

[A RISK CONTROL TECHNOLOGIES CASE STUDY]

# RC INSPECTION

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RISK CONTROL TECHNOLOGIES INC. HELPS  
BREATHE NEW LIFE INTO SHELTER INSURANCE  
LOSS CONTROL PROCESSES



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## INTRODUCTION

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Shelter Insurance provides home, life, auto, farm and business insurance through more than 1,400 agents in 14 states. With more than \$3.5 billion in total assets, Shelter has 20 office locations in the United States and a loss control field team of 36 regional underwriting specialists (RUSs) responsible for performing approximately 75,000 inspections per year of locations insured by the company.

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## THE OLD PROCESS

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In 2006, Shelter's management team responsible for the loss control function decided it was time for a change in the way they operated. At the time, the inspection work assignment process was paper-



based, where each of the RUS team members would receive a box of hard-copy work assignments at the beginning of the year which would need to be inspected for the upcoming year. Inspection notes would then be captured in the field on paper forms, which would be transcribed into an Excel spreadsheet and emailed to home office for compilation of a master version. For any risks which required a recommendation letter to be sent to an agent for follow-up with an insured, the RUS would send recommendation letters manually.

Not only was this process extremely manual in nature, with redundant data-entry, it suffered from the following key issues:

1. Due to the paper-based assignment process done at the beginning of the year, data was often out-of-date by the time the RUS was able to perform the site visit. In some cases, this resulted in a RUS showing up on the doorstep of an insured that had moved their policy to another carrier, or worse, one whose policy was cancelled by Shelter. This required the RUS to check for current coverage on the policy administration system prior to scheduling the field inspection.
2. One of the major goals of the site inspection process is to capture and manage risk-improvement recommendations logged by the RUS. Shelter had a mechanism in place for follow-up on the recommendations made during the inspection process, but the process was manual and was not centralized to ensure consistency.

3. Once the data was compiled by the inspection administrator, the data-mining and reporting capabilities of the Excel-based tracking mechanism were limited.

In general, although the Shelter field inspection program was effective in risk mitigation and providing a face to the end customer, it was not fully-optimized to achieve the goals of a loss control department, including:

1. Maximizing efficiency of field reps in order to increase the percentage of the book of business which can be inspected with a finite number of resources.
2. Though the process provided data in a timely manner to underwriters, it was not readily available to other company stakeholders when required.
3. Streamlining the follow-up of risk mitigation activities to improve overall underwriting performance.

In addition to these shortfalls, the loss control program generated masses of paper and unnecessary administrative overhead.

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#### THE SOLUTION

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Shelter selected RC Inspection from Risk Control Technologies as the technology platform on which to streamline its operations. This solution included both a web-based application for use by underwriters, managers and admin staff as well as a tablet-based application for use by the regional underwriting specialists in the field.

“We selected Risk Control Technologies for a number of reasons”, said Terry Tucker, RUS Supervisor at Shelter, “The system is extremely intuitive and easy to use, and the RC Tech team is very helpful and fast to respond to our needs”.

*‘The system is extremely intuitive and easy to use, and the Risk Control Technologies team is very helpful and fast to respond to our needs’*

*-Terry Tucker, RUS Supervisor*

Shelter set out implementing the RC Inspection solution in late 2006, which included an initial 2-month proof of concept phase in order to provide a select group of Shelter users with hands-on experience with the product, configured specifically for Shelter. Once the final decision was made to move forward with the full implementation, the requirements gathering, configuration and integration with the Shelter policy administration system was completed in approximately 6 weeks.

In addition to providing the software solution, Shelter also elected to have the system delivered to their users via a ‘Software as a Service’ (SaaS) model by Risk Control Technologies using its SAS 70 Type II data centre.

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## THE NEW PROCESS

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Using RC Inspection, the Shelter team completely re-engineered their loss control process.

To begin, policies that require inspections are extracted from the Shelter policy administration system to an XML file which is passed to RC Inspection for import. Upon importing the inspection requests, RC Inspection executes a series of inspection assignment rules which have been configured to dispatch inspections to the 36 regional underwriting specialists based on county location.

The Shelter regional underwriting specialists, who primarily work from a home-based office, connect their tablet device to the internet, which 'checks out' and passes any new inspection requests assigned to them from the server to the tablet via a secure remote connection. The data passed to the RUS not only includes basic policy information, but also details of recent policy changes and claims history which may be useful in assisting the RUS with conducting their inspection of the property.



The RUS then utilizes their tablet application (which operates disconnected from the internet in an offline state) to filter, sort and categorize their inspection workload to plan their route.

Once in the field, the regional underwriting specialists use the RC Inspection application on their tablets to:

- Collect data on the risk using the forms configured for Shelter.
- Make assessments of the various risk categories (good/fair/poor) within the form to aid the underwriter in assessing the quality of the risk.
- Enter recommendations relating to the risk either in free form or using the standard recommendation library in the system.
- Take digital photos of the property and upload them to the inspection.

Once connected to the internet, the RUS has the ability to upload all completed inspections to the central server. This process also automates an email notification to the associated underwriter along with the completed report right to their Inbox.

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## THE RESULTS

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Overall, the RC Inspection project for Shelter has proven to be a resounding success, with the Shelter management team realizing a host of benefits, including:

<b>Productivity Benefits</b>	<ul style="list-style-type: none"><li>☑ Using the system, regional underwriting specialists save an average of 6 hours of unproductive time per week. In a single year, this translates to more than 12,000 hours per year for the entire RUS team.</li><li>☑ The RUS administrative support representative saves an additional 100+ hours per year in manual administrative tasks required with the previous Excel-based tracking tool.</li><li>☑ This increase in productivity over the 4+ year period since implementation of RC Inspection amounts to an estimated \$3.3 million.</li></ul>
<b>Supplies Costs Savings</b>	<ul style="list-style-type: none"><li>☑ By abandoning the former paper-based production and storage methods and moving to an online system with electronic data storage, Shelter saves \$20,000-\$30,000 annually in supplies costs. Over the 5 year period that Shelter has been utilizing RC Inspection, this represents an estimated savings of \$100,000-\$150,000 in supplies.</li></ul>
<b>Management Benefits</b>	<ul style="list-style-type: none"><li>☑ The Shelter management team has more tools available to monitor and manage the RUS team. These tools include turnaround time reports, inspection audit logs, quality reports and real-time workload figures.</li></ul>
<b>Data Availability Benefits</b>	<ul style="list-style-type: none"><li>☑ Shelter has been able to better report and mine the data captured in the inspection process to assist in analyzing the overall book of business as well as aid underwriters in making decisions.</li></ul>
<b>Risk Quality Benefits</b>	<ul style="list-style-type: none"><li>☑ By enabling the RUS team to inspect more insured properties, Shelter is able to better mitigate risk and decrease frequency and severity of claims.</li></ul>



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