



# Dive into the World of Insurance Claims & Forensic Engineering



**EXPRESS**  
INFORMATION SYSTEMS

**The Experts in Business Management Software & Support**



Friday, October 2, 2020

# Today's Roadmap

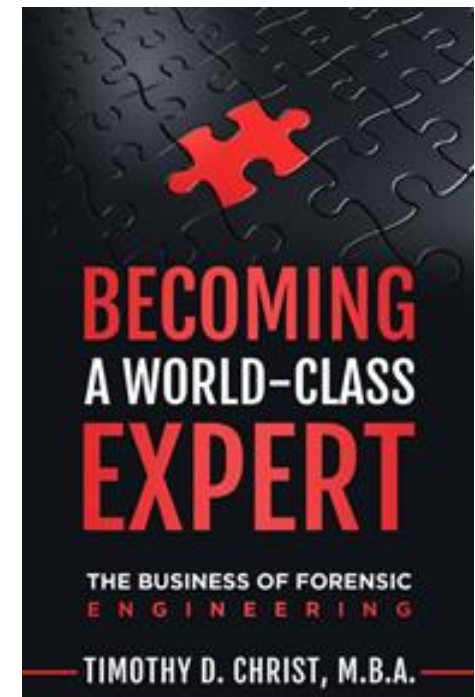
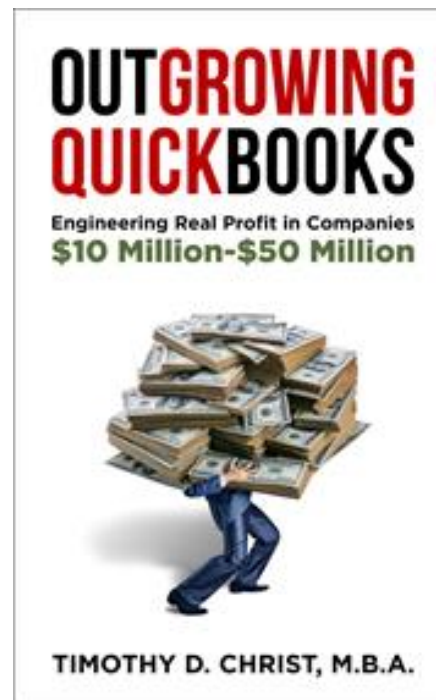
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- Who We Are
- Risk Management Foundation
- Claims Process
- True Claims Stories
- Proactive Risk Management
- Q&A



# About Me

- Frequent Writer/Guest to major industry publications
- PM'd over 100 projects from \$25 Mil-\$1 Bil
- Founder/CEO of a business I built in Mexico City
- Part of Ownership team that sold our company to Private Equity
- Built 5 forensic engineering divisions from scratch to multi-millions
- Investigated/managed several thousand projects



