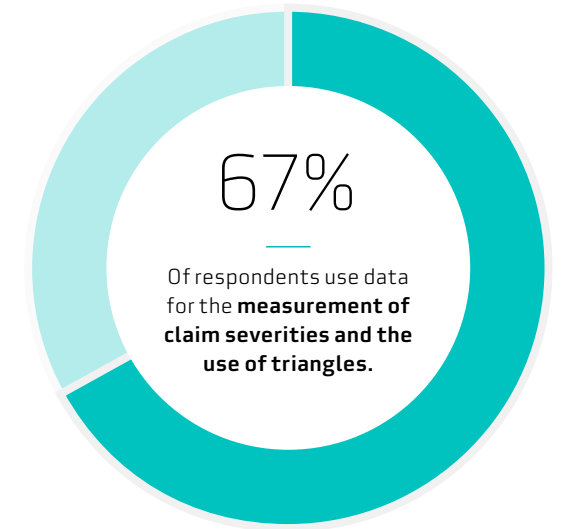
## Introduction

Gathering, storing, and evaluating data are key components of analytics. However, gleaning actionable insights from the data is where the true value lies. Identifying trends, predicting potential areas of concern, and monitoring performance are all ways data analytics can provide value in risk management. In our experience, as a technology leader in the industry, it is evident that those who leverage analytics outperform their peers from a total cost of risk, claim efficiency, and employee satisfaction perspective.

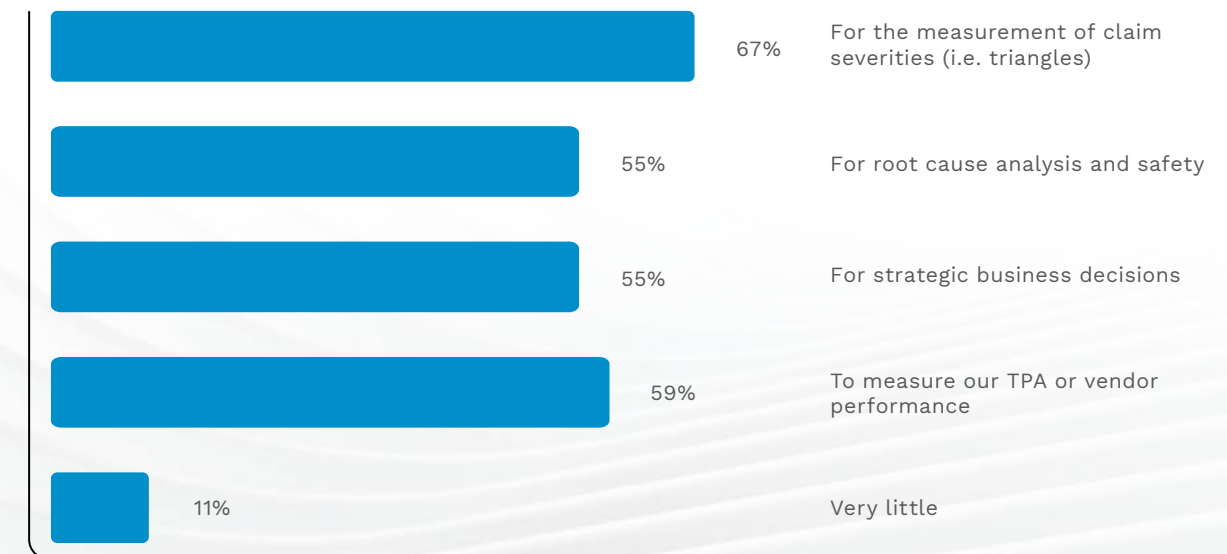
To better understand the issues surrounding “Big Data” and the value of data analytics in the industry, CorVel sponsored a survey of risk and claims management professionals to evaluate their current use of data and their level of interest in advanced analytics.

## How Data is Being Used

While the way data analytics is used varies, survey results show that the majority of respondents are currently using data analytics in some capacity. 67% of respondents said they use data most often for actuarial analysis, specifically for the measurement of claim severities and the use of triangles. Our respondents also highlighted their use of data to manage their TPA's performance and to enhance their understanding of safety issues causing their losses.



