RC INSPECTION

SOCIETY INSURANCE:
EQUIPPING RISK CONTROL PROFESSIONALS WITH
LEADING-EDGE TECHNOLOGY

INTRODUCTION

Society Insurance is a highly successful insurance carrier headquartered in Fond du Lac, Wisconsin. Society specializes in business insurance for small-to-midsize niche businesses. Society offers targeted programs and products for restaurants, taverns, motels, grocery stores, medical clinics, artisan contractors and cleaning services. The company leverages its in-depth knowledge of these businesses with strong core insurance functions of claims handling, underwriting and risk control to build long-term relationships with insureds.

THE OLD PROCESS

In 2009, Society identified the need to streamline its internal risk control processes. At the time, the company was struggling with managing the large number of field service requests assigned to its team of risk control consultants. In addition to being burdened with manual tasks, the process had an overall lack of control.

Under the old process, an underwriter would manually enter account and risk information into an Excel document and email it to one of the risk control assistants. Upon receiving the request from an underwriter, the assistants would log the request in an Access database, look up the appropriate field representative on a map, and then forward the request to the risk control consultant via email.

Upon receiving the request, the risk control consultant would then schedule all appointments with insureds and take handwritten notes on-site based on a standard set of interview questions.

Upon returning to the office, the consultant would then re-enter their field notes into a Word document report and manually re-format the risk improvement recommendations and letter. This captured the information for underwriting use. The completed document was then emailed to one of the risk control assistants.

Upon receiving the completed report from the risk control consultant, the details would be logged into the Access database by the risk control assistant for tracking purposes before being routed to the appropriate underwriter for review. Once completed, this letter was emailed or mailed to the insured as notification of required and/or recommended risk improvement actions.

Overall, the risk control program was effective, but management had concerns as to whether it was operating at optimal efficiency. The major areas of concern included:

1. Due to the manual workflow within the process from assignment through to completion, two risk control assistants were required simply to manage the administrative overhead.

2. Tracking data was captured and input manually into the Access database by the risk control assistants, which often resulted in errors or data integrity issues when it came time to report on key metrics.

3. Issues often resulted from misplaced or improperly assigned requests due to the large volume of manual data being maintained. In the worst case scenario, this could potentially result in an insured not receiving a risk control visit, which could ultimately result in an avoidable loss.

4. Underwriters and other stakeholders could not easily determine the status of a risk control request. Instead, these parties had to ask the (already busy) risk control assistants to investigate each inquiry.

5. Once the data was captured in the field by the risk control consultants and input into the Word document templates, management and other stakeholders had no way of mining this data in order to identify trends and support decision-making.

6. Compliance reporting around recommendations was very difficult due to reminders being managed by each underwriter via Outlook or manual task follow-up.

7. Compiling team performance reports was a very cumbersome exercise because it involved pulling data from multiple disparate sources.

8. Due to a lack of infrastructure for risk control file storage, photos – often useful for use in supporting underwriting decisions or during the claims handling process – were not taken on-site by Society risk control consultants.

Mike Rosenau, Society's Risk Control Manager, summarized the issues with the process as "a lack of control around the manual processes," and hoped to address this shortfall with the implementation of the RC Inspection solution.

He added, "The overall risk control process was certainly working, but as a manager, I felt we needed to tighten up certain areas to be able to provide top-notch service not only to our insureds, but to our internal customers as well. I believed RC Inspection was the tool to enable this."

THE SOLUTION

Society selected RC Inspection from Risk Control Technologies as the technology platform on which to streamline its risk control operations. This solution included both a web-based application for use by underwriters, managers and admin staff, as well as a tablet-based application for use by the risk control consultants in the field.

"When we first looked at RC Inspection, the field productivity benefits were only the tip of the iceberg," said Rosenau. "Just as compelling to our team were the assignment, management and reporting tools within the product."

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>
> *- Mike Rosenau, Risk Control Manager*

Society set out implementing the RC Inspection solution in November 2009 and went live with the system in February 2010. Due to a back-log of internal IT projects at the time, Society also elected to have the system delivered to their users via a 'Software as a Service' (SaaS) model by Risk Control Technologies, using its SAS 70 Type II data center.

