E-GUIDE

Improving the Disability & Leave Claims Experience with AI

A Modern Approach for Carriers, TPAs, and PEOs

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Introduction: Disability & Leave Claims Need a More Modern Engagement Model

For employees navigating a disability claim or leave of absence, the process can feel confusing, stressful, and slow. What should be a guided experience is often a fragmented one—multiple forms, repeated follow-up, unclear requirements, and limited visibility into what happens next.

That friction is not an administrative checkpoint—it is an ongoing communication and operational responsibility.

Short-term disability and leave workflows are still heavily dependent on manual outreach, static forms, and phone-based servicing. In many cases, claims require repeated touchpoints to collect documentation, confirm details, and update timelines—slowing progress and increasing cost.

The scale of the issue is significant. Approximately 5.6% of the U.S. workforce experiences a short-term disability each year, while an estimated **15% of employees** will have an FMLA claim, reflecting the breadth of leave programs that must be managed across employers, carriers, and administrators. At the same time, productivity losses linked to absenteeism cost U.S. employers an estimated **$225.8 billion annually**, or roughly **$1,685 per employee**, according to the CDC—making the efficiency of disability and leave programs not just an operational concern, but a measurable economic one.

Most disability and leave programs are still built around processing transactions, when in reality they require ongoing communication and operational coordination across a multi-stage journey.

That mismatch is what creates delay, cost, and a poor experience—on all sides.

The Challenge: High-Cost Manual Follow-Up, Limited Visibility, and a Reactive Claimant Experience

Disability and leave programs are often evaluated by their downstream outcomes—claim duration, claimant satisfaction, and return-to-work performance. But those outcomes are shaped much earlier, by how information is collected, how communication is delivered, and how often teams must intervene manually to keep a claim moving.

At scale, the cost of that operating model becomes significant. Disability and leave claims are inherently multi-touch—requiring repeated outreach to collect documentation, clarify requirements, confirm status, and update return-to-work timelines.

For a carrier covering **10 million lives**, that dynamic can translate into an estimated **2–3 million disability-related member calls annually—roughly $20M–$25M in servicing costs**, based on typical disability claim incidence, multi-touch claim workflows, and industry-standard contact center costs of approximately **$8–$10 per call** (ContactBabel, Deloitte).

Those calls are not driven by complexity alone. They are driven by friction:

- Missing or incomplete documentation
- Delayed updates on claim status
- Lack of clarity around next steps
- Repeated follow-ups to confirm return-to-work timelines

This friction is not theoretical. LIMRA research shows that only **24% of employees describe the leave experience as very easy**, while employers report rising absence volumes as leave programs become more complex and regulated.

A meaningful portion of that friction originates at the very beginning of the process. According to Simply Insurance, approximately **40% of disability applications are denied**, often because the application was not in good order (NIGO). That introduces rework before claims can even begin progressing and creates additional downstream touchpoints.

This burden compounds quickly because disability and leave claims are inherently multi-party and multi-stage. They depend on inputs from the claimant, the employer, and often the provider; they evolve over time as conditions change; and they require ongoing communication around eligibility, documentation, duration, and return-to-work planning.

In a manual environment, every gap in information becomes another touchpoint, another delay, and another servicing cost. Each interaction adds cost. More importantly, it introduces delay.

The result is a system characterized by three persistent challenges:

01

High operational cost driven by manual follow-up

Teams spend a disproportionate amount of time chasing information, resolving errors, and responding to routine inquiries rather than progressing claims.

02

Limited visibility into claim progression and duration

Key data points—especially return-to-work timelines are captured inconsistently, making it difficult to forecast outcomes or support employer planning.

03

A fragmented and reactive claimant experience

Claimants are often left to interpret requirements, track status, and initiate follow-ups on their own, leading to disengagement and delays.

The claimant experience deteriorates alongside the operating economics. When updates are delayed or generic, claimants call for status. When requirements are unclear, forms come back incomplete. When return-to-work planning is treated as a late-stage administrative task instead of an actively managed process, duration becomes harder to predict and opportunities for accommodation or modified duty can be missed.

Taken together, the issue is not just volume. It is the combination of volume, fragmentation, and timing. High-cost manual follow-up has become the mechanism holding the process together—and that is exactly what modern disability and leave programs can no longer afford.

Keeping Claims Moving: The Role of Proactive Digital Engagement

Modernizing disability and leave programs does not require replacing core systems. It requires rethinking how and when engagement happens across the claim lifecycle.

