

## CASE STUDY

# HR Absence Management Company

### BACKGROUND

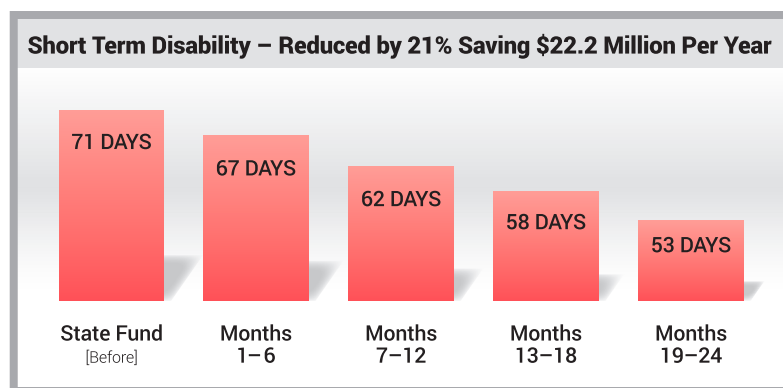
The Founder had uncovered an opportunity to replace State provided disability insurance with a product sourced at Lloyd's of London. Coupled with Absence Management services, he hoped to reduce costs of claims to justify lowered insurance premiums. He understood that most large companies relied on their own HR departments to monitor the duration of disability claims and were not focused on reducing time and costs. He outsourced to a well-known third party administrator (TPA), however, early results were staggering; claims far exceeded premiums. With no demonstrable savings to his customers, his services fees (\$ per employee managed) were at risk.

### STRATEGIC PLAN EXECUTED:

Chris Carey Advisors were brought in to identify opportunities to reduce duration and claims and improve the return to the insurance underwriters and the clients. Their actions included:

- Mapping all processes for the third party administrator
- Reengineering of all steps with the goal of reducing claim processing
- Executing changes at TPA that significantly reduced the duration of claims
- Identifying steps from client HR department to facilitate employees returning to work
- Implementing measurement systems for timely reporting of KPI's and goal setting

### FINANCIAL RESULTS:



**END RESULT – Reduced Costs and Provided Huge ROI to Client:**

Reduced short term disability duration by 21%

Provided \$1,200 savings per employee estimated at \$22.2 million per year to client