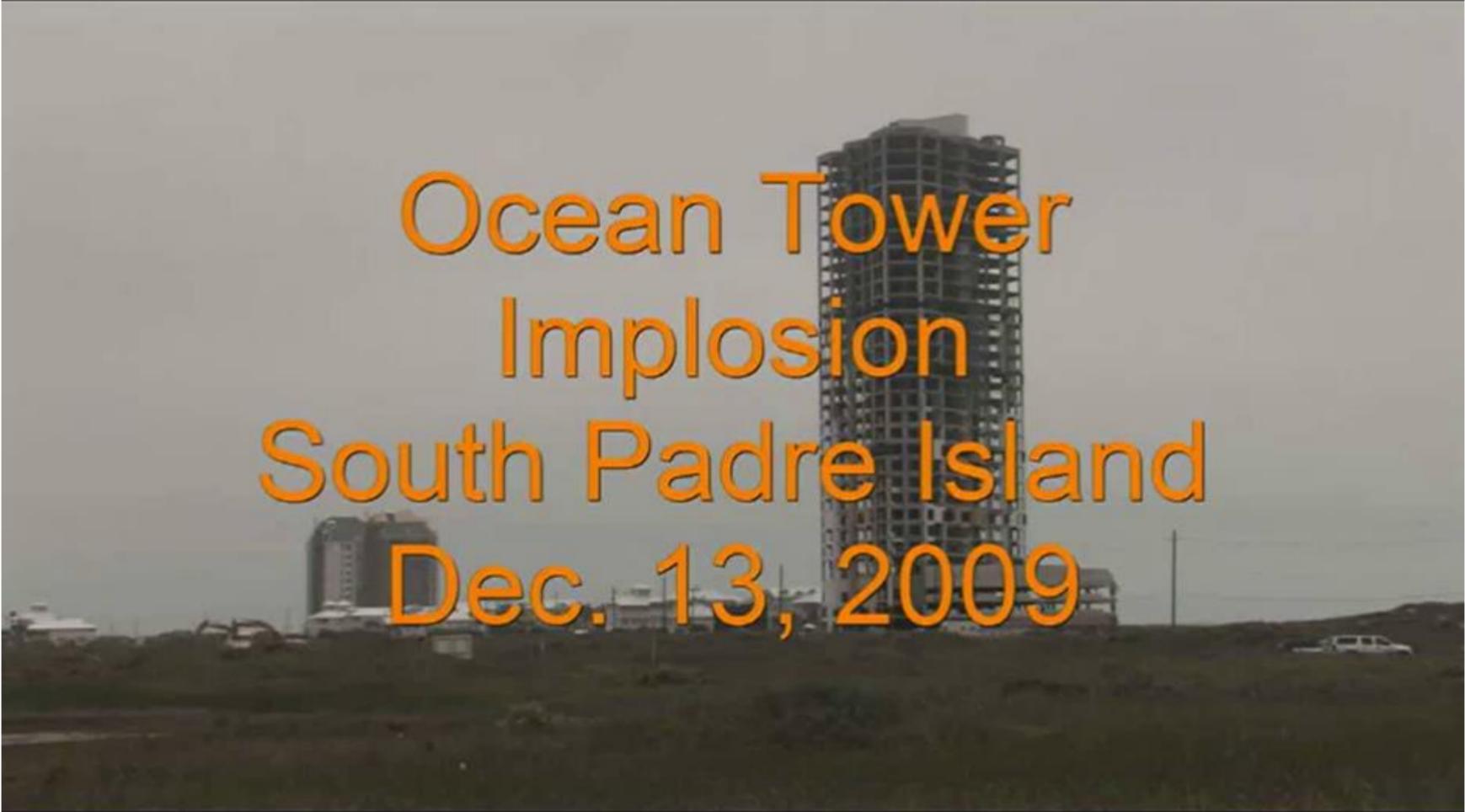
# Express Information Systems Team

- Iris Schimke  
President/CEO
- Keith Schimke  
VP Development
- Cheryl Aceto  
VP Consulting
- Rana Camargo  
Director of Sales
- Stacey Campbell  
Director of Marketing
- Sofia Cortez  
Office Manager



Gold  
Microsoft  
Partner



A photograph of the Ocean Tower, a tall, cylindrical skyscraper, standing on a grassy field. The building is the central focus, with its distinctive tiered structure clearly visible. In the background, other smaller buildings and a hazy sky are visible. The foreground is a dark, grassy area. The text is overlaid in a large, orange, sans-serif font.

Ocean Tower  
Implosion  
South Padre Island  
Dec. 13, 2009

# What are You Responsible For?

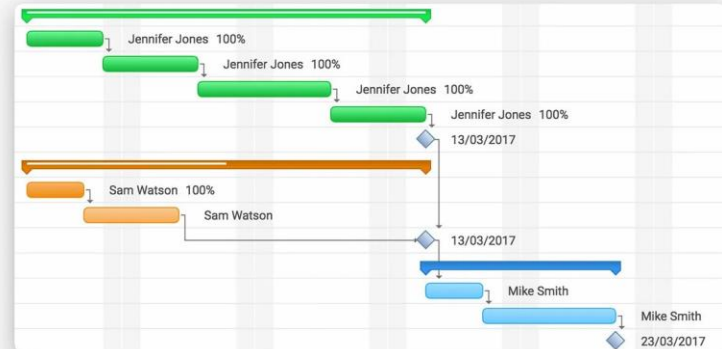
- Strategic Risk
- Compliance Risk
- Reputational Risk
- Financial Risk
- Or a contract review and insurance procurement person?
- What can you do to be better at your job?

