SUMMARY

The Council's Claims & Risk Management Working Group met during The Council's Legislative & Working Groups Summit February 6-7, 2017, at The Mandarin Oriental Hotel in Washington, DC. The meeting was led by the Working Group's Chair, Todd Macumber of Hub International, and The Council's Jenn Urso and Rob Boyce. The agenda focused on top of mind issues and areas of interest/opportunity facing claims and risk management leaders. The meeting included two roundtable discussions on Quantifying Value Internally & Externally and Alignment of Risk/Claims Resources and two presentations on Attracting & Recruiting Risk Management Talent (Michael Rivas, Assurance Agency) and Managing Cyber Risk in 2017 (Tom Kellerman, Strategic Cyber Ventures). These topics spurred dynamic discussion and provided tangible takeaways for members to integrate into their teams and firms.

PARTICIATING FIRMS

Sixteen (16) participants were in attendance from the following Council member firms:

AP Intego	CBIZ Benefits & Ins. Svcs.	InterWest Insurance Services
Assurance Agency	Hays Companies	Murray Securus
BancorpSouth Insurance Services	Heffernan Group	OneGroup
	Hub International Limited	Propel Insurance
BB&T Insurance Services	INSURICA	

ROUNDTABLE DISCUSSION – QUANTIFYING VALUE INTERNALLY & EXTERNALLY

The group discussed the importance of and best practices for quantifying value for risk/claims services both to clients and within the firm. Common themes include:

To Clients
- Executive briefing/account stewardship reviews: demonstrating the value and incorporating into consistent dialogue around performance/growth objectives for the partnership
- Include metrics such as number of claims dollars reduced, reduction of OSHA inspections fines and citations

To Internal Teams
- Build a staffing model around metrics to drive growth internally (revenue, retention and internal growth)
- Internal audits and quality control to track to progress and goals

Best Practices
- Embracing technology and using outside platforms (e.g., iAuditor, Origami Risk) to help improve efficiency
- Communicating internally to highlight successes
  - See weaknesses as opportunities for improvement
  - Monthly updates, success stories and "region happenings"
- Leveraging relationships with carriers for client discussions and internal training

EMPLOYEE RECRUITMENT & RETENTION
Presented by Dr. Michael Rivas, Safety Director, Assurance Agency

Dr. Michael Rivas shared key strategies from Assurance Agency's employment recruitment and retention program.

- Hiring is the most important decision you make: the right people create an organization's foundation
- Hire right to reduce or avoid turnover costs: advertising, pre-hire testing, on-boarding, training and development, impact on morale and productivity. Average cost of new hires: entry level – 16 percent of annual salary; mid-range – 20 percent of annual salary; executive – 213 percent of annual salary)
- Intentionally build your brand and culture to organically attract top talent
- Do the work upfront: personality and compatibility testing, use the rule of three: interview minimum three candidates per position, by at least three people at least three separate times
- Develop meaningful, personal relationships with your team members for retention

ALIGNMENT OF CLAIMES/RISK RESOURCES

- Build cross functional teams to facilitate a better understanding and integration between sales and operations
- Greater integration leads to cross and up selling accounts
- Charge back producers for services to create accountability

MANAGING CYBER RISK IN 2017
Presented by Tom Kellerman, CEO, Strategic Cyber Ventures

- Cryptoware and destructive attacks are most prominent today (delete & destroy that wipe out systems)
- Ransomware attacks by hackers can be about demanding money or to slow down a company's productivity
- "Island Hopping" occurs when hackers target a person who is a digital insider (has access to all company data) to gain command and control over a wider area of the network by moving throughout more of the network
- Attacks are no longer one and done. The first infection is detected and destroyed, however a second infection lingers, going unnoticed and does the most damage
- Safety recommendations (do not use public Wi-Fi without using a BPN, change passwords to sentences/phrases and do not save on devices), do not ignore critical update notifications (Tuesday night is typically update night), if your security system notifies you that there was an attempted attack, change ALL of your passwords, Mozilla Firefox is the more secure web browser to use
- When assessing risk, an organization should aim to have 80 percent of these best practices in place
  - Does the organization have a cybersecurity strategy/plan?
  - Does the organization have a CISO?
  - Does the organization have an independent security budget?
  - Does the organization have an incident response plan?
  - Has the organization undergone a penetration test?
  - Does the organization limit admin privileges of users?
  - Does the organization enact network segmentation?
  - Does the organization utilize the Consensus Audit Guidelines?
  - Does the organization invest in non-traditional cybersecurity controls?

THE COUNCIL FOUNDATION
Presented by Cheryl Matochik, SVP Strategic Resources & Initiatives

Studies show that internships are the insurance brokerage industry's most successful tool in the recruitment of college students. In light of that, The Council's 501(c)(3) educational foundation is partnering with its member firms with the goal of bringing fresh, diverse talent into the brokerage sector. This summer, participating firms can nominate their best interns to receive $5,000 scholarships. Stay tuned for participation details.

NEXT MEETING
The next Claims & Risk Management Working Group is set to take place **September 11-12** at The Council's office in Washington D.C.

Topics for the next meeting include the impact of marijuana legalization on the industry (presented by Steptoe & Johnson) predictive modeling and data analytics (presenter TBD), as well as roundtable discussions on leveraging technology and responding to large scale events. For any questions or to submit topics of interest contact Rob Boyce at **robert.boyce@ciab.com.**