

### **SUMMARY:**

The Council of Insurance Agents & Brokers' inaugural Claims & Risk Management Working Group was held March 25, 2015, in The Council's headquarters in Washington, D.C. The working group was staffed by Senior Vice President of Strategic Resources & Initiatives Cheryl Matochik; Vice President of Industry Affairs Amy Roberti; and Industry Affairs Associate Sean Mitchell.

### **PARTICIPANTS:**

Twenty-five (25) participants from the following 16 member firms were in attendance.

Aon Risk Solutions	Heffernan Group	The Daniel & Henry Co.
Arthur J. Gallagher & Co.	INSURICA	The Harry A. Koch Co.
Assurance Agency, Ltd.	M3 Insurance Solutions, Inc.	Towers Watson
Conner Strong & Buckelew	Murray Securus	TrueNorth Companies
Cottingham & Butler, Inc.	Propel Insurance	
Energi Insurance Services Inc.	The Crichton Group	

### **EXECUTIVE SUMMARY:**

Understanding that claims advocacy and loss prevention are two of the most important pieces of the insurance lifecycle, The Council deemed it necessary to create a working group where claims and risk management experts could come together to discuss and share trials, tribulations, resources, strategies and experiences with one another in a non-competitive forum.

Being the inaugural meeting, the agenda bounced around a wide range of issues affecting claims and risk management professionals to gauge where the group would like to focus their time in future meetings. The day began with a brief presentation about The Council and its mission, and then gave way to attendee introductions. Throughout the remainder of the day attendees discussed loss prevention and claims integration, regulations and litigation impacting claims management, and cyber risk. At the end of the day the attendees broke out into small groups to discuss how they wanted to see the group develop in the future.

#### • **INTRODUCTIONS**

Each attendee explained how the claims and risk management departments are internally organized within their firms and mentioned a strategic goal their department is tackling in 2015. Some of the goals included:

- Deploying data analytics with a clear ROI for the client
- Focusing on proactive claims advocacy rather than reactive
- Managing insureds' expectations
- Creating strategies for increased market alignment with carriers
- Attracting and developing claims management talent
- Educating clients on cyber risk management
- Integrating a risk management culture into the company
- Providing the right resources for the right client at the right time

- **CROSS TRAINING AND INTEGRATION OF LOSS PREVENTION WITH CLAIMS – ENERGI PRESENTATION**

Justin Russo, SVP, *Energi Risk Management*, and also a working group attendee, presented how *Energi* has developed a robust loss prevention and claims department that serves North America’s energy industry from home heating to oil and gas exploration. The presentation touched on:

- Energy industry issues and trend
- Contracts: action over claims
- Fracking litigation
- Impact of state regulatory frameworks
- Developing a claims “A Team”
- Cutting-edge risk management and loss prevention/safety solutions
- Components of an innovative claims management services department

- **REGULATIONS AND LITIGATION IMPACTING CLAIMS MANAGEMENT – STEPTOE & JOHNSON, LLP**

Scott Sinder and John Fielding, The Council’s legal counsel from Steptoe & Johnson, led a discussion and answered questions about the impacts of regulations and litigation on claims management. Discussions revolved around carrier relations, broker duty of care, best practices, workers’ compensation claims, ACA, advocacy vs. litigation, broker obligations, rebating, and independent reviews and special handling requests. Sinder and Fielding pointed out the vast amount of resources available on The Council’s website including summaries of state laws and regulations, ranging from fiduciary responsibilities to state data security/breach notification laws.

- **CYBER RISK, DATA ANALYTICS & CLAIMS MANAGEMENT**

The Council’s Cheryl Matochik and Amy Roberti gave a brief overview of the cyber insurance marketplace as well as developments unfolding in the Washington policy arena. They noted The Council’s cyber resources available including; webinars and The Cyber Roundup, [a weekly e-newsletter](#). Discussions touched on the ambiguity of the current market and lack of uniform definitions, forms and applications. Attendees agreed that clients seem to be all over the board on their knowledge and understanding of cyber threats and everyone agreed that internal education as well as client education was key to developing the market. Some asked if the government would step into the cyber insurance market much like it did for flood insurance. Others wanted to know what the actual trigger to a cyber-incident is (when data is compromised, stolen, used fraudulently, or other?)

These questions gave way to a discussion on data analytics and how each firm is attempting to collect, compile, and crunch data that provides meaningful insights for clients. Attendees shared how they are addressing analytics within their own firms and using data both internally and externally.

- **BREAK-OUT SESSIONS – DISCUSSING THE FUTURE COMPLEXION OF THE GROUP**

Attendees were divided into three smaller groups to discuss what they wanted to get out of the group in the future, how they wanted it organized and other ground rules. For the most part there was a general consensus about what was expected from future meetings.

- First, the group discussed and agreed their current mission is education through information sharing. Everyone was open to processing issues together and sharing best practices by bringing in outside experts for presentations and deputizing subject matter experts within the group to lead discussions.
- Second, the group discussed what topics they would like to delve into in future meetings. Cyber risk management, data analytics strategies and the impact of certain aspects of the ACA topped the list.
- Third, the group agreed that meeting in person on a bi-annual basis and creating an online group to provide continuity between meetings would work best.

**The Claims & Risk Management Working Group will next meet October 28-29, 2015, in Washington, D.C.**

Other Council working groups include the CIO Working Group, the CFO Working Group, the Legal Counsels Working Group, the HR Working Group, the International Working Group and the Marketing & Communications Working Group. For more information on these groups, contact Julia Smith at [julia.smith@ciab.com](mailto:julia.smith@ciab.com).