**CRM** | CERTIFIED RISK MANAGER  
PROGRAM

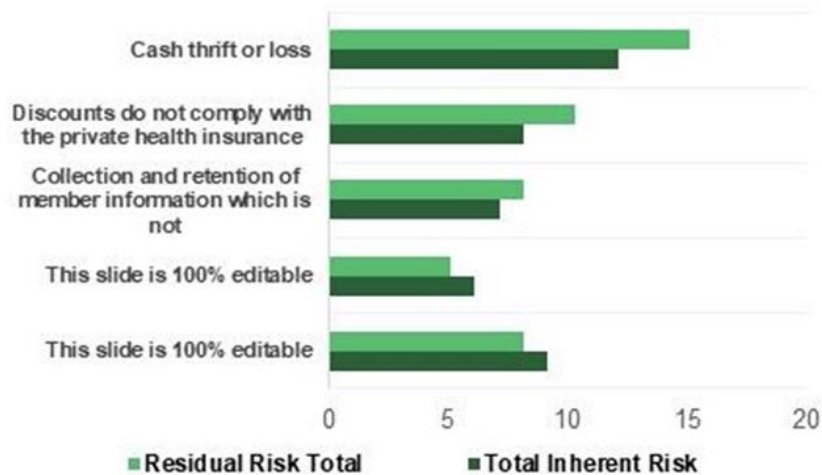


# What are You Tracking?

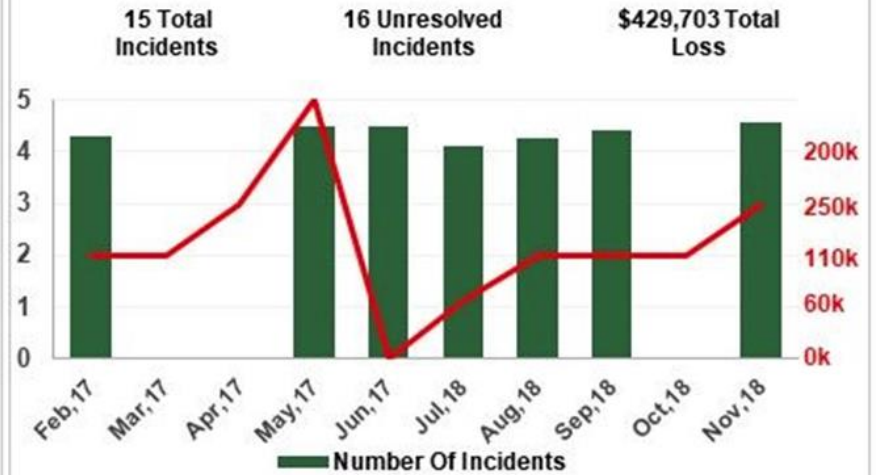
- # of Risks Identified
- # of Risks that Occurred (became issues)
- # of Risks that Occurred more than once
- Predicted Risk Severity compared to Actual Severity
- # of Risks Not Identified
- Cost of Risk Management
- # of Risks Closed



## Top 10 Risks



## Loss Events



## Actions

14 Open Actions

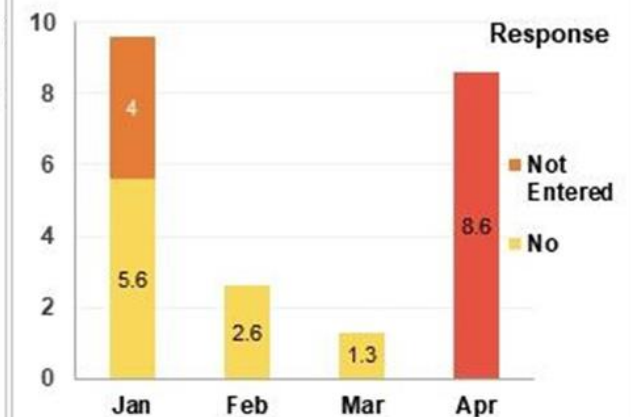
5 Critical Open Actions

12 Overdue Actions

## Key Risk Indicators



## Compliance



# Low-Hanging Fruit (tic)

- Implement culture of Continuous Improvement
- Implement culture of Safety
- Creating innovative insurance programs
- Non-subscribing to WorkComp in Texas
- Figure out ways to be a “yes” person





