

## **CCMSI Saves Clients \$300 Million by Reducing Workers' Compensation Claims Costs by 10% with Gradient AI**

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*AI Solution Alerts Adjusters to High-Risk Claims, Increases Efficiency and Accuracy of Claims Operations*

**Boston, MA, August 10, 2022** - Gradient AI, a leading enterprise software provider of artificial intelligence (AI) solutions in the insurance industry today announced that Cannon Cochran Management Services, Inc. (CCMSI) has innovated its claims management process by using its solution to reduce Workers' Compensation claims costs by about 10%. The 10% decrease in claim costs translates to more than \$300 million in savings for CCMSI's clients since implementing the Gradient AI solution.

CCMSI is the largest independent third-party administrator (TPA) in the United States and has provided innovative risk management solutions to thousands of companies for more than 40 years. An early adopter of AI, the company developed an AI-driven intervention model that flags at-risk claims for adjusters. As its AI initiative grew, CCMSI turned to Gradient AI for a solution that could provide both the claims administration team and their clients with up-to-the-minute information and cost estimates based on the most recent claims information.

"We are realizing tremendous value from integrating our AI claims models into the Gradient AI solution," said Skip Brechtel, executive vice president and CIO, CCMSI. "As a TPA, a key goal is to support and deliver exceptional value to our clients. By investing in innovative technology, we've been able to improve the claims journey for our customers. And our clients are thrilled with the results because of the increased capacity to triage incoming claims, decrease processing times and reduce the costs of claims."

Gradient AI's claims solution enables teams to triage claims proactively by predicting the risk level of new and existing claims automatically. It transforms reactive claims operations into proactive insights, enabling insurers to identify high-risk claims before they explode into significant cost drivers. Gradient's AI-powered solutions are more accurate than other solutions because they not only learn from an insurance company's own data but from a high-resolution industry federated database with millions of observations and ten times (10x) the features of legacy assessment processes.

By using Gradient AI, CCMSI has quickly addressed claims with higher potential severity, ensuring appropriate care for injured workers while better managing costs and reducing the risk for the company's clients. CCMSI's claims system notifies adjusters and supervisors

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early in the life of a claim of potential injury severity and presents them with a claim risk profile. Adjusters can make referrals for additional services, adjust reserves, notify the client, or take other actions.

“For decades, CCMSI has been a top performing TPA, with a well-earned 98% retention rate for taking great care of their policyholders and their insured workers,” said Stan Smith, CEO of Gradient AI. “Gradient AI has helped CCMSI improve outcomes for injured employees by analyzing claims and identifying high-risk cases that have the potential to escalate, while also recommending actions to minimize downtime and to help get employees back to work when they are ready. CCMSI supports its claims management teams so they can perform at their very best. We are thrilled to be part of the process.”

Based on a study of nine quarters before the solution was implemented versus nine quarters after implementation, CCMSI has reduced its claim costs by about 10%, translating to more than \$300 million in savings for CCMSI's clients since implementing the Gradient AI solution. CCMSI independently verified Gradient's findings by recently completing a six-year analysis on indemnity claims. CCMSI anticipates continued improvement in the quality of projections and the ability to reduce the severity and duration of claims events for clients and their employees.

### About Gradient AI

Gradient AI is a leading provider of proven artificial intelligence (AI) solutions for the insurance industry. Its solutions improve loss ratios and profitability by predicting underwriting and claim risks with greater accuracy, as well as reducing quote turnaround times and claim expenses through intelligent automation. Unlike other solutions that use a limited claims and underwriting dataset, Gradient's software-as-a-service (SaaS) platform leverages a vast dataset comprised of tens of millions of policies and claims. It also incorporates numerous other features including economic, health, geographic and demographic information. Customers include some of the most recognized insurance carriers, MGAs, TPAs, risk pools, PEOs and large self-insureds across all major lines of insurance. By using Gradient AI's solutions, insurers of all types achieve a better return on risk. To learn more about Gradient, please visit: [www.gradientai.com](http://www.gradientai.com).

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