TrustLayer

The Connected Risk Ecosystem:

ESCAPING THE SPREADSHEET TRAP BY COMBINING COI AND RMIS

In the modern insurance and risk management landscape, the industry is facing a digital paradox. We live in an era of unprecedented data generation - it is estimated that 90% of the world's data has been created in the last two years alone. Yet, for a staggering number of organizations, the management of their most critical financial risks remains trapped in the technological equivalent of the Stone Age: static, siloed, and error-prone spreadsheets.

The disconnect between **Risk Management Information Systems (RMIS)** and **Compliance (COI)** tracking is no longer just an administrative nuisance; it is a silent leak on the balance sheet. According to industry research, ineffective data management and manual workflows can cost organizations up to 20-30% of their revenue annually in inefficiencies and unmitigated risks.

To understand the path forward, we analyzed insights from industry veterans across the insurance brokerage, staffing, and risk management sectors. Their collective experiences map out a clear journey: a migration from the chaos of manual spreadsheets to the clarity of a fully connected risk ecosystem.

This transition isn't just about buying better software; it is about moving from a reactive"cost center mindset to a proactive, strategic partnership. As we explore this maturity curve, we will see how leading RMIS platforms like **Aclaimant**, paired with modern compliance solutions like **TrustLayer**, are redefining what it means to be covered.

PHASE I

The Spreadsheet Stranglehold and the Cost of Lag

For the vast majority of organizations, the journey begins in the Spreadsheet Era. This phase is characterized by manual entry, high latency, data isolation, and a false sense of security.

A Director of Safety at a large, multi-state staffing firm described the reality of this phase vividly. When she began her tenure in 2018, safety management was an entirely manual endeavor. "It was a very manual process," she recalled. "We had a very large spreadsheet we just kept adding to... when we wanted a report or data, it was a very lengthy process. Sort, cut, and paste."

This is a scenario played out in risk departments globally. Despite the high stakes, many risk professionals rely on tools that are fundamentally fragile. Studies have consistently shown that nearly 88% of all spreadsheets contain "significant" errors - formulas that don't calculate correctly, rows that are skipped, or data that is hard-coded when it should be dynamic. In the context of Workers' Compensation or General Liability, a misplaced decimal point or a forgotten row isn't just a typo; it's a potential lawsuit or a denied claim.

THE MULTIPLIER EFFECT OF LAG TIME

The primary casualty of the Spreadsheet Era is time. In the world of claims, time is currency. The lag time the delay between an incident occurring and it being reported to the carrier, is directly correlated with the final cost of the claim.

The National Council on Compensation Insurance (NCCI) has provided sobering statistics on this front. Their data suggests that a lag time of just two weeks can increase claim costs by nearly **18%**. If that reporting lag stretches to four weeks, costs can skyrocket by **30%** to **50**%.

Why? Because delays prevent early intervention. When a claim sits in a spreadsheet waiting for a monthly batch upload or a manual email, injured workers don't get directed to preferred medical providers, and frustration builds. This frustration is a key driver of litigation. The same NCCI data indicates that litigated claims are significantly more expensive than non-litigated ones, and the probability of litigation doubles when reporting is delayed beyond that two-week window.

The transition to a digital platform fundamentally alters this metric. As the Safety Director noted, implementing a modern RMIS allowed her organization to drastically improve lag time. By moving from batch processing on a spreadsheet to real-time reporting in a cloud ecosystem, organizations stop bleeding money on claim delays they didn't even know existed.

PHASE II

The "Build vs. Buy" Dilemma

As organizations mature and realize spreadsheets are untenable, they often enter a dangerous second phase: The Build Era.

Innovation-minded organizations often look at the market, see a lack of options that fit their specific niche, and decide to build their own proprietary portal. A Vice President of Client Experience at a top 100 insurance agency shared her firm's experience with this pioneer's dilemma.

In 2009, her agency built a proprietary portal to allow clients to file claims directly - a revolutionary concept at the time. "We were trying to accomplish the filing of workers' compensation claims... but also housing employee handbooks and safety policies," she explained.

However, the Build approach has a hidden expiration date known as Technical Debt.

Technology evolves at an exponential rate. A bespoke portal built in 2015 is often obsolete by 2020 unless it receives constant, expensive updates. By 2022, as software giants sunsetted the support structures for legacy platforms (like older versions of SharePoint), the agency faced a choice: spend massive resources rebuilding their tool from scratch, or partner with a dedicated expert.

THE REALIZATION: WE ARE NOT IT PEOPLE

The turning point for the agency was the realization that software development was not their core competency. "We're not IT people," the VP admitted. "Now technology and insurance companies... have really caught up to what we were doing, and so it just no longer made sense for us to try to build that on our own."

This is a critical lesson for the industry. The complexity of modern risk now requires mobile apps, API connectivity, SOC2 Type II security compliance, and AI integration. Building this internally is a massive drain on resources.

Leading RMIS companies like Aclaimant have emerged to fill this gap, offering platforms that are not static repositories, but evolving ecosystems. By choosing to buy (or partner), organizations gain access to millions of dollars in R&D and continuous feature rollouts–like AI-driven analytics–that they could never afford to build themselves.

PHASE III

The Connected Ecosystem

The final and most mature stage of the journey is the Connected Ecosystem. In this phase, the organization stops viewing risk as a series of isolated tasks (e.g., "collecting a COI" or "filing a claim") and starts viewing it as a unified data stream.

This is where the partnership between robust RMIS platforms and Compliance/COI solutions becomes essential.

