



PROCESS DRIVEN SOLUTIONS

CASE STUDY

BrickStreet Insurance Saves over \$3 Million with Effective *Fraud Investigation Software*

"i-Sight is a great tool to track all activities and demonstrate estimated savings when we're successful with an investigation. We can clearly show the kind of savings BrickStreet has seen as a result."

— Lisa Prater, Manager, Special Investigation Unit, BrickStreet Insurance

Customer name: BrickStreet Mutual Insurance Co.

Challenge:

- The newly formed company needed an investigation solution to track all the details of fraud cases, and report on cases to support administrative and internal information requirements.

Solution:

- The Web-based solution allowed for quick implementation and supports remote use by investigators around the state.
- Investigators log case details in the field, then synch with the main system when back at their offices.
- The software automatically routes cases from stage to stage, notifying the relevant individuals.
- BrickStreet runs reports to assess its performance and savings, and meet regulatory information requirements.

Results:

- Reduces the overall time to reach action on fraud cases.
- In the first 14 months, the SIU demonstrated, through i-Sight, that the team saved the company more than \$3 million by stopping potentially fraudulent cases.
- Savings allow BrickStreet to keep premium costs down so it can more profitably and effectively compete in the market when it is fully privatized beginning in 2008.

Until 2006, the West Virginia Workers' Compensation Commission provided workers' compensation insurance to all of the state's employers. In an effort to privatize this activity, on January 1, 2006 the Commission transferred the responsibility and all existing policies for West Virginia employers to the newly formed and affiliated BrickStreet Mutual Insurance Co. Currently West Virginia's only provider of workers' compensation insurance, the private mutual company will face competition beginning July 1, 2008 when the market opens up to other workers' compensation insurance providers.

BrickStreet's mission is to provide competitive rates, cost-effective risk management services and superior financial results to those employers who entrust BrickStreet with their workers' compensation coverage. The company offers a variety of tools to help employers provide a safe work environment for their employees and minimize losses, including on-site support from safety specialists, a library of safety resources and ongoing programs that can help employers manage costs.

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THE CHALLENGE

Studies show that approximately 2 percent of all workers' compensation claims are fraudulent, costing carriers billions of dollars every year. The cost of this fraud ultimately goes back to employers in the form of higher premiums.

The Special Investigation Unit (SIU) at BrickStreet investigates potential abuse and fraudulent activities against the company in order to reduce losses and minimize premiums. The team looks into cases such as abuse of benefits, validity of claims, employers out of compliance, or problems with medical vendors.

When BrickStreet formed in the months prior to the January 2006 transfer, the SIU needed a method of tracking cases from referral through investigation and action – keeping up with all evidence. With several investigators working remotely around the state, the team had to have an integrated application to keep case information centralized and accessible by all relevant team members.

THE SOLUTION

Much of the BrickStreet SIU team moved from the West Virginia Offices of the Insurance Commissioner. There, investigators used i-Sight Investigation Management Software from Customer Expressions to manage all fraud cases. The customizable, Web-based software streamlines and enhances the steps of the investigation process to bring about faster resolutions.

At the Insurance Commission, the case management software simplified detecting and prosecuting fraud, improved reporting and enhanced supervisor oversight. The team there easily customized it to their needs and rolled out the hosted application rapidly to remote users. That track record led the BrickStreet SIU to likewise select i-Sight for its case management.

"Our investigators were familiar with i-Sight, we really liked it, and we thought it would serve the SIU well," said Lisa Prater, manager with the SIU.

Automation and Notification to Expedite Cases

The simplicity of the solution allowed the new insurance company to go live with it quickly, and tailor it to the company's workflow. About 15 to 20 users across various departments rely on the software for complete case data through each step of the investigation process. It offers critical automation and notification to ensure all team members follow the proper processes and that cases are expedited.

When a referral comes in by phone or email, the team enters it in i-Sight. The software automatically routes the case to a manager for preliminary review, who assigns it based on available investigators and geographic location. From there, the assigned investigator logs all activity, from allegations to interviews to supporting evidence.

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