The most effective programs are shifting from a reactive model—where communication happens after delays occur—to a proactive model, where guidance is delivered in real time, aligned to each stage of the journey.

This shift changes how claims progress in four important ways:

01

Reduced reliance on manual follow-up:

Instead of teams repeatedly reaching out for missing information, claimants are prompted at the right moment with clear next steps. Information is collected earlier, before delays compound.

02

Improved clarity for the claimant:

Rather than receiving static instructions, claimants are guided through the process with contextual communication that explains what is needed and why.

03

Continuity across interactions:

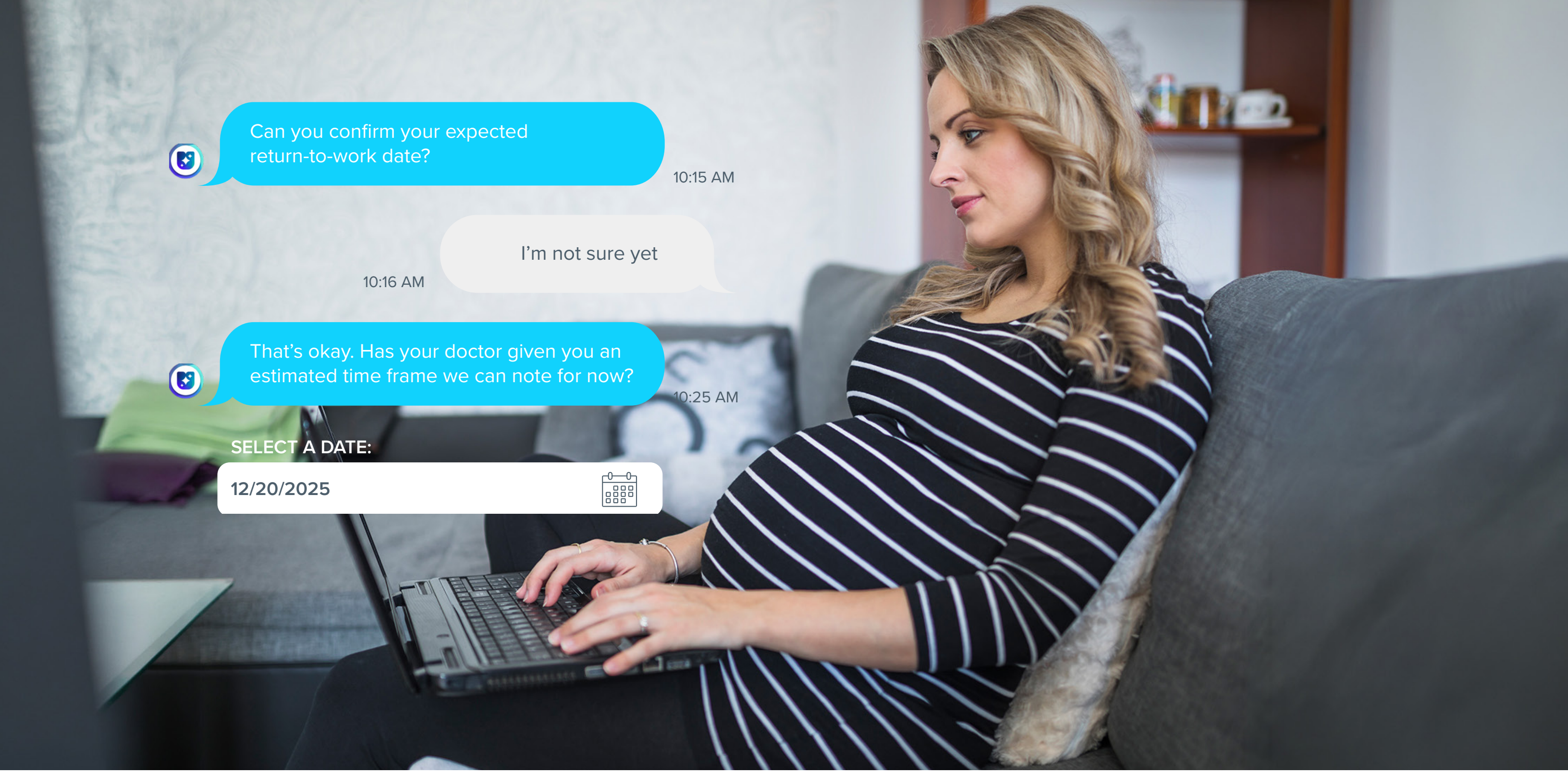
Engagement no longer breaks across channels. Claimants can move between text, web, and voice without losing context or repeating information.

