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Why you should read this guide?

In order to help organization's lower their total cost of risk, insurance and risk professionals need to be able to instantaneously cross-examine their risk and insurance data. However, many organizations struggle to achieve this goal, spending valuable time manually manipulating and consolidating their enterprise-wide data. This is often at the expense of being able to add real value to their organizations by, helping reduce losses and proactively manage and mitigate risks.

This guide looks to provide a valuable insight into how a risk management information system (RMIS) can help your organization and, specifically:

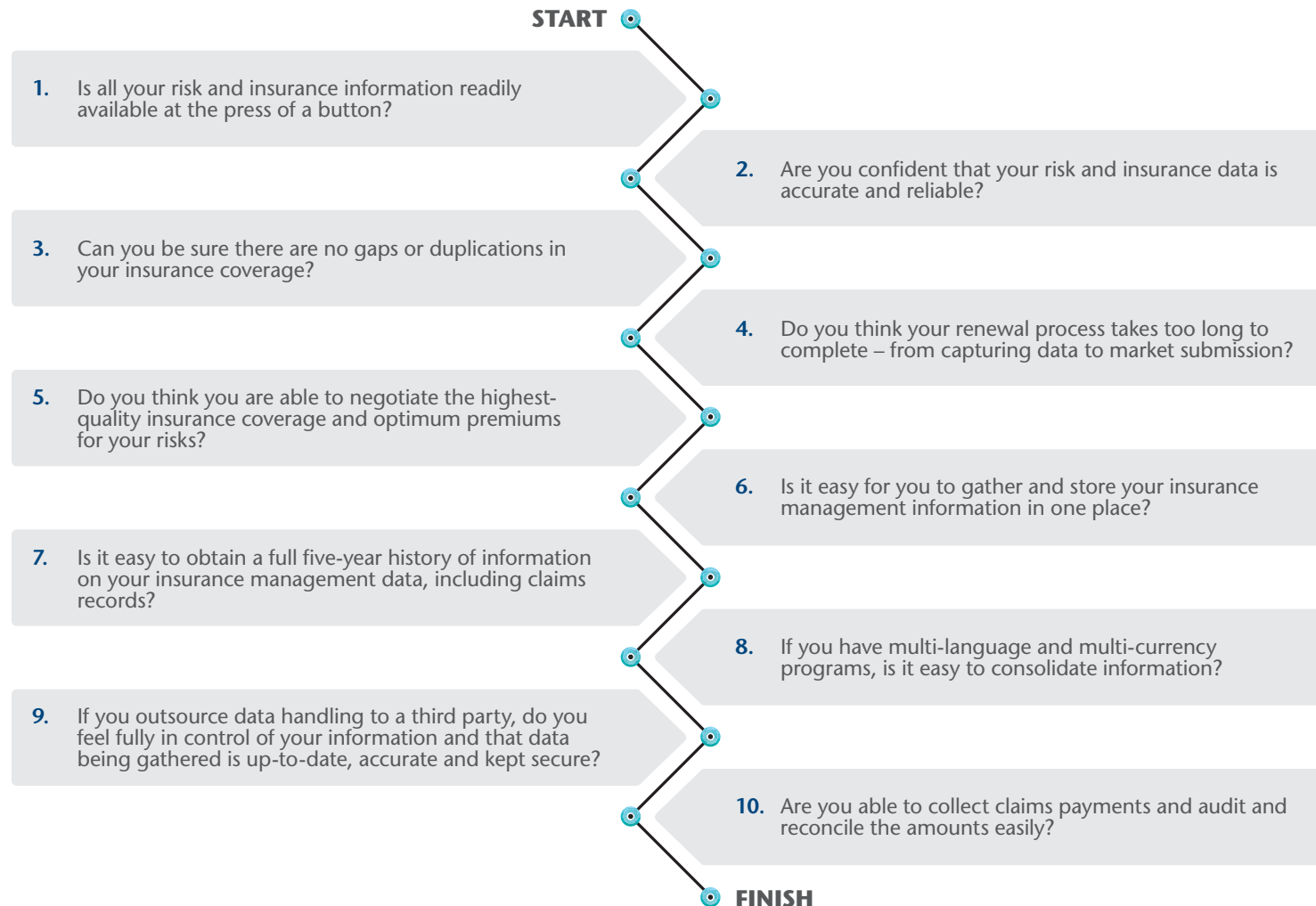
1. Demonstrates what types of businesses use a RMIS (page 06).
2. Explains what a RMIS does and the value it brings (pages 04 and 05).
3. Find out if you really need a RMIS (page 03).
4. Develop the business case for investing in a RMIS (page 20).
5. And, discover what steps you should take to purchase one (page 28).

The guide is also packed with client testimonials, insights from industry research, and practical worksheets to determine if your organization needs a RMIS and the value it can provide.

We hope this guide will be a useful resource whether you're investing in a RMIS for the first time or re-evaluating your current supplier.

Determine if you need a Risk Management Information System (RMIS)

Unsure if you need a RMIS? Simply answer the following questions with a 'yes' or 'no' and find out if you should consider investing in a RMIS.



YOUR RESULTS

The majority of your answers were a no

You need to act quickly and seriously consider purchasing a RMIS as a priority.

The majority of your answers were a yes

It sounds like you are in control of your risk management information and probably already have a RMIS that does the job.

If you have an equal amount of yeses and nos

It looks like you are often annoyed by weaknesses in your risk management information process. Now is a good time to think seriously about a RMIS that can help overcome some of your frustrations.



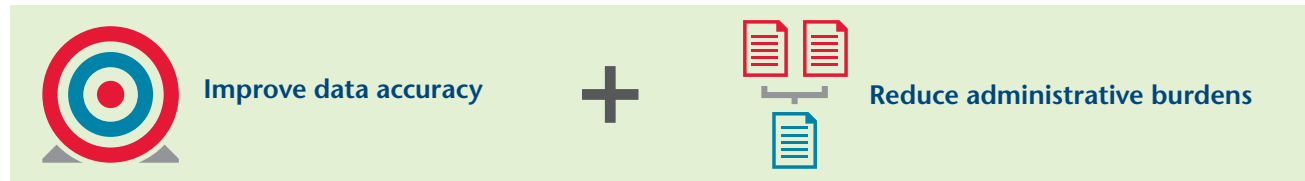
DID YOU KNOW?

Typically an underwriter will use up to 56 data points to price an individual asset.

What is a RMIS and how can it help me?

The short answer is...

