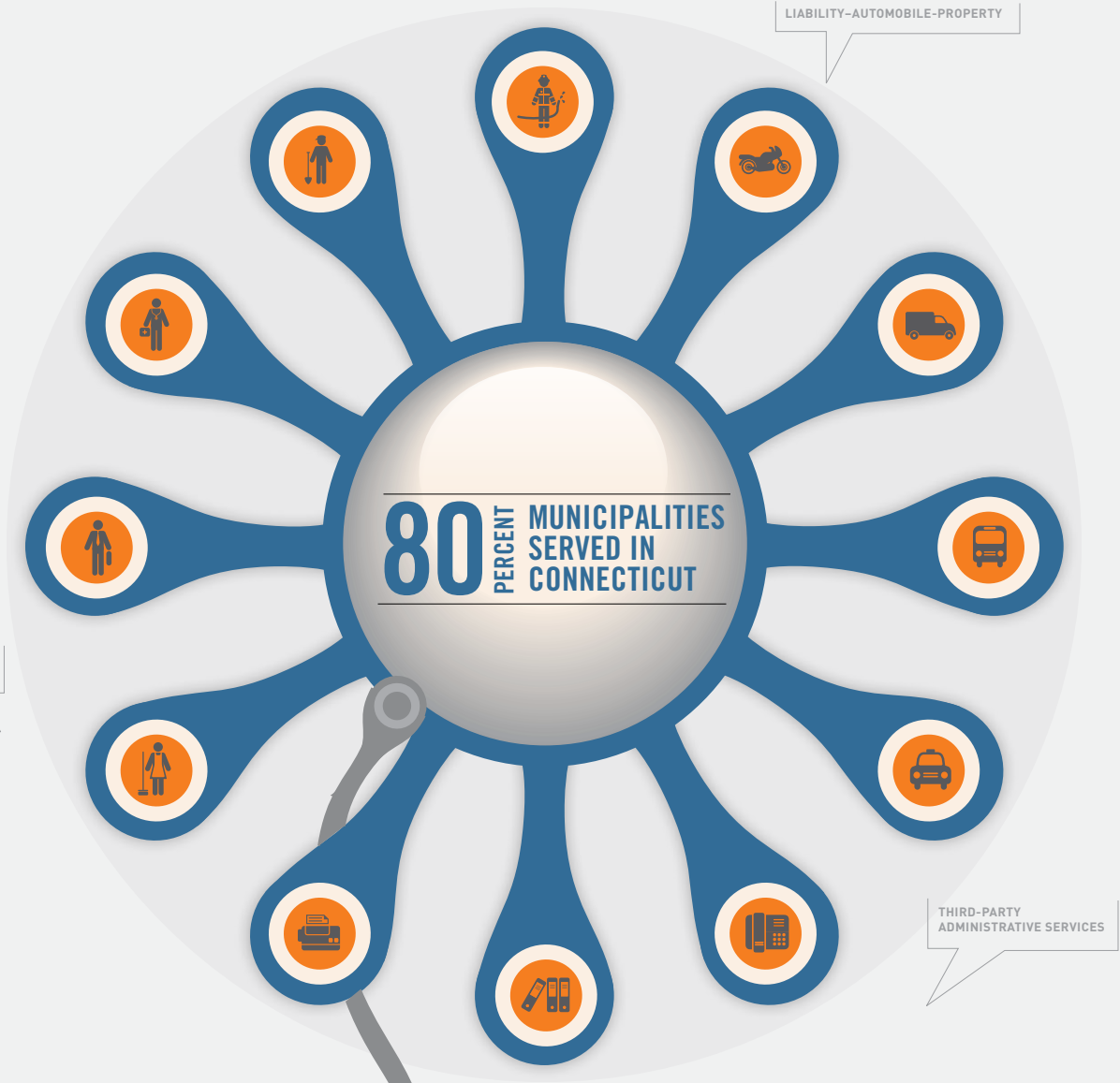




# 03

Connecticut  
Interlocal Risk  
Management Agency

CLIENT FOCUS




IVOS HELPED KEEP ADMINISTRATIVE RATIO AT **13.6** PERCENT

CONNECTICUT

# LEVERAGES iVOS AS ONE-SYSTEM SOLUTION

Enabling Holistic  
Automation for Member  
Claims & Policies

The Connecticut Interlocal Risk Management Agency (CIRMA) is one of the largest, most sophisticated public entity risk management pools in the United States. Initially formed in 1980 in response to the workers' compensation crisis, today CIRMA provides a comprehensive offering of coverage options, member educational opportunities, and consulting services.

A photograph of Bruce Wollschlager, President and Chief Executive Officer of CIRMA, sitting on a park bench. He is wearing a dark suit, a light blue shirt, and a gold tie. He is smiling and looking towards the camera. The background is a blurred city street with a bus and other people.

AN INTERVIEW WITH BRUCE WOLLSCHLAGER, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF CIRMA

AWARD-WINNING iVOS IMPLEMENTATION

GROWTH FROM THE BENEFITS OFFERED

600 PERCENT

54 PERCENT

INCREASE IN CLAIMS HANDLED

As a tribute to the innovative technology and the business impact that iVOS provided, a distinguished panel of insurance industry experts awarded CIRMA and Aon eSolutions with the IASA Technology Achievement Award.

CIRMA's mission is to meet the risk management and risk financing needs of Connecticut municipalities and local public agencies. Today, after more than 29 years, CIRMA's vision has been achieved. It is now the definitive market leader in public entity coverage, serving over 80 percent of the municipalities in Connecticut. The organization is recognized for its financial strength, innovative risk control programs, and high member satisfaction and retention.

