



LEGISLATIVE & WORKING GROUPS SUMMIT | WASHINGTON, DC FEBRUARY 9-12, 2015

RECAP

EXECUTIVE SUMMARY.

More than 200 of The Council's top executives recently descended upon Washington, D.C., for the 2015 Legislative & Working Groups Summit. The format of the meeting was altered this year to facilitate peer-to-peer exchanges on topics of shared interest and challenges such as talent, technology, data, compliance and regulatory issues, and employee benefits, among others. Hosting all of our working groups in the same place at the same time allowed for idea-sharing and thought leadership from members nationwide.

More than half of the attendees also made their way to Capitol Hill to lobby various legislative issues currently impacting CIAB member firms and their clients. The legislative summit is our organization's most visible and impactful day on the Hill, and this year, working group participants had a chance to meet The Council's advocacy team and learn about our collective legislative and regulatory agenda before Congress.

LEGISLATIVE PROGRAM

In all, 272 meetings took place between Council members and Members of Congress, which included several meetings with House and Senate leadership offices.

Available online are downloadable [one-sheets of our legislative issues](#) (Cyber, FATCA, Modernizing Risk Retention Groups, Preserving Tax Treatment for Employer-Sponsored Health Plans, Strong Wellness Programs), and a [program overview](#) from our lobbyists Joel Wood and Joel Kopperud.

2015 Speakers

The speaker line-up during Wednesday's legislative program included:

- **Sen. John Tester** (D-Mont.), Senate Banking Committee, lead author of NARAB
- **Congressman Jim Renacci** (R-Ohio), House Ways & Means Committee
- **Sen. Mike Crapo** (R-Idaho), Senate Banking Committee, key champion of TRIA renewal and NARAB reform
- **Sen. Tom Carper** (D-Del.), Senate Banking Committee
- **Charlie Cook**, *The Cook Political Report*

CouncilPAC Efforts Underway

Educating Members of Congress on key industry issues is an essential part of our advocacy team's job. Contributions to CouncilPAC allow The Council to support legislators who can champion our causes, increase opportunities for us to be in front of decision makers on committees of jurisdiction over our industry issues, and allow us to advance our agenda.

CouncilPAC raised a record \$873,000 in 2014 from 1,900 individuals and 83 firms. Four firms became new Chairman's Club members by raising more than \$10,000. Of the seven reported insurance trade association PAC receipts, CouncilPAC was second in the 2014 election cycle.

PAC 101 Toolkits Coming Your Way

The Council is updating toolkits for member firms to utilize in their organizations to help identify best practices for internal fundraising as we gear up to meet **CouncilPAC's \$1 million goal in 2015.**

Questions about CouncilPAC? Contact Brittany Thune Lindberg at brittany.lindberg@ciab.com for more information.

WORKING GROUP HIGHLIGHTS

CEBE (Council of Employee Benefits Executives)

- **Government Affairs Update:** The Council's Joel Wood and Joel Kopperud delivered an update on the new GOP-led Congress and key policy issues facing the benefits world including King vs. Burwell, Cadillac Tax, Tax Treatment for Employer-Sponsored Health Insurance Plans, and Wellness Programs
- **Market Update:** David Smith of Leavitt Partners, a health care intelligence consulting firm, gave an expanded view of how the market is shifting touching upon the key policy issues listed above as well as private exchanges, new health plan competition and employer expectations
- **Disruption in the Marketplace:** In breakout groups, the Advisory Board delved into market disruptors and new market entrants discussing their stance on these disruptors and how The Council can best be supportive

The CEBE Advisory Board, which brings together more than 30 leaders in the benefits space from CIAB member firms, meets bi-annually to help steer Council efforts in benefits-focused advocacy and resources. For questions about CEBE, contact Cheryl Matochik at cheryl.matochik@ciab.com.

