

# Riskconnect - Former Managing Director Project Solutions at Aon

Interview conducted on November 30, 2022

## Topics

Insurance Ecosystem, Claims Management, Loss Runs, Third-Party Administrators, Consulting Firms, Workers' Compensation, Data Collection

## Summary

A Tegus Client speaks with a former Managing Director Project Solutions at Aon about the insurance space and the different players in the insurance ecosystem, including underwriters, brokers, and the support network for both. The expert provides an overview of their background and experience with the claims process, having been both a client and a broker and managed groups on both sides that handle claims. They discuss the steps in the process of collecting loss runs and quotes from carriers when competing to win new business, and the role of claims managers in overseeing claims. The Tegus Client asks the former Managing Director Project Solutions at Aon about how they deal with multiple carrier log-ins and their different software systems. The expert explains that they use a third-party claims system called Riskconnect, which takes feeds from the carriers and provides a central source for all claims. They also discuss insurance captives and how they reflect monthly impacts on internal books.

## Expert Details

Former Managing Director Project Solutions at Aon leaving in July 2019 The expert can speak to this space as a recent former at Aon.

Former Managing Director Project Solutions at Aon leaving in July 2019. While at Aon the advisor was responsible for overseeing their United States Construction team. The advisor focused his attention to center around being a National resource for the entire United States Construction Team. Prior to that, he ran the West Coast for Project business at Aon. Together with those that worked for him, they grew the Region to the largest and more importantly the most profitable with CSG. Some of the advisor's clients while at Aon included: a port in Washington, Microsoft, Vulcan, a university in CA (10 campuses), Port in CA, Clark Construction, a large percentage of the casino construction in Nevada, etc.

Q: Can you speak to commercial insurance claims and loss runs?

A: Yes, I can speak to this space in great detail.

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## Tegus Client

Thank you for taking the time to speak with me today about insurance space, the different players in the insurance ecosystem, so underwriters and brokers and the support network for both and on the customer side as well. To start off, could you please give me a quick overview of your background and experience with the claims process?

## Former Managing Director Project Solutions at Aon

Right. All right. So I've been both a client and a broker. And I have managed groups, on both sides that handle claims. So technology, coupled with AT&T companies. I was their Risk Manager for Broadband, a very short-lived company, and then AT&T Wireless, prior to the sale to Cingular.

I've been with three general contractors, supporting their risk management and, as you say, claims process. I ran risk at Tutor Perini. And then I'm now with Gilbane, which is a private company, but probably footings of maybe \$6 billion, both on the development side, the building side. And I principally support their development side, which is affordable housing, market housing, student housing, P3 projects and whatnot.

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**Tegus Client**

Okay. From the broker perspective, when you were on that side, how did you collect loss runs? When you were looking for new coverage for the insured, how would you collect the loss runs or any history of claims from the carriers?

**Former Managing Director Project Solutions at Aon**

Well, quite honestly, on the client side, the clients that I've been a part of, we had access into their claims system. And then with Gilbane and with PCL, we took feeds into our own in-house system. Both instances, I believe, it's Riskconnect out of Georgia or at least that's where they were founded from. So we had access to both.

**Tegus Client**

And can you tell me, when you say that you're on the client side and you had access directly to the loss runs from the carriers, what does that mean directly? Were you working with someone in particular who is responsible for that data? Or did you plug in directly to a software system that you could gather the data?

**Former Managing Director Project Solutions at Aon**

Yes. So the answer would be yes. So whether it's into Zurich or Chubb or whoever, there's always a point of contact. But you usually get credentials, as I've got them now, whether it's Zurich's system or Travelers'. But for the most part, if I need to see something else, like I'll go to them and just ask them to take a quick run at it, but I have access as well. So it's always a wounded access into the carriers. You can view, but you can't do anything. The third-party systems that we control, we can go in and put notes and whatnot.

**Tegus Client**

Okay. So let's say that you have a new client that's quite large, and you're looking to compete to win that business. And part of the process that I imagine is going to the various carriers and getting the quotes, and part of that is collecting the loss runs. Can you just tell me, generally, what the steps are in that process for you, how long that typically takes? Were there any bottlenecks, if at all, or if it's generally a pretty smooth process?

**Former Managing Director Project Solutions at Aon**

Yes. So in my brokerage background, I principally sold project-specific insurance. So we have like the University of California system, ten campuses, three medical campuses, a couple of labs. When we introduce them to the concept of having them buy their own insurance for their projects rather than relying on their general contractors to provide that coverage, we gathered the underwriting information as you would expect, principally, it's a dollar-and-cents decision. Who provides the best coverage at the least premium? It might not be the cheapest, but it will be a consideration.

