Data Management Value Propositions

Data management skills bring tremendous value, affecting the very viability of many aspects of an organization. Read the attached value propositions to learn more about how a disciplined and trained data management professional can help you save money, increase revenue, increase customer satisfaction, and protect one of your business’s most valuable assets – your data.

As you read, keep in mind that what you are reading is not intended to be representative of any particular entity. That is a key value of data management skills – they fit in many places in an organization and are critical skills for professionals to possess. Whether you are an actuary, a claims professional, business analyst, or almost any of the other key functions, knowledge of data management can help you do your job better and help you prepare, understand and protect the raw material—the data—so critical to your organization.

You will find attached a value proposition for:

- **Data Management**

and several data management value propositions targeted to specific audiences and functions:

- **Actuaries**
- **Claims**
- **Compliance/Government Relations**
- **Finance**
- **Information Technology**
- **Marketing**
- **Senior Management**
- **Statistical and Regulatory Reporting**
- **Underwriting**
Data Management Value Proposition

DATA MAY BE THE MOST IMPORTANT RESOURCE OF THE INSURANCE INDUSTRY

Experts have long maintained that data are an important resource that must be carefully managed.

Like all corporate assets, data requires managing to ensure the maximum benefit is achieved by the organization. Corporations that manage their data well can provide enhanced service to their customers, reduce or entirely eliminate re-work costs, and have better information on which to base their decisions, giving them the ability to out-perform their competitors, enhance client satisfaction and enhance share-holder value.

Well-managed data can also aid good corporate governance by providing an organization’s management with a comprehensive and cohesive view of an organization’s activity. If senior managers receive poor data from their operations, how can they properly execute their management role?

As the technology of collecting, storing, and disseminating data has advanced and the demand has accelerated, the importance of data has increased. Companies are increasingly working with clients and suppliers to create integrated supply chain management systems. The same basic trend holds in insurance. Hardly a day goes by without an announcement from an insurer, broker or systems vendor, describing a new ability to share information with other members of the insurance supply chain.

While current technology capabilities make the creation of ‘web services’ fairly simple, there is no point in creating these services if the information shared with clients and suppliers is incorrect. In fact, you may be creating a liability for your organization by disseminating incorrect data.

The true cost of poor data quality is enormous. As bad information moves through a process, the cost of correcting the bad information increases, just as it does in manufacturing, where quality professionals use the phrase 1:10:100 to describe the increasing cost impact of correcting a product as it moves through different stages.

Estimates on the true cost of poor data quality vary; some experts put the cost in the region of $800 billion dollars per year. For an individual corporation, some observers put the cost of bad data at 15 to 20% of operating revenue. Whichever way you choose to measure the cost of bad data, the cost is huge; but in addition to the known cost, there are also the unknown lost opportunity costs that arise from the wasteful use of an organization’s assets.
WHAT IS DATA MANAGEMENT?

The Data Management discipline has grown in response to the demand for organizations to manage their data assets.

The function of a data manager is to ensure that other managers within the business are provided with the information they need to fulfill their role. The role cuts across all areas of an organization from customer through to suppliers, and, in insurance especially, regulatory organizations.

Because of this, data managers need to understand the end-to-end business process and information flow within their organizations. In general, they will be from the ‘business side’ of an organization, rather than from the accounting, actuarial or technology areas within a company, but they will need to understand the roles of all of these areas and their information needs.

Understanding the life cycle of information is an essential pre-requisite for a Data Manager. The data process has three major components:

- Data acquisition and quality assurance
- Data storage
- Data dispersement

The Data Manager manages this overall process to ensure that the data of the enterprise will satisfy the needs of the internal and external users.

How Data Management Adds Value?