04

Earlier visibility into claim progression:

Key data points—such as documentation and return-to-work timelines—are captured in real time, improving predictability for both operations and employers.

Where traditional approaches depend on follow-up to drive progress, this model treats progress as an ongoing communication and operational responsibility—built directly into the experience.



Case Study:

Transforming Leave of Absence with Intelligent, Two-Way Digital Experiences

Challenge:

One Fortune 500 group benefits carrier found that collecting key leave dates (including return-to-work) took an average of 6 calls over 3 weeks per claim. Manual outreach drove up costs and delayed processing.

Solution:

Using Ushur, the carrier introduced proactive, intelligent digital experiences that replaced phone tag with fast, empathetic engagement. Claimants could securely update information, confirm key dates, and receive reminders — with all data syncing to carrier systems.

Results:

- **85% engagement rate** with claimants
- **42% reduction** in outbound calls
- **90%** of claimants completed their interaction **within one hour**

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Ways AI Can Simplify Documentation, Updates, and Claimant Guidance

Disability and leave claims progress through a series of interconnected stages—each dependent on timely information, clear communication, and consistent engagement. These stages are where AI can be applied most effectively—removing friction and keeping the process moving forward.

Claims Intake & Inquiry

The intake phase is where many claims begin to break down. Incomplete submissions, unclear requirements, and delayed responses create early friction that often persists throughout the lifecycle.

Key capabilities include:

- **Guided claim initiation:** Claimants are led through intake step by step, ensuring required data is captured accurately and reducing incomplete submissions.
- **Real-time clarification of requirements:** Eligibility, documentation needs, and next steps are explained in plain language, reducing confusion at the outset.
- **Automated inquiry handling:** Routine questions—such as claim status, required forms, or timelines—are resolved instantly without requiring live agent intervention.
- **Secure data collection and validation:** Information is captured, checked for completeness, and routed appropriately without manual re-entry or follow-up.

When intake is structured this way, claims start cleanly—with fewer errors, fewer delays, and less rework later in the process.

Return-to-Work Management

As claims progress, the primary challenge shifts from intake to duration—specifically, how effectively return-to-work (RTW) is managed over time.

Key capabilities include:

- **Ongoing RTW date capture and confirmation:** Proactive check-ins ensure expected return dates are current and accurate.
- **Milestone-based engagement:** Communication is triggered by actual claim progression rather than fixed schedules.

- **Early identification of changes in recovery:** Ongoing engagement helps surface shifts in condition before delays compound.
- **Coordination across stakeholders:** Claimant, employer, and administrative inputs remain aligned for a consistent view of status.

This transforms RTW from a static data point into a continuously managed outcome.

Claimant Education, Ongoing Support, and Stay-at-Work Programs

Disability and leave journeys require ongoing guidance, not just periodic updates. Without consistent engagement, claimants disengage, and opportunities to improve outcomes are missed.

Key capabilities include:

- **Plain-language education and guidance:** Requirements, timelines, and next steps are explained clearly as they arise.
- **Identification of accommodation needs:** Functional limitations and capabilities are surfaced early to identify accommodation opportunities.
- **Guidance toward alternative work options:** Employees are supported in transitioning to modified duties, reduced schedules, or transitional roles.
- **Wellness check-ins and follow-ups:** Ongoing engagement tracks recovery and identifies when intervention is needed.

This expands engagement from information delivery to outcome improvement—helping employees return to work sooner where appropriate.

Strategies to Reduce Inbound Inquiries While Improving Transparency

Inbound call volume in disability and leave programs is often treated as a capacity issue. In practice, it is driven by uncertainty. Claimants typically reach out when they do not know:

- Whether their claim has been received
- What documentation is still required
- How long the process will take
- What they need to do next

Reducing inbound demand requires addressing that uncertainty directly—through communication that is not just available, but timely, clear, and easy to act on.

Three strategies to reduce inbound inquiries that are most effective:

- **Milestone-based updates aligned to the claim lifecycle**
  Updates should be tied to real events—claim receipt, documentation completion, medical review, RTW confirmation—rather than generic timelines. This ensures communication is relevant and reduces the need for claimants to check status independently.
- **Clear, actionable next steps within every interaction**
  Every communication should answer a simple question: What do I need to do now? Whether it is submitting medical certification, confirming a return-to-work date, or reviewing accommodation options, claimants should be able to act immediately without switching channels or repeating information.
- **Real-time resolution of routine questions**
  Common inquiries—status, documentation requirements, eligibility, timelines—should be resolved instantly through digital channels, reducing reliance on call centers for repetitive interactions.