And then for some clients, that would be their only access into a loss run. So they would need access into Chubb's or Zurich's or Liberty Mutual's claims system if they wanted to take a look at claims. Once they bought the project-specific coverage, they would be responsible then for the oversight. The claims management always stays with the carrier, even if it's a large, deductible program. The day-to-day activity always stays with the carrier. What you're doing then is on the client side, providing oversight, providing information that the adjusters might need and whatnot.

**Tegus Client**

Okay. And when you say oversight information that the adjusters might need, could you give me an example of what that type of scenario would be when you come in?

**Former Managing Director Project Solutions at Aon**

You bet. So if I'm on a construction site or a warehouse site, it doesn't really much matter. ABC gets injured, right? And ABC has the 1-800 number. There's usually two or three points of contact.

You're going to tell your supervisor. There might be a claims manager within the company, and you're going

to call the carrier for the first report of injury line. And when you call the carrier, then that first report of injury line, they're going to be the ones that will set up their file and say, "Okay, ABC called in. This is the preliminary information that we got. He's 55 years old. He lives in Texas and whatnot, and he has a broken arm. And we sent him to this clinic, Clinic ABC."

So then the adjuster will then reach back out to the company and say, "Okay, what did ABC do? What was his activities? If he's able, can he come back and do modified duty?" And modified duty means if I was lifting two-by-fours all day long, is there a warehouse job that I can do or some desk activity that doesn't require the mental strain? So then if the company is large enough, if there's a claims manager and the supervisor or the foreman that's over that individual, they will work together to minimize the cost of that claim. And it's not just a financial transaction. That's really for the well-being of the employee as well.

**Tegus Client**

Yes. And when you say claims manager, is that person employed by the construction company when you said like then the foreman works with them? Or is that someone who's with the broker? Or is that someone who's with the carrier?

**Former Managing Director Project Solutions at Aon**

Yes. So some companies are too small to have a claims manager. It will simply be an office manager or a foreman or whatnot. Larger companies will have a claims manager, it might not be 100% of their duty, but it could be. And then the carrier will have the adjuster on it.

**Tegus Client**

Who is the claims manager employed by? I understand it could be multiple entities.

**Former Managing Director Project Solutions at Aon**

Right. Could be three points. And there are claims managers out there that are third parties that that's their business. They'll come in and say, "You're either not big enough or not sophisticated enough. Pay us and we'll provide the oversight to the insurance companies' adjusters."

**Tegus Client**

Okay. And are those folks usually independent contractors? Or are there consulting firms that are just claims management consultants, outsourced consultants?

**Former Managing Director Project Solutions at Aon**

Yes. So it's outsourced claims manager, it's a consulting situation.

**Tegus Client**

Okay. Do you happen to know any of the names of those businesses?

**Former Managing Director Project Solutions at Aon**

I've not ever used them, but I know when you go to RIMS, which is the risk managers' annual conference, there's a number of booths and they're all third-party. There's a lot of third-party administrators. Their names, I think if you just Google claims administrators third party.

**Tegus Client**

Yes. So what percentage of the time for a commercial claim would you say there's a third-party administrator involved?

**Former Managing Director Project Solutions at Aon**

Yes. Large companies, very little unless it's a specialized situation. And so we haven't talked about the lines of coverage. Casualty lines, comp and workers' compensation and general liability. Some of the more esoteric lines like cyber, directors and officers insurance, anything dealing with foreign coverages, you might

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always have a consultant or an attorney whose practice is just watching over and making sure that the claims are handled timely and correctly. But today, the routine, casualty, program, property. Well, even property, if property is a significant loss, you'll have somebody watching over everybody's shoulder.

**Tegus Client**

Okay. Have you ever heard of Groundspeed?

**Former Managing Director Project Solutions at Aon**

No.

**Tegus Client**

Okay. On the client side, you worked with these contractors. How often is it that they would get a claim that actually needs to be run through the entire process? And how long would that typically take for you to manage?

**Former Managing Director Project Solutions at Aon**

Yes. So at PCL, where I was a year ago or so, I ran claim meetings. Some of them were semiannual, some of them were quarterly. And the intent was to make sure that claims didn't get forgotten. And you're asking a question that's impossible because no two claims are alike.

But if it's something that's medical only, or let's go through the process. So it's report only is like ABC might be hurt, and I'm going to just report that the incident happened, but he walked off the job, but who knows if his back is hurt or his arm is hurt or whatever. There's med only, is that on larger sites, somebody probably has a medical kit or if it's a large enough site, there's an EMT on site or a registered nurse.

And again, ABC cuts his hand or something. If it's minor, it can be just handled on site. Med only, it's open and closed. And the third-party administrators, the claims adjusters, that will be minimized charge because again, it's just really just opening and closing it pretty quickly. There's claims that will open and there will be indemnity, which means there's lost time. ABC hurt his back so much that he's going to be out at least four to eight weeks. So he's going to get the workers' compensation benefits in that state, which is usually around 66% of what ABC makes.

