CASE STUDY

Client case study: Third party administrator

Client: A national P&C third party administrator

Decision intelligence enables underwriters to discern risk with greater accuracy and speed, thereby improving outcomes and driving growth

Requirements for the solution

- Accurately identify high risk claims early - while there is still opportunity to improve their trajectory
- Easily integrate into the client's claims management software
- Extract insights from unstructured text
- Provide staff with an explanation of what is driving claim risk

Business challenge

A national P&C Third Party Administrator needed to reduce the cost of claims and to better identify claims where targeted interventions could provide better outcomes for injured workers.

Gradient AI's Risk Ranking for workers' compensation claims

Gradient AI's Risk Ranking for workers' comp claims solution predicts which claims are more likely to exceed a high-cost threshold - for example, the top ten percent, or a fixed number that you can use in conjunction with your internal rules. With this early warning, your adjusters have the greatest opportunity to aggressively manage complex claims to reduce severity.

Benefits

The results and business benefits included:

- **Early intervention**
- **Glide path**
- **Cost reduction**

Results and outcomes:

- **Prior to Gradient AI's solution,**
  Total Closed Claim Cost: **$233,387,200**
- **Year 1 with Gradient AI's solution,**
  Total Closed Claim Cost: **$224,771,674**
- **Year 2 with Gradient AI's solution,**
  Total Closed Claim Cost: **$215,977,727**

How Gradient AI's solution works

Gradient AI's Risk Ranking solution evaluates each claim to find those which are most likely to become your most costly claims. These are the claims your organization needs to discover as early as possible to reduce severity. There are two components to the solution:

- Early intervention: helps your organization find these claims starting with the first 30 days of a claim's life, providing your claims team with the critical headstart needed to employ the most effective cost containment strategies before it's too late.
- Glide path: as time passes, your claims evolve. Throughout the life of each claim, with each change in your claim file, Gradient AI's Risk Ranking solution reevaluates the potential for high cost.

About Gradient AI

Gradient AI is the decision-intelligence partner, giving customers an advantage in how they make decisions by revealing risk others miss and translating it into stronger performance and real-world impact.

Gradient AI harnesses a vast industry data lake comprising tens of millions of policies and claims, enriched with economic, health, geographic, and demographic signals. That depth of data, paired with deep domain experience, surfaces signals that other approaches miss and turns them into decisions teams can stand behind. The result is complex risk made clear and usable, with the structured reasoning teams need to align finance, compliance, and executive leadership around what the data is saying.

Our customers span the industry: recognized carriers, brokers, consultants, MGAs, MGUs, TPAs, risk pools, and PEOs. We support their dual mandate — stronger financial outcomes and better experiences for the members and workers they serve.

Interested in learning more about how predictive analytics can transform your claims organization? **Let's start the conversation.**

info@gradientai.com | 888-958-5846 | gradientai.com