



Survey of External Data Possibilities for Commercial Insurance

2013 CAS Ratemaking and Product Management Seminar

Commitment Beyond Numbers



Robert J. Walling, III

March 12, 2013 5:15pm PT



About the Presenter – Rob Walling

- B.S. Secondary Math Education – Miami University 1987
- Fellow of Casualty Actuarial Society (FCAS)
 - Committee Chair of Ratemaking, ERM and New Fellows
- Principal, Pinnacle Actuarial Resources, Inc.
- Areas of Focus – Captives & Alternative Markets, Regulatory, Commercial Lines Ratemaking and Loss Reserving, Expert Witness, Legislative Cost
- Wife, Anne, and three kids
- Graduate of Miami University
- Lifelong Cincinnati Reds fan



Topics for Discussion

- Internal Data
- Competitive Benchmarking
- Alternatives to Credit/Business Characteristics
- Property
- Commercial Auto
- Professional Liability

Internal Data

Internal Data

- Rating
- Underwriting
 - Cancellation
 - Reinstatement
 - Endorsements
- Agency
- Marketing
- Loss Prevention
- Multiline information (auto, WC, umbrella, broadening endorsements, etc.)
- Affiliations/Associations
- Claims
- Application Information
- Billing Plan
- Payment history

Loss Control/Loss Prevention Opportunities

- Loss Control Surveys
- Social Media/Customer Satisfaction

Loss Control Survey as Scorecard Input

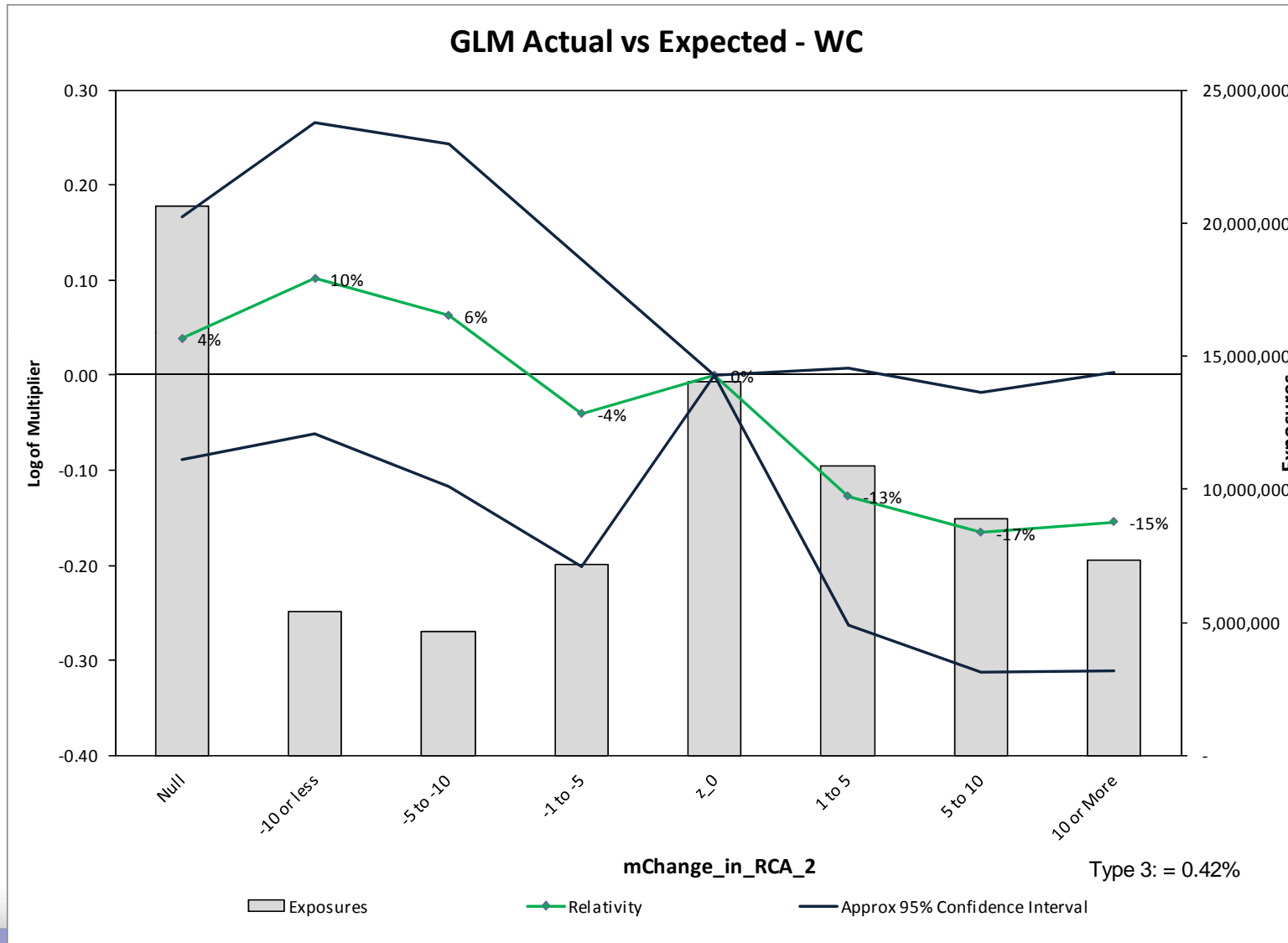
Core Section	Questions	Points	# of N/A
1. Frequency and Severity Trends	3	10	0
2. Loss Prevention Direction	13	41	1
3. Substance Abuse	1	4	
4. Accident Investigation	2	6	0
5. Claims Management	3	12	0
6. Emergency Response	5	11	1
7. Regulatory Compliance	14	21	6
8. Liability	4	7	2
9. Motor Vehicle	4	14	0
10. Ergonomics	4	2	2
TOTALS	53	128	12

Supplemental Section	Applicable Sections	Questions	Points	# of N/A
A. Construction	<input checked="" type="checkbox"/>	20	50	5
B. Distribution	<input type="checkbox"/>	6		
C. Health Care	<input type="checkbox"/>	6		
D. Quarries	<input type="checkbox"/>	12		
E. Service Companies	<input type="checkbox"/>	4		
F. Transportation	<input type="checkbox"/>	7		
TOTALS		20	50	5

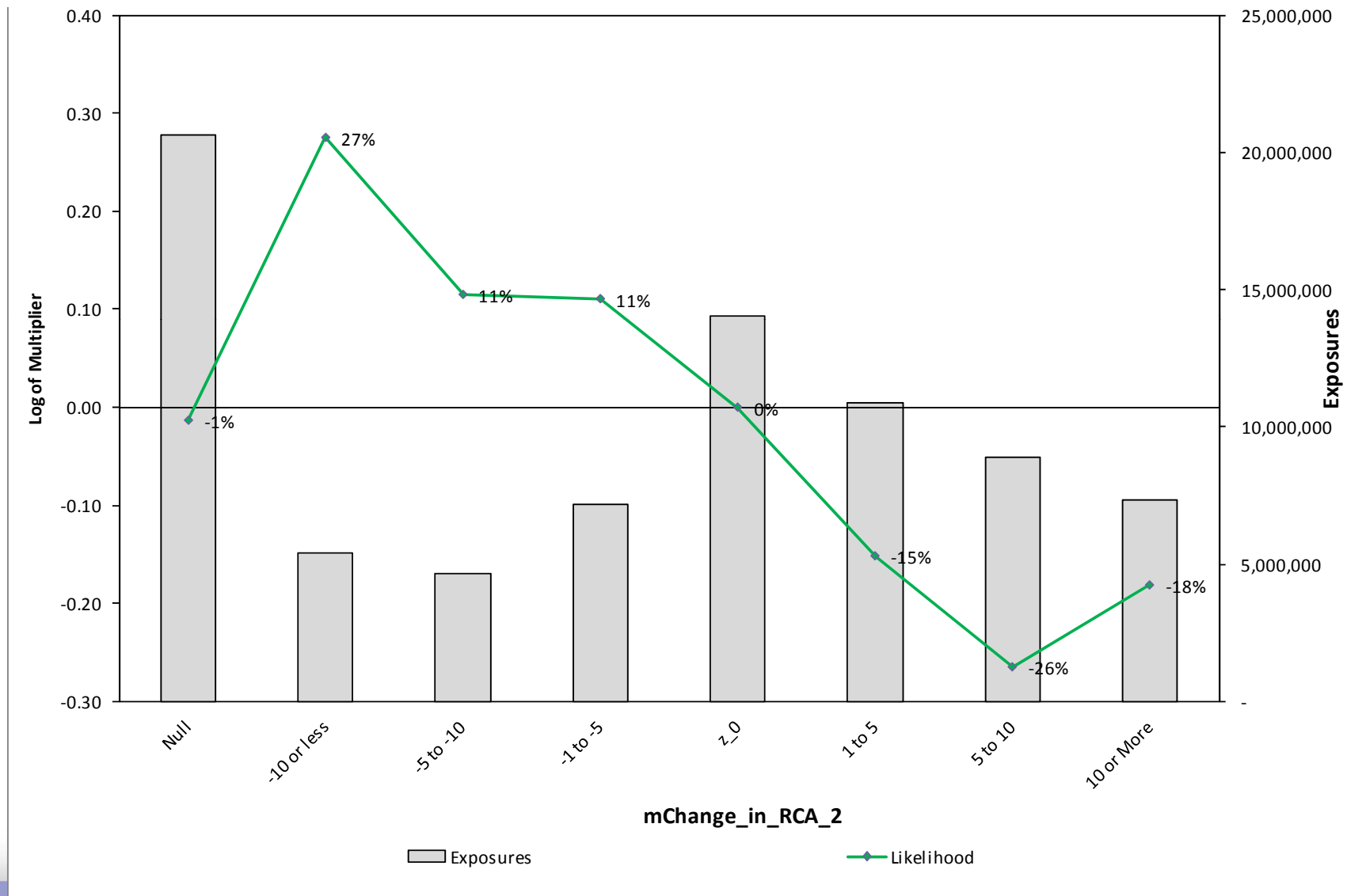
$$\left(\frac{73}{\text{Total Questions (Core \& Supplemental)}} - \frac{17}{\text{\# of N/A}} \right) \times 4 = \frac{224}{\text{Maximum Points}}$$