...a RMIS is a technology system that enables you to capture, manage and analyze all your organization's risk and insurance data in a single, secure system. Using a RMIS, organizations like yours, can improve department efficiencies and generate savings on your total cost of risk. But, a RMIS and the expert support behind it, offers much, much more. A RMIS helps you to:



Although data accuracy will always rely on people, a RMIS can help in the following ways:

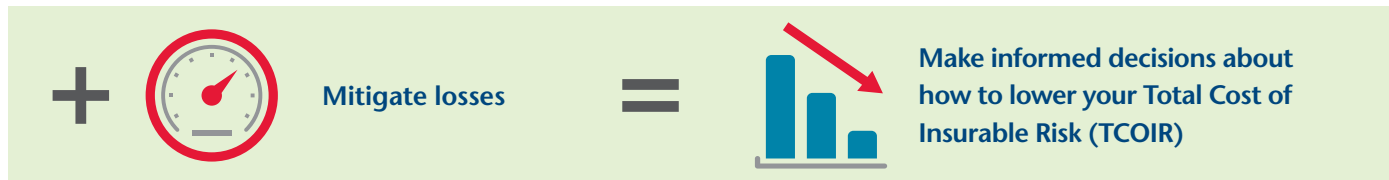
- Automatically highlighting to users, at the point of entry, values that may contain errors.
- Ensuring consistent synchronization of data from multiple sources.
- Providing context help for users.
- Building adaptive questionnaires, forms, and interfaces that ask users for relevant data only.
- Specifying field constraints (for example, drop-down options), mandatory fields, defaults, and other validation logic.
- Post data-entry cleaning and automatic validation against business rules.

A RMIS helps you to automate many manual processes such as:

- Data consolidation and validation against business rules. This includes transforming data into a single currency and language for reporting purposes.
- Data imports from existing systems, such as third-party administrator systems or insurance carriers, data processing and data exports, and ERP and HR Systems.
- Alerts and escalations, such as email notifications when a claim reaches a certain threshold.
- Populating pre-built reports and dashboards.
- And distributing information to stakeholders, allocating premiums to business units and invoicing and tracking payments from insurers.



What is a RMIS and how can it help me?



A RMIS will enable data to be entered from across your organization into a single system, literally anytime and anywhere. So you'll have a live view of all your risks and exposures and the ability to:

- Spot trends and potential losses quickly so corrective measures can be put in place.
- Alert stakeholders about potential exposures.
- Proactively manage and mitigate your risks.

One of the biggest benefits of a RMIS is the ability to build interactive reports that organize and interpret all your risk and insurance data.

The result is a snapshot view that will enable:

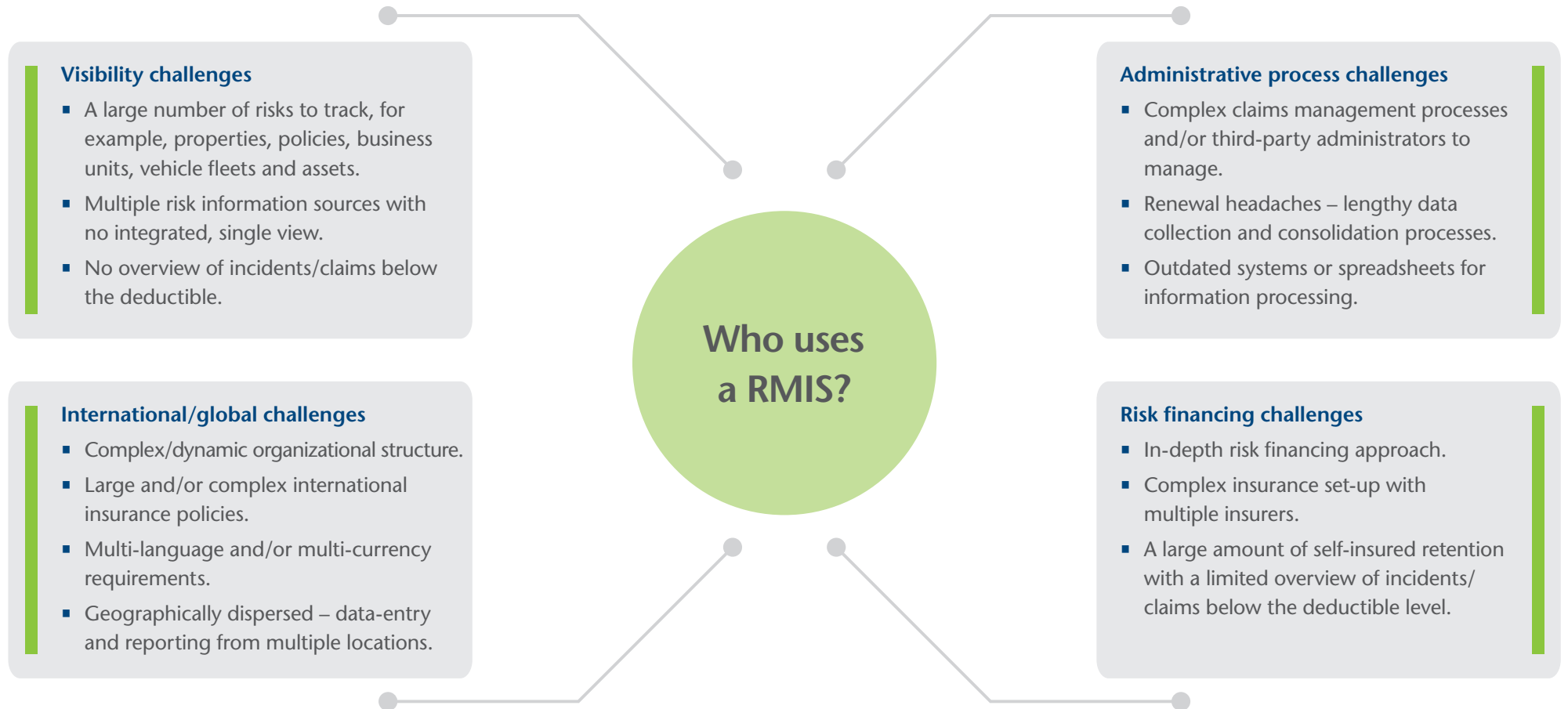
- Better strategic decision-making and allocation of financial and human capital.
- Actively promote safety and loss control and, deliver a consistent risk culture.
- Optimise risk transfer costs.
- Better manage retained risks and captive management.
- Measure progress towards risk management goals.

“The improvement of the entire process, permitted by RiskConsole, is quantifiable in a 15% improvement in the number of claims closed within a reasonable time.”

PARMALAT

Who uses a RMIS?

