

Grange Promotes Fast and Consistent Claims Handling with CSC's Colossus

CSC's Managed Hosting Service Simplifies IT Support, Enhances Integration of Claims Systems

- 90 Percent Customer Satisfaction with Claims Process
- Consistent, Streamlined Claims Processes
- Rapid Training of New Claim Representatives
- Integrated Claims, Legal Management Systems
- Lower IT Maintenance, Support Costs



Grange Insurance

The motto Ease Of Doing Business (EODB) has become a way of life at Grange Insurance Companies since the Columbus, Ohio-based carrier formally introduced the concept in 1999. The trademarked EODB concept has shaped Grange's growth and provided what it considers an extra edge. Over the past several years, Grange made a significant investment in technology to increase its EODB for Grange's agents and policyholders across the ten states it serves in the South and Midwest.

Grange strives to make the claims process as easy as possible for claimants by focusing on and measuring its customer service. For the past several years, Grange has contracted with a research vendor to continually measure customer service, contact time and the duration of the claims cycle. In 2003, more than 90 percent of Grange's policyholders reported satisfaction with its claims service.

Instilling Discipline, Consistency in Claims

Grange, a \$1 billion insurer that provides a full range of personal and commercial lines products, attributes much of that customer satisfaction to the claim staff's attention to speed and fairness. Choosing technology partners who support ease of doing business is another aspect of this commitment. In 1998 Grange added CSC to this select list by choosing CSC's Colossus® bodily injury claims tool.

Currently Grange uses a suite of CSC software tools to help its claim representatives evaluate bodily injury claims, assess fault and manage legal costs. The client has recently reviewed the business benefits of the past six years with Colossus, analyzing metrics like claims severity, number of lawsuits, litigation fees, and more. "Overall, we're very satisfied with Colossus," stated John R. DeLucia, assistant vice president of casualty claims operations for Grange Insurance. "We thought it would really instill discipline and consistency, and that's what it's done."

Enhancing Claims Evaluation with Colossus

Colossus is CSC's knowledge-based system for the insurance industry to help assimilate and examine facts relevant to bodily injury claims. Colossus uses more than 12,000 rules to distinguish between more than 720 injuries and assist novice



"One of the main things in a department as big as ours, where 75 to 100 people are handling personal injury claims, is having consistency and discipline. Colossus brings us that."

**—JOHN R. DELUCIA
ASSISTANT VICE PRESIDENT
CASUALTY CLAIMS OPERATIONS
GRANGE MUTUAL CASUALTY COMPANIES**

ABOUT GRANGE INSURANCE

- CSC client since 1998
- A.M. Best “A” rated organization
- Over \$1 billion in revenue
- Focus on Ease Of Doing Business (EODB)

Grange Insurance, headquartered in Columbus, Ohio, is a \$1-billion-dollar property and casualty mutual insurance company actively involved in automobile, homeowner and small business insurance. The Grange Mutual Casualty Company was founded in 1935 and today, the Grange Mutual Casualty Group has grown to serve customers in ten states, including Ohio, Georgia, Illinois, Indiana, Kentucky, Michigan and Tennessee in addition to customers in Iowa, Minnesota and Wisconsin through its affiliation with Integrity Insurance of Appleton, Wisconsin.

Grange has experienced tremendous growth, doubling in size within the past five years. In response to policyholders and agents’ needs, the company’s claims department implemented centralized claims reporting, allowing it to expand service hours and settle claims more effectively. Grange completed implementation of its Claims Handling Information Program in auto, home and casualty lines in 2003. Ultimately, this system will not only allow agents to access more data, but will also allow faster access to information.

and seasoned claims professionals. Through a series of interactive questions, Colossus helps the adjuster assess the degree of pain and suffering, degree of permanent impairment to the claimant’s body, and the impact of the injury on the claimant’s lifestyle.

“Colossus increases consistency when evaluating claims,” DeLucia said. He noted that the collective experience of Grange’s claims management group and the unbiased assistance from Colossus help to offset subjectivity in the claims process.

Colossus features both step-by-step input, called a directed interview, and a consolidated entry feature for more flexibility in navigating the system. In the directed interview, a series of interactive questions guides the adjuster through an evaluation of the claim by asking questions about the nature of the injury, the type and duration of treatment received, any resulting complications, any permanent impairment, and the impact on the claimant’s lifestyle. The Colossus consolidated entry screen can provide claim representatives faster results by reducing data input for certain spinal soft tissue claims into two screens of relevant questions.