## How is data analytics currently being used today in your business?\*



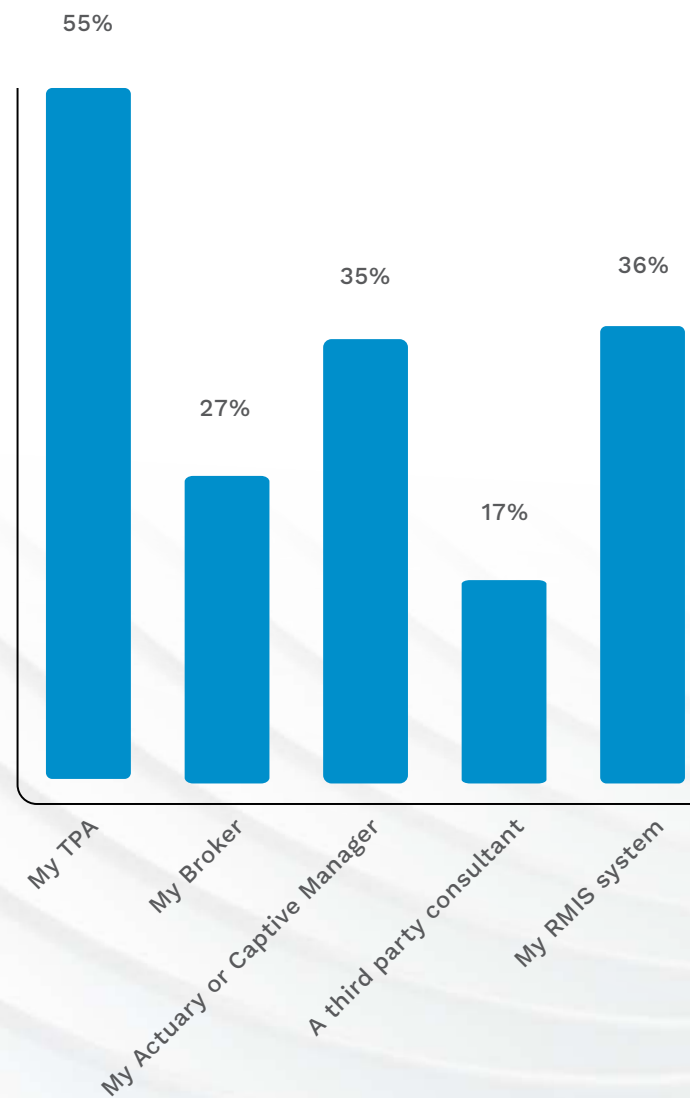
\*Respondents were able to select more than one answer



## Claim Performance Analytics

55% of respondents indicated their TPA provides them with analytics regarding claim performance. Risk professionals indicated they rely on their Actuary and RMIS system for this data. Broker and consultants were the least likely sources used.

### How is data analytics currently being used today in your business?\*

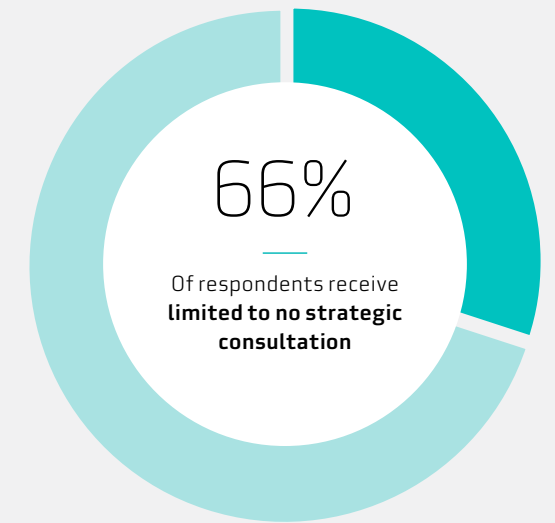


\*Respondents were able to select more than one answer

## Under-Served Needs

36% of respondents indicated they received some strategic consultation from their data provider but it was on a limited basis. An additional 30% indicated they received no strategic consultation.

When asked what specific information was desired, our respondents indicated comparative analysis of their results to other companies in their industry, their data provider's book of business, and to industry reports from NCCI and WCRI.

