



# **Maximizing Your RMIS,** *(Even When You Don't Have One)*

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# Opening Remarks & Goals

- Why this session?
  - Our backgrounds
  - Goals of the session
    - *Interactive*
    - *Provide framework to evaluate/upgrade RMIS*
    - *Encourage Planning and Action*
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# 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
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# 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
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# Leading Commercial Vendors: Unbundled

## Claims Administration Focus:

- Aon (iVOS)
- CSC\*
- CSStars\*
- DAVID
- Mountain View Software
- Systemma

\* Full Service (does both functions)

## 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*)
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# 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*
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# 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 benefiterers of the system
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# 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
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# 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?
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# 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
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# 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
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# Reporting Essentials

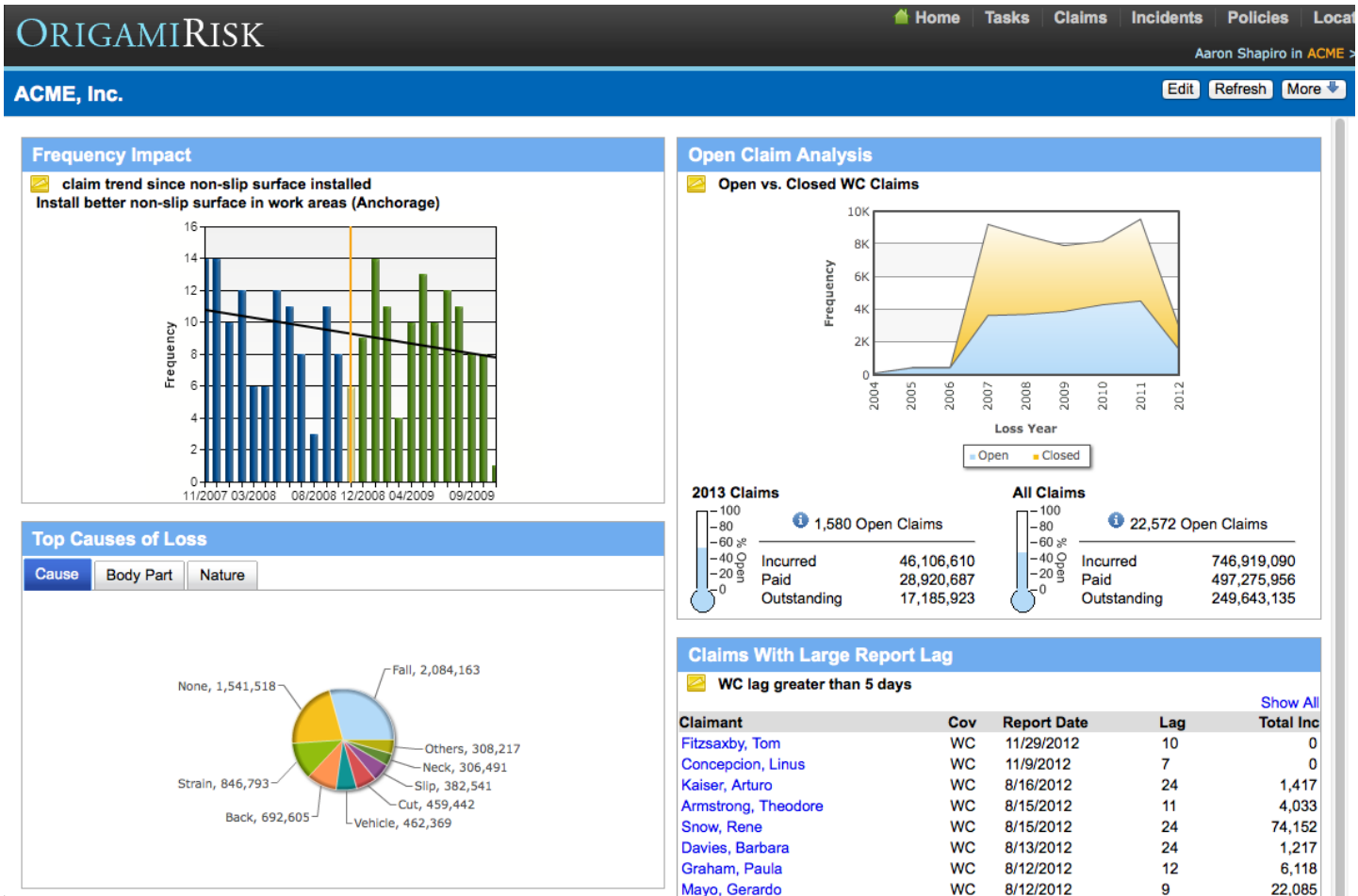
Report Target	Characteristics
Line/field	<ul style="list-style-type: none"><li>•Detailed, table backed</li><li>•Drill down to specifics available</li><li>•Some graphics</li></ul>
Senior Management	<ul style="list-style-type: none"><li>•Highly visual, little detail</li><li>•“heat” maps, metrics oriented</li><li>•Detail backup available</li></ul>
Outside Vendors	<ul style="list-style-type: none"><li>•Summary focused with details available</li><li>•Drill down to specifics available</li><li>•Some graphics</li></ul>
Specialists	<ul style="list-style-type: none"><li>•Flexible, depending upon need</li><li>•Ad hoc</li></ul>