A RMIS isn't suitable for all businesses. Typically, businesses using a RMIS, like Aon's RiskConsole, have one or more of the following characteristics:

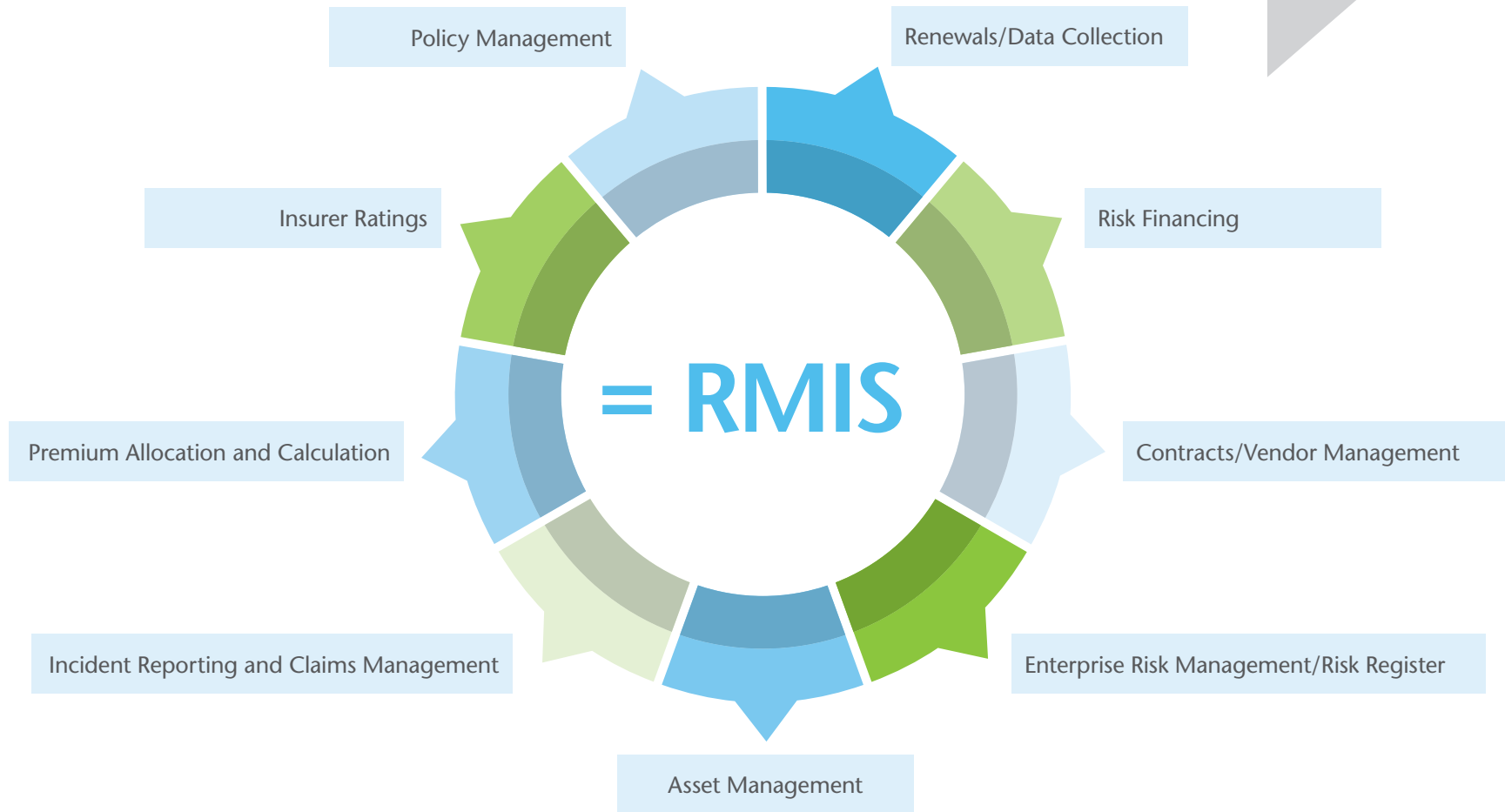


The Definitive Guide to a Risk Management Information System

What does a RMIS do?

If you think a RMIS is just a claims management system, think again. That's only the start of what it does.

Here are some of the more popular uses:



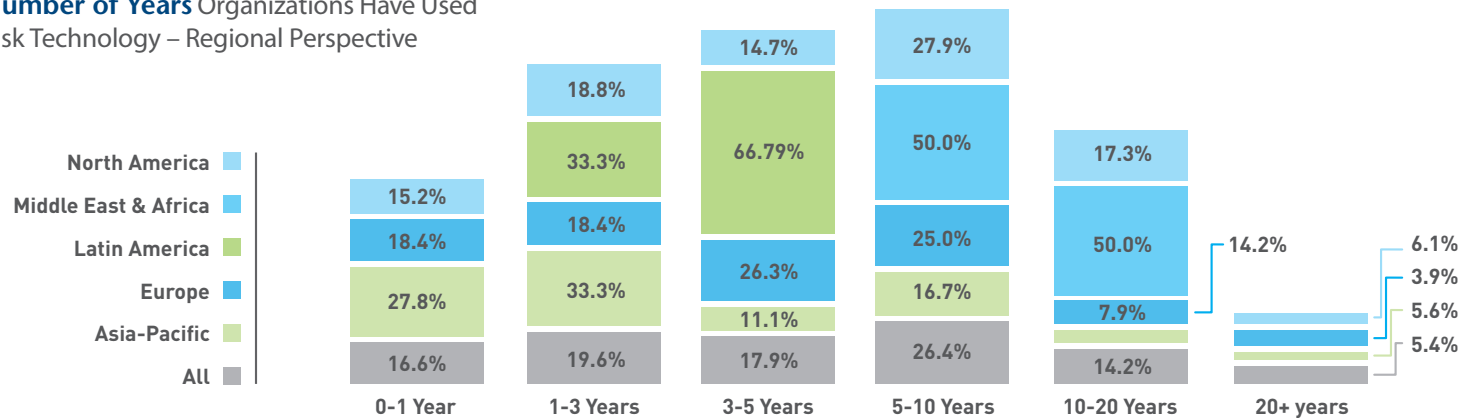
“ We were immediately struck by the completeness of the system and the possibilities it would offer Corio. ”
CORIO

For information about the capabilities of the modules listed above and other features, please go to pages 10-14.

Why are organizations now investing in a RMIS?

Risk Management Information Systems have been around for more than 40 years, yet according to Aon's Global Risk Technology Survey, the majority of organizations have only really been benefiting from them for less than 10 years.

Number of Years Organizations Have Used Risk Technology – Regional Perspective



So, why now? Risk Management Information Systems are back on the priority list for many organizations for these key reasons:

1. Increased focus on risk management from the board.
2. Compliance, the economy and increased occurrence of natural catastrophes.
3. More data being managed and analyzed by fewer staff.
4. Brand reputation.
5. Expanding responsibilities of today's risk manager.

Why are organizations now investing in a RMIS?

In focus at board level

Risk management has moved up the corporate agenda to become a board level concern. The pressure to produce timely reports, which show a true picture of risks and exposures, is more intense than ever. Yet, risk managers struggle to deliver the goods, with data tied up in disparate, manually-based systems that are hard to pull together.

Stricter governance and regulations and more uncertainty

We live in a more litigious age where governance and regulations are more intense. Incident rates are also on the rise in the face of more natural catastrophes and a growing population. Furthermore, an unsteady economy magnifies the cost of mistakes.



