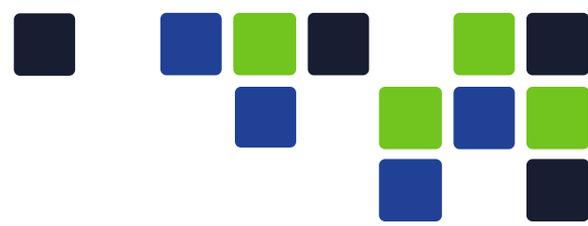


CASE STUDY

VIRGINIA AUTOMOBILE DEALERS ASSOCIATION

A customized technology implementation analysis ultimately resulted in operational efficiencies and improved customer service, enabling this insurer to serve its dealer members with the most economic workers compensation available in the State of Virginia.





A workers compensation insurer's technology review reveals opportunities for operational efficiencies and improved customer service.

In 1943, Virginia's franchised new car and truck dealers formed the Automotive Trade Association of Virginia, now named the Virginia Automobile Dealers Association (VADA), with two objectives in mind: to advocate for Virginia's dealer with legislators, regulators and manufacturers, and to provide Virginia's dealers with insurance products.

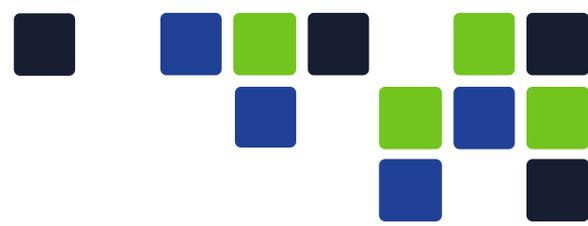
The organization's six different operations function under three main flags: VADA's over-arching not-for-profit association that oversees the group's 501©3 VADA Education Foundation and Automotive Youth Educational Systems Partnership, VADA's Benefits & Insurance, a full-service agency offering health, voluntary and life insurance, and VADA's Group Self-Insurance Association (GSIA).

Today, as the second-largest self-insured group (SIG) in Virginia representing more than three-quarters of Virginia's franchised dealers, VADA GSIA retains its legacy and mission related to the group's self-insurance efforts. Through its "Team VADA," key members of VADA and its GSIA organization are committed to serving its dealer members with the most economic workers compensation available in the state of Virginia.

In order to ensure that their organization could continue to cost-effectively meet the demands of its dealer members, Don Hall, VADA President and Administrator of GSIA, and Michael Allen, General Manager of VADA GSIA and CIO of GSIA, realized that a general review of the organization's technology requirements was in order.

CALLS FOR MODERNIZATION

"We actually had a few reasons for a review," reports Allen. One related to disaster recovery and business interruption. "Due to the physical location of our office—an old Victorian building in the heart of Richmond—the building has been plagued with power outages for as long as I can remember," Allen says. "Shortly after I joined the team some 20 years ago when there were only seven of us on staff, cloud was really just Software as a Service, but we knew we had to go in this direction initially in order to continue to safely and securely conduct business unencumbered." With the goal of moving all of VADA's operations to the cloud, Allen recalls learning a lot.



“It’s important not to confuse cloud-based with hosted... we did look at solutions that vendors said were ‘cloud-based’ but they were really privately hosted.”

Allen and his team took a stepped approach, first moving the health insurance agency to cloud, then VADA’s not-for-profit operations. This exercise pointed to another critical area in need of modernization: the policy administration system for its workers’ compensation operations. “It was built by a company that went out of business 18 years ago, and I know I’m joined by others in the self-insured world who face this problem,” notes Allen.

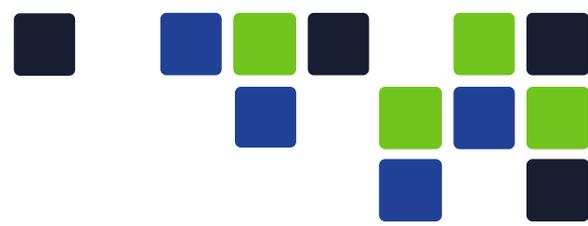
The State of Virginia’s workers’ comp system is computer-based, another reason to move to the cloud. “The data security of government agencies hasn’t been known to lead the pack, so we wanted a safe, secure environment in which we knew we could transaction business,” Allen says.

Allen explains that, although workers’ compensation benefits are defined by law, SIGs are unique in their requirements to be able to provide exemplary services to help manage the health and well-being of their members.

