

# Data Whisperer

Patrick Rounds  
President  
R&A Risk Professionals

Session Title:

What do cleanups cost and why should you care?

It is not enough to be busy. So are  
the ants. The question is: What  
are we busy about?

-Henry David Thoreau

# Short Version

- Obtain good data
- Analyze your data
- Listen to your data
- Respond to your data

# Planning

1. Where are you now?
2. Where do you want to be?
3. How do you get there?
4. How do you measure your progress?

# 1. Where are you now?

- What you spent
- When you spent it
- What you spent it on
- How you processed payments
- What you accomplished...



**1-10-100 Rule**

Source: Total Quality Management, Joel E. Ross

# Data Issues

## What

- Lacking integrity
- Unusable
- Inaccurate
- Inconsistent
- Missing
- Incomplete
- Not accessible
- Not comparable

## Why

- Timing
- Measurement
- Tracking
- Database Capabilities
- Terms





U2 again



## 2. Where do you want to be?

Corrective action is never delayed  
due to a lack of resources or a timely  
response from the Fund

But I still haven't found  
what I'm looking for

-U2, The Joshua Tree

3. How are you going to get there?

Everyone has a plan 'till they get  
punched in the mouth.

-Mike Tyson

However beautiful the strategy,  
you should occasionally look at the  
results.

*-Winston Churchill*



**Now what?**

-Finding Nemo



4. How do you measure your progress?



# More analysis may be needed

- What is the Fund's current liability?
- How many claims will be submitted in future?
- What will future claims cost?
- What is the future payout pattern?
- Will revenues keep pace with claim payments?
- Will cash flows impact corrective action?
- Will regulations impact the number of confirmed releases?

Use an Actuary

# Data Analysis

- Impact of investment income on the present value of claims.
- Impact from the lag between occurrence and discovery/report of a release.
- Extent of IBNR liabilities.
- Impact of “development” on claims.
- Impact on revenues from fuel efficient vehicles and changing demographics.

# Data Analysis (continued)

- Projected frequency of new releases.
- Projected severity of new releases.
- Impact of new regulations on the frequency of suspected releases.
- Loss adjustment expenses associated with future claims.
- Short and long-term solvency.



**You're gonna need a bigger boat.**

Roy Scheider (Brody) -Jaws

# Data Issue Example

- USEPA data to support rule changes:
  - 15% of FL releases related to overfills using 512 valid releases from 2,280 reported from 1994-2002.
  - 16% of releases related to overfill using 580 valid records from 22 states between September 1999 and February 2003.
- Our post inspection data (last 10 years) determined that less than 3% of releases are related to overfills.

An error doesn't become a mistake  
until you refuse to correct it.

-Orlando Aloysius Battista

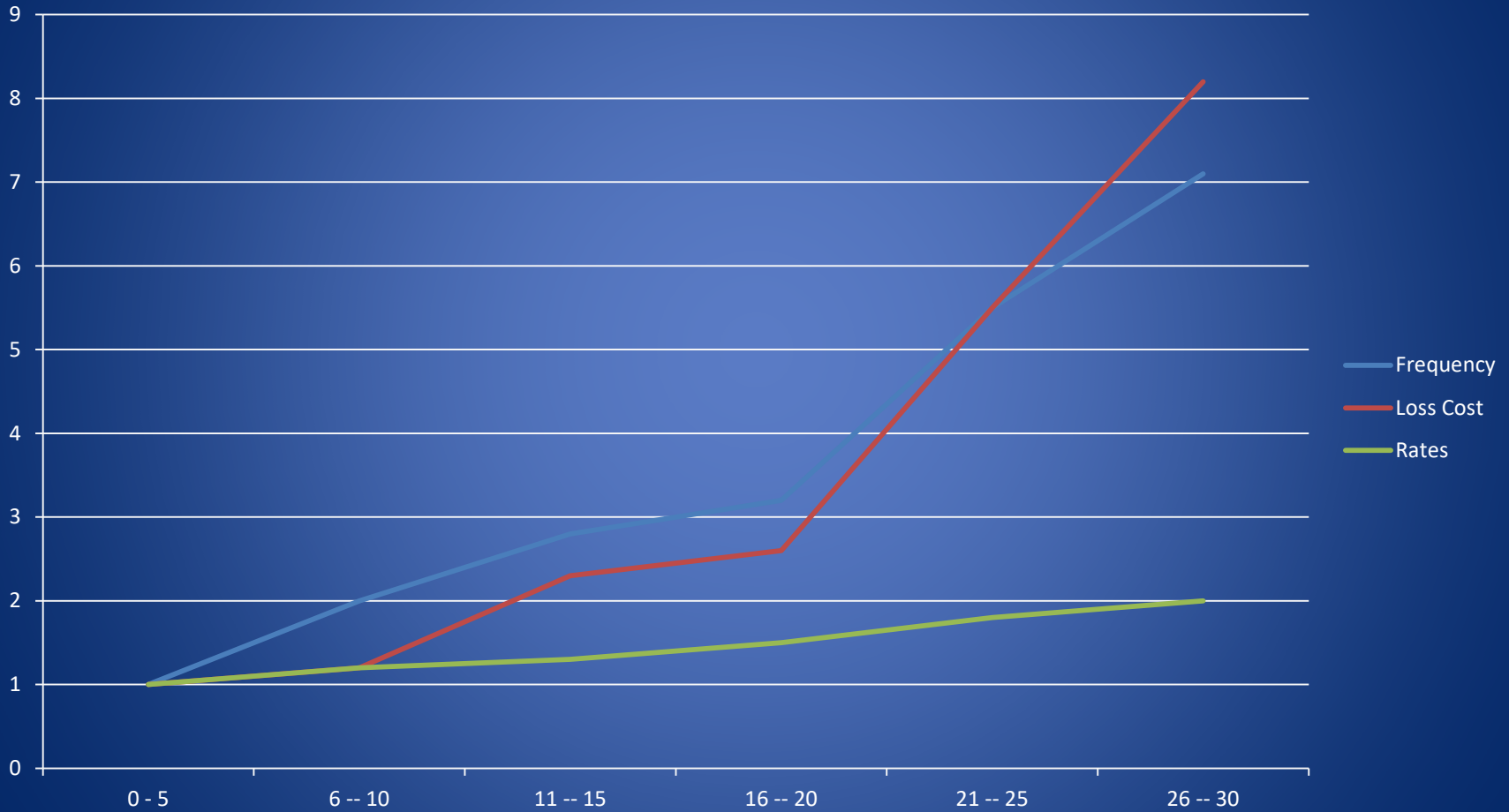


Let your data speak

# Insurance rates

- Rates “actuarially sound” Since 1995
- Source and cause of loss analyzed annually
- Emphasis on better tank components to reduce losses

# Reality: Age Relativities



# Start Today

- Obtain good data
- Analyze your data
- Listen to your data
- React to your data

If something is not good enough,  
stop doing it.

-Jonathon Ive

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