Beyond these core strategies, effectiveness depends on how communication is designed and delivered.

What high-performing programs do differently:

Engage claimants through their preferred channels

Disability and leave journeys often extend over weeks or months. Communication should meet claimants where they are—SMS, email, voice, or web—and allow seamless movement between channels without losing context.

Simplify language and reduce cognitive load

High-performing programs translate complex benefits information into plain language, ensuring claimants understand both the requirement and the consequence of inaction.

Personalize communication based on claim context

A claimant awaiting initial approval has different needs than one preparing to return to work. Communication should reflect where the claimant is in the journey, rather than relying on one-size-fits-all messaging.

Avoid dead ends in the experience

Every interaction should lead somewhere—whether that is completing a task, asking a follow-up question, or escalating to a human representative. Dead ends create confusion and drive unnecessary inbound volume.

When communication is timely, contextual, and actionable, inbound demand does not need to be managed—it naturally declines. More importantly, the experience becomes predictable, which is what claimants are actually seeking.

Considerations for Deploying AI in Regulated Group Benefits Environments

The opportunity to modernize disability and leave claims with AI is significant, but so are the requirements for compliance, security, and operational control.

These programs operate within strict regulatory frameworks—FMLA, ADA, state leave mandates, and employer-specific policies—where communication must be consistent, accurate, and auditable. AI must operate within those constraints, not outside of them.

Effective deployment depends on designing AI-driven engagement with governance and operational fit from the outset.

Key considerations include:

- **Governed, compliant communication by design**
  AI-driven interactions must adhere to approved language, required disclosures, and policy-specific rules. This is particularly critical in disability and leave scenarios where guidance around eligibility, benefits, and return-to-work must remain precise and consistent.
- **Full auditability and interaction traceability**
  Every interaction—what was communicated, what data was collected, and what actions were taken—should be recorded and accessible. This supports compliance, audit readiness, and operational transparency.
- **Human-in-the-loop escalation for sensitive scenarios**
  Not all interactions should be automated. Complex cases—such as disputed claims, accommodations under ADA, or extended disability scenarios—require escalation paths that preserve context and enable human judgment.
- **Secure handling of sensitive claimant data**
  Disability and leave claims involve medical information, employment data, and personal identifiers. AI-enabled systems must ensure secure data exchange, proper access controls, and compliance with relevant privacy standards.

Beyond these foundational requirements, organizations should evaluate how well AI solutions support the broader communication and operational ecosystem.

What to look for in practice:

Seamless integration with existing systems

AI should work alongside claims administration, HRIS, and case management systems—enabling real-time data exchange without requiring system replacement.

Consistent cross-channel experience

Claimants may move between channels (e.g., SMS to voice to web). AI should maintain continuity across those interactions, so information does not need to be repeated and context is preserved.

Ability to orchestrate both inbound and outbound engagement

Modern disability and leave management requires both proactive outreach (e.g., RTW check-ins, documentation reminders) and responsive self-service support. AI should support both within a unified experience.

Built-in analytics and visibility into performance

Organizations should be able to measure engagement, identify bottlenecks (e.g., delays in documentation or RTW confirmation), and continuously refine communication strategies.

When these elements are in place, AI becomes more than a point solution. It becomes an engagement layer that improves how disability and leave programs operate—without compromising the compliance and control those programs require.

Conclusion: From Reactive Processes to Guided Experiences

Disability and leave programs do not struggle because they are complex. They struggle because they rely on delayed communication, manual follow-up, and fragmented interactions to function.

Modernization is not about adding more systems. It is about removing the friction that prevents existing processes from moving forward efficiently.

By introducing proactive, guided engagement across the lifecycle, organizations can:

- Accelerate claim progression
- Reduce operational burden
- Improve return-to-work outcomes
- Deliver a more supportive claimant experience

The shift is simple—but significant.

- ✓ From chasing information → to capturing it at the right moment
- ✓ From answering questions → to preventing them
- ✓ From managing processes → to guiding experiences

That is what modern disability and leave claims should look like. Learn more about how Ushur supports disability & leave claims engagement at: https://ushur.ai/absence-engagement


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