$$\frac{178}{\text{Total Points (Core \& Supplemental)}} \div \frac{224}{\text{Maximum Points}} = \frac{79}{\text{Final Score}} \%$$

Improvement in Loss Control Survey Score Leads to Better than Expected Losses



Improvement in Loss Control Survey Score Leads to Superior Large Loss Experience



Competitive Benchmarking

Commercial Auto Scorecard Example

Company Rates applicable to Sentinel Insurance Company, LTD only: ✓

Based on the following risk characteristics:

1. MVR Information
2. Average Driver Age
3. Youthful Composition
4. Length of Credit History,
5. Total Number of Trades
6. Percentage of Balance Overdue of All Trades
7. Total Balance of Regular Trades
8. Number of Public Records / Collections
9. Amount of Judgment
10. Average Number of Days Balance Overdue in the Past 3 Months
11. Number of Inquiries in the Past 9 Months
12. Years in Business (when financial information is not available)
13. Industry Classification
14. Percentage of TTT Power Units
15. Prior 3-Year Loss Frequency by Size of Risks
16. Other risk-specific characteristics that are not contemplated above

use the applicable tier factor as a final step prior to rounding to determine the final rates.

Commercial Auto Example - Hartford

Tier	Factor		Tier	Factor		Tier	Factor
1	0.40		18	0.81		35	1.66
2	0.42		19	0.85		36	1.73
3	0.43		20	0.89		37	1.81
4	0.45		21	0.92		38	1.88
5	0.47		22	0.96		39	1.96
6	0.49		23	1.00		40	2.05
7	0.51		24	1.05		41	2.13
8	0.54		25	1.09		42	2.23
9	0.56		26	1.14		43	2.32
10	0.58		27	1.19		44	2.42
11	0.61		28	1.24		45	2.52
12	0.63		29	1.29		46	2.63
13	0.66		30	1.35		47	2.74
14	0.69		31	1.40		48	2.86
15	0.72		32	1.46		49	2.98
16	0.75		33	1.53		50	3.11
17	0.78		34	1.59			

NOTICE THE LIFT!

UNINSURED/UNDERINSURED MOTORISTS Factor is 1.00.

Trucking Example – Great West

C. TIERED RATING

1. Tier is determined at policy inception, renewal or anniversary based on the following characteristics. Number of "power units", length of time insured with company, accident history, age of driver(s), Motor Vehicle Record of driver(s), management safety ranking, and driver retention.

Tiered Rating Multipliers

TIERED RATING MULTIPLIERS									
Tier	Multiplier	Tier	Multiplier	Tier	Multiplier	Tier	Multiplier	Tier	Multiplier
1	0.401	10	0.557	19	0.774	28	1.076	37	1.495
2	0.416	11	0.578	20	0.803	29	1.116	38	1.551
3	0.431	12	0.599	21	0.833	30	1.158	39	1.609
4	0.447	13	0.622	22	0.864	31	1.201	40	1.669
5	0.464	14	0.645	23	0.896	32	1.245	41	1.731
6	0.481	15	0.669	24	0.929	33	1.292	42	1.795
7	0.499	16	0.694	25	0.964	34	1.340	43	1.862
8	0.518	17	0.719	26	1.000	35	1.390	44	1.932
9	0.537	18	0.746	27	1.037	36	1.442	45	2.004

BOP Example - Travelers

Master Pac Tier Rating Factors

Pricing Track	Pricing Factor	Pricing Track	Pricing Factor
1	.52	21	1.14
2	.55	22	1.16
3	.58	23	1.20
4	.61	24	1.25
5	.64	25	1.30
6	.67	26	1.35
7	.70	27	1.40
8	.73	28	1.45
9	.76	29	1.50
10	.79	30	1.60
11	.82	31	1.70
12	.85	32	1.80
13	.88	33	1.90
14	.91	34	2.00
15	.94	35	2.10
16	.97	36	2.25
17	1.00	37	2.40
18	1.03	38	2.55
19	1.06	39	2.70
20	1.10	40	2.85

Sophisticated Model including:

- Claims History
- Years in Business
- Insured Values
- Credit Data
 - Score
 - Additional Factors
- Pay Plan/History
- Many Additional Factors

BOP Scorecard - Farmers

Risk Characteristic Pricing Element	Response	Point Value
Years in Business at this Location	New in Business	5
	Less than 1 Year	4
	1-2 Years	3
	2-3 Years	1
	3-4 Years	0
	4-5 Years	-1
	5-6 Years	-2
	6 Years or More	-3
Responsible for Parking Lot	Yes	2
	No	0
Wiring Year	25 Years or More	4
	20-24 Years	0
	11-19 Years	-2
	10 Years or Less	-4

Underwriting Scorecard - Farmers

Location of Business	Attached to Habitational Structure	10
	Stand-alone Building	3
	Strip Shopping Center	0
	Enclosed Mall	-3
Hours of Operation Open to Public	21-24 Hours	10
	16-20 Hours	5
	12-15 Hours	0
	Less than 12 Hours	-5
Percentage of Sales from Catering Services	Over 10%	10
	1-10%	5
	None	0
Total Percent of Sales from Liquor Sales	More than 20%	5
	1-20%	2
	None	0
Drive Thru	Yes	0
	No	0
Credit Score	All Responses	0

Underwriting Scorecard - Farmers

Debit or Credit Factors

Point Values				Debit or Credit Factors
Over		70	points	1.15
66	to	70	points	1.14
61	to	65	points	1.13
56	to	60	points	1.12
51	to	55	points	1.11
46	to	50	points	1.10
41	to	45	points	1.09
36	to	40	points	1.08
31	to	35	points	1.07

Alternatives to Credit/ Business Characteristics

Insured Characteristics

- Years in Business vs. Year on Risk (Tenure)
- Prior Claims
- Collateral Policies/Endorsements
- Years at Current Premises
- On-Site Owner vs. Absentee
- Payment History (NSF, Cancellation Notice, Reinstatement)
- Type of Company (S-Corp, C Corp, LLC, Sole Proprietor, etc.)

BOP Insured Characteristics Example

SPECTRUM TIERS PROGRAM GUIDELINES

	Super Preferred	Preferred Plus	Preferred	Standard	Non Standard
% Deviation	-40	-25	-15	0	+15
Eligible Program	Contractors	Contractors	Contractors	Contractors	Contractors
Eligible Classes	N/A	*DI-1 and DI-2	*DI-1, DI-2, and DI-3	DI-3 and DI-4 plus any DI-1 and DI-2 that fail to meet criteria of Preferred and Preferred Plus	DI-3 and DI-4 plus any DI-2 and DI-2 that fail to meet criteria of Preferred and Preferred Plus
Minimum Years in Business	N/A	10 or more	5 or more	3 or more	Less than 3
Number of Employees	N/A	10 or more	7 or more	4 or more	Less than 4
Loss Experience per Location (see below note 1)	N/A	No Losses in the current or prior three years	No more than 2 losses in the current and prior three year period	No more than 3 losses in the current and prior three year period	More than 3 losses in the current and prior three year period
Minimum Policy Premium after Application of Deviation	N/A	\$5,000	\$2,500	N/A	N/A

- Desirability index is a company assignment to class based on the historical performance of the class combined with the company's desire to target business in that class. The class codes on the previous page show their respective Desirability Index. Given the severity potential presented by all these class codes, the Super Preferred rate tier is not available.