The Data Management discipline adds value in several ways:

- **Overall process**
  - Reduces the cost of collecting, storing, and dispersing data
  - Participates in the creation of an enterprise data vision
  - Monitors data quality
  - Provides an additional enterprise communication channel for new products, services, programs, and technologies
  - Provides expertise in process improvement
  - Provides project management expertise
  - Helps to develop and maintain IT systems to support many of the data functions
  - Works with users to provide data specifications for users and IT
  - Acts as an intermediary between business areas and IT on matters of data content

- **Data acquisition and quality assurance**
  - Maintains internal coding instructions, tables, and documentation
  - Maintains external statistical plans and requirement documents
  - Assists data users in defining the data requirements for existing products and new ones
  - Determines data interfaces for acquisitions and new trading partners
  - Manages vendors who provide data services
  - Defines the company standards for acquiring data
  - Defines the data
  - Defines corporate data dictionary content
  - Establishes data quality standards
  - Monitors compliance with the data and data quality standards
  - Monitors compliance with the data and data quality standards
  - Assists industry organizations in defining data standards
  - Assists in populating meta data repositories that store information about data
• **Data storage**
  o Reconciles business and financial data
  o Provides quality controls
  o Provides expertise on the availability and location of data
  o Assists in the creation and population of data warehouses

• **Data dispersion**
  o Develops data specifications for internal and external reporting
  o Develops and maintains data reporting tools
  o Disperses data to internal users
  o Reports data to advisory organizations, research organizations, and regulators
  o Ensures compliance with data reporting laws and regulations
  o Provides analysis of data
  o Protects the privacy and confidentiality of data

**Skills and Expertise of the Data Manager**

The Data Manager possess interdisciplinary skills in creating liaisons between business and technical functions as well as knowledge of insurance business processes and the supporting systems. These skills allow the Data Manager to provide expertise from both the business and IT viewpoint in the following areas:

• Project Management
• Process Modeling
• Data Modeling
• Data Standards
• Data Dictionaries
• Quality Control
• Data Base Administration
• Data Stewardship
• Data Warehousing
• Data Analysis
• Data Governance
• Metadata Management
• Strategic Data Planning
• Data Security
• Internet Technology
• Straight Through Processing
• Customer Relationship Management (CRM)

**Data Management from the IT Perspective**

For many data users within a company, data and technology are essentially the same thing. When a user does not get the expected information, or needs to re-enter information from one system to another, it is usually thought by the user to be a “technology problem.”

The fact is that while they encounter the issue in the context of technology, the underlying problem usually arises from poor data management practices on the business side. The technology infrastructure of most organizations is a mixture of systems and operating environments, created to meet specific goals and developed in a vertical “silo,” with no real thought given to other systems or processes.
Now, with the increasing demand for everything to be connected, to eliminate re-keying, and improve data quality and management information, there is an increasing requirement to align and connect these disparate systems. It is possible to create complex data mapping and translation software, storing the business rules to move and transform information from one system to another. Their existence, though, is a response to the poor practices of the past. This previous bad practice makes all information ‘suspect’ to the business and often leads to parallel systems created to provide ‘the real information’ to the business. Rather than fixing the original problem, they add another layer to the already complex environment.

![Figure 1 - Different systems and process interact with no overall co-ordination](image1)

A comprehensive data management program seeks to align data across the organization, simplifying process, sharing or re-using the same data, and simplifying the technology architecture needed to support the business.

The existing process creates a jumble of connections and information that is difficult for anyone to understand (see figure1). In a well-planned environment, exercising good data management, the same systems and process are connected in a much-simplified environment.

![Figure 2 - Information flow in a well-managed environment](image2)
This approach allows for leveraging a number of useful and flexible technology tools, including XML and application integration brokers. This methodical approach to information and process aids the organization in the simplification of the environment and enhances the organization’s ability to create corporate data warehouses or operational data stores underlying the business’s decision support systems.

The application of a data management discipline allows these overlapping and ‘silooed’ systems to align, and change the fundamental capabilities of the organization’s information:

Figure 3 - Overlapping and 'proprietary' systems impact organization’s data capabilities

Figure 4 - The application of data management discipline fundamentally changes an organization’s data capabilities
Systematic application of a comprehensive data management strategy and process will:

- allow for greater object re-use, both in programming and relational data models, reducing project time and resources while at the same time reducing environment complexity;
- increase system to system communication and reduce the time taken for information to move between business processes; and
- reduce re-work time within any given process based on data alignment.

