

Change • Challenge • Opportunity

Injury & Disability Schemes Seminar



12 - 14 November 2017 • Sofitel • Brisbane





Better Claims Outcomes

What behavioural science
offers

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Pulse Check

- How many of you work in the field of analytics and data science?



Pulse Check

- How many of you have used behavioural science in your work?



Contents

- Advanced Analytics
- Behavioural Science
- The Intersection of Analytics and Behavioural Science
- A Case Study
- Applications in Claims Outcomes



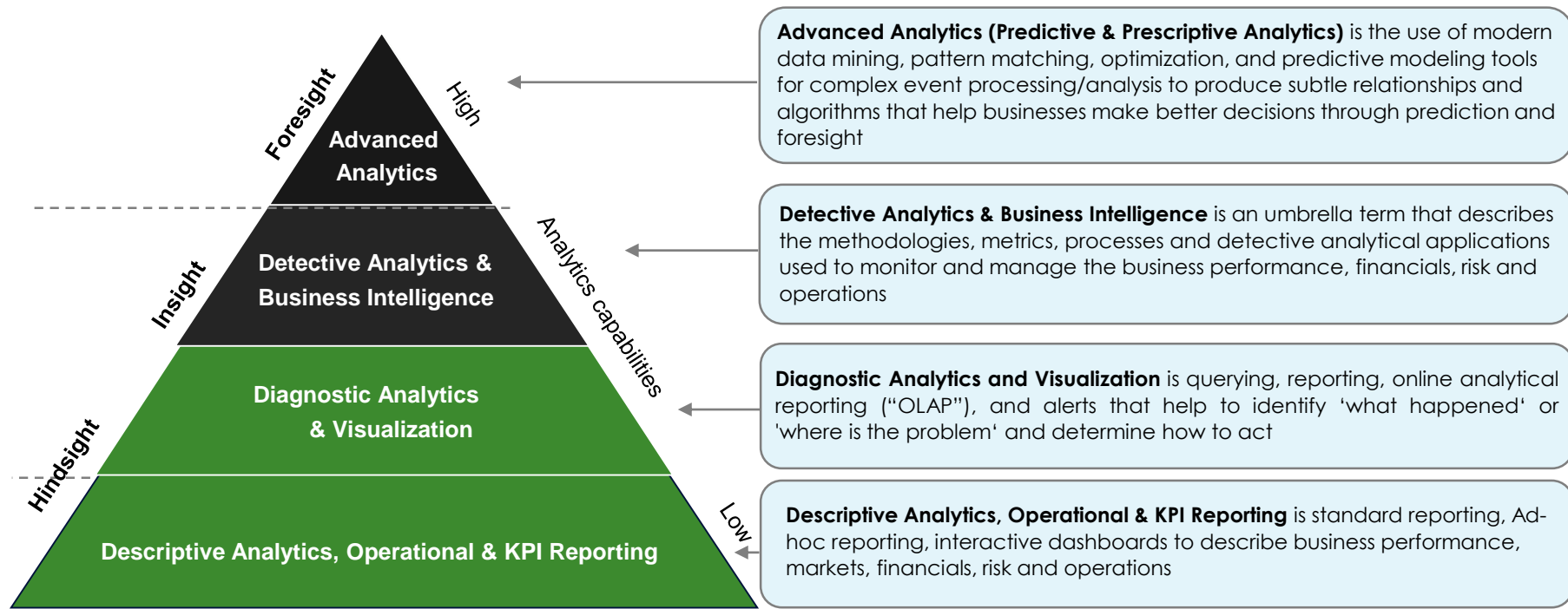
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ADVANCED ANALYTICS