Years in Business

Point Value Table

Risk Characteristic Pricing Element	Response	Point Value
Years in Business at this Location	New in Business	5
	Less than 1 Year	4
	1-2 Years	3
	2-3 Years	1
	3-4 Years	0
	4-5 Years	-1
	5-6 Years	-2
	6 Years or More	-3

Years in Business + Prior Claims

MASTER PAC RATING TIER VIRGINIA EXCEPTION PAGE

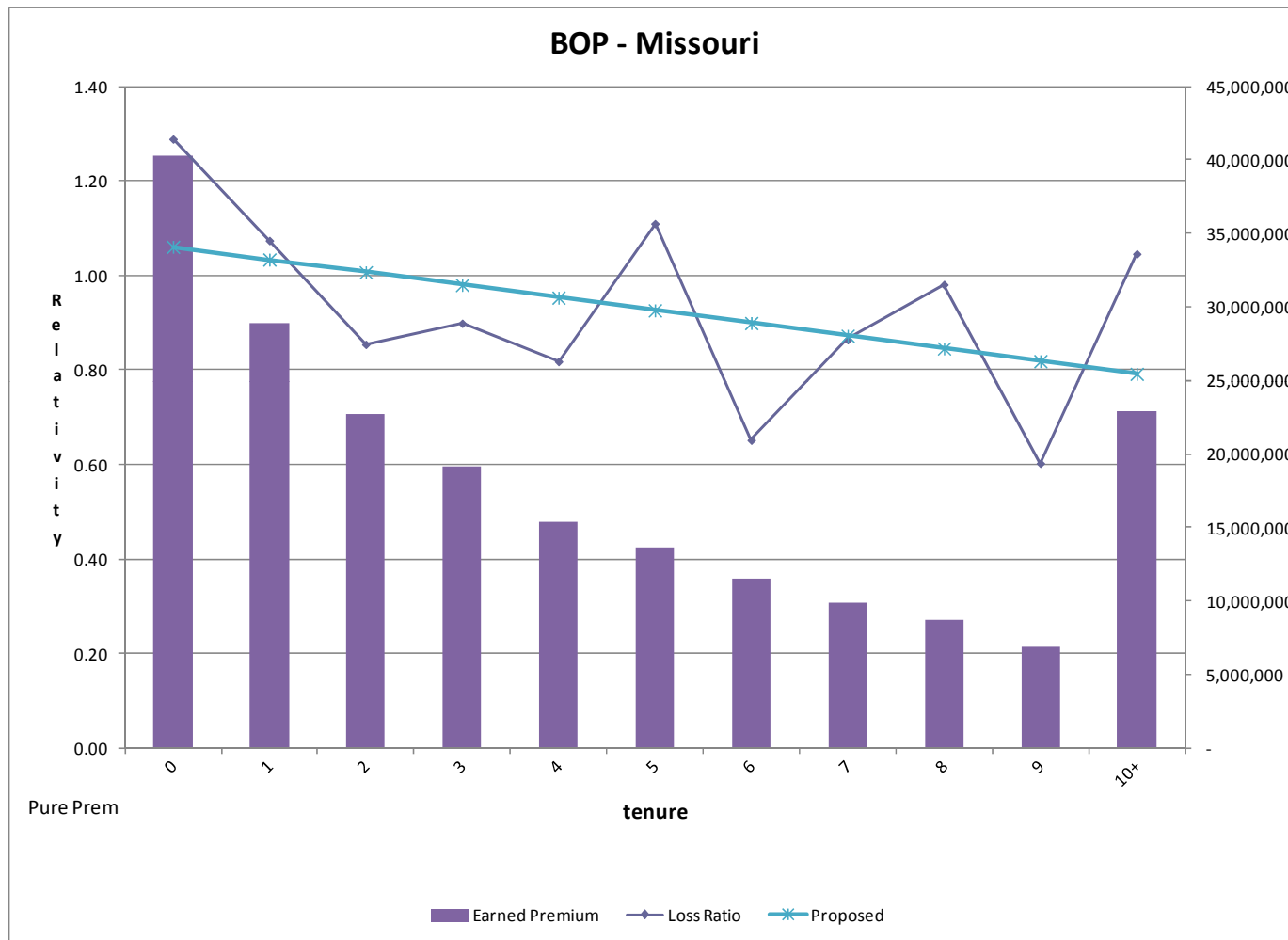
CALCULATE TIER PLACEMENT BY MULTIPLYING - A * B * C.

(A) Number and Size of Losses	
None	0.72
1 loss < \$5,000	1.01
1 loss ≥ \$5,000	1.22
2 losses, each loss < \$5,000	1.40
2 losses, one loss < \$5,000 & one loss ≥ \$5,000	1.56
2 losses, each loss ≥ \$5,000	1.70
3 losses, each loss < \$5,000	1.83
3 losses, two losses < \$5,000 & one loss ≥ \$5,000	1.96
3 losses, one loss < \$5,000 & two losses ≥ \$5,000	2.07
3 losses, each loss ≥ \$5,000	2.18

(B) Years in Business		
Years	No Losses	1 or more losses
0-1 years	1.30	1.12
2-4 years	1.15	1.04
5-15 years	1.00	1.00
16-20 years	0.96	0.96
21+ years	0.90	0.90

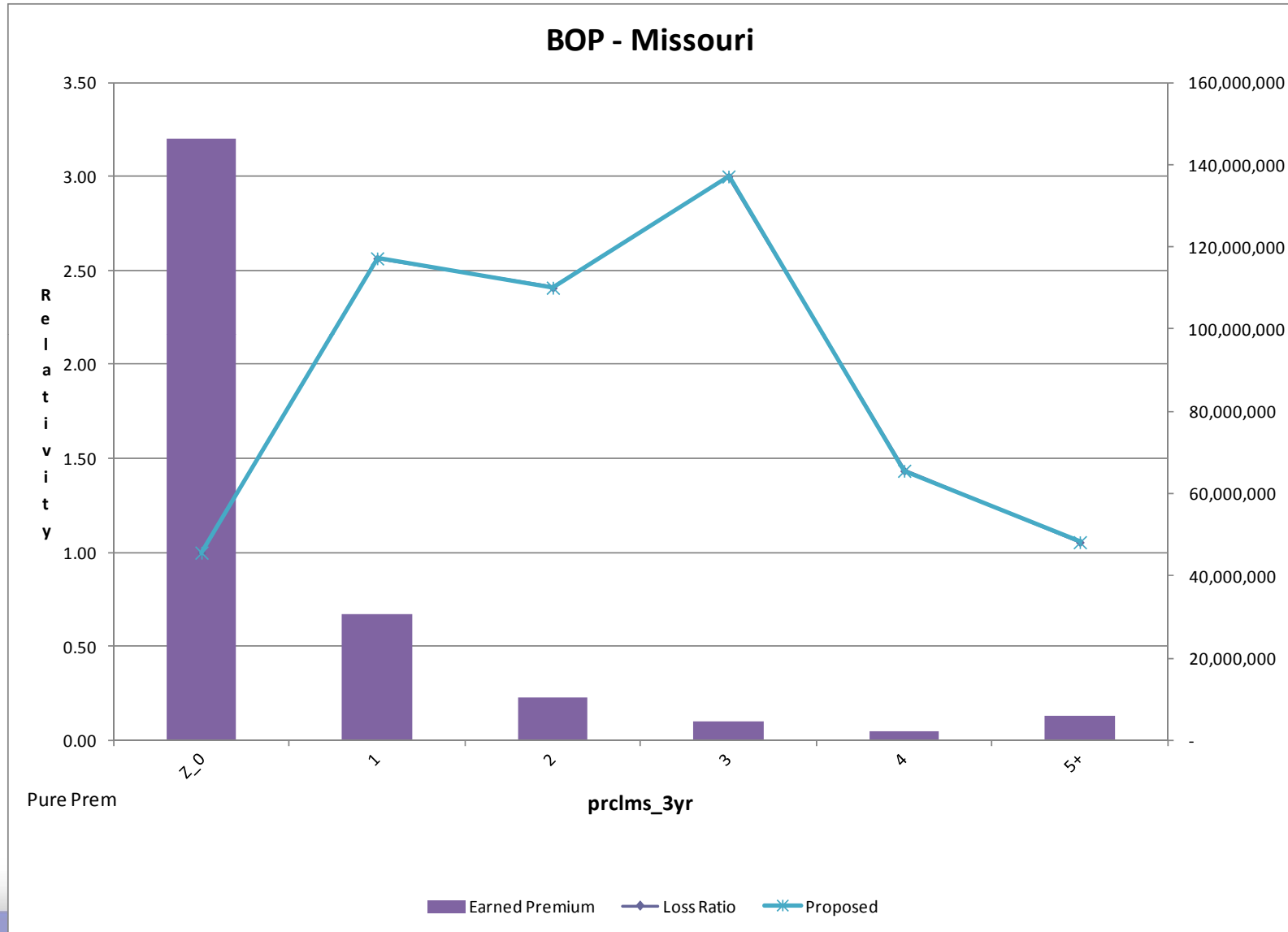
(C) TIV Threshold		
Years in Business	Account Size	
0 to 4	≤TIV Threshold	1.13
	>TIV Threshold	1.02
5+	≤TIV Threshold	1.12
	>TIV Threshold	0.92

