

Exposure Management Reimagined

TRADE THE PAIN FOR PLENTY OF GAIN.



Values collection is possibly the most dreaded time of year for risk managers.

And that's no wonder when you're talking about endless back-and-forth emails, phone calls, cutting spreadsheets apart, pasting them back together, checking numbers, and reformatting data. Even with all that work, insurance brokers and underwriters still might not have all the information they need. And how accurate is the data they do have?

Higher premiums are pretty much a given if the underwriter has to make do with not-so-great data. But that's just the beginning. Can you afford loss expenses at a property that was underinsured because of an incorrect value? Will your organization's performance be crippled if assets are used to pay for excessive insurance coverage instead of funding growth? And couldn't all those hours spent chasing down values be put to better use?

Accuracy matters when it comes to values collection. The truth is, spreadsheets – still the most popular values-collection tool – are a breeding ground for errors. One "little" mistake – say accidentally leaving off a zero from a property value or hitting the wrong key when you're pasting in new data – can have catastrophic consequences. And let's face it, spreadsheets were simply not built to help you visualize data or identify forward-looking insights.

New technology makes collecting values fast, accurate, and pain-free. Virtually every step of the process is automated – from survey-style questionnaires that guide collectors smoothly through the submission process to follow-up emails for those who haven't responded. No more cutting and pasting. No more wondering which numbers are the most current. No more repeated attempts to track down the reason behind an unexpected variance.

Exposure management software gives you the right data, in the right form, at the right time – so you can be confident not only in what you submit for insurance renewals, but in every other decision that rides on exposure data.

This guide will help you understand how technology can help you streamline your values collection process so you can facilitate renewals, optimize premiums, better manage your exposures – and get the most value from your risk data.



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WHAT IS EXPOSURE MANAGEMENT SOFTWARE?

Exposure management software collects, tracks, and validates values data so you can spend less time gathering information and more time analyzing what it means.

Improved Accuracy

- Capture data in a consistent format on user-friendly screens to make collection easy and accurate.
- Validate data as it's entered, and flags unexpected values for further investigation.
- Collect values with customizable templates and survey-style forms.

Increased Efficiency

- Provide secure web-based access to assigned collectors.
- Automatically generate emails with values collection assignments and follow up with reminders about missing or incomplete information.
- Track in real time what values have been submitted and automatically send progress reports.

Optimized Coverage

- Assess values within specified thresholds based on the prior year's values.
- Consolidate values to show important changes and trends from year to year.
- Generate market-ready reports with one click.

Exposure management software can reduce collection time by as much as 75%.



CASE IN POINT

A large auto-manufacturing firm was in desperate need of streamlining its complex values collection process. Using spreadsheets to collect, review, and consolidate renewal data across 50+ countries, 30+ languages, and 40+ currencies required too much time and effort.

By implementing exposure management software, the company increased efficiencies – and drastically improved the quality and accuracy of its data. The streamlined process allowed one full-time employee to be reinvested in other operations. In addition, 93% of business units completed the renewal data request in year three of using the platform, compared to just 57% in year one.

TAKE THE PAIN OUT OF THE PROCESS

Frustration lurks around every corner of the collection process if you're using spreadsheets. The more locations, collectors, and data points needed, the more pain you'll have to endure.

Exposure management software eliminates virtually all that pain – while significantly compressing the timeline, reducing errors, and lowering costs.