At the conclusion of a Colossus consultation, the system delivers a detailed summary of the data input about the claim that includes a recommended settlement range that reflects the organization’s own determination of appropriate settlement values for the relevant claim jurisdiction as defined by the organization. Grange, for example, plans to review its claims by costs to analyze and tune its Colossus system at a more granular level. Colossus also translates the ICD9 international statistical classifications of disease codes, which are typically found

on medical reports, to give detailed injury descriptions during data entry.

Colossus features an online Reference System with easy lookups and search capabilities on injury definitions, glossaries, treatments and complications, and impairment information based on the AMA Guide to Permanent Impairment 5th Edition. Colossus updates valuations of claims for the claim representatives as additional medical data is added. Claim representatives and management also get reports and analysis, such as settlement trends across the organization or associated ICD9 codes.

Immediate Impact of CSC’s Colossus

Each year at Grange, about 600 employees process about 250,000 claims across all lines of business. Of Grange’s 250 claims handlers, 90 are assigned to casualty claims. Many of these claims professionals work from home, so Grange provides them with a Colossus interface through a Citrix call-in server, which is designed for high performance.

With the Grange business focus on the less-devastating end of the market, implementing the Colossus tool gave the client real business value in a short time. “Colossus had an immediate impact in how quickly and easily we were able to settle the majority of our bodily injury claims,” said DeLucia. Industry intelligence suggests that 80 percent of personal injury claims settle for less than \$5,000. For certain less-severe spinal soft tissue injuries, Grange’s claim representatives find Colossus’ consolidated entry feature particularly useful. Grange gives its claims staff latitude, with small claims eligible for what’s called a first-call settlement. Once the general damages rise above \$1,000, however, the adjuster generally conducts a Colossus consultation, which is also archived and included in claims reporting.

A Training Tool for Consistency

To keep pace with the company's growth, Grange has been adding about 10 new claim representatives a year. Expanding its processes and systems in 2003 to its new affiliate, Integrity Mutual Insurance in Wisconsin, added a new group of personal injury claim representatives as well. Grange handles the knowledge transfer and training for the new hires through its Claims Learning Network (CLN). For its recent Colossus upgrade, Grange linked to CLN from the Colossus environment to provide upgrade training for both in-house and remote claim representatives.

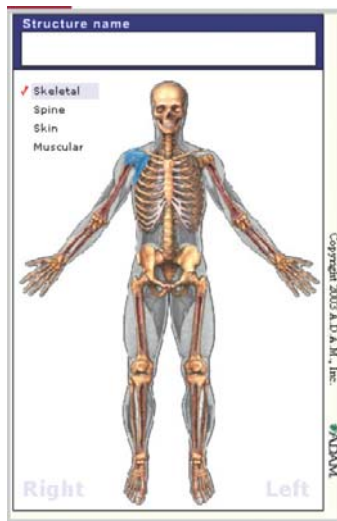
"Considering growth, promotions and turnover, I see our bodily injury claims staff turning over a little bit each year," said DeLucia. "Having Colossus makes it much easier for Grange to ensure consistency in the bodily injury evaluation process." Staff training is accelerated through online access to claims management and medical information. Colossus also provides management with controlled monitoring of claims handler performance, so exceptions and trends can be quickly identified and best practices enforced.

"New hires are trained on Colossus and love it from the beginning," said DeLucia. "But even experienced staff finds the decision support in Colossus useful. Getting a recommended value through a Colossus consultation is a real 'second opinion' to assist our staff." At Grange, veteran claim representatives were somewhat resistant to using a tool, but the system proved itself with them, as it has with the more than 33,000 claims handlers using Colossus worldwide.

Improving Comprehension with A.D.A.M.

Graphical Interface

CSC has made Colossus training and performance even easier with its anatomical graphical interface, added DeLucia. The A.D.A.M. graphical user interface (developed in conjunction with A.D.A.M. Inc.) includes options to display in skeletal, spinal, skin and muscular views. Injuries can be clearly defined, and a pop-up window offers even more information when the cursor is paused over individual body parts. "The claims managers have reacted very positively to the A.D.A.M. display and how easy it is to click to get more information," he said. "It's helping to deepen their understanding of bodily injuries."