Tenure

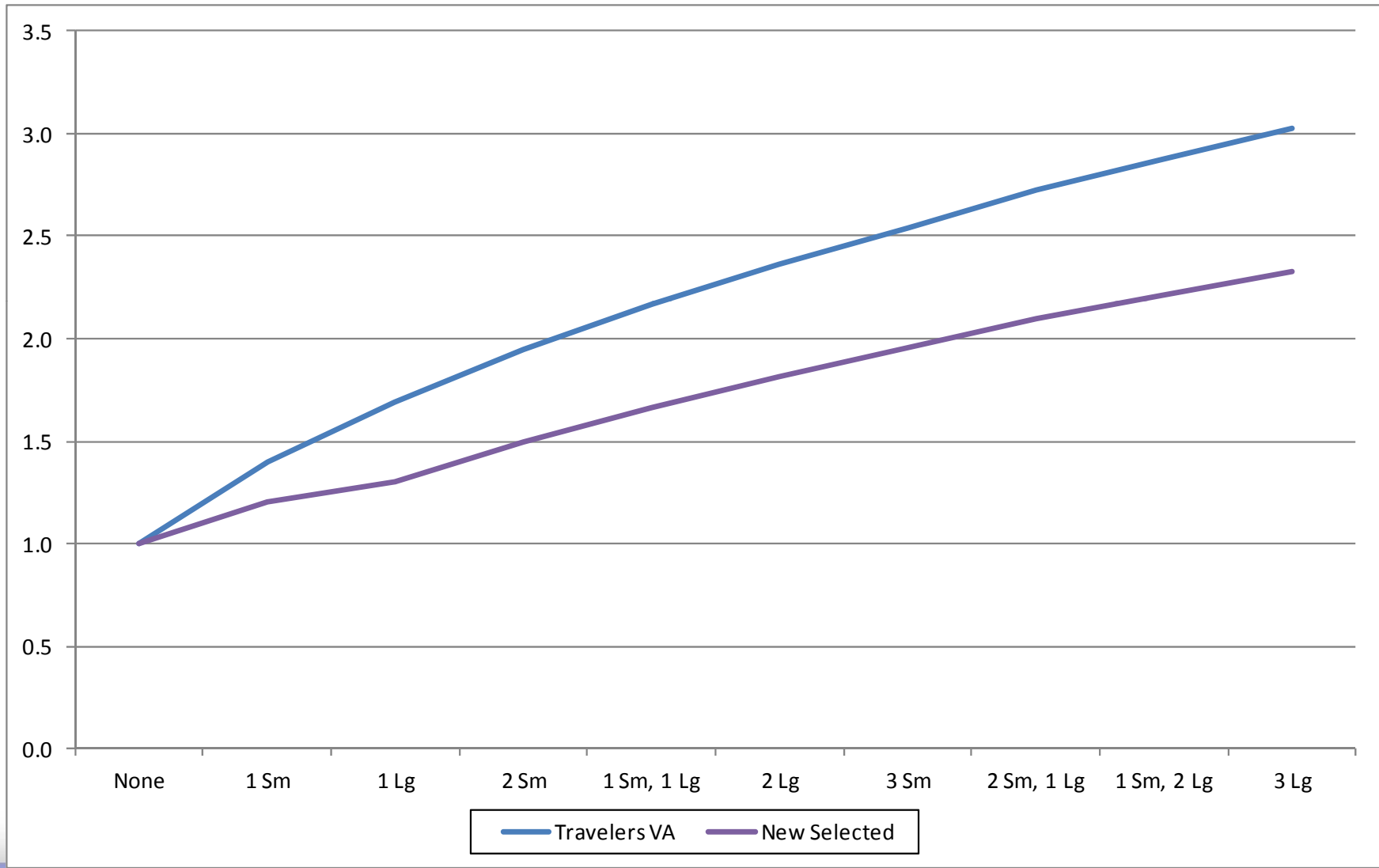


- Does this leave money on the table?

Prior Claims



Prior Claims



Multiple Policy Discounts

Categories

Discount applied to the Businessowners Policy

Commercial Automobile Policies

8%

Commercial Automobile Policies

(excluding Garage Liability and Dealers Blanket).

Commercial Umbrella Policies

4%

Commercial, Econ-O-Pak and Habitational Umbrella policies.

Workers Compensation Policy

4%

Life, Health or Annuity Policies

2%

- The following policies written on an owner, partner or corporate officer of the business:
 - Life policy (nongroup) with a face amount of \$100,000 or more or Simplified Issue Life policy with a face value of \$50,000 or more; or
 - Annuity policy with a combined cash value exceeding \$10,000 or more; or
 - Disability Income policy with a monthly benefit of \$1,000 or more; or
 - Long Term Care policy.
- The following policies written on an owner, partner or corporate officer of the business:
 - Annuity or Retirement Plan with a combined cash value exceeding \$10,000

Personal Policies

2%

A Private Passenger Automobile, Homeowners, Mobile Homeowners or Dwelling Fire policy which receives a Personal Lines Multi-Policy Discount for an owner, partner or corporate officer of the business.

Insured Characteristics

2. Rate Modifiers

- a. **Years in Premises Modifier.** If the insured has conducted business for 3 years or more at the current premises, multiply the applicable rates for *Building, Business Personal Property and General Liability* for that premises by: **0.975**
- b. **On Site Owner Modifier.** (Not applicable to Lessor's Risk) If the owner of the business is working at an insured premises during the daily prime or peak business hours actively managing the business, multiply the applicable rates for *Building, Business Personal Property and General Liability* for that premises only by: **0.975**

Property

Property Characteristics

- Building Age
- Building Type – Sole Occupant, Mall, Strip Mall
- Central Alarm
- Validation of Total Insured Values
- Inspection Data – (Real Estate and Prior Claims)
- Hazard Zones (Flood, Brush Fire, Coast/Wind, Sink Holes, Earthquake)

Commercial Auto

VINs, MVRs and Prior Claims

- VIN Decoding
 - Well established
 - New products related to trailers, equipment modifications, etc.
- MVRs
 - Several vendors
 - Key question – Ordering Protocols – Who? How often?
- Prior Claims
 - Commercial C.L.U.E. gaining traction

Federal Motor Carrier Safety Administration- Safety Measurement System

- Replaces SAFER
- Scores companies in several categories
 - Unsafe Driving (Speeding, reckless, lane changes)
 - Fatigued Driving/Hours of Service
 - Driver Fitness/Training
 - Controlled Substances/Alcohol
 - Vehicle Maintenance
 - Cargo-Related (Spills, HazMat)
 - Crash Experience

SMS Basic Information

Carrier Registration Information as of March 23, 2012

Legal Name:	Ka Bulk Transport Llc	Vehicle Miles Traveled:	43,900,000
DBA Name:	Klemm Tank Lines	VMT Year:	2010
DOT#:	171830	Power Units:	592
MC or MX#:	MC-147216	DUNS Number:	2-320-3300
Address:	2204 Pamperin Rd Green Bay, WI 54313-8931	Drivers:	665
Telephone:	(920) 434-6343	Carrier Operation:	Interstate
Fax:	(800) 553-6329	Passenger:	No
Email:	teresas@klemmtanklines.com	Subject to Placardable HM Threshold:	Yes
		HHG:	No
		New Entrant	No

