How Many Claim is Too Many For Your Adjuster?

There has been considerable discussion lately in the insurance industry on how many workers’ compensation claims an adjuster should handle at one time. There are various different opinions – all of which seemed to be influenced by the type of stakeholder, whether it is adjusters, insurers, third party administrators (TPA) or employers. All the stakeholders talk in the framework of a precise number of claims an adjuster should have.

**How Many Claims Is Not A One-Size Fits All Answer**

The question of how many claims is too many claims for an adjuster does not have a one-size fits all answer.

Adjusters want a consistent claim volume that they can properly handle without always being in the role of a fireman putting out fires. Insurers and third party administrators want to maximize the number of claims each adjuster has to minimize the dollar amount spent to compensate adjusters. Employers want every claim to be handled in accordance to the established Best Practices to reduce the employer’s cost incurred from the workers’ compensation claims.

When adjusters have too many files, everything that needs to be done, does not get done. If appropriate time is not spent working with each claimant, the claimant is more likely to obtain an attorney, driving up the cost of the claim unnecessarily. Also, the claimant attorney’s involvement increases the amount of time needed to handle the claim, providing even less time for the adjuster to work on other claim files. If the adjuster does not have the time to complete a proper investigation on each claim, claims that should not be paid are paid, or medical services not related to the injury get paid.

**Overloaded Adjusters Make Mistakes & Increase Cost**

When mistakes occur because the adjuster cannot get to everything, leakage almost always happens, increasing the overall cost of workers’ compensation to the employer. Yet, insurers will never admit that the inadequate claim handling due to the adjuster having too many claims is the cause of the employer’s rising workers’ compensation premiums.

Even self-insured employers who administer their own claims have a difficult time determining what the proper claims load is for an adjuster. When an effort is made to quantify a claims load with a number, the number will almost always be wrong as workers’ compensation claims do not come in a standard size or a set amount of complexity. A lost time claim due to a finger fracture will normally take a lot less time than a lost time claim for an amputated foot, but both claims count as one claim when the number of claims is used to determine the proper case load for the adjusters.

**Experience, Jurisdiction, & Ability Factors in Total Number**

The experience level of the adjusters is not all the same either. A thirty year veteran workers’ compensation adjuster can “juggle” more claims than a two year adjuster who is still learning the nuances of the workers’ compensation statute.

The jurisdiction where an adjuster works plays a major role in the number of claims the adjuster can handle. Some jurisdictions have many forms the adjuster must complete and file on each claim while other jurisdictions require very few forms. Some jurisdictions make it very difficult to get claimants back to work while other jurisdictions have rules and regulations that make it simple for the adjuster to stop disability payments when the employee reaches maximum medical improvement or the employer can accommodate the employee’s work restrictions. Some jurisdictions are more prone to attorney involvement than other jurisdictions.

Another factor that impacts the size of an adjuster’s caseload is the adjuster’s ability. Some adjusters are simply more knowledgeable and more efficient than others. Whether this is matter of style, training, intelligence or desire, the ability of the adjusters varies just as the ability of the general populace varies.

A factor that is often overlooked in the calculation of how many claims the adjuster should handle is the industry where injured employees work. Adjusters working with employers in industries that have a high frequency of low severity injuries can normally handle more claims than adjusters who work with employers in industries where high severity of injuries is more common.

Adjusters also learn how to game the numbers system of measuring workload. When adjusters are overloaded, they know how to compensate. Instead of settling and closing the workers’ compensation claims out, they delay closing the files to keep to keep their claim count higher, which delays their receiving additional claims to work on.

**Adjusters Should Be Measured On Performance, Not Hard Number**

The reality is there is not a precise number of workers’ compensation claims an adjuster should handle at one time. While a set number of claims creates an artificial marker for claims management to gauge workload, a much better approach for both the insurer/TPA is to have an involved supervisor(s) who review the work being performed by the adjusters to insure complete compliance with Best Practices while the adjusters fully utilize their time working on the claims.

When adjusters are individually measured on their performance, and not the number of claims assigned to them, the number of mistakes they make are reduced significantly. Investigations are completed properly. Deadlines are met. The number of litigated claims decreases. The amount of adjuster turn-over declines. Employees become more cooperative. Employers have fewer complaints about the quality of the claim handling. And most importantly, there is a lot less monetary leakage, reducing the future cost of workers’ compensation claims for the employer.

If you do not know whether or not the workers’ compensation adjusters on your claims are handling the right number of claims for each adjuster, an independent claim file audit can be completed. The claims auditor will be able to accurately gauge whether or not your adjusters have too many claims or not. The auditor can also measure both the compliance with Best Practices and the overall amount of financial leakage on your claims. If you need assistance in identifying an independent claims auditor, please contact us.