Data management is a tool that is as essential to the technology organization as the servers and networks used to implement the technology, and can have as great an impact on the success or failure of the organization.
DATA MANAGEMENT VALUE PROPOSITION
VALUE TO ACTUARIES

The value of data to actuaries cannot be overstated. Data Management provides value to the actuaries of an enterprise in the following ways:

Value: **Data Quality**
Good data management improves data:

- **Validity**—Are data represented by acceptable values?
- **Accuracy**—Does the data describe the true underlying situation?
- **Reasonability**—Does the data make sense? How does it compare with similar data from a prior period?
- **Completeness**—Do you have all the data you need?
- **Timeliness**—Are the data current?

Good data management allows the actuary to have more confidence in, and a better understanding of, the data being used. This assists the actuary in his/her professional responsibilities to certify data quality (e.g., Actuarial Standard of Practice 23 on Data Quality).

Value: **Better Decisions**
Better decisions result from better data:

- **Better priced risks**—rates, increased limits, etc.—means an improved bottom line, greater customer satisfaction, improved customer retention, and an increase in number of customers.
- **Documented, controlled data management processes** help to give weight to the assertion of the validity of the data being used. Improving the ability to explain, defend (and testify as necessary) decisions with better support behind the decision.
- **As data availability increases and can be sliced ever more finely, attention to quality, privacy and confidentiality is critical. Data management skills are needed to ensure these concerns are addressed.**
- **When data quality is assured under the guidance of the data manager, the actuary's time is freed up for more focus on core professional responsibilities, decisions and analysis. Involvement of a data management professional allows both disciplines to do what they do best and are best trained to do. And actuaries with an understanding of data management principles will be better able to work cooperatively with data management professionals.**
- **In many cases, skilled data managers can assume functions otherwise handled by actuaries, such as responding to special calls.**
- **Predictive modeling is improved when better data are available, allowing for better existing products and better new product development.**
Value: **Internal Data Coordination**

- Reducing the cost and time associated with data collection, storage, and dispersal, making data available more quickly
- Promoting the interoperability of data and databases, allowing for better data integration thereby giving the actuary more options for how data can be used
- Managing data content and definition across the organization
- Advocating industry and enterprise data standards which ensure consistent definitions and values for enterprise data elements
- Ensuring the quality of the enterprise data and enterprise communication among the various data sources

Value: **Compliance**

- Protects the privacy and confidentiality of the enterprise data.
- Ensures compliance with data reporting laws and regulations.
- Assists in identifying solutions to data reporting issues.
- Provides for better Communication/interface with regulators.
- Creates a non-confrontational mechanism for dialog.
- Represents the company to the regulator and brings back information on regulatory perspectives, allowing for better decision-making
DATA MANAGEMENT VALUE PROPOSITION
VALUE TO CLAIMS

Data Management provides value to the claims organization of an enterprise in the following ways:

Value: **Profitability**

- Works with Operations Management to use data to identify best practices, with emphasis on:
  - Identification of potential fraud situations
  - Meeting or exceeding requirements for reporting, check issuance, and other tasks
  - Vendor management and cost containment
  - Litigation management and cost containment
  - Healthcare management and cost containment
- Mines the organization’s claim-related data to perform benchmarking studies to:
  - Identify units within the organization which produce better results at a lower cost, for best practices development and incentive compensation.
  - Compare the organization to industry data, for best practices studies and marketing.
- Evaluates data from external sources for claims-in-process to be assumed by the organization; assists in tasks required to load it into the organization’s claim system:
  - Eliminates costly manual input of a prior adjudicator’s data.
  - Accelerates adjuster access to financial detail and check issuance capabilities, for timely payment processing to avoid penalties and fines.
- Monitors industry development of data standards; determines their impact on how the claim organization conducts business, and the potential that adoption of standards might have on:
  - Cost containment (by reducing multiple points of data translation and improving data quality), and
  - Market share improvement in a Third Party Administrator (TPA) environment.