PROBLEM	SPREADSHEET PAIN		SOFTWARE GAIN	
	Task	Time	Task	Time
1. The set-up	<ul style="list-style-type: none"> Draft individual emails to collectors. Cut and paste last year's data into each email. Send each email separately. 	15 minutes per email x 36 collectors*, plus 1 hour to send = 10 hours	<ul style="list-style-type: none"> Draft one email template. With one click, email your entire stored list of collectors with a link to a customized questionnaire and list of current values. 	1 hour
2. No response	<ul style="list-style-type: none"> Follow up with each collector as many times as it takes to get a response. Research bounced emails or collectors who have switched roles, identify their replacement, and resend to reassigned collector. 	8 – 10 hours	<ul style="list-style-type: none"> Collectors access their questionnaire via a customized link and secure login. Reminders are automatically emailed to any collector who hasn't responded within the designated time frame. Recipient can reassign collection if they have changed roles. 	0 minutes
3. Incorrect data	<ul style="list-style-type: none"> Manually enter submitted data into master spreadsheet. Follow up with collectors to explain unexpected values or discrepancies. Currency must be manually converted. 	4-7 hours	<ul style="list-style-type: none"> Data from collectors is automatically entered directly into a database. Any unexpected value is flagged for immediate correction or further explanation by the collector. Collectors can click to copy the prior year's value if there are no changes. Collectors can save their work and continue later. Currency is automatically converted. 	0 minutes
4. Wait ... was that updated?	<ul style="list-style-type: none"> Must monitor email threads for changes. Must keep track of which version of the spreadsheet is most current. 	8 hours	<ul style="list-style-type: none"> Get a notification every time data is submitted. Dashboards show in real time what has been completed, what is in process, and what is outstanding. 	0 minutes
5. The agony of pulling it all together	<ul style="list-style-type: none"> Consolidate and format data for submission. Prepare custom reports. Send reports to underwriters. 	20 hours	<ul style="list-style-type: none"> Data is ready-to-go as soon as it's entered. Data can be exported to a spreadsheet for manipulation without risking damage. Sophisticated graphics make complex information easy to understand. Values can be submitted to underwriters with one click. 	6-8 hours
Total time spent		50 – 55 hours		7-9 hours

* This example assumes 36 collectors have three weeks to respond

WHAT DO BROKERS NEED?

The first thing insurance brokers need is time. Organizations using spreadsheets for renewal data collection can spend as much as 75 days or more collecting data, checking it for accuracy, reformatting, and producing reports.

The slow turnaround means that brokers have less time to thoroughly analyze the data and prepare a high-quality submission that will explain your risk to underwriters, negotiate the best premiums and policies, and evaluate the best program design.

The second thing brokers need is complete and accurate data. Underwriters often receive less than half the data they need to price a risk and exposure. If they have to fill in the blanks, you will likely pay a higher premium.

