Maximizing Your RMIS, (Even When You Don’t Have One)

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Sr. Consultant, Bickmore
Opening Remarks & Goals

- Why this session?
- Our backgrounds
- Goals of the session
  - Interactive
  - Provide framework to evaluate/upgrade RMIS
  - Encourage Planning and Action
Agenda

• Introductions
• Basic Definitions
• Defining Needs
• Assessing your current situation
• How to maximize your situation and system
• Available solutions
• Reports, Costs, etc.
• Question and Answer
Defining the Potential Opportunity

• Why consider this topic?
  • Make the best use of your time and resources
  • Leverage latest features and technology
  • Adapt to new business needs or structure
  • Revamp the configuration of your RMIS and associated processes
  • Address any issues or areas for improvement

• What are the potential issues and the associated symptoms?
  • Underutilization of features
  • Lack of proper business process study
  • Incomplete installation of RMIS
  • Mirroring inefficient business practices
  • Ineffective team dynamics
Why RMIS?

- Compliance Issues (HIPAA, MMSEA, etc.)
- Constantly changing system technologies (cloud, web based, web enabled)
- Shrinking risk management department staff
- Limited resources to spend on RMIS improvements
- Information flow bottlenecks and gaps
- Integration issues
- Disparate data sources, data accuracy issues
- Vendor support issues
- Security (Hacking, viruses/identity theft issues)
- Limited internal IT availability
Leading Commercial Vendors: 
**Unbundled**

**Claims Administration Focus:**
- Aon (iVOS)
- CSC*
- CSStars*
- DAVID
- Mountain View Software
- Systemma

**Risk Management Focus:**
- Aon (Risk Console)
- CSC*
- CSStars*
- INFORM*
- Origami*
- Riskonnect*
- Risk Sciences Group

* Full Service (does both functions)
Leading Commercial Vendors

Bundled

- Liberty Mutual (*Risktrac*)
- Travelers (*eCarma*)
- Hartford (*@venture*)
- ACE/ESIS (*Global Risk Advantage*)
- Sedgwick CMS (*JURIS*)
- CNA (*Clearview*)
- Gallagher Bassett (*RisxFacs*)
- Zurich (*Risk Intelligence*)
RMIS Definitions

A computerized composition of software applications and databases that enable risk managers to evaluate information and make informed decisions.

An organized collection of systems and methods that help you do your job more cost effectively and efficiently.
RMIS Maximization

• Developing and Maintaining an Effective Vendor Relationship
  • Begins with Initial Business Process Review
  • Establishment of a working partnership
  • Continues in implementation and user group
  • Defines itself in process-redesign and problem solving
How to Maximize Your Investment

• Revisit initial needs assessment
• Assess changes or evolution within your organization
• Identify unmet or poorly met needs
• Quantify process change opportunities
• Consider selective redeployment of system
• Consider alternative users or benefiters of the system
Defining the Maximization Process – Who is Involved?

• Do you have a RMIS team or an RMIS Administrator?

• Assess current RMIS team effectiveness
  – Internal team members
  – External parties (RMIS vendor, consultants, brokers)

• Create, recruit or modify team, as appropriate
Defining the Maximization Process – What is the Scope?

- What is your intent of this project?
- How much time do you have to invest in the analysis?

Questions to ask yourself and the team:

- How much do you use your RMIS now – Claims, Policies, Reporting?
- How have your needs or goals changed?
- What outputs are required, by your group and the broader organization?
- What other groups could benefit from your data?
- What are your most time-intensive tasks?
- Can technology help streamline these processes?
Defining the Maximization Process – Potential Opportunities

- Claims management
- Certificates
- Contract Review
- Coverage Resolution
- Document management
- Field Education
- Premium invoicing
- Premium Allocation

- Risk management reporting process
- Financial rollup markups
- Vendor Scorecards
- Safety / Loss Prevention
- Asset Tracking
- COPE (property)
- Data Analytics
- Claims administration
Conducting the Maximization Process

• Define key stakeholders
• Conduct interviews
• Identify and flowchart business processes
• Identify other internal systems for integration
• Benchmark other relevant business processes
• Assess and quantify opportunities for change (ROI)
• Develop implementation schedule and agreements
• Test and prototype modifications
• Launch redesigned system
# Reporting Essentials

