

Twenty Years of Change

By Jeffrey M. Baill, Yost & Baill, LLP



As we celebrate twenty years of NASP, I thought this would be a good time to explore how our industry has changed since 1998. Some changes occurred organically. Other changes were moved along quicker by our organization. Change is constant. Changes today will lead to further evolution in the future. By tracing the path of change over time, we may be able to more accurately predict what the future will bring.

The following is a list of the top ten changes in the industry that I have noticed over the years and some reflections about their impact or importance:

1. The insurance industry, as a whole, has a better appreciation for the importance of subrogation. Executives are recognizing the revenue potential that subrogation can produce and understanding how subrogation plays a role in customer service with insureds.
2. People want to work in subrogation departments! This was not always the case twenty years ago. Today, insurance professionals accept subrogation as a valuable component to the success of the company and

appreciate the creativity and complexity associated with a job in subrogation.

3. Subrogation departments are run in a much more planned and professional manner. Part of this change is a result of the change above. Some of our best and brightest are now running subrogation departments and bringing a whole new level of professionalism to the units they oversee.
4. Subrogation Law Firms are more connected with one another and often work collaboratively on large multi-party losses. This is a direct result of the connections created by NASP and is resulting in the highest level of expertise being provided to insurance carriers.
5. Auto Subrogation continues to move away from directly using lawyers towards using non-lawyer vendors. This has been a trend that has accelerated over the last twenty years. The impact of this change has encouraged law firms who were once reliant upon auto claims to diversify their portfolios.
6. Worker's Compensation Subrogation has been receiving more attention. For many companies, subrogation in worker's compensation departments was an afterthought in 1998. The complexity of this type of subrogation where every state has its own statutory scheme requires leadership to treat worker's compensation subrogation differently than property subrogation.
7. Health Subrogation continues to be a focus of new Federal and State legislation. Health Subrogation is relentlessly attacked by the plaintiffs' bar in the legislative arena. NASP

continues to help lead and respond to this ongoing trend.

8. Spoliation issues have become completely imbedded into the world of subrogation investigation. Today, unlike in 1998, the avoidance of spoliation is a key priority in the early stages of any investigation. Laws have evolved and practices and procedures at the outset have become clearer. Spoliation continues to be alleged by almost every defendant, on almost every case, no matter how well the investigation was conducted. I don't see that changing anytime soon.
9. The Defense Bar no longer assumes that subrogation cases will be easily compromised. I believe that NASP and its members having raised the stature and professionalism associated with prosecuting subrogation claims has been instrumental in making this mindset change.
10. Experts have become a prominent part of the subrogation industry. Experts were always necessary for our cases, however today, experts understand so much more about what we need and what we do. Just look around the exhibit hall at a NASP Conference to see how much they are a part of our world.

There is no question that we are in a different world today than we were in 1998. Things continue to evolve. I believe that NASP members will have an advantage over others by being out in front of these changes and trends, instead of being surprised by them.

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