# 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



# Report sample

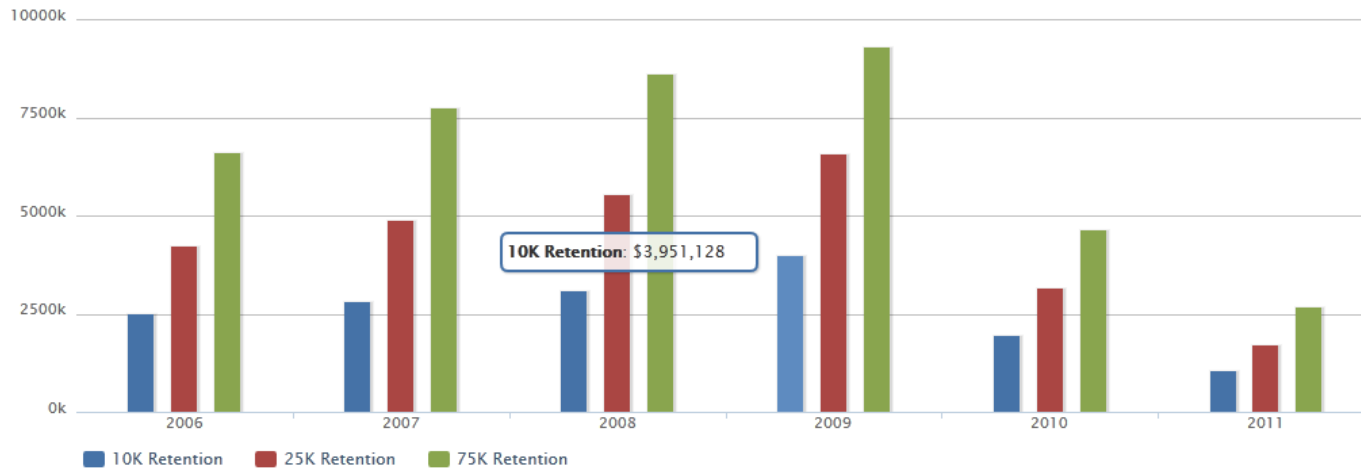
Policies >

## Retention Calculator

[Export to Excel](#)

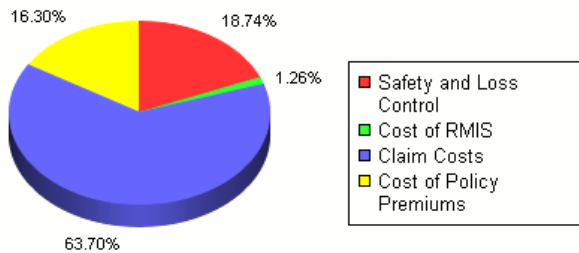
### Retained Dollars at Various Retentions

Year	Claim Count	Total Incurred	10K Retention	25K Retention	75K Retention
2006	778	7,884,832.00	2,481,413.77	4,208,179.77	6,576,757.56
2007	858	8,788,187.39	2,797,539.65	4,861,591.48	7,723,844.58
2008	776	9,382,396.00	3,055,177.79	5,511,848.75	8,581,993.93
2009	1,021	12,231,638.77	3,951,128.17	6,552,931.56	9,283,157.59
2010	740	4,638,213.18	1,937,487.10	3,150,579.86	4,636,786.27
2011	544	2,663,946.64	1,048,742.48	1,684,145.64	2,655,711.64
<b>6 Year Average</b>	<b>786.1667</b>	<b>7,598,202.33</b>	<b>2,545,248.16</b>	<b>4,328,212.84</b>	<b>6,576,375.26</b>

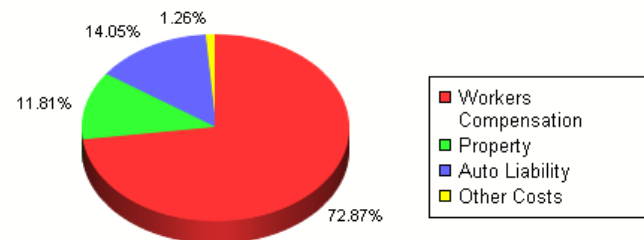


# Dashboard sample

By Cost Element




By Line of Business



Line of Business	Cost Element	2009		2010		2011	
		Allocation \$	Cost / Sales	Allocation \$	Cost / Sales	Allocation \$	Cost / Sales
Workers Compensation	Claim Costs	16,601,955.07	0.020	9,849,042.45	0.009	46,940.36	0.000
	Cost of Policy Premiums	1,854,796.55	0.002	1,418,798.20	0.001	2,790,028.73	0.002
	Totals	18,456,751.62	0.022	11,267,840.65	0.010	2,836,969.09	0.002
Property	Safety and Loss Control	905,637.22	0.001	725,099.60	0.001	1,444,174.75	0.001
	Cost of Policy Premiums	2,016,561.97	0.002	1,101,426.29	0.001	1,096,850.72	0.001
	Totals	2,922,199.19	0.003	1,826,525.89	0.002	2,541,025.47	0.002
Auto Liability	Safety and Loss Control	2,534,482.75	0.003	2,172,413.79	0.002	1,629,310.34	0.001
	Totals	2,534,482.75	0.003	2,172,413.79	0.002	1,629,310.34	0.001
Other Costs	Cost of RMIS	142,163.99	0.000	195,276.26	0.000	419,406.72	0.000
	Totals	142,163.99	0.000	195,276.26	0.000	419,406.72	0.000
Totals	Safety and Loss Control	3,440,119.97	0.004	2,897,513.39	0.003	3,073,485.09	0.002
	Cost of RMIS	142,163.99	0.000	195,276.26	0.000	419,406.72	0.000
	Claim Costs	16,601,955.07	0.020	9,849,042.45	0.009	46,940.36	0.000
	Cost of Policy Premiums	3,871,358.52	0.005	2,520,224.49	0.002	3,886,879.45	0.003
	Totals	24,055,597.55	0.029	15,462,056.59	0.014	7,426,711.62	0.006

# 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
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# 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
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**Conclusion**

*Questions?*



# Contact Information

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