# Why is Project Mgmt Important?

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- For every \$1 Bil spent, \$122-135 mil is wasted due to planning and performance gaps
- Typical Fortune 500 spends nearly 6% on capital projects
  - 40-60% fail to meet schedule, budget, or both
  - Schedules missed 55%, Budgets 33%
- Avg. Project Estimate Multiplier – 2.37
- Poor estimation of size and risk on larger projects
- Larger project benefits
  - Predictable cash flow
  - Staff training
  - Reputation enhancement

# Common Pitfalls in Large Projects

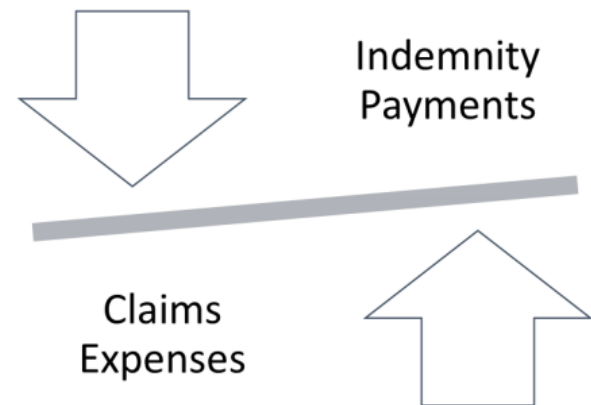
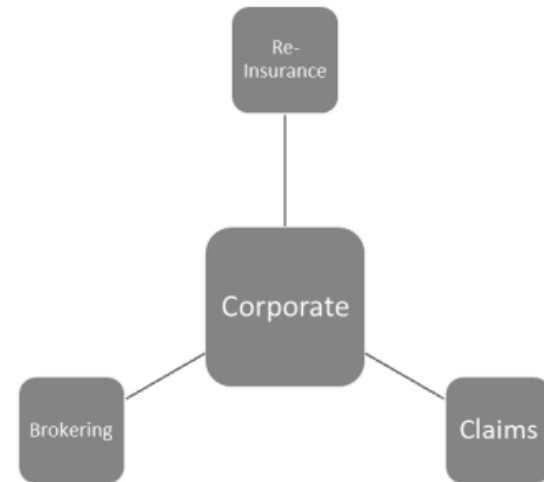
- Lengthy projects are inherently more risky
- Project goals and scope
- Poor communication
- Unclear/unknown resources needed
- Scope creep
- Turnover of client staff and/or Project Team members
- Failure to discuss potential risks and plan mitigation/avoidance strategies
- Poor documentation
- Poor accountability hierarchy



# Insurance Business Model

**Net Business Results for Top US Personal Insurers**

Insurer	Loss Ratio	Loss Adjustment Expense Ratio	Expense Ratio	Combined Ratio
State Farm	64.1%	16.8%	26.0%	106.9%
Geico	67.8%	10.6%	15.3%	93.7%
Allstate	57.5%	13.3%	27.7%	98.4%
Progressive	62.9%	10.6%	21.0%	94.6%



# Claims Process



# South Padre Island

- Tallest building in the RGV
- \$75 million construction loan
- Tower sunk 14-16 inches
- \$125 million lawsuit
- Brought down December 2009, largest implosion of a reinforced concrete structure in the world