Value: **Product Development**

- Participates in preparing responses to RFPs (requests for proposal) by evaluating the potential customer’s data interface and reporting requirements, and by recommending approaches for satisfying any requirements which are new to the organization.
- Defines claim data reports and data files for standard and customized data output products such as loss runs, data interface files and audit files.
- Uses industry knowledge to suggest ways to turn data into revenue-generating products.
- In a TPA environment, assists in converting data into the formats required by external clients in order to gain approval as an “unbundled” claims handling organization.
Value: **Efficiency and Utility**

- Applies industry data standards to claim systems, for both data file formats and metadata, (data field definitions and values), to facilitate system communication throughout the organization, and externally with other organizations.
- Assures maximum ease of interface with internal and external systems, including the ability to insert “plug and play” modules with minimal adverse impact on claims personnel.
- Develops systems specifications for end users and IT support areas for new systems and enhancements to legacy systems which support claim processing.
- Serves as the organization’s data quality champion for all data related to the claims process.
- Serves as the contact point for external trading partners’ questions related to claim data products, data quality, data loads, and similar issues.
- Writes and maintains data dictionaries, data field code tables/descriptions, and data file layout formats for all claim-data related products, both internal and external.
- Supports call centers on questions from internal claim personnel and external clients on inquiries concerning any aspect of claim data.
- Oversees resolution of data quality issues raised by end-users of claim organization data.
- Assists personnel responsible for managing the organization’s processes by defining and producing (via IT) reports measuring compliance with internal and client standards.

Value: **Strategic Planning**

- Works with senior management to define and produce (via IT) reports containing the decision support data required for both strategic and tactical planning.
- Provides information concerning industry trends related to the management of claim adjudication systems and related data, and their potential impact on the strategic direction to be taken by the claims organization and/or the areas of IT supporting that organization.

Value: **Compliance**

- Ensures that the claim system captures all data elements and values required for regulatory and rate agency reporting.
- Works with IT to define and produce regulatory and rate agency claim data reports.
- Supports the organization’s Office of Compliance in meeting data reporting and system requirements for complying with legislative mandates such as HIPAA.
- Supports licensure and bonding requirements by defining and producing (via IT) the requisite data files and/or reports as required.
- Responds to customer and client inquiries about the relationship of the claim data to specific regulatory and rate-agency reporting requirements.
Data Management provides value to the compliance/government relations department of an enterprise in the following ways:

Value: **Data Expertise**
- Provides professional credibility recognized by regulators.
- Helps identify other possible solutions using available data.
- Provides expertise on the availability and location of data.

Value: **Cost Controls**
- Reduces cost of collecting and dispersing data by providing timely and quality data, avoids costs associated with non-compliance.
- Provides expertise in using Internet Technology to collect, store and disperse data.

Value: **Efficiency and Utility**
- Acts as an intermediary between Compliance/Government Relations and external data users.
- Develops data specifications for internal and external reporting.

Value: **Standards**
- Improves the quality of data reported to regulators.
- Reduces the cost of collecting and using data.
- Provides standards for the exchange of data between the industry and regulators.

Value: **Strategic Planning**
- Monitors external activities and reporting requirements for potential adverse impact on the enterprise.
- Evaluates the future enterprise impact of regulatory (as well as other industry) proposals and initiatives.

Value: **Compliance and data quality**
- Protects the privacy and confidentiality of both company and client/provider data.
- Monitors compliance with data and quality standards.
- Ensures compliance with data reporting laws and regulations and thereby avoids added cost for non-compliance.
- Maintains external statistical plans and requirement documents.
- Reports data to advisory organizations, research organizations and regulators.
Value: Education

- Curriculum to educate regulatory staff
- Symposia to educate regulators on data issues
- Newsletters and white papers on data issues
DATA MANAGEMENT VALUE PROPOSITION
VALUE TO FINANCE

Data Management provides value to the finance organization of an enterprise in the following ways:

Value: **Statutory and Financial Accounting/Reporting Data Control and Reconciliation**
- Establishes requirements and controls that ensure accurate statutory reporting, financial (GAAP) reporting, and statistical reporting and ensure that statutory, financial and statistical data are reconcilable.
- Identifies the means to most effectively capture statutory, financial, and statistical data and report that data across systems and applications.
- Directs systems/applications development efforts in support of statutory, financial, and statistical reporting requirements, and ensures that this data can be easily communicated, internally and externally, with minimal translation.
- Identifies and supports development of controls to meet solvency requirements.