More data than ever before

Whatever volumes of risk and insurance data your business produces, a RMIS keeps them under control. You can merge, analyze and share information about insurance, risks, where your assets and employees are based around the world, and events that may impact them.

Expanding responsibilities

The professional risk manager's role has expanded from assistant to the corporate treasurer back in the 1960s, to include business continuity, compliance, corporate governance, auditing and so on today. The extra responsibilities put pressure on the risk manager, which means he or she is turning to technology as a facilitator, to help speed up processes and aid decision making.

Brand reputation

Nowadays, complex global supply chains and an internet-spawned 24-hour news cycle fuelled by social media have posed additional challenges for companies to manage risks related to their reputation and brand. While some consider damage to reputation a risk in its own right, others may consider it as a consequence of other risks. Either way, it is clear that all risks may impact or be impacted by damage to reputation.

RMIS functionality

As well as the functionality you'd expect, such as claims management, today a RMIS provides a wide range of functionality as standard.

What is most important, however, is that your RMIS provider can build the system to match your processes, vocabulary, people and evolving business needs, while also improving efficiencies and delivering best practices.

The list below is not exhaustive, but provides an indication of the most popular features you should expect from your preferred RMIS provider. The functionality section is divided into three parts; modules, features and beyond the system.

Modules

This section provides a snapshot of the most popular modules and a list of other modules worth considering.

Features

This section covers features such as workflow, security, hosting, reporting and mapping, mobility and integration.




Beyond the system

This section provides an overview of the services you should be looking to receive.

RMIS functionality – modules

 Incident Reporting and Claims Management	 Renewals/Data Collection	 Premium Allocation and Calculation
<p>What it does:</p> <p>Provides a complete picture of all your incidents and types of claims activity. This enables root cause analysis, control of third party claims administrators and reduced claims leakage.</p>	<p>What it does:</p> <p>A central repository for collecting, validating and cross-examining all your organization's value collections, ready for your annual renewal process and market submission.</p>	<p>What it does:</p> <p>Provides a consistent, automated methodology to calculate, allocate and monitor premiums across business units based on claims severity, likelihood, impact, and risk mitigation measures.</p>
<p>Benefits:</p> <ul style="list-style-type: none">Tracks trends and identifies patterns of risk so you can take proactive steps to reduce them.Allows for additional information to be captured at the time of the incident, for example, attaching image files.Identifies lags between claims and settlements so you can manage cash-flow more effectively.Gives accurate information on claims below your deductible level so you can reserve the right level of funds to cover them.Handles multi-currency claims to provide a single view of all claims.	<p>Benefits:</p> <ul style="list-style-type: none">Time savings generated from automating questionnaire distribution and follow up and, data validation and consolidation.More comprehensive and accurate data values through dynamic questionnaires, input options, and context setting and tooltips.Collects data into one secure system that is available online anywhere and anytime.Enables more time to be spent on high-value activities.	<p>Benefits:</p> <ul style="list-style-type: none">Enables you to allocate premiums based on pre-defined criteria per line of business, including bonus-malus allocations.Allows for premium calculation including tax tracking.Transparency and compliance due to data being available for previous allocations.Allows you to review previous years' activities as part of your premium allocation process.Allows for 'what if' scenarios so you can communicate potential premium reductions based on performance.

RMIS functionality – modules

 Asset Management	 Policy Management	 Contracts/ Vendor Management
<p>What it does: Provides you with consistent and updatable information on all your physical assets and, overlays your assets and exposures with insurance data, natural catastrophe and political information.</p>	<p>What it does: Allows you to get to grips with all your insurance policies, including local, fronting and global, to provide full transparency, helping you to avoid duplication or gaps.</p>	<p>What it does: Collate and manage legal and risk related contracts from draft through to renewals. These may range from contracts with principals, agents, vendors, service providers to subcontractor contracts.</p>
<p>Benefits:</p> <ul style="list-style-type: none">▪ Allows you to prioritise recommendations, ensuring risk management budgets are spent on key areas of risk improvement and assess their impact on premium levels.▪ Enables you to track multiple loss estimates.▪ Enables you to group assets by territory, so you can fine-tune your understanding of high and low risk locations.▪ Avoiding over or under insuring with accurate property values and the right sums insured	<p>Benefits:</p> <ul style="list-style-type: none">▪ Saves you the cost of over insurance and prevents the risk of under insurance.▪ Gives a detailed view of local policies so you can ensure that mandatory country-specific cover is in place.▪ Ensures consistency for different lines of coverage, for example, so country operations work to the same limits of coverage.▪ Helps you manage loss ratio reporting more efficiently.▪ Enables you to move from paper-based policy management to storing records and documents electronically that are easy to access and audit.	<p>Benefits:</p> <ul style="list-style-type: none">▪ Rates and monitors the performance of your suppliers, contractors and sub-contractors.▪ Enables a clear view of your responsibilities and dependencies with external providers.▪ Provides the ability to upload and store drafts, contracts or extracts of contracts.▪ Saves time, by linking with information stored in other modules including insurance certificate management, budget, and invoicing mechanisms.



Enterprise Risk Management/ Risk Register

What it does:

Enables you to log, map and manage your risks and share information with your organization's auditors, health and safety and other departments in order to assess your appetite for, and response to risks.

Benefits:

- Simplifies and automates the way you identify and update your risks.
- Measures whether controls to reduce risks are being implemented and are effective.
- Weights your risks globally according to specific measures such as turnover, so you can understand the relationship between business activities and the risks they carry.



Risk Financing

What it does:

Allows the policy record to show the claims costs split by participating insurers and reinsurers, and layers and, shows the relevant loss ratios, including real time erosion of policy limits and aggregate.

Benefits:

- Provides a global view to track aggregate erosion of funds for your retention, as well as insured limits and aggregates.
- Enables easy statements of outstanding recoveries by insurer as well as detailed loss ratio analysis .
- Enables you to look at total premiums paid to the market per programme and how they have been impacted by claims, so you can budget your retention more accurately.
- Displays information graphically so it is easy to understand.
- Helps captive insurance companies ensure compliance with Solvency II capital requirements.



Insurer Ratings

What it does:

Rates the financial strength of your risk carriers using leading credit rating agencies, Standard & Poor's and AM Best.

Benefits:

- Ability to be proactive when insurer ratings change.
- Understand exposures across the entire transferred portfolio in terms of insurer credit rating stability, enabling more effective insurance buying and spread of exposure.
- Helps improve compliance with governance, control and transparency.
- Facilitates risk transfer strategies to manage counter-party credit risk exposures.

