

GB Successfully Partners With Large North American Waste Hauler to Significantly Increase Recoveries Through Tailored Subrogation Strategy

The Situation & Opportunity

A client of Gallagher Bassett's (GB) for over 20 years, a large waste hauler organization has seen year-over-year success with its newly implemented subrogation strategy. In late 2020, the client acquired a mid-size waste hauler, accelerating their growth and enabling them to pursue savings opportunities they had not originally been able to, such as subrogation.

For years, the client's program had a small first-party nationwide subrogation staff consisting of two dedicated subrogation Resolution Managers (RMs) and was limited to two liability corporate claims managers that oversaw subrogation in addition to their other considerable responsibilities. The subrogation program was not equipped with the resources — mainly personnel — to handle an ever-increasing volume of claims while also investing time and effort into program improvements.

The aforementioned acquisition by the client allowed for the addition of more claims managers and created the opportunity for implementing a more proactive, aggressive subrogation strategy to improve cost savings.

The Strategy

The client and GB identified a cost-savings opportunity within first-party claims. Up to this point, the waste hauler generally did not report small-dollar claims due to the high volume of seemingly more impactful claims. Leveraging GB's proven claims management capabilities and additional staffing, the client was empowered to zero in on more potential recovery opportunities, specifically by improved tracking progress across recoveries.

In collaboration with Client Services, the GB Analytics Team created a monthly subrogation dashboard that captured results year-over-year by various metrics, including:

- ✓ Site/Location
- ✓ Number of Recoveries
- ✓ Average Recovery Dollars per Claim
- ✓ Average Recovery Dollars per RM
- ✓ And more.

The client partnered with GB to create a custom product that measured the most important identified metrics. GB also developed a monthly subrogation scorecard to identify open/close ratios and the number of claim set-ups, for example, that can be further analyzed by location or RM.

These tools helped the team pinpoint which sites/locations were not reporting all necessary claims and identify older claims that may benefit from filing for arbitration among other performance opportunities.

Today, the team is equipped with five client-dedicated RMs, a client-dedicated supervisor, and an administrative position. Furthermore, the client has assigned a subrogation-dedicated corporate claims manager to oversee the program.

The Results

The success of this strategy hinged on vigorously pursuing subrogation recoveries, which has led to significant improvements in cost savings for the client. Ultimately, the cost of the RMs is recouped from the amount of recovered damages brought in.

+\$3M

More first-party
subrogation recoveries in
2022 compared to 2021

2x

Number of first-party
subrogation recoveries in
2022 compared to 2021

+6%

First-party subrogation
new arisings in 2022
compared to 2021

Through the first half of 2023, we have recovered **approximately \$800,000 above the number reached halfway through 2022.**

Additionally, these recoveries enable the client to hire more staff to further support subrogation efforts and improve overall claims management.

Conclusion

Through a collaborative partnership and newly deployed staff members, GB was able to improve focus on the client's first-party subrogation efforts, resulting in marked cost savings and continued superior outcomes.

GB's dedicated team of claims professionals delivers the expertise to provide concentrated effort on each and every claim, resulting in significant savings for our waste hauler clients. At GB, we deliver tailored service for clients of any size, focusing on the details — on each opportunity for savings — and guiding our clients to lasting positive program results through quality client service.