Value: **Premium and Loss Transaction Booking**
- Defines and establishes internal data standards and quality controls on premium and loss transaction data.
- Ensures that premium and loss data are reconciled as data passes from system to system or from application to application.
- Defines data exchange criteria that govern interfaces with trading partners (such as Managing General Agents (MGAs), Third Party Administrators (TPAs), insureds, reinsurers, and vendors) to ensure that all monies are reconcilable.
- Establishes requirements and controls on the processing and allocations of taxes and surcharges.

Value: **Control of Collections and Promotion of Customer Satisfaction**
- Establishes controls to ensure that statistical data and collections data is controlled and reconcilable at a producer and an insured level.
- Establishes controls to ensure that collections data can be quickly and easily accessed and reported among vendors, producers, and insureds as appropriate.
- Establishes controls to ensure that receivables and collections are balanced and that payables and payments are balanced.

Value: **Data Collection, Storage, and Dispersal Cost Reduction**
- Defines and maintains the data or links to the data used to monitor and control company expenses.
- Assists in identification of redundant systems, applications, and functions, and the recommendation of consolidations and improvements.
- Maintains data standards that simplify systems or applications communications.
- Reviews and supports development of application projects and software products that produce optimal results in terms of data requirements.
Value: **Strategic Planning**

- Promotes the recognition of data as an asset that requires management to ensure maximum benefit to the organization.
- Defines the data requirements and controls to ensure full accounting of all monies reported and exchanged.
- Promotes the use of industry data standards, and develops company standards and quality controls.
- Assists in identification of requirements to monitor actual performance against plan.

Value: **Compliance**

- Interacts with regulators, workers’ compensation administrators, advisory organizations, research organizations, standards organizations, and other industry groups to ensure that statutory, financial, and statistical reporting and other compliance recommendations are achievable.
- Monitors requirements defined by regulators and specifies means of meeting the requirements.
- Identifies criteria for access of financial systems data and establishes controls on release of data to authorized personnel and the levels of authorization to meet privacy and confidentiality requirements.
DATA MANAGEMENT VALUE PROPOSITION
VALUE TO INFORMATION TECHNOLOGY

Data Management provides value to the Information Technology of an enterprise in the following ways:

Value: **Product Development and Revenue Generation**
- Maintains data management processes and tools that promote speed-to-market of new products and services.
- Enhances customer retention, service and satisfaction through good quality customer data.
- Provides an enterprise communication channel for new products, services, programs and technologies.
- Specifies data needed to support new products.

Value: **Efficiency and Utility**
- Reduces the cost of data collection, storage, and dispersal.
- Reduces system complexity.
- Decreases system to system variations, leading to decreased ‘learning curves’.
- Manages data content and definition across the organization.
- Simplifies data translation and data scrubbing activities for operational data stores / data warehouses.
- Advocates industry and enterprise data standards which ensure consistent definitions and values for enterprise data elements.
- Ensures accurate booking of premium and loss transactions.
- Ensures the quality of the enterprise data.
- Promotes the interoperability of data and databases.

Value: **Strategic Planning**
- Participates in the development of an enterprise data vision and strategy.
- Monitors external activities and reports on potential impact.

Value: **Compliance**
- Protects the privacy and confidentiality of the enterprise data.
- Ensures compliance with data reporting laws and regulations
- Represents the organization to regulators, workers’ compensation administrators, advisory organizations, research organizations, standards organizations and other industry groups.
DATA MANAGEMENT VALUE PROPOSITION
VALUE TO MARKETING

Data Management supports the marketing function within the insurer by enabling insurers to better assess current and potential markets, to better service current customers and to access prospective customers. It helps in the following ways:

Value: **Minimize costs associated with insurance marketing**
- Focus only on your target customers.
- Integrate multiple data sources (business information, insurance profitability) to help accurately reflect market segments.
- Identify optimum markets with established distribution channels by overlaying selected segments to agent territories.
- Properly assess distribution channels costs.