RMIS functionality – other modules

As well as meeting your needs today, it's worth ensuring additional modules are also available. These should include:

Product Module

Mitigating losses through supply chain tracking

Litigation Management

Managing and tracking legal actions

Environmental Module

Certifying your property portfolios' environmental compliance

Contract Management

Driving consistency in the management of contracts

Clinical Trials/Certificates

Insurance for pharmaceutical trials and issuing of certificates

Employee Module

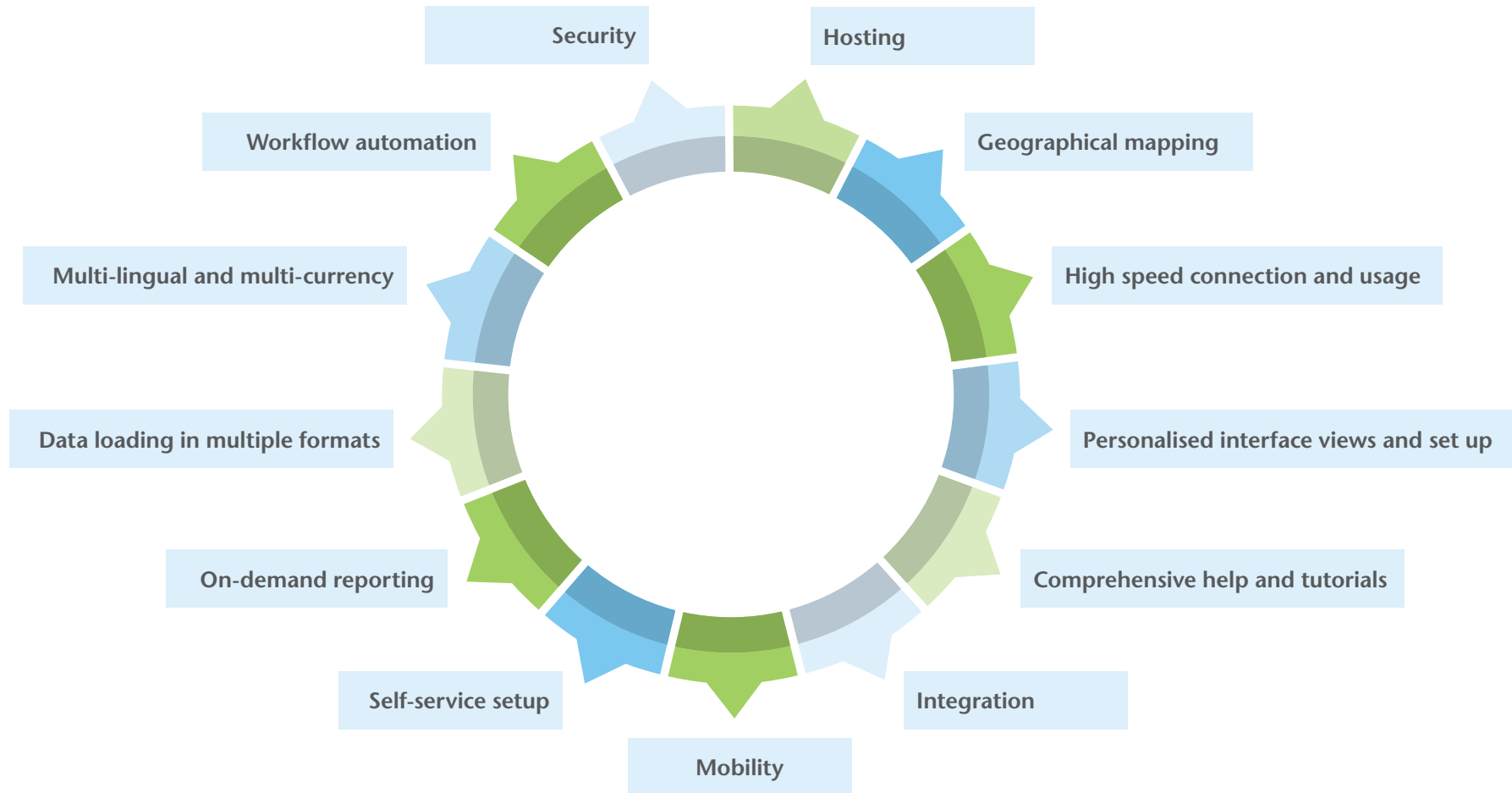
Linking your employees to assets and other modules

“ Looking to the future, we know there is so much more that we can do with the system. RiskConsole has delivered flexibility, dependability and peace of mind. ”

TRANSLINK

RMIS functionality – features

Here are some additional features worth considering when investing in a Risk Management Information System.



Risk reporting and mapping

Reporting and analytics give the ability to transform all your data into easy to read and interactive charts and graphs that aid decision making. All vendors provide some level of in-built reporting and mapping, but the depth and ease-of-use will vary greatly.

Standard templates

A library of reports at your fingertips, including premium loss ratio, property banding report, top 10 causes, internal benchmarking, point-to-point comparison, property and asset maps, loss triangles, and premium movement.

Self-service dashboard building

Effortlessly create literally any dashboard or report you need.

Interactive reports

Fully interactive reports allow you to view data from an enterprise wide level to a specific element, risk and exposure. This will enable you to quickly interpret data, establish root causes and play out different scenarios.

Offline reports with full functionality

Enabling viewers to have the flexibility to investigate and control the data, without being online or connected.

Mapping

Overlay your property and asset risks with NATCAT and political upheaval information to add context to your exposures and territories.

Mobile access

All your reports should be accessible on tablets and smartphones. In addition, you should have the capability to build additional reports while on the move.

Workflow and distribution

The ability to define workflows and, automatically schedule and distribute reports, in a wide range of formats.

“ With information now compiled and housed in one central location, we can run a broad array of risk management reports. ”

STARWOOD HOTELS & RESORTS



The Definitive Guide to a Risk Management Information System

Access when you're on the move

Anywhere/anytime computing is now the norm. Even laptops are too cumbersome for many field-based activities. Organizations now view tablet PCs as serious business tools. With RMIS functionality available on tablets you immediately improve speed and accuracy when you gather source data.

- Information can be captured and communicated quickly.
- Entering data directly on a tablet reduces the paperwork, error rate and time it takes to input information manually when you're back in the office.
- Capturing data, reports, diagrams and photos on mobile devices helps speed up claims management and processing.
- Mobile devices make meetings and presentations easier with all the information you need at your fingertips.



Beyond the system and RMIS functionality

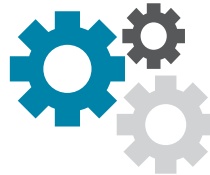
Although many Risk Management Information Systems boast all the technology bells and whistles, you'll always need to partner with people you can get along with. Also, when you consider a RMIS, you should ensure it comes from a provider who demonstrates both technology and insurance expertise.



Sales

The review and selection process is critical. Your preferred supplier should be able to demonstrate the following attributes as a minimum:

- Understand your needs and challenges.
- Show you how the system can help overcome your challenges.
- Strong communication skills and, ability to knowledgeably discuss risk management.



Implementations

Appropriate processes and methodologies that are flexible and have evolved with experience to ensure you're:

- Comfortable with the system and receive appropriate training for all your users.
- Provided with best practice advice that speeds up deployment times.
- Kept up-to-date with progress.
- Achieving your KPIs and expectations are being met.

