



## **Insurance Reserve Fund**

### **DEVELOPING OUR CLAIMS EMPLOYEES**

Certified Public Manager Project  
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## **Introduction and Problem Statement**

The Insurance Reserve Fund, which is within the State Fiscal Accountability Authority, provides property and liability insurance to all State agencies and various local governmental entities, including Counties, Municipalities, School Districts and special purpose Political Subdivisions. Our departments include Underwriting, Claims, Professional Liability [Medical Malpractice] and Accounting/Administration. These departments function to analyze the risk of each insured, to collect the premium for insuring the risk and to handle covered claims and lawsuits filed against insured agencies.

The Claims Department is responsible for confirming coverage, investigating, negotiating and ultimately resolving all claims brought against insured agencies. If a lawsuit is filed against an insured, the Insurance Reserve Fund assigns defense counsel to protect its interests and those of the insured.

The Insurance Reserve Fund hires employees from the private sector who have insurance claims handling experience. These employees need to transition from private sector claims handling to the challenges of governmental claims. This employee transition process needs to be standardized to insure competency in critical job duties and provide measurable results. Such standardization would help insure the mission of the Agency to provide property and liability insurance products that meet the needs of its governmental customers in a financially secure and responsible manner. This would also align with the goals of the claims department to properly investigate claims and perform a risk analysis in the best interest of our insureds.

I began my career at “The Fund” as a Senior Claims Examiner, I was then promoted to a Litigation Consultant and I currently serve as a Program Manager for the Intermediate Claims Unit. Many times, I have witnessed claims staff, at all levels, struggle with the vast knowledge and nuances required to perform required job duties. Developmental information should be more accessible for all employees (both new and seasoned employees) to ensure consistency in an ever-changing claims environment. Many factors need to be addressed including, but not limited to:

- Determining the topics that need to be taught to employees
- Identification of effective teachers, coaches and mentor

The factors listed above would be instrumental in helping prepare employees for the challenges they will face daily. The goal is to complete a proposal for development and implementation of a consistent protocol for claims handling expectations with a focus on employee performance enhancement.

### **Data Collection**

The goals of my data collection are to determine the most important challenges coming from the private sector to the Fund and examine the skill set level of current claims staff to determine if they meet employee expectations. In order to do this, you must consider the background experience the employee brings to the Fund, including their specific area[s] of expertise and what learning techniques have been helpful and effective in their development. It is imperative to identify the competencies critical to the job position as well as ways to recognize and measure those competencies. It is also necessary to

set a general time line for development, so that a reasonable Individual Development Plan can be formulated for each employee.

While employees must be able to complete all tasks required at a basic level, it is also important to address new areas of interest for each employee in order to provide a challenging work environment and expand their knowledge base. Also, it is helpful to know their preferred methods of learning when different options are available.

Data was collected by sending an invitation with an attached survey (See Appendix) to 21 current claims employees (13 responded) and 4 former employees (all 4 responded) with a range from basic small claims knowledge to more than twenty years of experience in the claims business. This survey method was chosen because it helped to define the outline necessary to formulate a developmental plan for the claims staff. The responses also provided additional information that may have been overlooked in the past. In addition, informal interviews were also used for employees that felt more comfortable verbalizing their observations versus providing written explanations.

### **Data Analysis**

Not surprising, all employees found challenges with our computer systems and cited additional training needs designed not only to save time, but to also allow employees to thoroughly learn the capabilities of the systems.

Another finding that is consistent throughout the responses is the need for a better understanding of how claims against governmental entities are handled differently than non-governmental entities, specifically the SC Tort Claims Act and how it applies to daily claims handling. The last time a formal training class addressing the Tort Claims

Act was provided was in early 2015 and only two of six of my direct reports were employed by the Fund at the time. This would explain the quest for knowledge on not only this topic, but many other topics rarely seen in the private sector such as Employment Law, Law enforcement, including section 1983 claim, false arrest claims, inmate claims and defamation claims. A lack of training opportunities inherently affects the ability to properly evaluate the settlement value of these type claims. Employment law seminars are currently offered twice a year, but though attendance is encouraged it is optional and dependent upon employee's schedules. Plans are to implement seminars on share drives for employees unable to attend in person.

Employee feedback indicated that other areas where additional development is needed were as follows:

- Training outside independent adjusters and our Insureds to provide the proper information necessary for the claims process, including being responsive to our requests in a timely manner.
- Reservation of Rights Letters to the insured, which requires dissecting the Complaint and addressing coverage issues based on the language of the policy.
- Underwriting training as it relates to the claims process.
- Minor settlements/claims handling Wrongful Death, Survival Action recap
- Subrogation on first and third-party claims

The most preferred method of receiving training was in person. Almost all employees prefer one-on-one training, including learning from more experienced employees/co -

workers, independent adjusters, supervisor/managers and defense attorneys. Claims handling comfort level increases with time and with repetition of job duties. Our team wishes to engage with each other and have group discussions on the facts surrounding our cases in order to share information and be updated on important changes that may affect the way a claim is handled.