<table>
<thead>
<tr>
<th>Report Target</th>
<th>Characteristics</th>
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<tbody>
<tr>
<td>Line/field</td>
<td>• Detailed, table backed</td>
</tr>
<tr>
<td></td>
<td>• Drill down to specifics available</td>
</tr>
<tr>
<td></td>
<td>• Some graphics</td>
</tr>
<tr>
<td>Senior Management</td>
<td>• Highly visual, little detail</td>
</tr>
<tr>
<td></td>
<td>• “heat” maps, metrics oriented</td>
</tr>
<tr>
<td></td>
<td>• Detail backup available</td>
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<tr>
<td>Outside Vendors</td>
<td>• Summary focused with details available</td>
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<td></td>
<td>• Drill down to specifics available</td>
</tr>
<tr>
<td></td>
<td>• Some graphics</td>
</tr>
<tr>
<td>Specialists</td>
<td>• Flexible, depending upon need</td>
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<td></td>
<td>• Ad hoc</td>
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</table>
What Clients Want for Reports

- Active dashboards
- Access to benchmarks
- Heat maps (ERM)
- MS Office compatible
- All fields accessible
- Ease of use
- Safety/OSHA
- On-the-fly reporting

- Claims Management
  - Lag time
  - Litigation ratio
  - Stratification/layering
  - Excess notification
  - Adjuster caseload

- Policy Management
  - Policy information
  - Aggregates tracked
Report sample

### Frequency Impact

- **Claim Trend Since Non-Slip Surface Installed**
  - Install better non-slip surface in work areas (Anchorage)

### Open Claim Analysis

#### Open vs. Closed WC Claims

<table>
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<tr>
<th>Loss Year</th>
<th>Frequency</th>
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<tr>
<td>2005</td>
<td>10%</td>
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<tr>
<td>2006</td>
<td>15%</td>
</tr>
<tr>
<td>2007</td>
<td>20%</td>
</tr>
<tr>
<td>2008</td>
<td>15%</td>
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<tr>
<td>2009</td>
<td>10%</td>
</tr>
<tr>
<td>2010</td>
<td>5%</td>
</tr>
<tr>
<td>2011</td>
<td>2%</td>
</tr>
<tr>
<td>2012</td>
<td>1%</td>
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</table>

#### 2013 Claims

- **Open Claims**
  - 1,580 claims
  - Incurred: 46,106,610
  - Paid: 23,920,687
  - Outstanding: 17,185,923

- **All Claims**
  - 22,572 claims
  - Incurred: 748,919,090
  - Paid: 497,275,956
  - Outstanding: 249,643,135

### Top Causes of Loss

- **Cause**: Fall, 2,084,163
- **Body Part**: Back, 692,605
- **Nature**: None, 1,541,518

### Claims With Large Report Lag

<table>
<thead>
<tr>
<th>Claimant</th>
<th>Cov</th>
<th>Report Date</th>
<th>Lag</th>
<th>Total Inc</th>
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<tr>
<td>Fitzpatrick, Tom</td>
<td>WC</td>
<td>11/26/2012</td>
<td>10</td>
<td>0</td>
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<tr>
<td>Concepcion, Linus</td>
<td>WC</td>
<td>11/19/2012</td>
<td>7</td>
<td>0</td>
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<tr>
<td>Kaiser, Arturo</td>
<td>WC</td>
<td>8/16/2012</td>
<td>24</td>
<td>1,417</td>
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<tr>
<td>Armstrong, Theodore</td>
<td>WC</td>
<td>8/15/2012</td>
<td>11</td>
<td>4,033</td>
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<tr>
<td>Snow, Rene</td>
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<td>8/15/2012</td>
<td>24</td>
<td>74,152</td>
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<tr>
<td>Davies, Barbara</td>
<td>WC</td>
<td>8/13/2012</td>
<td>24</td>
<td>1,217</td>
</tr>
<tr>
<td>Graham, Paula</td>
<td>WC</td>
<td>8/12/2012</td>
<td>12</td>
<td>6,118</td>
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<tr>
<td>Mayo, Gerardo</td>
<td>WC</td>
<td>8/12/2012</td>
<td>9</td>
<td>22,085</td>
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[Origami Risk.png](Origami%20Risk.png)
## Retained Dollars at Various Retentions