Operation Classification:

<input checked="" type="checkbox"/> AUTHORIZED FOR HIRE	<input type="checkbox"/> EXEMPT FOR HIRE	<input type="checkbox"/> PRIVATE PROPERTY
<input type="checkbox"/> PRIVATE PASSENGER, BUSINESS	<input type="checkbox"/> PRIVATE PASSENGER, NON-BUSINESS	<input type="checkbox"/> MIGRANT
<input type="checkbox"/> U. S. MAIL	<input type="checkbox"/> FEDERAL GOVERNMENT	<input type="checkbox"/> STATE GOVERNMENT
<input type="checkbox"/> LOCAL GOVERNMENT	<input type="checkbox"/> INDIAN TRIBE	<input type="checkbox"/> OTHER

Cargo Carried:

<input type="checkbox"/> GENERAL FREIGHT	<input type="checkbox"/> HOUSEHOLD GOODS	<input type="checkbox"/> METAL; SHEETS, COILS, ROLLS
<input type="checkbox"/> MOTOR VEHICLES	<input type="checkbox"/> DRIVE AWAY/TOWAWAY	<input type="checkbox"/> LOGS, POLES, BEAMS, LUMBER
<input type="checkbox"/> BUILDING MATERIALS	<input type="checkbox"/> MOBILE HOMES	<input type="checkbox"/> MACHINERY, LARGE OBJECTS
<input type="checkbox"/> FRESH PRODUCE	<input checked="" type="checkbox"/> LIQUIDS/GASES	<input type="checkbox"/> INTERMODAL CONTAINERS
<input type="checkbox"/> PASSENGERS	<input type="checkbox"/> OIL FIELD EQUIPMENT	<input type="checkbox"/> LIVESTOCK
<input type="checkbox"/> GRAIN, FEED, HAY	<input type="checkbox"/> COAL, COKE	<input type="checkbox"/> MEAT
<input type="checkbox"/> GARBAGE, REFUSE, TRASH	<input type="checkbox"/> U.S. MAIL	<input checked="" type="checkbox"/> CHEMICALS
<input type="checkbox"/> COMMODITIES DRY BULK	<input checked="" type="checkbox"/> REFRIGERATED FOOD	<input type="checkbox"/> BEVERAGES
<input type="checkbox"/> PAPER PRODUCTS	<input type="checkbox"/> UTILITY	<input type="checkbox"/> FARM SUPPLIES
<input type="checkbox"/> CONSTRUCTION	<input type="checkbox"/> WATER WELL	<input type="checkbox"/> OTHER

SMS Basic Information

Vehicle Type Breakdown			
Vehicle Type	Owned	Term Leased	Trip Leased
Straight Trucks			
Truck Tractors			
Trailers*	22		
Hazmat Cargo Tank Trailers*	740	0	
Hazmat Cargo Tank Trucks	380	212	
Motor Coach			
School Bus 1-8 Passengers			
School Bus 9-15 Passengers			
School Bus 16+ Passengers			
Mini-Bus 16+ Passengers			
Van 1-8 Passengers			
Van 9-15 Passengers			
Limousine 1-8 Passengers			
Limousine 9-15 Passengers			
Limousine 16+ Passengers			

* Indicates power units not used by the Carrier Safety Measurement System when calculating total power units.

SMS Scoring

KA BULK TRANSPORT LLC

DOT#:171830



Welcome to the Motor Carrier Safety Measurement System

The SMS provides an assessment of a motor carrier's on-road performance and investigation results within the Behavior Analysis and Safety Improvement Categories (BASICs). Assessments cover 24 months of activity and results are updated monthly. For current Motor Carrier Safety Ratings visit SAFER and for current operating authority and insurance information visit Licensing and Insurance (L&I) system.

Select a BASIC below to view details

BASICs Overview

(Based on a 24-month record ending March 23, 2012)

	PERFORMANCE			BASICs Status
	On-Road	Investigation	=	
Unsafe Driving	62.1%		=	
Fatigued Driving (Hours-of-Service)	5.4%		=	
Driver Fitness	40.8%		=	
Controlled Substances and Alcohol	No Violations		=	
Vehicle Maintenance	23%		=	
Cargo-Related	Not Public	Not Public	=	Not Public
Crash Indicator	Not Public	Not Applicable	=	Not Public

SUMMARY OF ACTIVITIES

	Number	OOS Rate
Total Inspections:	911	
Vehicle Inspections:	715	9 %
Driver Inspections:	911	1 %
Hazardous Materials Inspections:	774	2 %
HM Placard Inspections:	747	2 %
Total Crashes:	40	
Tow-aways:	39	
Injuries/Fatalities:	19	

RECENT INVESTIGATIONS

The following are up to five most recent investigations:

Intervention Type	Date
Non-Ratable Review	9/2/2010
CTFR Only	5/29/2008
CR And Security Contact Review	1/16/2008
CTFR Only	1/16/2008
Compliance Review	3/29/2002

SMS Unsafe Driving Detail

UNSAFE DRIVING VIOLATIONS

Violation	Description	# Total Violations	# OOS Violations	Violation Weight
392.16	Failing to use seat belt while operating CMV	25	0	7
392.2C	Failure to obey traffic control device	10	0	5
392.2FC	Following too close	9	0	5
392.2LC	Improper lane change	6	0	5
392.2LV	Lane Restriction violation	3	0	3
392.2P	Improper passing	1	0	5
392.2R	Reckless driving	1	0	10
392.2S	Speeding	39	0	5
392.2-SLLS1	State/Local Laws - Speeding 1-5 miles per hour over the speed limit	18	0	1
392.2-SLLS2	State/Local Laws - Speeding 6-10 miles per hour over the speed limit	17	0	4
392.2-SLLS3	State/Local Laws - Speeding 11-14 miles per hour over the speed limit	1	0	7
392.2-SLLSWZ	State/Local Laws - Speeding work/construction zone	1	0	10
392.2Y	Failure to yield right of way	2	0	5
392.71(a)	Using or equipping a CMV with radar detector	1	0	5
397.13	Smoking within 25 feet of HM vehicle	1	0	1