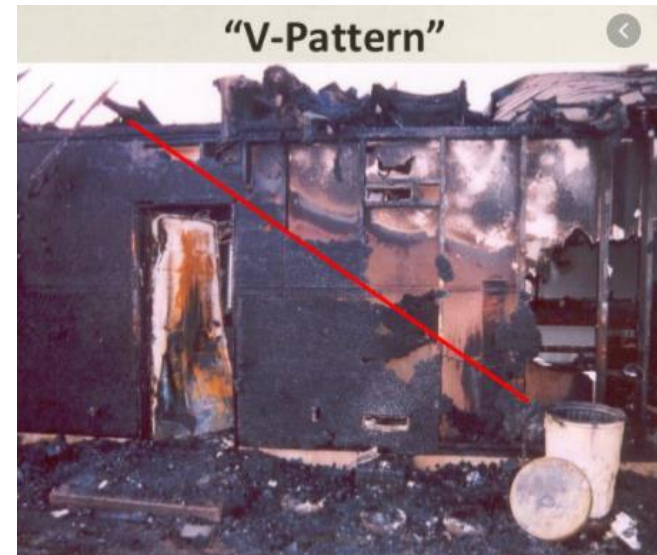
# Mexico Life Insurance

- Divorced his wife, married secretary
- Bought \$2.5 million life insurance policy
- 10 days later, she slips, falls, and dies in the bathroom
- Medical examiner's report rules cause of death "undetermined"



# Revlon Fire In Venezuela

- \$270 million claim
- 2 tenants in the building
- Tenant A's expert blames Tenant B
- Tenant B's expert blames Tenant A
- Claim sat open for 18 months
- Organized governmental agencies and initiated investigation



# HEB Truck Wreck

- Multiple injuries & 3 deaths
- \$30+ million lawsuit
- HEB truck or Dump Truck?
- Uvalde Test Track
- Giving bad news “gracefully”



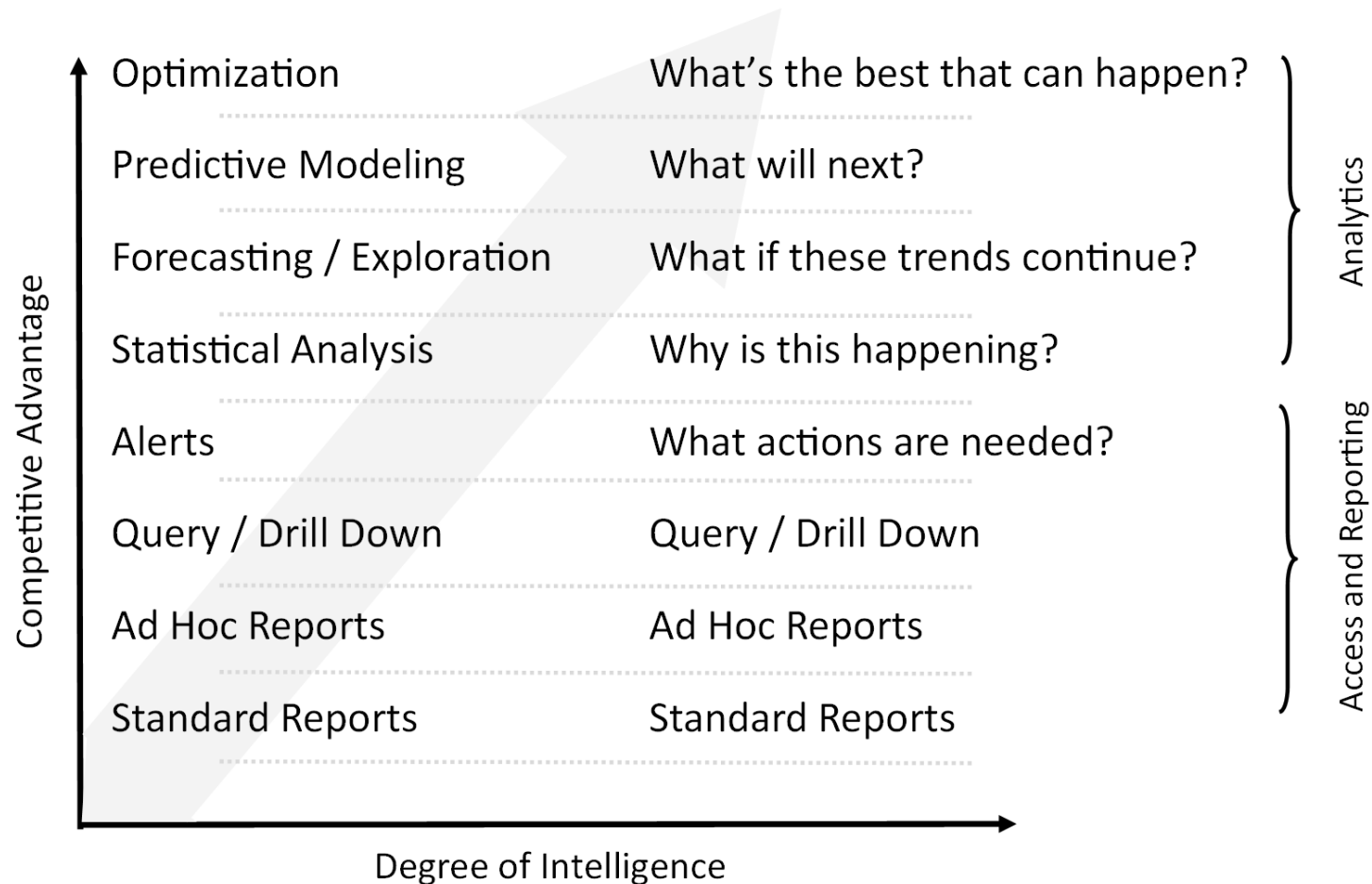
# Do you play Offense or Defense?