The anatomical view of injuries, displayed here by the Colossus' A.D.A.M. interface, gives claim representatives views of skeletal, muscular, spinal and skin injuries to help them understand the injuries and determine a fair claim value.

Hosted Colossus Simplifies IT Support

To simplify its IT maintenance and support, Grange moved from its in-house version of Colossus to an application service provider (ASP) environment hosted by CSC in early 2003. Grange found that concentrating its IT staff on mission-critical systems needs was a better use of its efforts and capacity. CSC handles Grange's application management and deployment, with minimal intervention needed from Grange's IT department. "From a pure claims perspective, IT is not our area of expertise. And IT resources are very scarce," said DeLucia. "So we leave that to CSC's Web hosting team, because they have the focus and the experience."

CSC's Web hosting option also simplifies system integration. CSC can interface Colossus with other claims software systems, like claims administration and third-party medical bill review systems. Grange, for example, also runs CSC's Legal Solutions for legal cost administration, as well as a third-party integrated medical and biomechanical program to evaluate injuries from auto accident scenarios. CSC's managed hosting environment facilitates the real-time exchange of information across all of Grange's claims systems.

Grange Welcomes Colossus Upgrade

"The latest version of Colossus made it a lay-up, to use a basketball term," DeLucia said, referring to Grange's decision to upgrade to the latest Colossus release. "Any time you can save keystrokes, you tend to make that change — especially if it will help claim representatives perform their jobs more efficiently." Because Grange uses CSC's ASP version of Colossus, no programmers were required on site. Grange only needed to perform a quick quality assurance review of the new

release first, working in tandem with CSC's delivery team.

DeLucia said Grange is pleased with CSC's continued focus on making Colossus efficient and easier to use. Advanced features such as the A.D.A.M. interface and consolidated entry for certain spinal soft tissue claims have streamlined Grange's processes, in some cases resulting in a claim summary in just four screens. He also likes the consolidated entry style of input because it makes more sense for certain specific spinal soft tissue injury claims.

Grange's management is looking forward to leveraging the new reporting features of Colossus, especially the ability to tune Grange's values by tier to ensure settlements are meeting best practice guidelines. Colossus' reporting tool is powered by Business Objects, a leader in business intelligence reporting. Using the Business Objects Broadcast Agent option, managers can define system thresholds for event triggers and when those values are hit, Colossus automatically sends alerts and management reports. Grange uses Colossus reporting to review claims monthly for trend analysis, exception reporting and more.

Benefiting from the Colossus Client Community

Grange's enthusiasm for Colossus makes sense in view of how CSC selects and adds functions. Direction on future development for Colossus comes in large part from the client community, a differentiator in the industry. DeLucia himself serves on the Colossus Advisory Council in the Americas, along with representatives from other long-time Colossus users. DeLucia and other Colossus users are able to give CSC input on new features and the architectural direction of the software. Other guidance comes from user surveys, user groups, and client calls to the Colossus help desk.

Colossus is instilling best practices at Grange and throughout the industry. Colossus can help identify potentially fraudulent or problem claims and yield consistent payments. By attempting to reduce claims administration and other settlement costs, like legal fees, Grange is trying to promote competitive rates for all its policyholders.

For more information about CSC's Colossus or ASP services, call 800.345.7672 or send an e-mail to inforequests@csc.com and refer to Brochure No. 652.

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ABOUT CSC'S SOLUTIONS

Colossus is a software product giving significant cost control to bodily injury claims through consistent assessments, while providing claims managers with a powerful means of training and developing staff. Colossus is designed as a support tool that can fit into either a CSC-delivered workflow or a claims administration system. It uses more than 12,000 rules to distinguish between more than 720 injuries. It also deals with various treatments and possible complications.

Equally effective for personal and commercial lines, Colossus has been in use for more than 12 years and enjoys a client base of the industry's leading large and mid-tier insurers. There are currently over 19,000 claim representatives utilizing Colossus to aid in the evaluation of over 50% of the U.S. bodily injury claims today.

Throughout CSC's network of data centers, trained and experienced staff maintain clients' IT infrastructures. CSC's Information Technology Outsourcing (ITO) services include infrastructure support, such as data center operations, LAN/WAN management, desktop support, help desk, Web hosting and disaster recovery, and applications management, such as production support, enhancements, development, upgrades, systems integration and legacy support.