Regarding competencies required, all respondents listed communication at the top of the list. This includes internal and external as well as verbal and written, with listening skills being a critical component. Other needed skills include being inquisitive and detailed oriented in order to conduct thorough investigations-research, as well as analytical, value reasoning, problem solving, logic and organizational skills. An employee must be able to review information thoroughly and in a timely manner, must be computer literate and be able to adapt to change. Negotiating skills are also necessary, in addition, time management [balance work/personal], ability to work independently [without direct supervision], ability to understand complex policy and law and how it relates to a case, and critical and creative thinking are all essential skill sets that require ongoing development.

Decision making also ranked high on the list, not just making the correct decision, but also being able to make quick decisions based on the information available. Being able to properly document how and why you arrived at your decision and accepting responsibility for your decision are key components. Part of this decision process includes understanding of coverage provided by the Policies and their application to claims and the claims handling process. Also, leadership abilities, professionalism and integrity are important qualities.

The plan is to use data to implement both improvement of developmental processes and establish new alternatives/ procedures. Upon initial employment, frequent and informal meetings of short duration with the manager will be conducted to clarify any individualized deficiencies in skill sets that need to be addressed. This will serve as the initial evaluation period with an employee.

### **Implementation Plan**

In addition to the above topics that need to be considered for employee development, it will also be necessary to have effective teachers, coaches and mentors. Whenever possible a mentor will be chosen for a new hire that best suits their specific area of needs. Careful planning will be required to establish a developmental program with the agency. Using SMART goals for planning and implemental the development program will help ensure success and assist in getting a commitment from the participants and mentors involved. SMART is an acronym for:

S-Specific, M-Measurable, A-Attainable, R- Relevant, and T-Time bound.

If used properly in the development and implement will align all personnel involved with agency goals.

Generally, it takes approximately one year to development an employee to a level of competence to complete most tasks without assistance. There are three ways to learn: 1) by doing, 2) from others and 3) classroom/on your own. The appropriate development technique is dependent upon the task and topic and whether the variables are constant or changing. Currently we conduct on the job training, learn from our mistakes and apply the knowledge to future claims handling.

I would propose the following Individual Developmental Plan for all employees:

First six months:

- HR policies and procedures, conducted by HR
- Formal presentation of our Computer systems, Mapper and IA- IT will perform.

Managers will assist in how to manage work flow.

- Explanation of roles of each department within the Fund, presented by Managers
- Review of all Policies, Tort and Property, and SC Tort Claims Act- Employees will be provided these documents in a notebook for ongoing reference.
- Mentorship program to provide expertise in claims. Each employee will be assigned a mentor to provide guidance and knowledge. This buddy system for cross training will enhance employee development and will highlight management potential. The mentor will assist with and provide a handout of terms and legal actions, list of available websites to assist in claims investigation as well as how to access County Public Index, SCDOT Street finder, and quick tutorials on using Google Street View.
- Review of itemized scopes on first party losses so staff understands standard and customary pricing, provided by litigation consultant that specializes in property claims.
- Customer service training, if necessary.

Second six months:

- Initial settlement authority will be provided based on experience level and displayed understanding and competencies, at manager's discretion.
- Employee will receive lawsuits notwithstanding any complex law issues and will work together with manager.
- Each quarter employee must attend a seminar sponsored by one of our defense attorneys. Manager will choose topic and schedule.
- Employee must make a case presentation for the group to discuss and evaluate. Develop employees by using interactive methods: role playing, shadowing of different roles to enhance understanding of their jobs, case studies, demonstrations and quizzes-question, answer sessions.
- Employee must attend a PLRB webinar and share information with group. Topics will be pre- approved or chosen by manager.
- Employee will sign and date reading of Lawyers Weekly publication.
- Also, plans may include identifying career paths for high-potential candidate and others who have the interest and ability to move upward in the organization.

## **Obstacles**

Time is the biggest obstacle, as it will be difficult fitting training sessions into our already busy schedules. Also, potential obstacles could be engaging employees, skills application, and "buy-in" on the importance of the implementation of a new process.

While electronic communication can bring attention to issues, it is often overlooked or buried under more pressing priorities, and important steps are easily skipped in an

attempt to get to the end result. Determining the best way to upgrade our communication systems as new information becomes available is essential, as well as keeping up with the information before it becomes outdated.

The costs to provide guidance and information would include my time and the time of those providing inputs and documents, printed learning material to make guides available, and employee attendance time. We have access to a conference room for training that may be reserved in advance.