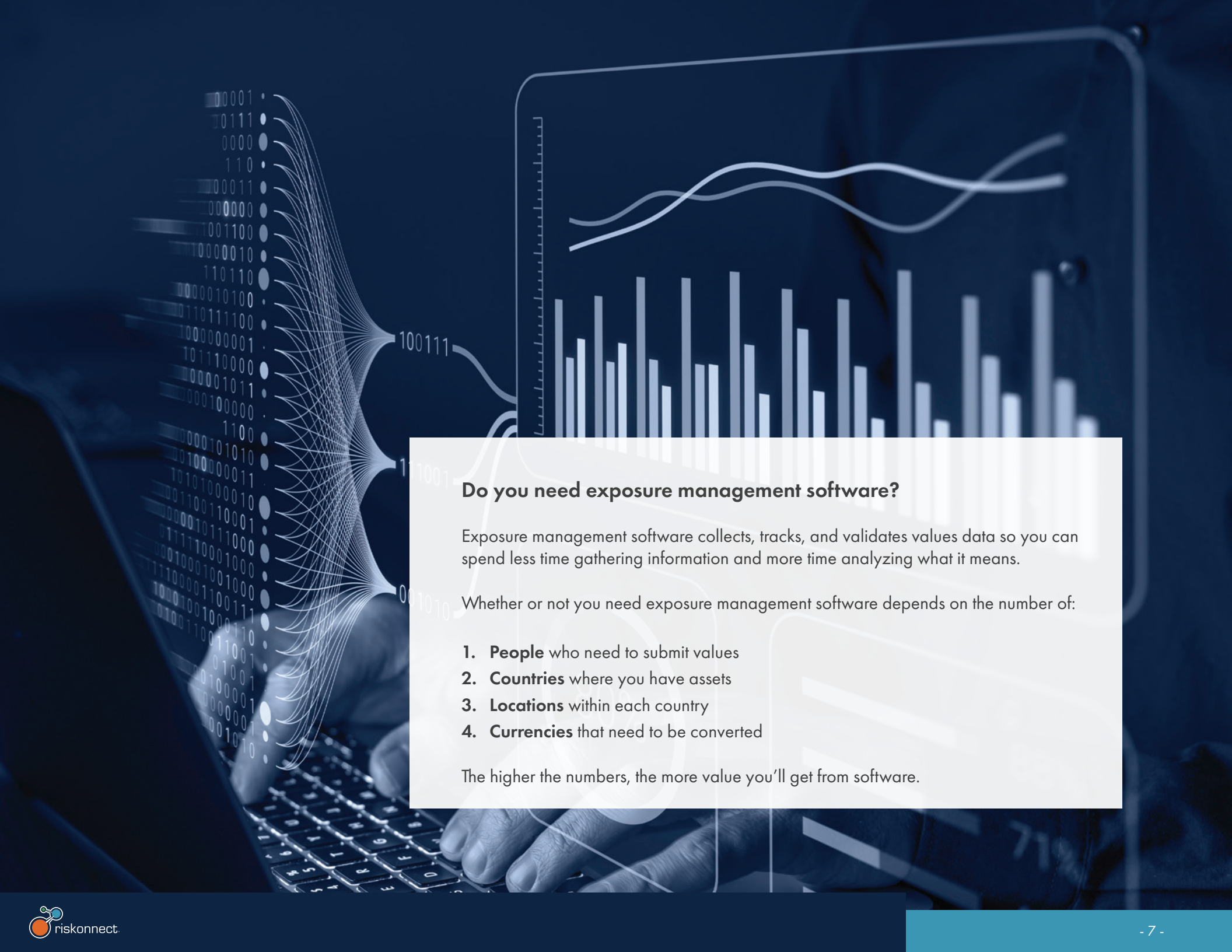
Here are the main data points that brokers and underwriters need to assess and price your risks.

COMMERCIAL LINE OF BUSINESS	PROPERTY	CASUALTY	FINANCIAL
Data requirements	<ul style="list-style-type: none"> • Location • Construction type (e.g., frame, cladding, roof) • Occupancy (how building is used) • Protection (e.g., sprinklers, distance to fire station, contingency plans) • Exposure (e.g., loss posed by surrounding area) • Values (building and stock values) • Limits • Deductible <p>For aviation, motor, and marine risks:</p> <ul style="list-style-type: none"> • Fleet information • Volumes • Activities (e.g., what's being transported, how, and the value) • Routes • Cargo storage locations 	<ul style="list-style-type: none"> • Number of employees • Employee activities • Turnover • Product types • Potential long-tail exposure • Likelihood of claims • Types of business • Floor space 	<ul style="list-style-type: none"> • Information about management teams • Employee travel engagements • Locations of business units • Information about the employees providing advice • Controls, protocols, and processes
Risk mitigation information	<p>For property damage/business interruption, underwriters want to see how many of their recommendations are complete and which are still outstanding.</p> <p>For other lines of business, underwriters want to know about different mitigation strategies and the outcomes.</p>	Accident-reduction/risk mitigation strategies and outcomes	Training and process updates, including all loss-prevention measures and mitigation strategies
Claims record	Complete details on the frequency and severity of claims for at least five years	Complete details on the frequency and severity of claims for at least five years	Complete details on the frequency and severity of claims for at least five years

KEY COMPONENTS OF EXPOSURE MANAGEMENT SOFTWARE

Exposure management software neatly eliminates bottlenecks, speeds up response time, reduces human error, and simplifies market submission. Here's what to look for when evaluating system capabilities:

- ✓ **One-click data requests.** You should be able to send your email template with a customized link to every collector with a single keystroke.
- ✓ **Easy-to-complete questionnaires.** The easier it is to submit data, the higher your response rate will be. User-friendly screens ensure everything is entered accurately and consistently. Collectors also should be able to see last year's values for reference and record any notes or comments right on the screen.
- ✓ **No-work-follow-up.** Reminder emails can automatically be sent to any collector who hasn't responded by the deadline.
- ✓ **Real-time status.** Dashboards should show you exactly what information has been submitted, what is in process, and what is still outstanding.
- ✓ **Ready-to-go data.** Values should be automatically validated, consolidated, and formatted for market submission. Languages and currencies also can be automatically translated.
- ✓ **Simplified reporting.** Want to see which locations have the highest square footage? Or how many locations are in a hurricane zone? With just a few clicks, you should be able to pull any data into a graphic report that brings life to complex information.
- ✓ **The ability to connect.** Exposure data can be linked to other applications for even more value. Syncing exposures with insurance policy management, for instance, will show you what policies apply to each location. Syncing with claims data will show you each location's erosion and limit status.
- ✓ **High-level security.** Data must be stored in a secure, cloud-based environment. Users log into the system via username and password, and every change and update is documented.



Do you need exposure management software?

Exposure management software collects, tracks, and validates values data so you can spend less time gathering information and more time analyzing what it means.

Whether or not you need exposure management software depends on the number of:

1. **People** who need to submit values
2. **Countries** where you have assets
3. **Locations** within each country
4. **Currencies** that need to be converted

The higher the numbers, the more value you'll get from software.

3 STEPS TO SUCCESSFUL EXPOSURE MANAGEMENT SOFTWARE IMPLEMENTATION

Here's what you can do now to prepare for a smooth software implementation later.

1. **Establish clear location hierarchy** so that locations can be viewed individually and collectively for fuller context.
2. **Know who the collectors are and what information is needed from each** so that you can design questionnaires that capture all necessary information.
3. **Designate responsibility** to someone who understands the history and knows risk management to oversee the process so that nothing falls through the cracks.



6 Tips to Improve Data Quality

1. **Know your data.** Understand what data you need to collect and what you need it for.
2. **Validate data automatically.** Make sure data submitted falls within expected parameters.
3. **Correct data issues at the source.** Require collectors to explain any inconsistent or unexpected values.
4. **Use one system.** Consolidate data into a single system for more control over what's coming in and what's going out.
5. **Designate a system administrator.** Limit responsibility for changing fields, codes, or locations to a single user (or user group).
6. **Seize the day!** Correct any data problems immediately. Even relatively minor issues can quickly snowball out of control if not promptly addressed.

THE POWER OF EXPOSURE MANAGEMENT SOFTWARE

If you're spending two to three months collecting values, converting currencies, aggregating and reformatting data before you can finally corral it into a meaningful format, you would benefit from the power of exposure management software.

Exposure management software takes the time and the pain out of the values collection process. Customizable questionnaires make values entry easy. Automatic validation ensures the data is accurate. Dashboards show the real-time status of each campaign. And any part of the data can be pulled into a visually impactful report with just a few clicks.

Updating your exposure management process is a sure way to optimize your insurance renewal. By providing high-quality renewal data and claims records, you can protect yourself from excessive premiums, underinsurance, and voided policies when claims are made.

And that's not all. With values in one, centralized source, you'll be able to understand your exposures in greater detail and apply stronger analytics that deliver more timely and reliable insights.

You'll have a clear picture of where your risks are so you can make smart decisions about adding locations, for instance, or moving inventory. Exposure data also can be leveraged to run allocations, map property values against catastrophic events, produce loss-ratio reports, and identify possible new areas for loss prevention.



Spreadsheets may be the comfortable choice for collecting values. But entrenched habits can hold you back. Time spent collecting, validating, reformatting, and consolidating data is time NOT spent on things that really count – turning that data into actionable intelligence.

Automating and streamlining the values collection process allows you to focus your resources where they can deliver the most value. Isn't that a more productive way to spend your time?



ABOUT RISKONNECT

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