“Aon eSolutions was very good at explaining and demonstrating the system, and we're now beginning to see the results of all this hard work.”

CORIO

Beyond the system and RMIS functionality



Support

Helpdesk support should be provided by experienced insurance and technology specialists who can answer the majority of your queries immediately. Consider:

- Local support in your local language.
- 24/7 availability.
- Multiple ways to contact support, including telephone, email and an online portal.



Account Management

Ongoing and dedicated support from a partner that keeps you up to date with:

- Regular meetings.
- New product updates and functionality enhancements.
- Proactively suggest how you can gain extra cost and efficiency savings.
- Networking and idea-sharing events with other RMIS users across a range of industries, such as webinars and conferences.
- Best practices and lessons learned from dealing with other customers.

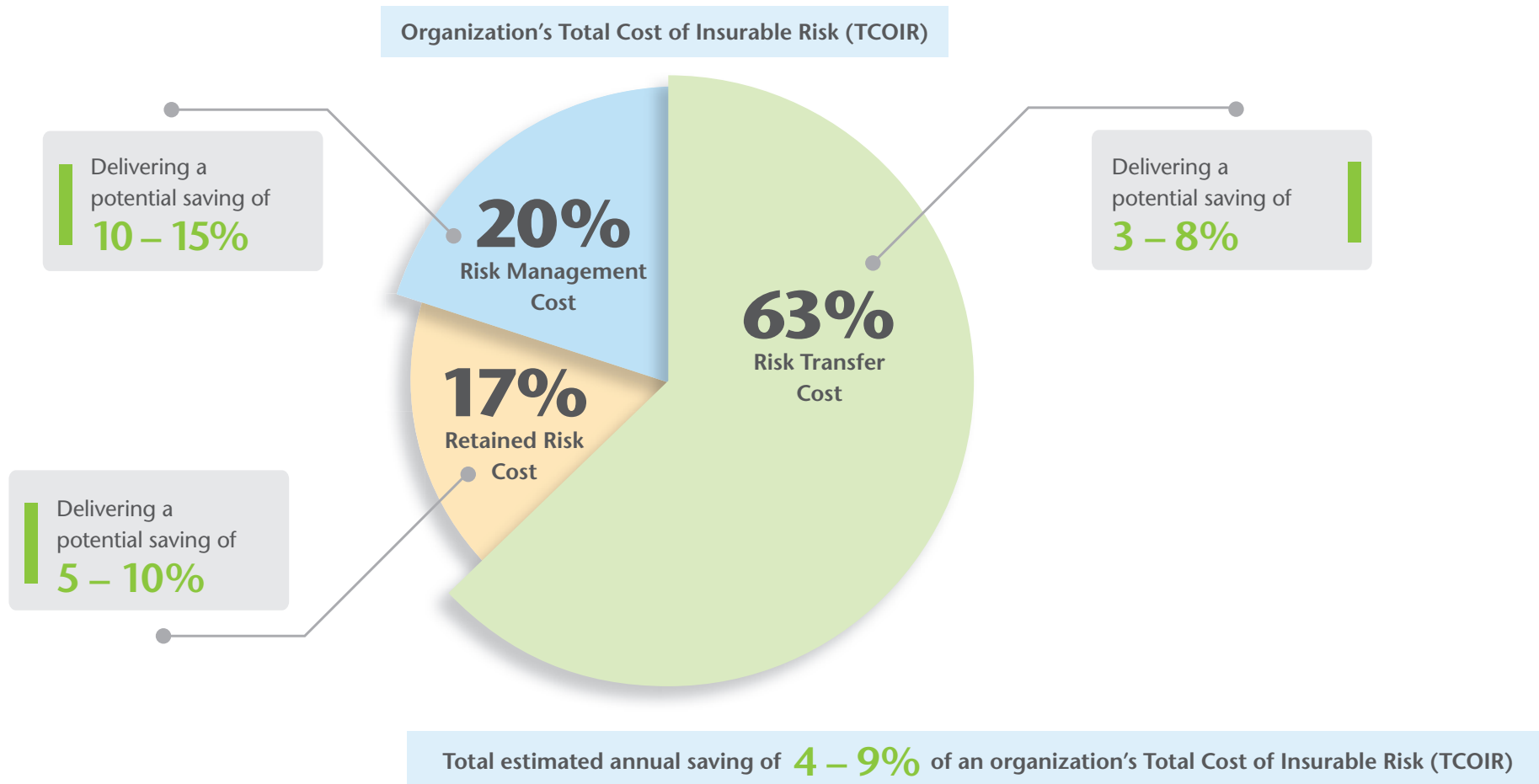
“Everyone has been very willing to help us to accomplish what we want. The team at eSolutions has been flexible and understands our requirements, meaning that RiskConsole has been configured to meet our specific needs. We couldn't ask for more.”

HEINZ

ROI in focus

As well as the key benefits listed on pages 04 and 05, to ensure projects get off the ground any system purchase relies on being able to show measurable cost savings.

Based on industry standards, Aon's own research and other sources, a RMIS can provide potential savings on insurable risk expenditure in three main areas:



Calculate your own potential ROI

To help you work out the types of savings your organization could generate from a RMIS, Aon eSolutions has developed an interactive ROI calculator. Simply visit www.aon-esolutions.com/calculate and modify the amounts you currently spend on insurable risk, to show your estimated annual savings.



The Definitive Guide to a Risk Management Information System

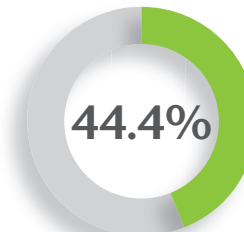
Our survey said...

The results from Aon's Global Risk Technology Survey showed some interesting facts and figures gleaned from over 400 risk and insurance professionals. The report is available for download at www.aon-esolutions.com/GRTS. Below are some of the savings that participants highlighted.