Each employee already has an individual laptop computer with shared access. All employees have access to a share drive, which should assist with providing a mechanism to retain and share information and provide knowledge management.

As with other agencies we have an aging workforce and the potential for knowledge loss through turnover. Therefore, we must strive for a retention strategy and create a positive, organized, personable environment. "Dedicating resources to training and development allows employees the opportunity to grow within your organization. There is a strong correlation between employee growth and staying with a company for the long term, therefore reducing your turnover rate." Fletcher Wimbush, CEO, The Hire Talent. "Case in point: A staggering 94% of all employees interviewed for LinkedIn's Workplace Learning Report said that they would stay longer with a company that invested in their careers." (Employee Training and Development From A to Z, Helpjuice, Inc. online article)

## **Evaluation Method, Measurement**

One way of evaluating performance daily or weekly would be Claim File Reviews. Our system also generates monthly reports consisting of openings, closings, number of pending files. We will also need to utilize the diary system and another reports that show delinquent diaries and claims that have been opened the longest period of time and evaluate accordingly. One way to measure is how and what feedback is being received from and provided to the employees, including response time and whether vital and accurate information is included. There is also a need to question employees, ask their opinions and determine if reasoning answers are being provided. Observation and receipt of any legitimate complaints would be indicators as well.

Another evaluation method would be employee annual EPMS and whether planning stages have been met and/or exceeded. Results could also be measured by how much management involvement is required outside of granting additional authority as well as the information provided in the authority request itself. However, each claim is different, so any type of statistical analysis is difficult, if not impossible. Even if case is similar there are so many variables to consider, such as location of occurrence/ venue, which would affect jury make up and which attorney firm may be handling the case.

Other data to collect to possibly measure results would be percentage of successful mediations and trials, closure rates/ratio, monthly and end of year loss and expense payouts.

Other tools for measuring employee development results would be: to allow an employee to work the entire claim (situation) then provide feedback, to conduct 360-

degree assessments, to perform quarterly reassessment ensuring employees are on track, and to provide surveys or perform interviews identifying obstacles from implementation forward and what support can be provided.

## **Summary**

By creating a unified claims development process, employees would be provided the appropriate tools required to perform their jobs at the highest level possible. By using mentoring and a curriculum that is comprised of topics focusing on employee development, this program will help to ensure the stability of the claims department and the Agency. “Employers are having to be mindful of formalizing service expectations and training programs, and how they can benefit from tapping into their long-time employees as mentors for the next generation.” (CLM November 2019 Online Article)

It is important for both the claims department and the agency to support this development training process and to understand the risks involved in failing to take steps required to address the future of employee development. The below recommendations would further develop our claims employees at all levels and prepare for management designations as well.

## **Recommendations for Future Action**

- Find out if agency is willing to pay for any continuing education classes outside of the agency. Will they pay for coursework upfront or through reimbursement?  
Explore opportunities for outside classes/certifications related to the claims field such as Associate in Claims /Associate in Management designations.

- Determine the possibility of Local Gov U on line training, written specifically for public entities or similar classes. Also, options for continuing education through Criminal Justice Academy for law enforcement issues.
- Check with Risk Management Institute, including Safety Services and Loss Control.
- Have insured agencies such as Department of Corrections provide insight on their internal operations.
- Request Legal Department training on coverage, suits, venues, trial reports, created by in house general counsel.

Finally, we need to determine future strategic planning for IRF and staff and conduct an annual review of our procedures to confirm what we are using is still in line with our standards.

## Appendix

### Survey

Name:

Number of years with the Fund:

Previous and Current Positions:

Please rate from 1 to 4 your comfort/ability level with handling the following claims based on your experience: Includes both coverage issues and evaluations.

1= no/very little experience

4=extensive experience

\_\_\_ Glass Claims

\_\_\_ Auto Damage

\_\_\_ Bodily Injury

\_\_\_ First Party Property Claims-Building & Contents

\_\_\_ Data Processing

\_\_\_ Sewer Back up

\_\_\_ Law Enforcement

\_\_\_ Labor/Employment

List learning techniques that have been helpful/effective:

At prior places of employment

At IRF

Coming from the private sector or a different agency to IRF what has been your biggest challenge[s]?

What competencies do you feel are critical in your position?

Best way to recognize and measure competencies, in your opinion?

List specific topics you would like to learn in depth, in order of importance to you:

Your preferred Method of learning:

One on One training with co- worker or supervisor

Webinar- Computer based

Direct Presentation

Other-please describe

Other than Seminar presented by our Defense Attorneys, Webinars thru PLRB, Updated Mapper and IA Folder trainings, please list any recommendations as to training development suggestions for both new and current employees.