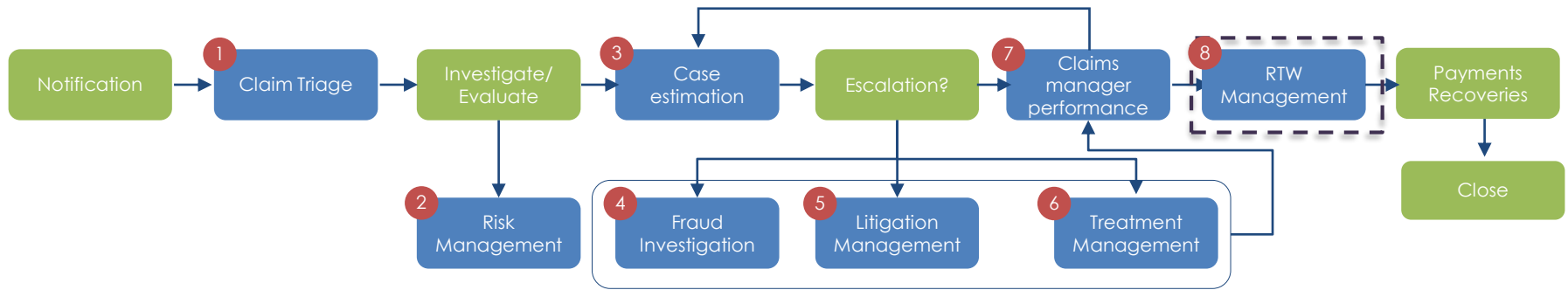


Types of Analytics





Claims Analytics



- 1 Deploy appropriate resources to manage claim given complexity score at FNOL
- 2 Detect common causes or patterns of injury
- 3 Case estimation based on claims severity models
- 4 Predict likelihood of fraud and refer claims above a certain threshold to the investigations unit

- 5 Predict the litigation strategy with the highest chance of success
- 6 Focus early intervention efforts on high severity claims
- 7 Identify claims managers who are best suited to manage a particular type of claim
- 8 Use concepts of behavioural science to create effective RTW strategies



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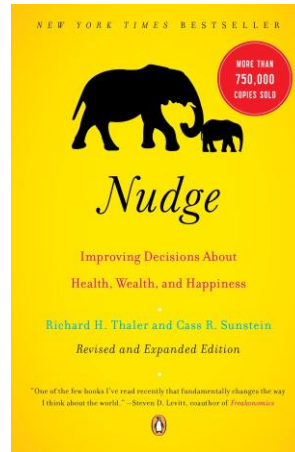


BEHAVIOURAL SCIENCE



Nudge Theory

“Nudge theory argues that positive reinforcement and indirect suggestions can be more effective than direct instruction, legislation and enforcement.”





Nudge Theory





Nudge Theory



Nudge to reduce spillage in urinals

The Convergence of Nudges and Advanced Analytics

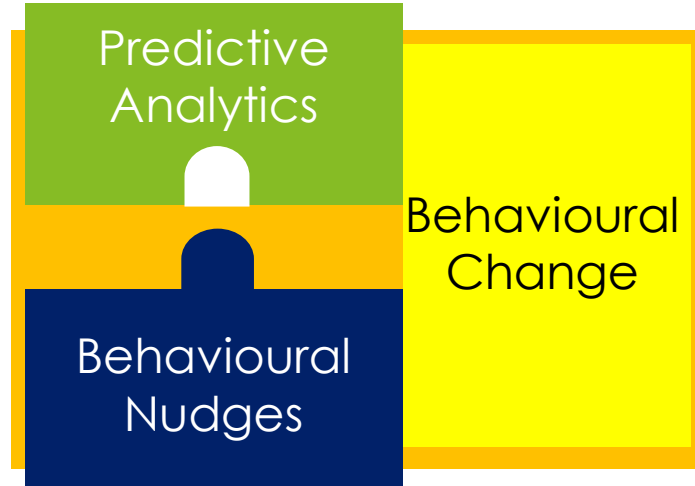
The £190m Sentence

“9 out of 10 people in <your town here> pay their tax on time.”

 **23%**

Behavioural Nudges and Predictive Analytics

When the ultimate goal is behaviour change, predictive analytics and the science of behavioural nudges can serve as two parts of a greater, more effective whole.





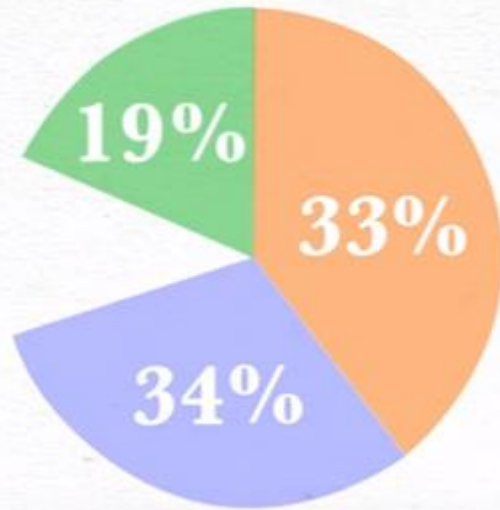
A Case Study





Nudging New Mexico

fig. 3.1 OVERPAYMENTS BY CAUSE



1. Reason for Unemployment Separation
2. Reporting Weekly Earnings
3. Work Search Requirements

Based on Data from 2014

The Results

2X more likely to report new earnings

1/2 as likely to commit fraud

20% more likely to find work



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APPLICATIONS IN CLAIMS OUTCOMES