<table>
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<tr>
<th>Year</th>
<th>Claim Count</th>
<th>Total Incurred</th>
<th>10K Retention</th>
<th>25K Retention</th>
<th>75K Retention</th>
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<tr>
<td>2006</td>
<td>778</td>
<td>7,884,832.00</td>
<td>2,481,413.77</td>
<td>4,208,179.77</td>
<td>6,576,757.56</td>
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<td>2007</td>
<td>858</td>
<td>8,788,187.39</td>
<td>2,797,539.65</td>
<td>4,861,591.48</td>
<td>7,723,844.58</td>
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<tr>
<td>2008</td>
<td>776</td>
<td>9,382,396.00</td>
<td>3,055,177.79</td>
<td>5,511,848.75</td>
<td>8,581,993.93</td>
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<tr>
<td>2009</td>
<td>1,021</td>
<td>12,231,638.77</td>
<td>3,951,128.17</td>
<td>6,552,931.56</td>
<td>9,283,157.59</td>
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<tr>
<td>2010</td>
<td>740</td>
<td>4,638,213.18</td>
<td>1,937,487.10</td>
<td>3,150,579.86</td>
<td>4,636,786.27</td>
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<td>2011</td>
<td>544</td>
<td>2,663,946.64</td>
<td>1,048,742.48</td>
<td>1,684,145.64</td>
<td>2,655,711.64</td>
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<td>6 Year Average</td>
<td>786,166.7</td>
<td>7,598,202.33</td>
<td>2,545,248.16</td>
<td>4,328,212.84</td>
<td>6,576,375.26</td>
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## Dashboard Sample

### By Cost Element

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<th></th>
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<tr>
<td>Workers Compensation</td>
<td>16,601,955.07</td>
<td>0.020</td>
<td>9,849,042.45</td>
<td>0.009</td>
<td>46,940.36</td>
<td>0.000</td>
<td></td>
<td></td>
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<tr>
<td>Claim Costs</td>
<td>1,854,796.55</td>
<td>0.002</td>
<td>1,418,758.20</td>
<td>0.001</td>
<td>2,790,028.73</td>
<td>0.002</td>
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<tr>
<td>Cost of Policy Premiums</td>
<td>1,854,796.55</td>
<td>0.002</td>
<td>1,418,758.20</td>
<td>0.001</td>
<td>2,790,028.73</td>
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<tr>
<td>Totals</td>
<td>18,456,751.62</td>
<td>0.022</td>
<td>11,257,840.65</td>
<td>0.010</td>
<td>2,836,999.09</td>
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<td>Safety and Loss Control</td>
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<td>726,099.60</td>
<td>0.001</td>
<td>1,444,174.75</td>
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<tr>
<td>Cost of Policy Premiums</td>
<td>2,016,561.97</td>
<td>0.002</td>
<td>1,191,426.29</td>
<td>0.001</td>
<td>1,096,850.72</td>
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<tr>
<td>Totals</td>
<td>2,922,199.19</td>
<td>0.003</td>
<td>1,826,526.89</td>
<td>0.002</td>
<td>2,541,925.47</td>
<td>0.002</td>
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<tr>
<td>Auto Liability</td>
<td>2,534,482.75</td>
<td>0.003</td>
<td>2,172,413.79</td>
<td>0.002</td>
<td>1,629,310.34</td>
<td>0.001</td>
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<tr>
<td>Safety and Loss Control</td>
<td>2,534,482.75</td>
<td>0.003</td>
<td>2,172,413.79</td>
<td>0.002</td>
<td>1,629,310.34</td>
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<td>0.002</td>
<td>1,629,310.34</td>
<td>0.001</td>
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<tr>
<td>Other Costs</td>
<td>142,163.99</td>
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<td>195,276.26</td>
<td>0.000</td>
<td>419,406.72</td>
<td>0.000</td>
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<td>Cost of RMIS</td>
<td>142,163.99</td>
<td>0.000</td>
<td>195,276.26</td>
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<td>419,406.72</td>
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<td>0.000</td>
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<td>0.000</td>
<td>419,406.72</td>
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<td>2,897,513.39</td>
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<td>3,073,485.09</td>
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<td>Safety and Loss Control</td>
<td>142,163.99</td>
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<td>195,276.26</td>
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<td>0.020</td>
<td>9,849,042.45</td>
<td>0.009</td>
<td>46,940.36</td>
<td>0.000</td>
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<td>Cost of Policy Premiums</td>
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<td>Totals</td>
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<td>15,462,056.59</td>
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<td>7,426,711.62</td>
<td>0.006</td>
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</tbody>
</table>

### By Line of Business

- Workers Compensation
- Property
- Auto Liability
- Other Costs
RMIS Cost Variables

• Number of users (full and part time)
• Number of claims, incidents, certificates, etc.
• Multiple data sources
• Multiple lines of business
• Integration with internal systems
• Unique configuration, custom programming
• Training, project management
Future Industry Trends

• Mature industry
• Vendor consolidation (acquisition)
• More cloud vendors
• More niche players (certificates)
• Insurance industry lagging behind technologically
• Web based and cloud platform as standard architecture
• Enterprise risk expansion
• SaaS
• Improved business process orientation
Conclusion

Questions?
Contact Information

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dtweedy@bickmore.net