And oftentimes somebody might say, "Oh, gosh, I hurt my shoulder." But by the time you're done with them, their back had been injured at some other time, so you have to identify when that injury took place. And there could be a variety of things that pop up.

**Tegus Client**

Yes. And you talked a little bit about the different systems that you used to collect the claims data from carriers. And you mentioned that carriers like Zurich have their own internal systems. Is it typical of the larger carriers to have that kind of homegrown system?

**Former Managing Director Project Solutions at Aon**

Absolutely.

**Tegus Client**

Okay. So then you as a broker or as someone who's internal at the client, do you have a number of log-ins? How are you dealing with all these different carriers and their different homegrown software systems?

**Former Managing Director Project Solutions at Aon**

Yes. So that's why kind of the third-party claims systems probably came into being because like an AT&T Broadband, which was a combination of MediaOne, a Colorado company, that's why I was a part of them; and TCI, which was also a Colorado-based company. I probably had six carrier log-ins.

And I bought the precursor of Riskconnect that was Risk Labs. And I wanted a central source for all claims,

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whether they were property or cyber or general liability, workers' compensation. So that was the gist for that. But in the end, we have our own system in-house, but she went into the carrier's claim system to get what I needed.

**Tegus Client**

Okay. What is your internal system?

**Former Managing Director Project Solutions at Aon**

Riskconnect. That's the third-party system that we buy, and then it takes feeds from the carriers. And I'm not all that attached to it here at Gilbane. But at PCL, we took feeds in once a month and once every three months from some of the carriers.

**Tegus Client**

Can you tell me a little bit more about that? Why would you need to take feeds in so often?

**Former Managing Director Project Solutions at Aon**

Yes. So other nuance for larger companies, and I had them in all of the AT&T and at Tutor Perini and at PCL, and they have one here at Gilbane as well. They're called insurance captives. And that's where the funding goes for the first dollar losses from the company. It's an insurance company, and most of them are principally set up for the benefit of a single client who owns them. So it was just a matter of making sure that the accountants could see that reserves went from \$100,000 to \$102,000 or \$100,000 to \$200,000, if there were monthly impacts that needed to be reflected on the internal books.

**Tegus Client**

Okay. So the larger companies that you've been at, where you're on the client side, they are the ones who have the subscription to Riskconnect, and then that subscription helps you connect to the various carriers. But meanwhile, the carriers have their own homegrown software platforms that are pretty different across the board.

**Former Managing Director Project Solutions at Aon**

Correct.

**Tegus Client**

Okay. Are there ever scenarios where you've encountered a carrier where Riskconnect doesn't connect you directly?

**Former Managing Director Project Solutions at Aon**

No.

**Tegus Client**

They don't have a relationship? Are they connected to software?

**Former Managing Director Project Solutions at Aon**

Their data files, and usually, you get a protocol or whatever the right word is from, say, again, Zurich. And this is their field construction. The first eight characters are going to be the whatever, and the next 40 characters are going to be the description. And so you can bifurcate or you can take the carrier feeds and know where information is. And those specific fields into the right fields in the third-party systems.

**Tegus Client**

Yes. Do you know how much you pay for Riskconnect as a user? Is it like a monthly subscription or annual?

**Former Managing Director Project Solutions at Aon**

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Yes. So it's annual, and we usually buy like a number of user licenses. I know at PCL, I shared somebody's, and at Gilbane, we have such a robust claims team that I just call somebody and ask, so, "Do you know how much it cost?" It's a pretty competitive space. So it would really be kind of with some sliding scale of, how many feeds are going in? How many claims are going to be there? How many do you expect to come in and out through the year? So I don't know that.

**Tegus Client**

Yes. And you say competitive space, are there other companies like Riskconnect out there?

**Former Managing Director Project Solutions at Aon**

There are. The names don't come to mind. Riskconnect came out of Risk Labs, and I was one of the first clients there. So those are the guys that I know the best.

**Tegus Client**

So is that Allianz risklab?

**Former Managing Director Project Solutions at Aon**

Yes. So honestly, I don't know. I believe Risk Labs was bought by first AIG, and then Bob Morrell created Riskconnect, was spun out and he created it. It was more to be an enterprise risk management system, but then they built the modules to do the claims management. I must admit, I don't know who they sold it, too. I don't think Allianz owns it, though. That would surprise me if they bought that.

**Tegus Client**

Okay. I just Googled and saw that Allianz Global, it's a global investment firm. That's not the same thing.

**Former Managing Director Project Solutions at Aon**

Yes.

**Tegus Client**

Yes. Thank you. I really appreciate you taking the time. Bye.

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