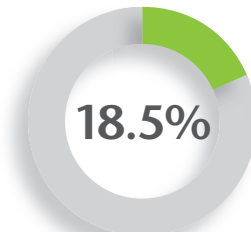
Survey of 400 risk and insurance professionals



Risk transfer cost savings from risk technology tools

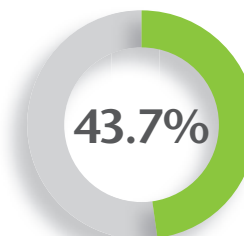


1 – 10% reduction

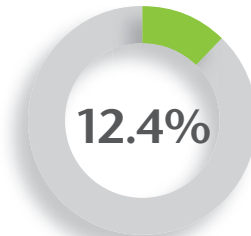


over 10% reduction

Risk Retention cost savings from Risk Technology tools



1 – 10% reduction



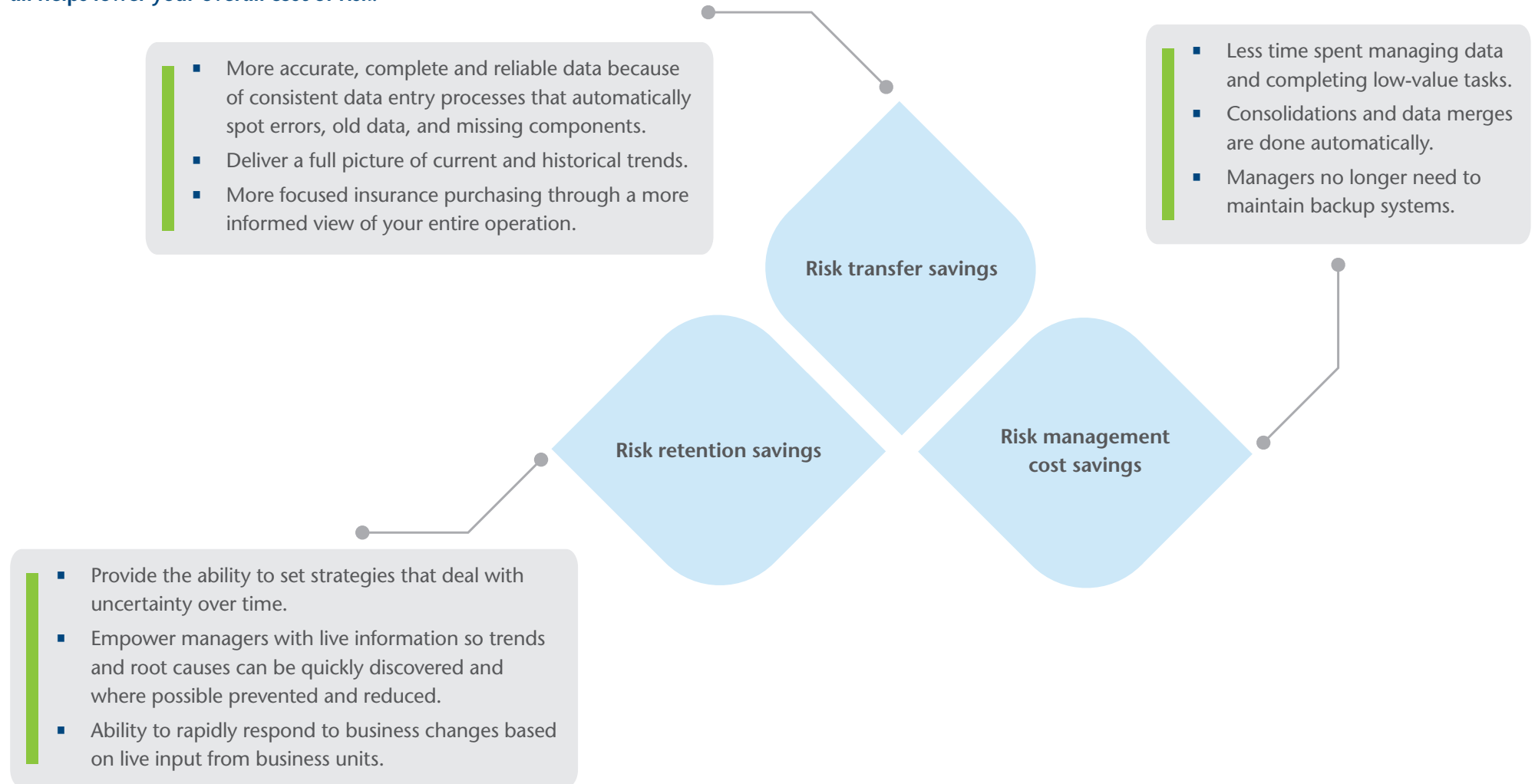
over 10% reduction



A small percentage of participants (3.7%) showed an increase in TCOIR. Typically, this is due to gaps in cover that need to be financed or by uncovering previously unknown costs.

How does a RMIS deliver ROI savings

A RMIS provides you with a broad view of all your risks and exposures so you can make informed decisions that drive short-term profit and increase long-term organizational value. Furthermore, by providing you with more accurate and reliable data, you will be empowered to make decisions on what risks to retain or transfer, risk-retention strategies and how to effectively transfer risk, which all helps lower your overall cost of risk.



Gaining internal approval

Okay, you know you need a RMIS and you've worked out your return on investment. Now you need to convince your organization's decision-makers to give the go-ahead. Here are the compelling arguments:

Chief Finance Officers

A RMIS will help you keep your organization's stakeholders happy by reducing costs, improving profit margins to grow the business in both the short and long term.



Chief Information Officers and IT directors

A RMIS delivers a rapid return on investment, requires clearly identified (and relatively limited) input from the IT department during implementation, and comes with full support. Furthermore, the system is fully accredited and offers the highest levels of security, including; encryption, central password controls and data protection.



Gaining internal approval

Procurement departments

During the 'Six steps to purchasing a RMIS' (see page 28), you will have established the credentials of your RMIS provider that should satisfy their requirements. This will enable you to provide information and financials about the supplier and how they can deliver the best results for your organization by combining strengths, ideas and actions.



System users

A RMIS will simplify and speed up the tasks you have to complete, such as collecting data, building reports and delivering them to management. This frees up your time to focus on more value added activities and improve motivation by removing time consuming manual processes.



RMIS evaluation criteria

As well as ensuring your preferred RMIS provider speaks your language, you'll need to assess the usability of the system. Set out below are some considerations to help you evaluate systems and suppliers.

Features and functionality

Probably the most important criteria to evaluate as you consider different RMIS providers. Make sure you focus on your key differentiators first and they have the right functionality to fit your specific requirements.

Sample considerations:

- Provides a broad selection of modules to cater for current and future needs.
- Provides flexible reporting tools, in-built templates, ad-hoc reports and automated report distribution facilities.
- Ability to automate processes.
- Provides customised interface views.

Technology

It is important to ensure you are buying into a forward looking technology that has a planned roadmap. Furthermore, ensure the RMIS provider will continue to develop, enhance, and improve the product.

Sample considerations:

- Ability to interface/interoperate with existing systems.
- Operates on preferred operating environment and hardware, including tablets and mobile devices.
- Access control of data (read, write, delete, copy) at the file level by user and user group provided.
- Provides best-quality data security and hosting, backed with accreditation.

The RMIS supplier/vendor

Ensure the RMIS supplier has a good track record of delivering these types of systems and has a good credit and financial rating.

Sample considerations:

- Insurance and technology expertise.
- Consistent financial position over the last three years.
- Years in business and age of product.
- Number of new clients in the last 24 months.
- Number of system/product developers currently employed by the supplier.

RMIS evaluation criteria

Implementation

Make sure the supplier has experience with the industry that you are in and the type of system set up and functionality you require.

Sample considerations:

- Implementation follows a standard methodology
- Training in functional use and system administration provided.
- Training provided at: customer site(s) and supplier site(s).
- Multi-language training and training materials provided, as required.
- Location of customer service employees (in relation to client): same country, different country.