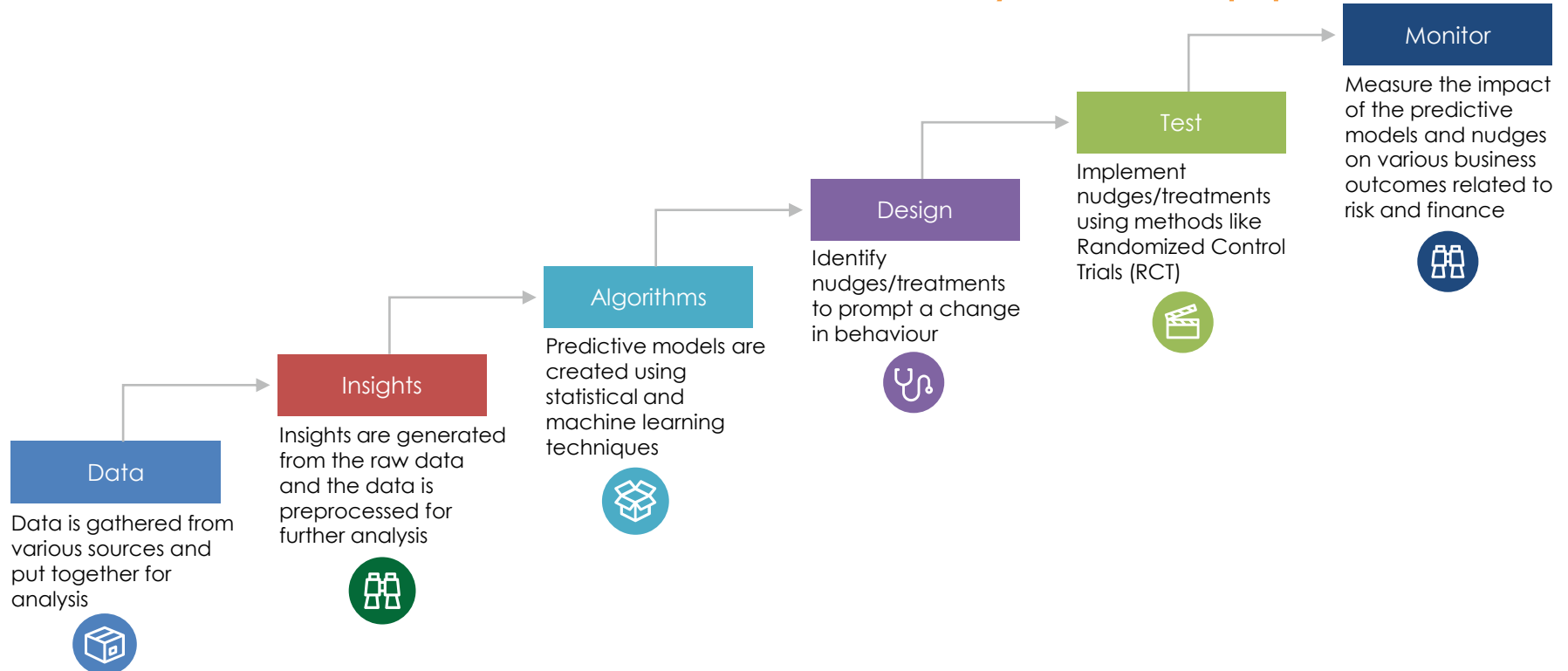


Nudging Injured Workers

- Nudge early
- Keep it simple
- Focus on recovery
- Anchor expectations
- Make it personal
- Commitment