Value: **Analyze new markets and identify new products**
- Provide management with quantifiable assessments of markets and ease their decision process.
- Benchmark internal data to pinpoint areas of company strength and parlay those into new markets.
- Review current market penetrations on an ongoing basis to identify changing business environments.
- Focus on only those segments that are in line with your strategy.
- Enable cross line-of-business analyses.
- Identify profitable areas and design new products to improve services to these areas.

Value: **Improve services for current customers, online shoppers, call center users**
- Facilitate renewals; encourage customer contact pre-renewals with profitable customers.
- Ensure data warehouse and CRM usefulness.
- Ensure quality information available to online shopper/policyholder.
- Develop security to protect data from improper use or transfer.

Value: **Facilitate effective communication with trading partners**
- Assure the quality and consistency of data obtained from trading partners (insurers, agents, producers, Managing General Agents (MGAs), Third Party Administrators (TPAs), brokers, etc.).
- Specify data interfaces between trading partners.

Value: **Gain market share through advertising, online or print**
- Analyze data to compare success of marketing channels/tactics.
- Ensure that data needed to support marketing plan are available and of high quality.
DATA MANAGEMENT VALUE PROPOSITION
VALUE TO SENIOR MANAGEMENT

Data Management provides value to the Senior Managers of an enterprise in the following ways:

Value: **Product Development and Revenue Generation**
- Maintains data management processes and tools that promote speed-to-market of new products and services.
- Enhances customer acquisition, retention, service and satisfaction through good quality customer data.
- Provides an enterprise communication channel for new products, services, programs and technologies.
- Specifies data needed to support new products.
- Maintains the data management processes and tools that support the pricing of insurance products.

Value: **Efficiency and Utility**
- Reduces the cost of data collection, storage, and dispersal.
- Manages data content and definition across the organization.
- Advocates industry and enterprise data standards which ensure consistent definitions and values for enterprise data elements.
- Ensures accurate booking of premium and loss transactions.
- Ensures the quality of the enterprise data.
- Promotes the interoperability of data and databases.

Value: **Strategic Planning**
- Participates in the development of an enterprise data vision and strategy.
- Monitors external activities and reporting on potential impact on enterprise.
- Ensures that the data plan is in sync with business and IT plans.
- Supports data governance
- Has an enterprise view of data management.

Value: **Compliance**
- Protects the privacy and confidentiality of the enterprise data.
- Ensures compliance with data reporting laws and regulations.
- Promotes the organization’s credibility with regulators, workers’ compensation administrators, advisory organizations, research and standards organizations, and other industry groups.
DATA MANAGEMENT VALUE PROPOSITION
VALUE TO STATISTICAL AND REGULATORY REPORTING

While the disciplines of Data Management and Statistical Reporting are closely connected, they are separate functions. Data Management provides value to statistical reporters in the following ways:

Value: **Data Quality**
- Provides tools and techniques to define and document data and data quality standards.
- Makes data and data quality definitions and edits available to all users. — move “makes to the front and then through the use of metadata repositories, “rules engines” and data dictionaries.
- Assists industry organizations in defining data and data quality standards.
- Assists in the creation and population of data warehouses.

Value: **Efficiency and Utility**
- Reduces the cost of data collection, storage, and dispersal
- Reduces system complexity
- Increases data modeling and code documentation and re-use
- Helps with messaging concepts and standards
- Helps with taxonomies and internet access to data and information
- Decreases system-to-system variations, leading to decreased ‘learning curves’
- Manages data content and definition across the organization
- Simplifies data translation activities for operational data stores / data warehouses
- Advocates industry and enterprise data standards which ensure consistent definitions and values for enterprise data elements
- Ensures accurate booking of premium and loss transactions
- Ensures the quality of the enterprise data
- Promotes the interoperability of data and databases

Value: **Strategic Planning**
- Fosters and facilitates the essential task of Enterprise Data Planning.
- Promotes clear communication across functional areas.
- Defines the data required to accomplish strategic business goals.
- Evaluates the future enterprise impact on data of regulatory, industry, and societal trends.
- Promotes the recognition of data as an asset that requires management to ensure maximum benefit to the organization.
- Promotes the use of industry data standards and develops company standards and quality controls.
- Assists in identification of requirements to monitor actual performance against plan.
Value: **Compliance:**