Maintenance & Support

You can expect 24/7 support and you should also evaluate system upgrade entitlements. Furthermore, planned maintenance should typically occur outside normal business hours.

Sample considerations:

- Range of ways to contact support, including; telephone, online portal and email.
- Telephone service provided: xx hours per day, x days per week.
- Guaranteed response times and defined SLAs.
- On-site expertise available

Total Cost of Ownership

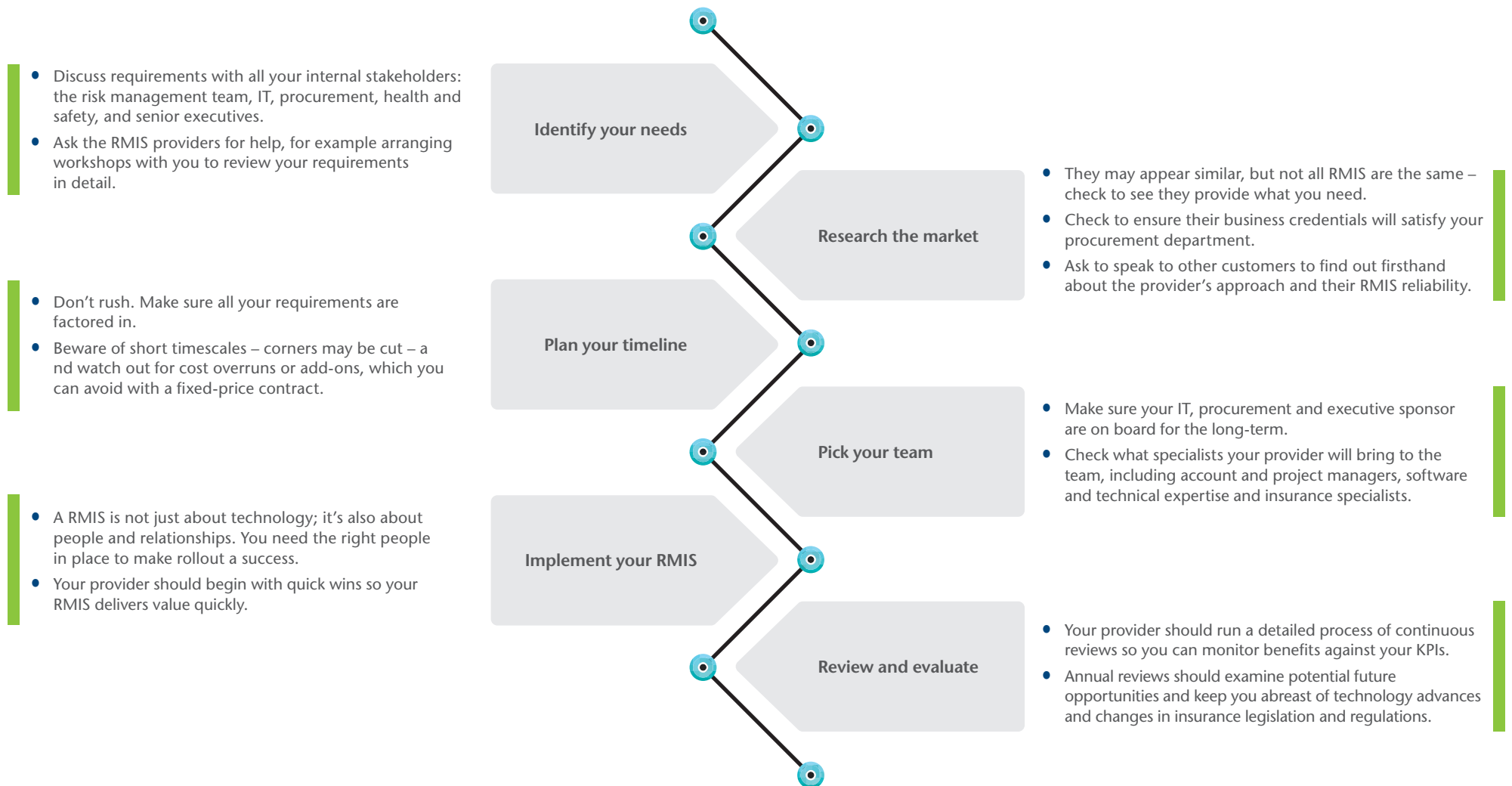
You need to consider the total cost of ownership of the Risk Management Information System over the first five years. Focus on user licenses, software maintenance, and implementation services.

Sample considerations:

- All costs are included in the pricing; recurring annual costs, training costs, upgrade costs, implementation support costs, customisations costs user licenses, training materials etc.
- Pricing structure for follow-up training provided.
- Pricing arrangements available.

Six steps to purchasing your RMIS

Follow these 'six steps' to identify whether you need a RMIS, what you want it to do, who to buy it from and how to implement it:



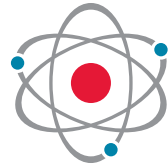
Why Aon eSolutions for your RMIS?

When you select Aon eSolutions, you benefit from our proven record of partnering with some 700 clients in 40 countries to meet needs just like yours. We are experienced in working with clients from a broad range of industries and sectors. From generating immediate cost savings to developing a comprehensive risk-data strategy, our focus goes way beyond system features and functionalities.



Success Matters

Each of our disciplines – sales, professional services, IT and account management – is coordinated and aligned for the sole purpose of meeting client objectives. From the very beginning, we want your active engagement to insure your success.



Clarity & Efficiency

By transforming risk and insurance data into actionable business intelligence, our clients enjoy unsurpassed clarity and efficiency in the decision-making process. Aon eSolutions helps you address key challenges and measure and optimize your total cost of risk.



Experience

There is no substitute for an experienced, proven partner. Aon has been a leading risk management technology provider for 40 years. Today, we remain as committed as ever to continuous improvement, backed with client feedback, to ensure we are providing market leading products and services.

“Using RiskConsole has definitely helped to reduce and manage costs. Not just on direct costs from claims, but allowing the management of claims to be more proactive in managing reserve levels, reporting time and data input.”

TRANSLINK

The Definitive Guide to a Risk Management Information System

A quick recap...

We hope you've enjoyed this guide and that it helps you as you look to invest in a RMIS.

Although any system purchase and implementation can seem like a challenge, especially when you've also got your normal 9 to 5 tasks to complete, we think that with the right RMIS partner it will prove a sound investment and form a critical part of your risk management toolkit.

Given the sheer volume of risk and insurance data you need to collect, manage and analyse, a RMIS can help:

- Reduce administrative burden
- Improve data accuracy
- Aid decision making
- Reduce losses through quicker access to live data
- And, lower your Total Cost of Insurable Risk (TCOIR)

If you would like an informal chat about how Aon and RiskConsole can help your organization, please contact us or visit www.aon-esolutions.com.

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