Due to the benefits it offers, CIRMA experienced phenomenal growth of 600 percent since 2000. With this success, came new challenges. We spoke with Bruce Wollschlager, president and chief executive officer of CIRMA, and several other members of his team about the organization's strategic automation plan and how iVOS enabled a holistic approach to streamline operations.

#### A strategic automation plan

CIRMA operates two risk pools – one for workers' compensation and another for liability-automobile-

property (LAP) – and provides third-party administrative services for self-insured municipalities. As CIRMA grew and matured, its business environment became more complex and its operational needs began to exceed its existing system capabilities.

“To maintain our distinction as the premier provider of coverage for Connecticut public entities, we needed to leverage technology to ensure our operations would run optimally,” said Wollschlager. “We developed a strategic automation plan that projected our infrastructure needs for the next 10-15 years and would support our vision and core business needs.”

“Our strategy was to leverage a solution that would integrate claims, policy administration, and data analysis all on a single browser-based platform. This integrated platform would help us transition from a process-based operational approach to a more decision-optimized model,” said Wollschlager.

#### Streamlining claims administration

With CIRMA's growth, the organization experienced a significant increase in claims volume – growing from approximately 12,000 claims a year to over 22,000. Optimizing efficiency of claims processing was a key priority and the first phase of CIRMA's strategic automation plan.

“

Using iVOS, we've completely re-engineered our business processes and embedded best practices throughout our operations. The system enables us to assess our total risk picture and create an integrated infrastructure for optimal efficiency and member services. ”

“We had a 25-year old legacy system,” said Bruce Clinger, vice president of claims. “It wasn’t user-friendly and it lacked contemporary claims-handling capabilities, so our operation was hindered by manual processes. The previous system also created problems in data reliability and operated in isolation, so we couldn’t use it to effectively share information across our organization.”

iVOS enabled CIRMA to consolidate 10 lines of insurance, as well as related claims functions, such as subrogation recovery and document imaging. As a result, the system streamlined workflow and helped CIRMA to keep its administrative expense ratio at 13.6 percent, which is very low compared to the industry average. For CIRMA members, this means a greater percentage of their premium dollars goes to paying for actual claims and value-added services, rather than administrative overhead.

#### Providing stewardship reports

“Our risk management department doesn’t have direct authority over our members, so we rely solely on a sense of partnership to achieve common goals and mutually desirable outcomes,” said David Demchak, vice president of risk management. “Toward this end, we empower members with knowledge and know-how to help them control their own risks and losses.”

CIRMA provides members with monthly operational reports, which provide a comprehensive summary of loss trends and a breakdown of claims activity by type and department. Additionally, CIRMA generates stewardship reports, which outline a tailored risk-control plan to reduce claims and recommend specific risk-control services and training sessions offered by CIRMA.

Previously, these reports were generated through a manual, paper-based process. Using iVOS, CIRMA

now offers online access to operational reports, and has automated the generation and distribution of stewardship reports – which has significantly helped to not only streamline the process, but also build awareness of each member’s program performance.

“iVOS aids in providing our members with vital data they need to improve community safety and create savings,” said Wollschlager. “Members risk control efforts have had positive results. Frequency and severity of claims have declined in both our workers’ compensation and LAP pools.”

#### Integrating policy for a holistic approach

“Our vision requires a holistic approach to integrate and automate operations,” said Wollschlager. “The next step in the plan was to incorporate underwriting and policy administration as part of our one-system approach. Previously, this was a separate process, which utilized multiple systems supported by spreadsheet-based procedures to underwrite our member policies.”

CIRMA first implemented the Policy Administration Module in its workers’ compensation pool, where rates are based on member payroll and a unique experience modification factor. With the integrated platform, collecting and auditing member payroll is now seamless, as the data is electronically uploaded into the system. iVOS pulls together real-time claims and policy information for actuarial reports. With the iVOS rating engine, CIRMA automatically computes each member’s experience modification factor and calculates appropriate premiums.

“From a management perspective, our actuarial reports provide real-time risk intelligence to effectively manage our book of business,” said Steven Bixler, vice president of underwriting, marketing and member relations at CIRMA.

“We replaced multiple archaic policy systems, which relied heavily on labor-intensive processes. As a result, our underwriting staff is now able to focus on the complexity of the underwriting process, rather than manual procedures. This platform also allows us to optimize member programs, retention, and market growth, as well as meet our financial objectives,” said Bixler.

“In the final phase, we implemented the iVOS Policy Module in our LAP pool,” said Wollschlager. “As a result, the objectives of our strategic automation plan have now been achieved. We have a complete 360 view of our business and improved data analysis and reporting capabilities to enhance decision-making throughout our organization.”

“Using iVOS, we’ve completely re-engineered our business processes and embedded best practices throughout our operations. The system enables us to assess our total risk picture and create an integrated infrastructure for optimal efficiency and member services. This is a tremendous value to our organization and our members,” said Wollschlager.

#### Member services into the future

CIRMA now approaches its 30th anniversary of providing successful service to public entities, quite an accomplishment considering the changes in Connecticut, the turmoil in the insurance industry, and the growing complexity of coverage concerns. The success enjoyed by CIRMA in this volatile market has been the direct result of the organization staying true to its vision to serve member needs, and its decision to leverage iVOS to support core business needs and a holistic automation strategy – now and into the future. ❏

FOR MORE INFORMATION

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