# Trend Analysis

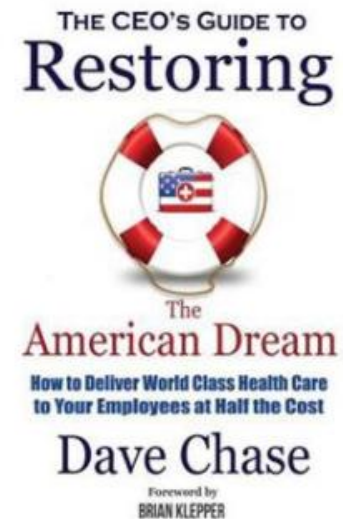
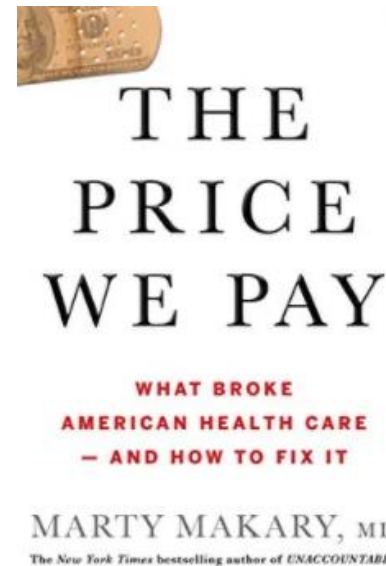
Key Ratios/Key Performance Indicators						
		2020	2019	2018	2017	2016
<b>Activity Ratios</b>	Avg Payment Period					
	A/R Turn					
	Avg Collection Period					
	Days in A/R (Excluding Retainage)					
	Days in A/P					
	Fixed Asset Turn					
	Inventory Turn					
	Inventory Avg. Age					
	Months in Backlog					
<b>Liquidity Ratios</b>	Current Ratio					
	Quick Ratio					
	Acid Test					
	Working Capital					
	Working Capital Turn					
	Working Capital to Total Asset Ratio					
	Liquid Asset Ratio					
	Defense Interval					
	# of Days Sales in Cash					
<b>Profitability Ratios</b>	Gross Profit Margin					
	Operating Profit					
	Margin on Self-Performed Revenue					
	% Return to Owner					
	Owner's Return on Assets					
<b>Solvency Ratios</b>	Net Worth					
	Owner's Return on Investment					
	Current Debt to Net Worth					
	Debt to Total Assets					
	Fixed Assets to Net Worth					
	"Z" score - Failure Potential					

# Business Intelligence and Analytics



# Health Insurance

- Pre-paid insurance (fully funded) or self-funded?
- Guidelines for work-related travel expenses?
- Potential savings 30-40% w/o changing care
- Cost of care is more important than cost of insurance
- Shop medical procedures
  - \$47,500 v. \$3,060
  - Lower cost = higher quality
- Provide incentives to employees



# Specific COVID Challenges

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- Do we have a 13-week cash flow forecast?
- Have we run "what-if" scenarios?
- How are we managing transparency and workflow in a WFH environment?
- Is our back-office admin technologically-advanced to support remote work?
- To what extent have we leveraged cloud technology?
- What impacts to clients and/or vendors have we seen regarding speed of communication, processes, etc?