- Ensures compliance with data reporting laws and regulations and thereby avoids added cost for non-compliance.
- Reports data to advisory organizations, research organizations and regulators.
- Monitors compliance with data requirements and standards.
DATA MANAGEMENT VALUE PROPOSITION
VALUE TO UNDERWRITERS

Data Management provides value to underwriters in the following ways:

Value: **Product Development and Revenue Generation**

- Maintains data management processes and tools that promote speed-to-market of new products and services by defining and maintaining the data or links to the data needed by underwriters to research and develop changes to coverages and policy forms, both current and to-be-developed.
- Enhances customer acquisition, retention, service and satisfaction through good quality customer data by defining and maintaining the data or links to the data used by underwriters:
  - In support of Customer Relationship Management (CRM) activities;
  - In the risk selection process;
  - To review results, to identify unprofitable and profitable programs, to identify high risk products, and to initiate changes to correct inefficiencies or improve results within a business unit; and
  - To formulate, enforce and measure underwriting policy and guidelines applicable to individual risks and overall insurance programs.
- Maintains the data management processes and tools that support the pricing of insurance products such as, developing rates for current and future products, evaluating suppliers’/producers’ performance, developing and measuring reinsurance programs, and reviewing and revising rating plans.
- Provides an enterprise communication channel for new products, services, programs and technologies that allows all facets of the organization to evaluate the impact of these changes.
- Specifies data needed to support new products and ensures that these data are accessible in a timely manner.

Value: **Efficiency and Utility**

- Reduces the cost of data collection, storage, and dispersal by:
  - Defining and maintaining the data or links to the data used by underwriters to monitor and control expenses related to policy issuance and servicing, as well as claim handling; and
  - Identifying redundancies in operations and data and recommending improvements.
- Manages data content and definition across the organization.
- Advocates industry and enterprise data standards which ensure consistent definitions and values for enterprise data elements.
- Ensures accurate booking of premium and loss transactions.
- Ensures the quality of the enterprise data.
- Promotes the interoperability of data and databases by defining data exchange criteria that govern interfaces with trading partners, such as Managing General Agents (MGAs), Third Party Administrators (TPAs), insured’s, reinsurers, and vendors.
Value: **Strategic Planning**
- Participates in the development of an enterprise data vision and strategy by:
  - defining and maintaining the data or links to the data used by underwriters to formulate and implement underwriting policy to meet profit and premium volume objectives and to formulate plans to meet company and division objectives.
  - Monitors external activities and reports on potential impact.

Value: **Compliance**
- Protects the privacy and confidentiality of the enterprise data.
- Ensures compliance with data reporting laws and regulations by:
  - Monitoring requirements defined by Data Collection Organizations (DCOs), Departments of Insurance, Proof of Coverage regulations, and other governmental agencies; and
  - Specifying means of meeting these requirements; and
  - Maintaining and/or defining the data used to support underwriting and market conduct audit activities.
- Represents the organization to regulators, workers' compensation administrators, advisory organizations, research organizations, standards organizations and other industry groups.
CONCLUSION

Data Management is a profession that has grown to include many areas: meta-data management, data analysis, data warehousing, business intelligence, data governance, data modeling, etc. How can an insurance data management professional remain connected with these areas as they expand and mature? One way to maintain and develop professionalism in insurance data management is to be a member of IDMA.

Membership in IDMA represents an opportunity for you and your organization to develop one of the insurance industry’s most critical areas — Data Management. Nothing holds the possibility of returning more investment for an organization than proper data management. Yet organizations cannot develop a data management program in a vacuum. Organizations cannot afford to reinvent the wheel. Organizations cannot just hope that “data management happens.”

Data is the resource that provides the foundation for business decisions. Effective data management is essential for ensuring timely and accurate information necessary for these decisions. Additionally, the evolving principles of data management provide the analytical tools necessary for the cost-efficient use of corporate data.

IDMA membership is the most effective way to solve these challenges that all organizations must confront. IDMA provides the insurance industry with a professional forum dedicated to supporting our industry’s data managers and providing educational programs to keep them current on data management issues.

We at IDMA believe that your membership contributes to the health, growth and advancement of the insurance data management profession.

Sincerely,

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