

RLI Implements URS® Co-Claim

RLI Insurance Company has recently begun saving manual processing time each month, reducing the crunch time prior to month end, and increasing timeliness, efficiency, and accuracy, all as a result of an implementation of the URS Co-Claim module. RLI is a specialty insurance company offering a diversified portfolio of property and casualty coverages and surety bonds serving niche or underserved markets.

RLI considered implementing Co-Claim for some time to aid the reinsurance claim processing of its Surety business. RLI's Surety claim cessions were a manual process due to the unique nature of Surety business in general (i.e., cessions driven by when a loss is discovered versus date of loss) and the structure of RLI's reinsurance treaties specifically (claims aggregated by principal).

"The most significant factor in deciding to pursue the project was the time and effort required each month end to enter our Surety claim cessions," said Kathleen Taylor, Director of Statutory and Reinsurance Accounting at RLI. "Historically, we manually calculated the cessions, which were then entered into URS via DSI entry prior to month end. The entire process averaged several hours to complete. While this process was manageable, it wasn't efficient. The other reason was simply the fact that with any manual process comes the increased opportunity for errors. We saw Co-Claim as a way to lessen this risk, thereby enhancing our internal controls."

At the 2010 StoneRiver Summit client conference in Scottsdale, Arizona, RLI had the opportunity to get a better understanding of what Co-Claim could do, how it worked, and what was necessary to begin an implementation. "Our biggest challenge had absolutely nothing to do with URS or figuring out how to use the

Co-Claim module," said Taylor. "As stated during the Co-Claim session at the Summit, one of the primary challenges can be in defining an occurrence. In our case, we already knew how to define an occurrence, but not all of the necessary fields were being interfaced to DSI and consequently the Loss Databank. We began working internally last December to map the missing field to our interface file and do the appropriate testing."

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The process took several months. After some very smooth testing that began the end of March, RLI went live in early May.

"Co-Claim is very intuitive if you're familiar with URS. The flexibility of the system is also very impressive. Users can define several occurrences using one occurrence definition,

or as in our case, set up a separate definition for each occurrence. Users also have the option to override the data output values assigned automatically by the system. This too was very beneficial because it allowed us to attach the cessions generated by Co-Claim to our existing claims, creating a seamless transition for data users," added Taylor.

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URS also allowed RLI to input the "discovery date" as the date of loss to allow each occurrence to attach to the correct treaty. Since RLI is an Application Outsourcing client, StoneRiver

performed all the behind-the-scenes tasks for them, as well as created a Co-Claim modeling job. "As we have come to expect, the technical expertise and service provided were outstanding," said Taylor.

RLI hit their planned go-live date at the beginning of May. The company continues to monitor the results, but has been very pleased so far. While this project did not completely eliminate the manual intervention for RLI's Surety reinsurance claim processing, it gets them

significantly closer. RLI still determines when a new claim is 'discovered,' what aggregates, and to what treaty it should attach. Once these items have been determined, RLI can set up the occurrence definition in the system and everything else processes automatically from that point on. This implementation saves manual processing time each month, reduces the crunch time prior to month end, and increases timeliness, efficiency, and accuracy.

RLI is already looking at other benefits URS can provide by leveraging the way Co-claim allocates cessions back to the underlying direct claims on the Loss Databank.

About RLI

RLI is a specialty insurance company that has been successful for 45 years. RLI has a diversified portfolio of property and casualty coverages and surety bonds serving "niche" or underserved markets.

RLI operates in all 50 states from office locations across the country.