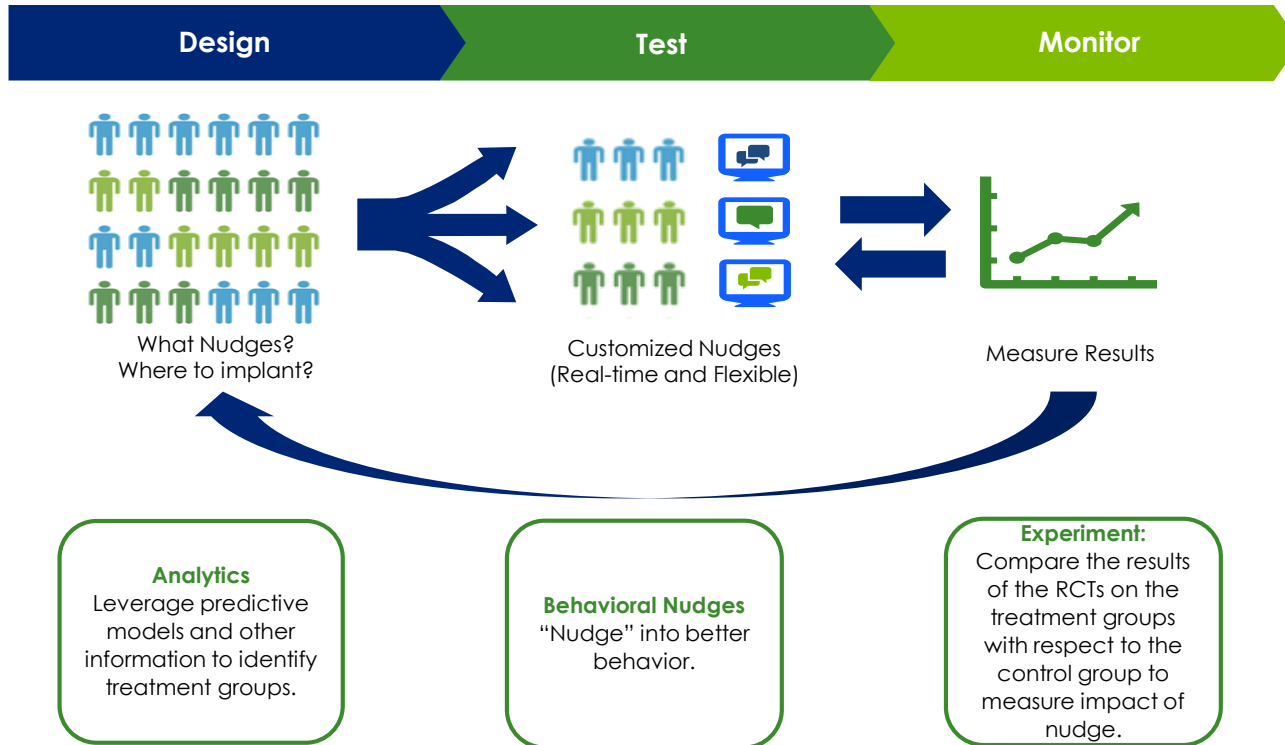


Behavioural Science led Analytical Approach





Test, Learn and Adapt





A Few Tips

M Messenger

We are all heavily biased by who communicates information

I Incentives

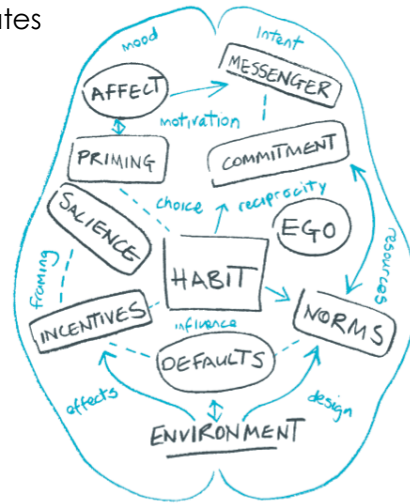
Our responses to incentives are shaped by predictable mental shortcuts such as strongly avoiding losses

N Norms

We are strongly influenced by what others do

D Defaults

We “go with the flow” of pre-set options



S Salience

Our attention is drawn to what is novel and seems relevant to us

P Priming

Our actions are often influenced by sub-conscious cues

A Affect

Our emotional associations can powerfully shape our actions

C Commitments

We seek to be consistent with our public promises and reciprocate acts

E Ego

We act in ways that make us feel better about ourselves



Parting Thoughts





Thank you



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