1. BREAKING THE CARRIER DATA SILO

In a fragmented world, data is often held hostage by insurance carriers. If an organization switches carriers to get a better premium, they often lose easy access to their historical loss runs and claims data.

"Carriers are not great about sharing that information once an insured leaves," the a VP at an Insurance Agency noted. This creates a blind spot where a Risk Manager cannot accurately analyze long-term trends because their data is scattered across three different carrier portals, each with different login credentials and data formats.

A connected ecosystem solves this by acting as a carrier-agnostic **Single Source of Truth**. By ingesting data from every carrier into one platform, leading RMIS solutions ensure that the client owns their data history. Whether the liability sits with Carrier A (last year) or Carrier B (this year), the analytics dashboard looks the same. This continuity is vital for spotting long-term trends, such as a gradual increase in repetitive strain injuries that might be invisible if you only look at one year of carrier data at a time.

2. THE THIRD-PARTY BLIND SPOT (THE COI FACTOR)

Perhaps the most critical missing link in traditional risk management is the connection between Risk Management, Claims, Vendors and "Subcontractors. This is where the synergy between RMIS and COI management (via platforms like TrustLayer) becomes powerful.

Consider the construction and staffing industries, where up to **60-70% of work is often performed by third parties**. When a claim occurs, specifically in General Liability, Auto, or Property, the immediate question should be: Is this our liability, or does it belong to a subcontractor?

In the Spreadsheet Era, answering this requires digging through a physical binder to find a Certificate of Insurance (COI) and hoping it wasn't expired at the time of the incident. Industry statistics suggest that over **70% of COIs contain discrepancies** or non-compliant elements upon receipt. If that data isn't verified and linked to the claims system, the organization ends up paying for claims that should have been transferred.

Contractual Risk Transfer (CRT) failure is a massive source of leakage. When a claim is paid by the hiring client instead of the at-fault subcontractor, it damages the client's loss history and drives up their Experience Modification Rate (EMR).

Leading risk leaders are now demanding systems where:

- **The Incident** is recorded in the RMIS
- **The Compliance Status** of the involved vendor is verified via COI
- **The Liability** is instantly assessed for transfer potential

This holistic view protects the organization's loss history and premiums by ensuring that claims are tendered to the responsible party immediately, not months later when the evidence has gone cold.

3. FIELD CONNECTIVITY & NURSE TRIAGE

The Connected Ecosystem also bridges the gap between the corporate office and the field. Risk doesn't happen behind a desk; it happens on the construction site, the factory floor, and the warehouse dock.

A veteran Risk Management Executive in the staffing sector described how she utilizes technology to connect disparate branches. By integrating **Nurse Triage** directly into her RMIS, she removed the friction for field managers.

"Our field just needs to open the nurse triage report, click the person's name... and it populates all of the employee information," she explained.

This integration does two things:

- **It simplifies the field's job:** They don't need to be insurance experts; they just need to click a button.
- **It cleans the data:** The Risk Manager receives a standardized, pre-populated report, eliminating the "garbage in, garbage out" problem of manual reporting.

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PHASE IV

From Data Entry to White Glove Advisory

The ultimate benefit of moving from spreadsheets to a connected ecosystem is the elevation of the risk professional's role. When you stop spending 80% of your time cleaning data, you can spend 100% of your time acting on it.

ACTIVE DATA VS. PASSIVE DATA

The Agency VP noted that clients today don't just want a policy; they want "access to information." They want to make data-driven decisions.

Leading RMIS companies like Aclaimant enable this by transforming flat loss runs (rows and columns) into active dashboards and insights "I can run a report for a branch and say, 'This is the company where you're seeing more of your claims... let's get with that client and find out what we can do,'" the Safety Director shared.

This ability to drill down—to see which body parts are being injured, which specific shifts are having accidents, and which machines are involved - allows risk managers to intervene before the next accident happens. When paired with the ability to execute safety specific follow-ups and triage, a RMIS solution can improve the outcome and prevent recurrence.

For the Staffing Executive, this capability is her competitive advantage. She describes it as "white glove service." "I met with a client last week... the meeting started with the data, and then we went around the plant to look at the specific things the data was showing me," she said.

This is the future of risk management. It is not sitting in an office processing paperwork; it is walking the plant floor with an iPad, showing a client a heat map of their injury trends, and designing a safety mentorship program to fix it.

Conclusion:

THE FUTURE IS INTEGRATED

As we look toward 2026 and beyond, the demands on risk professionals will only increase. Artificial Intelligence (AI) and machine learning are poised to introduce predictive analytics—telling us not just what happened, but what might happen next.

Imagine a system that alerts you that "Job Site B" has a high probability of an incident next Tuesday based on weather data, historical trends, and the fact that three subcontractors on site have expiring COIs. That is the promise of the connected ecosystem.

However, AI needs data to function. If your data is trapped in spreadsheets with an 88% error rate, or siloed in a proprietary legacy portal, you cannot leverage the tools of the future.

The journey from manual chaos to a connected ecosystem is no longer optional for organizations that wish to remain competitive. By adopting leading RMIS platforms and integrating them with robust compliance solutions and COI, companies can achieve the holy grail of risk management:

1. **Visibility** across all lines of coverage and carriers.
2. **Velocity** in reporting and resolution, drastically cutting lag-time costs.
3. **Validation** of compliance and liability transfer, stopping the leakage of third-party risk.

The era of the silo is over. The era of the ecosystem has arrived.