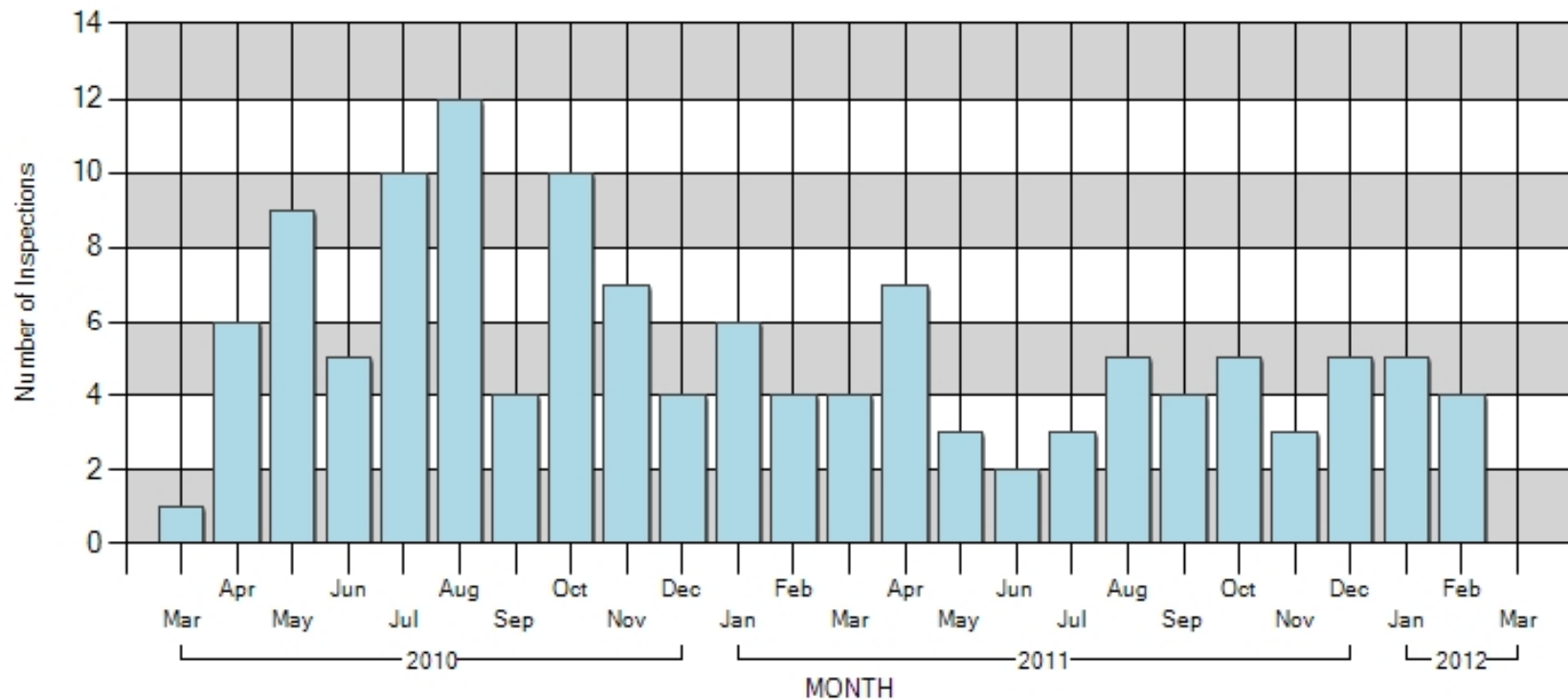
INSPECTION HISTORY

Report				Vehicle			Measure		
	Inspection Date	#	ST	Plate #	Lic ST	Type	Severity Weight (A)	Time Weight (B)	Time Severit Weight (AxB)
1	2/27/2012	WI2224001581	WI	54914W	WI	Truck Tractor	7	3	21
Violation: 392.16 Failing to use seat belt while operating CMV (Non-OOS)							7		
2	2/25/2012	MO00SD016139	MO	20301W	WI	Truck Tractor	4	3	12
Violation: 392.2-SLLS2 State/Local Laws - Speeding 6-10 miles per hour over the speed limit (Non-OOS)							4		

SMS Unsafe Driving Detail

Inspections with Violations

Inspections with Violations in the BASIC by Month

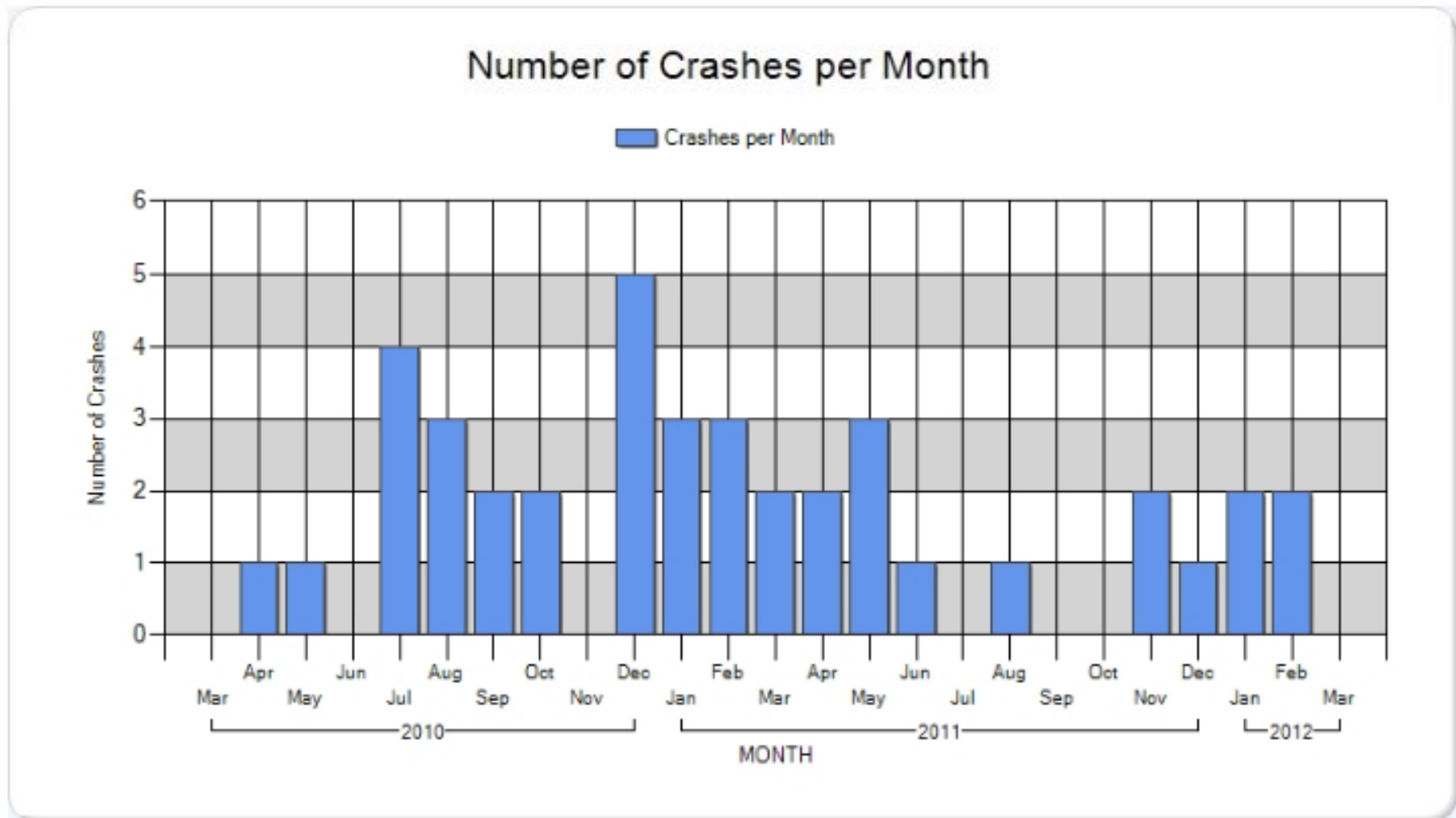


SMS Crash Detail

CRASH ACTIVITY DETAIL(List of vehicles involved in crashes)												
Report			Vehicle			Crash				Measure		
	Date	#	Lic ST	Vh ST	Plate	Fata	Inj.	Tow	Spill	Sev. Wt. (A)	Time Wt (B)	Time Sev. Wt. (AxB)
1	2/17/2012	WI0000085927	WI	WI	85499W	0	1	Y	N	2	3	6
2	2/18/2012	WI0000085902	WI	WI	58553W	0	0	Y	N	1	3	3
3	1/17/2012	WI0000085631	WI	WI	81498	0	0	Y	N	1	3	3
4	1/2/2012	IN0901755802	IN	WI	50030W	0	2	Y	N	2	3	6
5	12/4/2011	KY0071087121	IN	WI	27495W	0	1	Y	N	2	3	6
6	11/17/2011	MN0113220203	MN	WI	57841W	0	0	Y	N	1	3	3
7	11/16/2011	WI0000085228	WI	WI	22799W	0	1	Y	N	2	3	6
8	8/5/2011	WI0000084522	WI	WI	81405	0	1	Y	Y	3	2	6
9	6/13/2011	MN0111640139	WI	WI	48099W	0	1	Y	N	2	2	4
10	5/25/2011	IN0901652260	IL	IL	P842656	0	1	Y	N	2	2	4

Go to Page: Vehicles per page: Displaying 1 - 10 of 40 Vehicles

SMS Crash Detail



Telematics

- If we can develop data repositories of things like
 - Vehicle registrations (Polk)
 - VIN characteristics (Polk)
 - Driving records (Polk)
 - Vehicle inspection results (SAFER)
 - Prior claims (HLDI, Lexis-Nexis)
- Why is it so far fetched think there will be an industry aggregator of telematics data and/or “industry” models.
- Any of these organizations, as well as several others (ISO, Evogi, Telogis, Drive Cam) are likely candidates.

Customer Center Dashboard



Reduce your driving risk: (Learn More)

Vehicle:

2010 Toyota Corolla



Your Vehicle Score



Carrier Average Vehicle Score



Learn More

Average per day

Mileage Driven (miles)

Evening Rush Hour (minutes)

Night Driving (minutes)

Events per day

Hard Braking (per 100 miles)

Hard Acceleration (per 100 miles)

Speeding (per 100 miles)

Your Driving Behavior

Last 7 days

Last 30 days

From Program Start

	Last 7 days	Last 30 days	From Program Start
Mileage Driven (miles)	34	38	33
Evening Rush Hour (minutes)	0	0	0
Night Driving (minutes)	0	1	1

Learn More

Learn More

Learn More

	Last 7 days	Last 30 days	From Program Start
Hard Braking (per 100 miles)	30	19	7
Hard Acceleration (per 100 miles)	6	3	1
Speeding (per 100 miles)	4	3	5

Learn More

Learn More

Learn More

Note: All values are average per day.

