Using Data Analytics Tools in Your Compliance Program - Strategies for Getting Started

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Kim Brown
VP, P&C Corporate Compliance
Nationwide

professional experience includes...

or

does not include....

Skills needed to get started = interest, curiosity and determination
“...Using Tableau software to turn your Compliance results into color graphs to easily spot outliers. Transforms raw data into meaningful visuals. Software lays over excel, databases, etc... provides a dashboard type view... Two week free trial. Software can’t be that expensive if the state DOI can afford it? DOI is using it to review data from carriers, and using it in their own operation.”*

*TMB notes from presentation at IRES Conference August 5, 2014

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**Today’s objectives**

- Data analytics defined - types of data analytics
- Tools to consider
- Getting started with a strategy
- Benefits of using data analytics in your Compliance program
- Successes achieved - real world applications
- Lessons learned
- Resources
Data analytics defined – “the process of gathering and analyzing data and then using the results to make better decisions.”* Data is extracted and categorized to identify and analyze patterns.

Types of data analytics**

*Data Analytics-Evaluating IA’s Value  **Gartner (March 2012)

Tools, tools, and more tools...

acl  

Tableau  
nintex  
Paxata
We partner with OCE programs to develop the skills and tools necessary to better understand and use data.

**Mission**
To advance the OCE data analytics capabilities by working to enable the utilization of data analytics solutions that enhance effectiveness and increase efficiency, resulting in regulatory solutions that protect Nationwide and its members.

**Vision**
Create a culture where data analytics is widely used and enables OCE to deliver proactive regulatory solutions, increasing efficiency and effectiveness of Nationwide’s Compliance and Ethics programs.

### OCE Data Analytics Team Strategic Anchors

<table>
<thead>
<tr>
<th>Framework</th>
<th>Change Management</th>
<th>Education/Strategy</th>
</tr>
</thead>
</table>
| • Governance  
• Steering Committee  
• Work group structure & responsibilities  
• Project intake & prioritization process  
• Identify current “Data SMEs” within OCE  
• Identify & catalog tools currently used  
• SWOT  
• Measurements of success | • Associate & leadership buy-in  
• Establish collaborative data analytics culture  
• OCE educational opportunities  
  — Nationwide trainings  
  — Software trainings  
  — Conferences  
  — Certificates / degrees  
• Communication Program  
  — Lunch & Learns  
  — Articles/Blog | • Learn from other data analytic groups  
  — Internally, externally, conferences, software working groups, etc.  
• Identify data sources and points of contact  
  — Internal & External  
• Training opportunities for OCE associates/SMEs  
  — OCE working group opportunities  
  — Different “education paths”  
• Define forward looking, iterative strategy |

### How We Will Behave

- The fear of failure will not prevent us from trying new things
- Through an iterative process we will provide actionable results
- All ideas will add value, even if it’s not the expected value

- Ask the questions that help our partners determine their data and reporting needs
- Foster a growth mindset for data analytics and reporting
- Focus on the problems facing OCE and facilitate innovative solutions

### Benefits include:

- Enhanced value to the business
- Move program from testing to continuous monitoring
- Improved response and prevention
- Quickly identify outliers
- Easy to read dashboard reporting with interactive point/click functionality
- Automation of workflows
- Generate surveys
- Demonstrate pro-active processes to regulators
P&C Compliance Program

1. New Law Implementation Program
   - Tracking implementation of new laws
   - Securing action plan and implementation date, monitor and report progress

2. Regulatory Assessments and Consultation
   - “Find it and Fix it”
   - Issue management
   - Consult with business partners on risk analysis, business processes, training

3. Exam Management & Coordination
   - Requests from state Market Conduct and Financial exams
   - Coordinate Market Conduct Annual Statement filings (MCAS)

Program covers insurance products for businesses such as auto, home, commercial, e&c, agribusiness, and pet

Successes!

- Cancellation days notice
- Adjuster/Producer licensing
- Outliers before filing
- Industry results at a glance
- Regulatory compliance issue management
- Automated generation of business partner surveys

Some examples...
Cancellation days notice

The source data contains data for all states during the period. Each state has a separate requirement for cancellation letters.

<table>
<thead>
<tr>
<th>Policy Num</th>
<th>State</th>
<th>Letter Print Date</th>
<th>Cancellation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234E 56789</td>
<td>OH</td>
<td>11/2/2018</td>
<td>1/1/2019</td>
</tr>
<tr>
<td>2345E 67890</td>
<td>OH</td>
<td>12/19/2018</td>
<td>1/15/2019</td>
</tr>
<tr>
<td>3456E 12345</td>
<td>OH</td>
<td>12/20/2018</td>
<td>1/16/2019</td>
</tr>
</tbody>
</table>

With ACL, we are able to program logic to help determine if items meet the criteria set.

The end result gives a field that indicates if each item meets the required criteria.

<table>
<thead>
<tr>
<th>Policy Num</th>
<th>State</th>
<th>Proper Num Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1234E 56789</td>
<td>TN</td>
<td>YES</td>
</tr>
<tr>
<td>2345E 67890</td>
<td>TN</td>
<td>NO</td>
</tr>
<tr>
<td>3456E 12345</td>
<td>TN</td>
<td>YES</td>
</tr>
</tbody>
</table>

Finding outliers quickly

This dashboard is intended to show you which companies may appear as an outlier in a particular state. To get started:

1. Select a line of business
2. Click on a state.

The ratio data will appear below. Only the companies filing in the state will appear.

Hover over the states or bar graphs for additional information. Simply click the state again to Deselect.

Red shaded states have ratios that EXCEED the state average.
Interactive tool to view results

Lessons Learned
- Change management - don’t underestimate this
- Business partners and regulators are using data analytics
- Identify aptitude and talent before buying licenses
- Skill set needs to change - heads down check the box versus analysis, solutions oriented
- Searching for perfectly “clean” data
- Adopting an iterative workflow process
- Prioritization of projects
- Free resources and training
Resources

- https://www.paxata.com/webinars
- https://www.tableau.com/learn/training
- Look for community user groups on-line and LinkedIn

kim.m.brown@nationwide.com