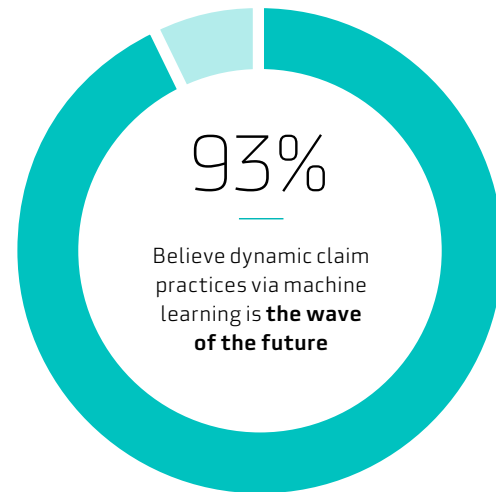


### Respondents indicated the following areas of data analysis to be under served:



## Machine Learning & Automation

The majority of survey respondents would consider replacing certain claim functions or tasks completed by adjusters or healthcare professionals with AI and automation. 43% of respondents are open to greater automation of claims data, but only if the automation remains behind the scenes and not visible to their associates or stakeholders. 39% were open to additional automation in the claims process through the use of chatbots, text messaging, and applications to increase patient engagement. At 93%, respondents overwhelmingly agreed that dynamic claim practices developed via machine learning were the wave of the future.



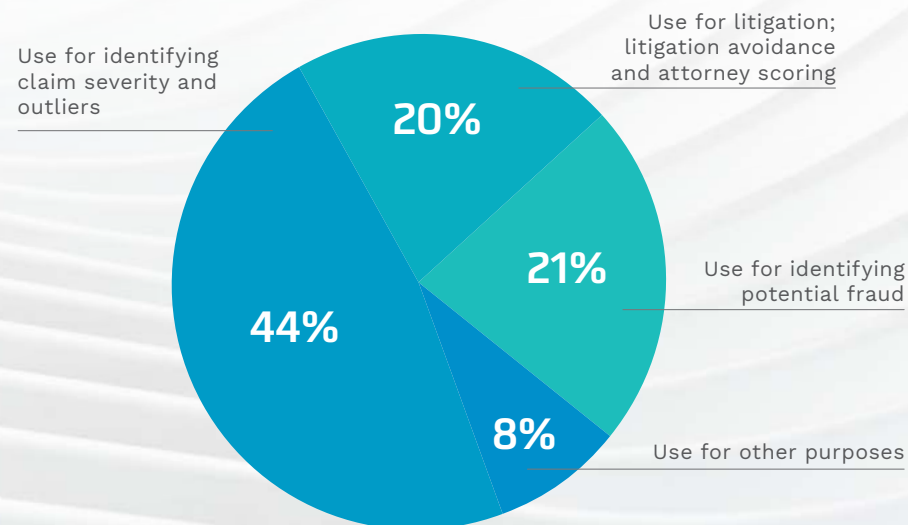
## Predictive Capabilities

40% of respondents indicated they were not using any type of predictive capabilities in the claims process. If predictive analytics were used, respondents said they are most often used for identifying claim severities and outliers in their data.

40%

Do not currently use predictive capabilities

### Of the respondents who indicated they use predictive capabilities:



## Conclusion

As seen in survey results, data analytics continues to be a major area of interest for risk and claims managers. Our survey found there is a degree of hesitancy as to the use of predictive capabilities, how far automation should go, and if it should directly engage with stakeholders. Though the majority of respondents are interested in the development of claim automation, they will need to adopt new ideas and best practices to truly leverage the value of data analytics and navigate the future of machine learning.

The risk management community wants to use data with greater frequency, however, many lack the resources to effectively gather and interpret their data, compare it to other data sets (both industry and book of business), and identify actionable insights.

CogencyIQ<sup>SM</sup> is CorVel's response to these industry needs. Harnessing the unique power of a fully integrated and data rich workers' comp and liability claims management platform, CogencyIQ<sup>SM</sup> is able to sift through data, recognize competitive industries and market trends, and respond with solutions that make a difference.

### With CogencyIQ<sup>SM</sup>, we offer:

#### 1. Business Intelligence

We provide a complete view of overall risk/claims insight through visual reporting of information via interactive, dynamic dashboards. BI transforms data into business insights to clearly illustrate what risk managers need to know.

#### 2. Insight Consulting

We create the opportunity for strategic, data-driven decision-making by identifying areas of opportunity and providing recommendations. CogencyIQ consulting can identify a pattern of locations with disproportionate injuries, pinpoint the cause and present recommendations the customer can act upon themselves.

#### 3. Artificial Intelligence

Through machine learning and corresponding recommendations, AI can provide better insight and actions for a claim. Predictions of a claim's litigation risk—with risk scoring updated every night—helps a manager identify and mitigate the chances of a suit being filed. Tailored recommendations via an action card are also provided along with a risk score.

Thank you to the participants of this survey. Please visit [corvel.com](http://corvel.com) to learn more.