Room for improvement Room for some improvement You are doing great No data

Standard Feature Set

- SaaS private labeled Customer Center
 - Personalized account management/reporting
 - FAQ's and support information
- Performance feedback configurable dashboard
- Detailed historical view of driving behavior
- Personal account management functionality
- Integration point with Carrier Center for support

Premium Features Available

- Optional value-add service
 - MySafeTeen & MySafeSenior
- Integrated smart-phone applications
- Email and text alerts

Professional Liability

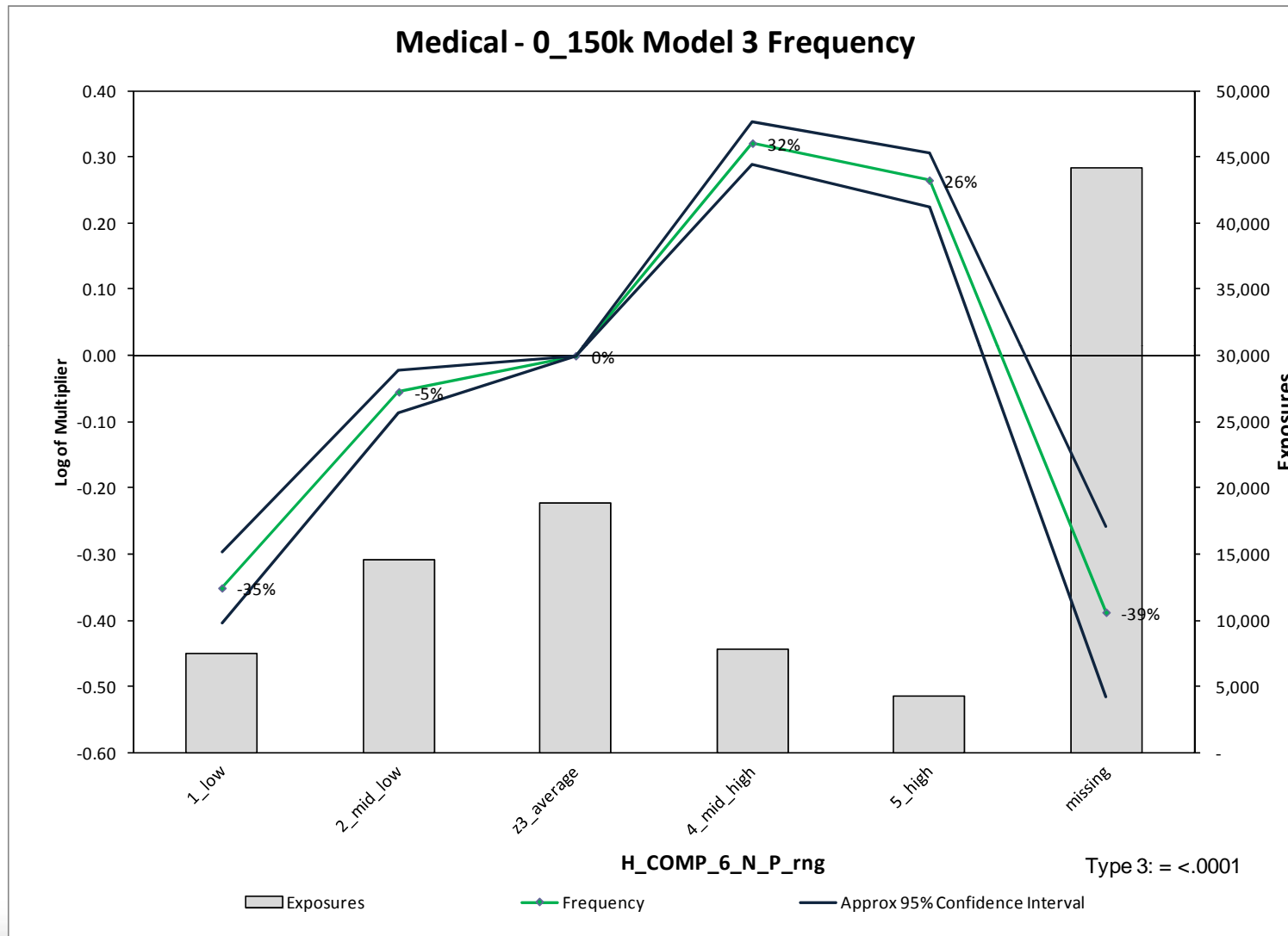
Hospital Professional Data

- Centers for Medicare & Medicaid Services (CMS) Hospital Quality Initiative
- Captures information on over 4,000 Medicare-certified hospitals

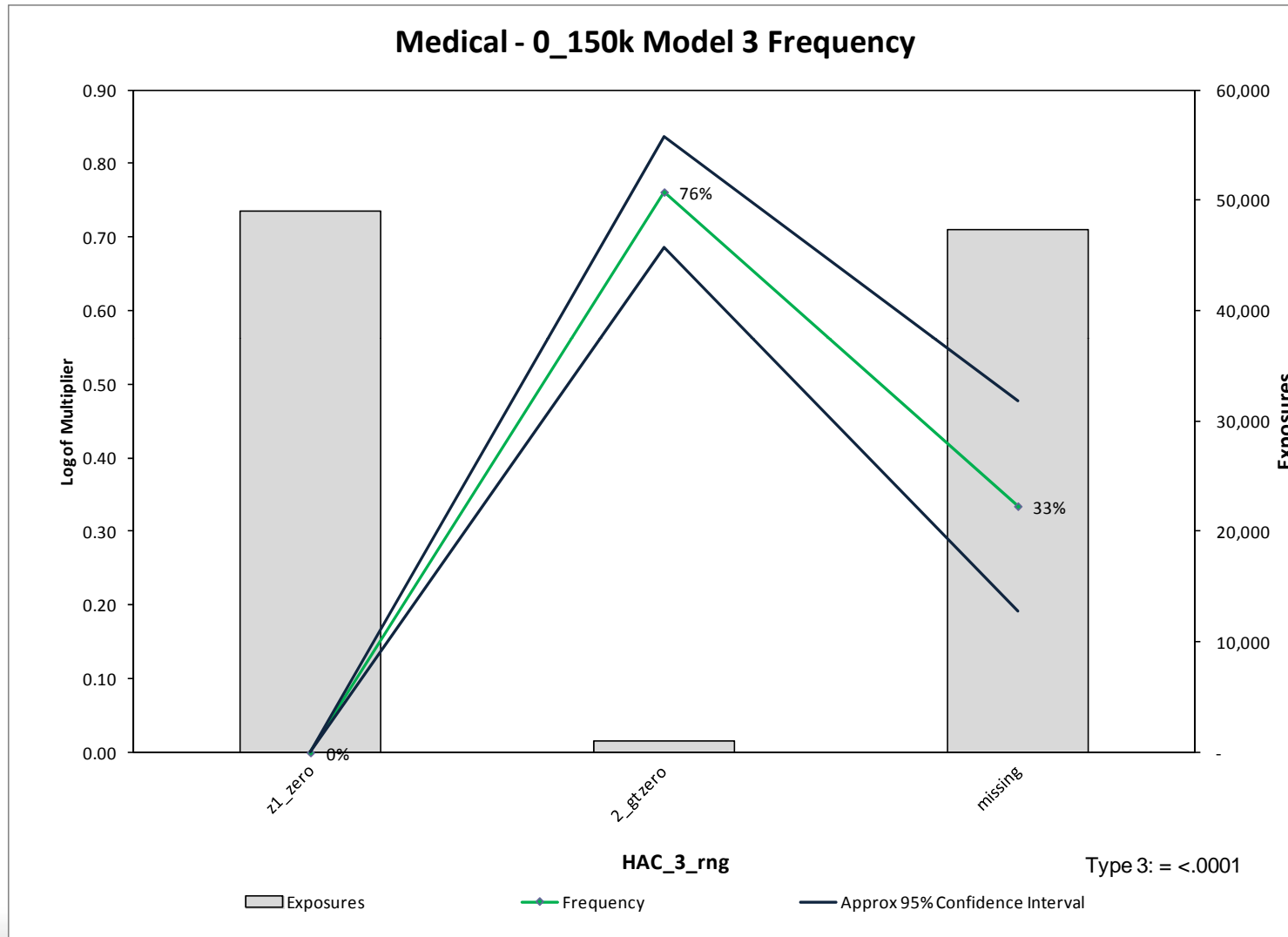
(CMS) Hospital Quality Initiative

- Focused on:
 - Timely and Effective Care
 - Readmissions, Complications, and Deaths
 - Survey of Patients' Hospital Experiences (HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems))
 - Number (and \$) of Medicare patients
- Contains lots of information on patient communication and “never events”