THE NEW PROCESS

Using RC Inspection, the Society team completely re-engineered their risk control process.

To begin, accounts that require risk control service are identified by the underwriter and a request is entered into the RC Inspection system, which automatically assigns the request to the appropriate risk control consultant based on a series of automated assignment rules that have been configured in the system.

The Society field risk control consultants, who primarily work from a home-based office, connect their tablet device to the internet, which 'checks out' and passes any new requests assigned to them from the server to the tablet via a secure remote connection. The data passed to the consultant includes detailed policy information, including any specific information from the underwriter that may be pertinent to the consultant during the risk control visits.

The consultants then utilize the RC Inspection tablet application (which operates disconnected from the internet in an offline state) to filter, sort and categorize their risk control workload to optimize their efficiency.

Once in the field, the consultants can use the RC Inspection tablet application to:

- ☑ Collect data on the risk using the line of business and service-specific forms configured for Society.

- ☑ Capture assessments of the various risk categories (good/fair/poor) within the form to aid the underwriter in assessing the overall quality of the risk.

- ☑ Enter recommendations relating to the risk either in free form or by using their standard recommendation library configured within the system.

- ☑ Take digital photos of the property and upload them to the survey.

- ☑ Set up ongoing service appointments with insureds that require additional risk control attention in the form of training, recommendation follow up, mock OSHA surveys, etc.

Once connected to the internet, the consultant has the ability to upload all completed surveys to the central server. This process automates both an email notification and sends the completed report to the associated underwriter's inbox.

Although the overall risk control process has been significantly streamlined from a user perspective, management has also identified some additional areas which have been positively impacted by RC Inspection. These include:

- ☑ Account quality of risk metrics are now calculated based on the field user input and available to the sales team, which is able to use this information in agency visits. These reports provide valuable insight into the quality of the agent's portfolio in advance of losses occurring.

- ☑ The risk control team is easily able to adapt to changes in business needs. In an example provided by Rosenau, senior management asked for additional data to be captured in the field during the risk control process. To collect this additional information, Rosenau himself made the form changes within the configuration module in minutes — without intervention from IT — and the changes were automatically deployed to the field users the next time their tablets were connected to the network.

- ☑ The time necessary to conduct performance reviews of the risk control consultants was reduced dramatically through the use of the Quality Reports module within RC Inspection. The previous manual method required one week per month of Rosenau's time, while the new process has cut the time needed to just two days per month.

- ☑ By using the tablet-based customer survey feature within RC Inspection to gauge insured satisfaction with the risk control process, response rates went from 10 percent to 33 percent, and management is notified immediately if an insured wishes to be contacted regarding an issue.

Overall, the RC Inspection project for Society has proven to be a massive success, with the Society management team realizing a host of benefits, including:

Productivity Benefits	☑ Using the system, risk control consultants save an average of 45 minutes per service request. In a single year, this translates to approximately 2,250 hours for the entire team, which is now spent consulting with insureds and visiting more accounts. ☑ Society has been able to re-assign one of two risk control assistants to the customer services team due to the reduction in administrative overhead in the risk control process. ☑ Management has been able to eliminate approximately 280 hours of administrative time from the performance evaluation process. ☑ This increase in productivity over the 3+ year period since implementation of RC Inspection amounts to an estimated cost savings of $650,000. This translates to a return on investment of approximately 230 percent.
Management Benefits	☑ The Society management team has more tools available to monitor and manage the risk control team. These tools include turnaround time reports, inspection audit logs, quality reports and real-time workload figures. ☑ Risk Control Management has eliminated some administrative overhead, allowing more time to be spent managing the risk control team members.
Data Availability Benefits	☑ Society has been able to better report and mine the data captured in the inspection process to assist in analyzing the overall book of business, as well as aid underwriters in making decisions.
Risk Quality Benefits	☑ By enabling the risk control team to visit more accounts and be more effective in the field, Society is able to better mitigate risk and decrease the frequency and severity of losses.
Customer Service Benefits	☑ Through the use of the tablet-based customer survey tool within RC Inspection, management can quickly respond to unsatisfied clients and attempt to remedy the situation.

RISK CONTROL TECHNOLOGIES INC.