CFO WORKING GROUP

- Participants discussed in detail preliminary results of the Council member Accounting Survey. The survey structure is being revised and resent based on feedback during the working group.
- Data gathering will remain open until the end of March.
- Final results will be distributed at the CFO & Finance Managers' Conference, June 10-12, in Chicago. Continuing Education credits for CPAs available.
- *FATCA Update*: Scott Sinder of Steptoe & Johnson gave the group an update on current FATCA legislation and the status of The Council's work on it. He answered questions about reporting criteria and discussed certain aspects of The Council's online FATCA Portal (fatca.ciab.com). Several members discussed their efforts to comply with the regulations.

Questions about the CFO Working Group? Contact Ce Harrison at ce.harrison@ciab.com.

CIO WORKING GROUP

- Technology has reached a point where it's rapidly evolving and disrupting traditional methods of doing business. Agency CIOs must now embody skills related to technology, insurance and agency operations in order for the agency to compete and grow.
- In order to participate in industry disruption, firms must use their information resources to create insight and an improved customer experience. Agencies must challenge their long-held beliefs on what their customers want.
- When pursuing analytics and reporting it's critical to have a clear view of the problem you are trying to solve. Tools exist to view data in compelling ways but results vary based on how the tools are applied.
- Attendees were asked the following: Given the opportunity to totally revamp your agency technology how many would end up with the same technologies and platforms that you have today? The answer? Nobody. Agency CIOs feel they are held back by archaic legacy systems.

Questions about the CIO Working Group? Contact Chris Gagnon at christopher.gagnon@ciab.com.

HR IN INSURANCE WORKING GROUP

- Participants took a deep dive into Reagan Consulting's new study on Producer Recruiting & Development followed by a facilitated discussion around successful producer recruiting practices.
- Roundtable discussion on workplace struggles and successes offered an opportunity for peer-to-peer networking. Members discussed everything from employee performance reviews to comparing applicant tracking systems.
- An interactive session on understanding individual influencing styles and how to enhance leadership through effective influence included case studies, video demonstrations and self-assessments.

Questions about the HR Working Group? Contact Elizabeth McDaid at elizabeth.mcdaid@ciab.com.

LEGAL COUNSEL WORKING GROUP

- Joel Wood and Scott Sinder gave a detailed overview of the legislative drama that went into extending TRIA and subsequent passage of the NARAB provision to the bill.
- Michael McRaith, director of the Federal Insurance Office spoke to the group about issues ranging from NARAB implementation to the future of cybersecurity.
- Scott Sinder briefed participants on the implications of the King v. Burwell Supreme Court case and what the future of health care would look like based on the various outcomes of that decision.

Questions about the Legal Counsel Working Group? Contact Joel Kopperud at joel.kopperud@ciab.com.

JOINT DATA SUMMIT

BUSINESS ANALYTICS: AN UNTAPPED COMPETITIVE ADVANTAGE

Presenter: Judah Phillips, CEO & Founder of SmartCurrent

Contact Phillips at judahphillips@gmail.com or follow him on Twitter **@judah**. [Download his presentation.](#)

Maximizing analytics value is challenging and most companies are falling short. In order to effectively operate analytics, new resources, skills, technologies and processes, cultures and outcomes are needed, says Phillips.

So, What are Analytics, Exactly?

There are different types....

Descriptive analytics: Well defined business problems and opportunities

Ex: Business reporting, dashboards, scorecards, Data warehousing

Predictive analytics: Accurate projections of the future states and conditions

Ex: Data mining, forecasting/accurately project future states of conditions

Prescriptive analytics: Best possible business decisions and transactions

Ex: Optimization, simulation, modeling

Analytics become more valuable as you go from Descriptive to Prescriptive.

How to Know When your Firm is Ready to Work with Analytics:

Your data analytics strategy shouldn't be anything different from the overall business strategy, which is to grow profitably. Here's a checklist you need to consider:

- Is your leadership committed? Do they look at IT as a partner instead of a cost center?
- Is your leadership ready to make the required investment?
- Does your sales team understand how analytics can help make them successful?
- Can you hire expertise/data scientists who can consistently evaluate and audit the data and provide feedback?
- Do you know how to hire for the talent and teach the tools?
- Do you understand inbound marketing and how it affects your data?
- Do you have data about your customer service and your workforce?