# CFO:Daily View

07/07/2019

Clear



## Billed Revenue

\$3,385,243

this month

+\$234,302 vs. prior month



## Expenses

\$2,081,509

this month

+\$15,597 vs. prior month



## Net Income

\$1,287,290

this month

+\$209,721 vs. prior month



## EBITDA

\$1,287,290

this month

+\$209,721 vs. prior month



## Rev Per Billable Hour

\$187

this month

+\$13 vs. prior month



## Rev per Billable Employee

\$34,899

this month

+\$3,701 vs. prior month



## Utilization

97%

this month

+0.41% vs. prior month



## Realization

99%

this month

+0.08% vs. prior month



## What I Follow



Post File Link Snapshot

What are you working on

Share



Karla Grace

[@Bill Sooner](#) The ratio of billed to unbilled accounts has improved leading to an improvement in the billed to paid accounts ratio.

Comment Like on July 7, 2019

## Revenue by Service Items

11/26/2019 05:12



## Profit and Loss - by Project

11/26/2019 05:12



	server 10014 Year Ending 12/31/2018	RFG Contractor Implementation Year Ending 12/31/2018	system des Y
Revenue			
Services			
4120 - Revenue - Services	772,279.00	1,090,000.00	
Total Services Revenue	772,279.00	1,090,000.00	
Sales Returns and Discounts			
4190 - Sales Discounts	0.00	0.00	
Total Sales Returns and Discounts	0.00	0.00	
Total Revenue	772,279.00	1,090,000.00	
Cost of Revenue			
Cost of Services Revenue			

## Employee billable utilization - US

11/26/2019 05:32



Employee ID and Name	Billable Hours Month Ending 07/31/2017	Month Ending 07/31/2017 Total hours
US team		
005 - White, Walter	54.00	54.00
006 - Simmons, Jean	42.00	42.00
080 - Grace, Karla	48.00	48.00
Total US team	144.00	144.00

