

## FRICION POINTS

- I. Adjuster overload
  - a. 300 files for an adjuster over 12 jurisdictions
  - b. Competition for business drives big business to have TPAs so they can interchange coverage entities without changing the adjuster team
  - c. May be a licensing issue in a particular jurisdiction. Raises cost of claim “Loss Adjustment Expense”
- II. Volume of vendors
  - a. 7-8 people contacting an injured worker.
  - b. Where do all these people fit – investigators, etc?
  - c. Are we designed around a process/regulation or around the injured worker
  - d. Some of this is lack of employer sophistication (not large employers, but generally)
- III. Regulatory friction
  - a. The system itself is friction
  - b. Benefit delivery system that is not self-executing at all.
  - c. The majority of claims work through the system on their own, but they are the smaller claims
  - d. Perhaps the tough claims are the issue
    - i. The claims that need help the most.
- IV. Excessive rate regulation
- V. Attracting people to this occupation
  - a. Complexity – multiple laws
  - b. The adjuster and others are asked to fill many roles
    - i. Be the comforter
    - ii. Be the bookkeeper
    - iii. Be the form manager
  - c. The challenges and thanklessness
- VI. Technology issues
  - a. Divergent requirements and use of data
  - b. This compliance burden distracts the adjuster
  - c. A day delay could be a \$50 fine and paying the fine takes time from working with injured worker
  - d. EDI has not reduced paper; only the state is receiving less paper.
  - e. This is back to regulatory complexity