When You're Ready to Create a Plan for Analytics, Be Sure these Constructs are in Place:

- Evaluate current situation
- Conduct analysis
- Formulate strategy
- Create transformation plan (How? Interviews, workshops, brainstorm sessions, timely, relevant dashboards)

The Bottom Line:

Turning analytics information into action by looking at behavior and/or predictive behavior and customer response can result in:

- Improved rates (effectiveness, efficiency, revenue)
- Reduced cost
- Increased efficiency
- Enhanced customer experience
- Business growth
- Fail more quickly (and try, try again)

So What's the Hold Up?

Risk

- Security (and compliance) is an ongoing element of doing business
- Ensuring that the data is encrypted across the organization
- Elevated role now than it was five years ago
- Privacy concerns remain, and many are less concerned about hackers across the globe than the employee inside the organization making a mistake (or intentionally exposing the system)
- Basic policies, procedures and protocols should be in place everywhere
- Risk with transparency (opening yourself up to looking at what's under the hood)

Other Challenges

- Accuracy - people are afraid to run numbers and use the data (but they all want to know what it says)
- Trust - Getting your team to trust the information
- Lack of data governance - little things will skew a report

What to Do About It?

- Need data governance – pull info so everyone is looking at data from same song sheet
- Don't share data if there aren't enough data points to benchmark accurately
- Make data fun – show colleagues how they can utilize data or make it more engaging
- Show your team the value of the data
- Stop looking at IT as a cost center and more as a partner
- Hire expertise/data scientists who can teach your producers and CSRs
 - Train people to know how (and feel comfortable) using the data

What is a Data Scientist?

A person skilled in analytics who can program and understand optimization, and is a visionary as to how data can be used or built (hard to find these skills in any one person).

Reported Out of the Roundtable Discussions:

1. *Most surprising piece of information you heard in today's session:*

- Analytics is a strategic component of the organization
- Less than 30% of analytics projects were focused on target marketing
- Analytics is complicated and there's no silver bullet
- How far the insurance industry is behind on the curve
- Importance of data governance/clean data – if it's not clean you can't do anything with it

2. *Ways you think analytics can impact your organization:*

- Benchmark data for clients
- Identifying resources for opportunities to grow
- New products or enhancements of existing products
- Improve visibility
- Institutionalizing the data
- Expanding ways to grow the business
- Anticipating questions before they get asked
- Identify where you can use data to make a sale
- If you have the right tools in place, you can solve some problems / take advantage of opportunities
- How to use data to enhance the producers' relationships
- Help market business
- Establish baselines for employee performance

3. *What changes should your company make in order to compete with analytics?*

- The results of the analysis that we do are only as good as the data we have
- Extending capability over time
- Need for technology
- Accountability
- Intentional cleaning of the data
- Identify where we see opportunity
- Bridging cultural differences

4. *Things you are taking back to your organization based on today's session:*

- Idea of hiring data investigators/scientists
- Must have a vision
- Identifying our organization's problems and what are we trying to solve
- Get the right people involved
- Determine your firm's "maturity" level (see slide presentation for more on maturity levels)
- Accountability at all levels of the organization
- Educating your employees on database protocols
- Focus on the right questions to ask
- Continue to work towards better data quality

Tricks of the Trade:

1. Understand where you want to go and be mindful of the reality of trying to get there
2. Break it down into manageable pieces
3. Look at the makeup of your organization in order to shape how to move forward (your firm's history/legacy may complicate the journey ahead)
4. Build competencies with those in your organization
5. Don't get overwhelmed -- this is something that is going to change the industry

IS YOUR FIRM IMPACTING THE AGENDA?

Get involved in our efforts by joining us at our 2015 meetings and events.