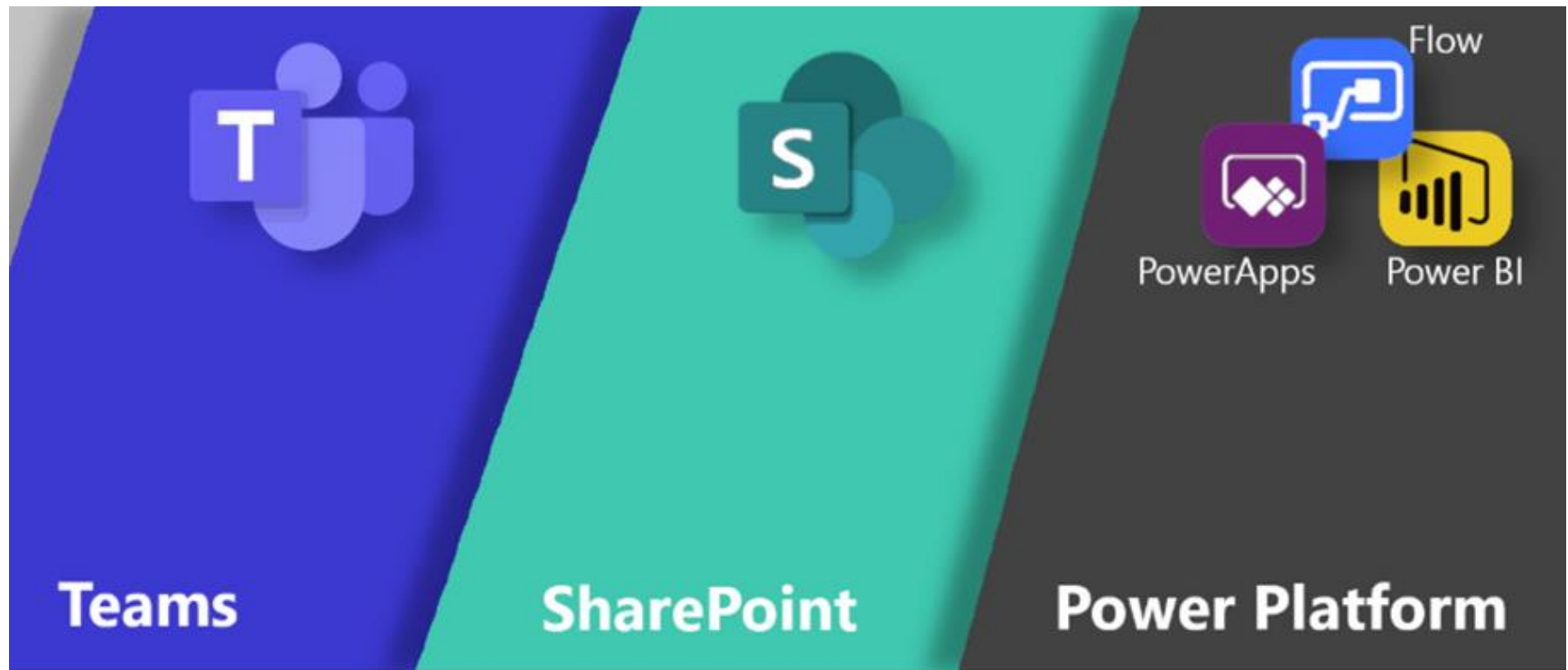
## Revenue By Customer

11/26/2019 05:12



	Intelligent Audit Year Ending 12/31/2018	Conductor Year Ending 12/31/2018	33Across Year Ending 12/31/2018	No Customer Year Ending 12/31/2018	All C Ye 11
Revenue					
Services					
Revenue - Services	40,320.00	23,160.00	22,610.00	6,888,254.00	6.91
Total Services Revenue	\$40,320.00	\$23,160.00	\$22,610.00	\$6,888,254.00	\$6.91
Sales Returns and Discounts					
Sales Discounts	0.00	0.00	0.00	400,000.00	40
Total Sales Returns and Discounts	\$0.00	\$0.00	\$0.00	\$400,000.00	\$40
Total Revenue	\$40,320.00	\$23,160.00	\$22,610.00	\$6,488,254.00	\$6.51

# Integrated Technologies







You don't rise to the level of your goals. You fall to the level of your habits.

-James Clear



## Managing Claims

- Set clear expectations and milestones
- Insist on the brutal facts
- Insist on “educational sessions” and not simply informative
- Get Peer Review if there is any concern

# OUTGROWING QUICKBOOKS

Engineering Real Profit in Companies  
**\$10 Million-\$50 Million**

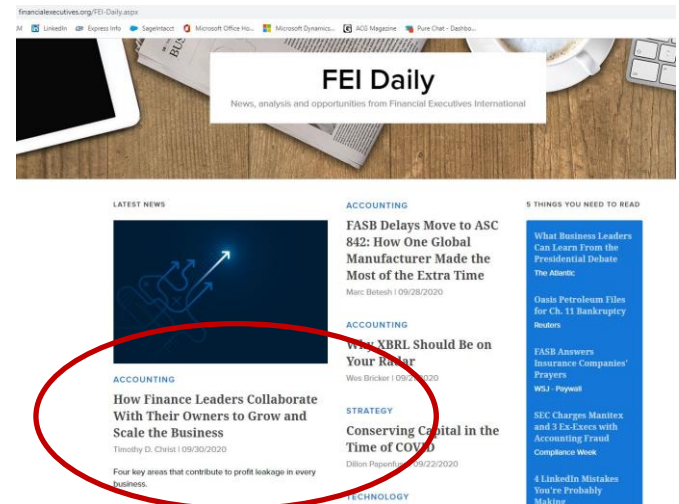


**TIMOTHY D. CHRIST, M.B.A.**

**#1 New Release** in Quickbooks

**San Antonio Entrepreneurial  
Opportunity Contest**

**Book Publication!**  
**Sept. 8, 2020**



Go Play Offense!



**E X P R E S S**  
INFORMATION SYSTEMS

**The Experts in Business Management Software & Support**

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