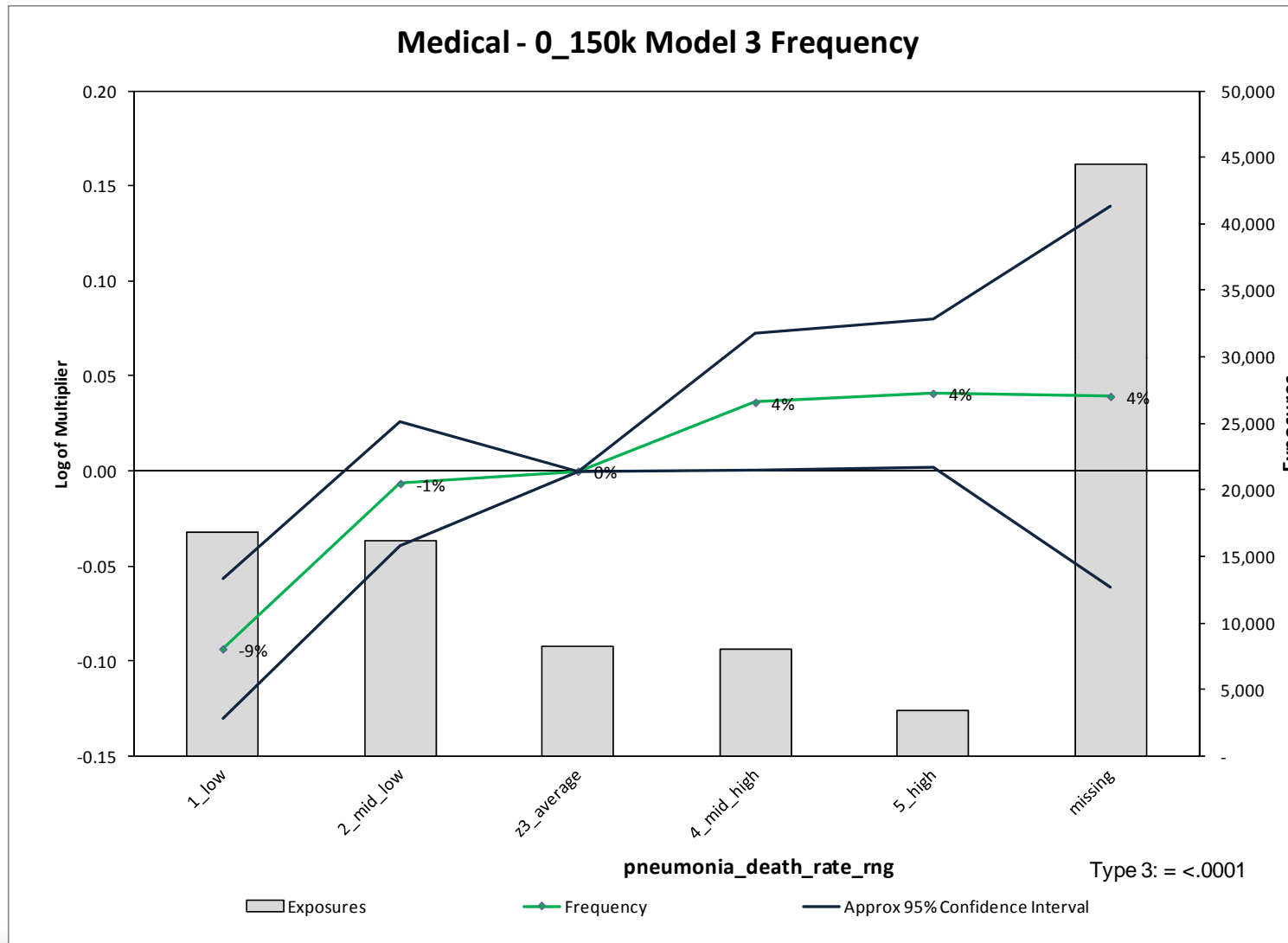
Patients not given information about what to do during their recovery at home.



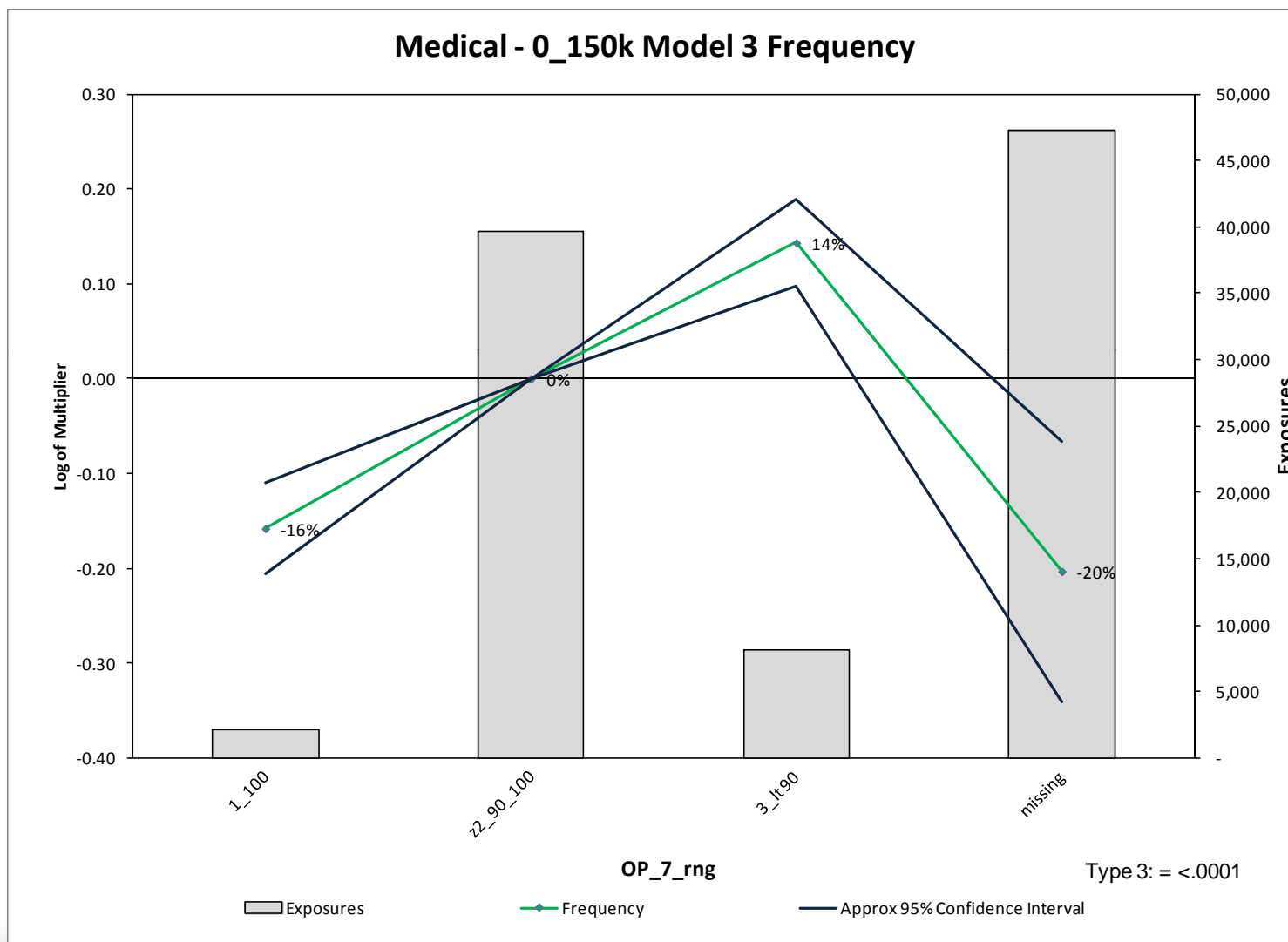
Blood Incompatibility Claims



Pneumonia Death Rate



Patients Receiving “Right Antibiotic”



Thank You for Your Attention

Robert J. Walling

309.807.2320

rwalling@pinnacleactuaries.com