FUNCTIONALITY, VALUE

“We use the National Correct Coding Initiative (NCCI) guidelines, and respect that the [workers’ compensation] formula is the formula, so our goal is to become as efficient as possible in order to offer the best risk prevention, competitive pricing and cutting-edge claims and loss control services,” Allen says. This meant finding a solution provider with the most software functionality for the price, and most value for the money, he adds.

Following a customized Insurium Implementation Analysis, GSIA ultimately chose Insurium’s configurable core systems modules via Microsoft’s Azure cloud platform and, in 2017, began implementation of Insurium’s flexible policy administration, billing and receivables modules, with integration to Microsoft dynamic CRM and claims integration with the organization’s third-party administrator.



“The goal is to process all accounts at renewals, and Insurium is helping us safely and securely pull all of our data from a 25-year-old system that still includes tape backups,” notes Allen. “Since this is a work in progress, we decided, as long as we are digitizing these assets, to have Insurium help us develop a customer portal and integrate everything. Plus, because we are a SIG, for us to be successful we need our members to actively manage their own accounts, so operationalizing the portal will really help us with customer service levels.”

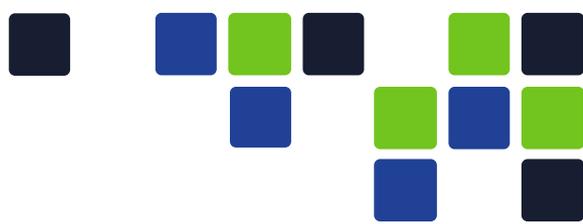
The portal will provide added value via real-time access to information: clients will be able to pull their own certificates of insurance, review their claims experience, manage payments and more. And although promoting the benefits of the new system has been a challenge (“Workers’ comp people don’t always like change,” he says), Allen anticipates that GSIA’s clients will appreciate being able to drill down into their accounts, view their experience modification factor (Xmod) and understand what’s driving their rates.

“I’m expecting people to call when their Xmod goes up, and we’ll be able to preempt that (if it rises by more than three basis points we contact them and tell them how they arrived at that figure and why) and how to resolve it.”

UNEXPECTED BENEFITS

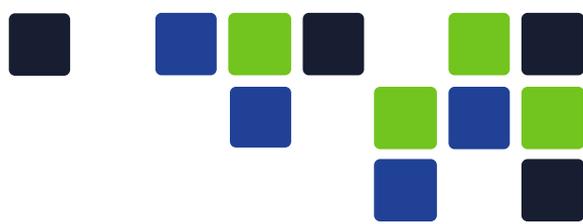
Meanwhile, GSIA can already point to unexpected benefits, adds Allen. “We see initial value with our active risk prevention team,” he says. “The efficiencies made possible with Insurium will allow them to replace paper reports, so when they sit with clients during a risk audit they can help visualize our benchmarking (today vs. three years ago) in real time.”

And, thanks to a focus on education, the large majority of clients are excited about these changes, says Allen. “They know that for this year’s we’ll be sitting with them going over the paperwork, but next year, they can call us, we’ll sync computers and be able to communicate from our offices.”



For the GSIA staff, Insurium has meant eliminating many manual processes. “We are bringing in additional functionality,” reports Allen. Notably, the organization is now using software to calculate its own mods, removing potential for error. “Now with Insurium and everything being integrated, we can do benchmarking for our risk assessment with the plan to sync claims data to be nearer our goal to be completely digital.” Because Insurium can run in a virtual environment, some GSIA employees may no longer appreciate snow days, says Allen. “If the office is shut down, we get to work from home using a safe and secure VPN connection—this way our service levels remain high.”

The more immediate return on GSIA’s investment in Insurium and the cloud is his peace of mind, adds Allen. “As acting administrator, I have nightmares about losing data,” he says, “But I also appreciate and agree with the viewpoint of VADA’s Board. It’s about secure efficiencies: reducing redundancy and creating consistency, error-free operations.”



About Virginia Automobile Dealers Association (VADA) Group Self-Insurance Association (GSIA)

- Established in 1943 by Virginia's franchised new car and truck dealers, GSIA was instituted as a separate member organization in 1981
- Second-largest self-insured group (SIG) in Virginia, representing more than three-quarters of Virginia's franchised dealers.
- Providers of Workers Compensation insurance and services
- Headquarters: Richmond, VA
- Number of customers: approximately 400 active policies and nearly \$1.5 Billion in payroll
- DWP Premium: \$15M
- Website: www.vadagsia.com