**Risk Management Information Systems (RMIS)**

"Risk management information systems are software tools designed to assist risk managers in

their functions. Traditional RMIS software emphasizes claim management, safety monitoring, and

financing losses. Other tools available in a RMIS are management of insurance policies, exposure

data and insurance certificates.

An enterprisewide RMIS system can help managers with a wide array of functions. At the outset,

once connected to an organization's existing information systems, the RMIS gathers information

from all these various systems into one database. There, the data can be analyzed from various

angles to get different perspectives on the risks the organization faces. With this rich database and analysis tool, various custom reports can be produced not just for a risk manager, but also for managers throughout the organization, giving them a detailed look at their exposures. Initially, in the late 1960s and early 1970s, risk management information tedmology was limited to systems utilizing mainframe computers that allowed insurers to print out summaries of claim losses as a courtesy to their larger policyholders. These primitive loss run were often months behind real time, contained numerous errors, and were difficult to read. Moreover, they con-tained little useful information, the only exception being the total incurred loss figures for any particular claim.

RMIS can be used for the following :

**1. Reporting**

Creation of reports that summarize loss payments and estimates of future losses. Accounting and

finance departments use these reports in preparing the organization's financial statements.

**2. Examination of Causes of Accidents**

By identifying the reasons for accidents, risk managers can determine where safety and loss

prevention expenditures would be most helpful. A large number of employees or customers

slipping and falling in a certain area may warrant a review of cleanup procedures or a study of

the costs for installing special carpet.

**3. Review of Claims Adjustment Process**

Risk managers use RMIS to evaluate the performance of claims adjusters by comparing actual

results to standards. Typical evaluation areas are promptness of initial contact, case settlement

time, amount paid for type of injury, and accuracy of the adjuster's case value estimate.

The emergence of internet as a critical tool for business communication and services has rapidly impacted RMIS, as many vendors have "Web-Enabled" new and existing products to take advantage of the Internet's broad availability and low end user maintenance costs. The internet has also permitted older legacy systems to remain viable in the marketplace because end-users work with a newer, standard interface even though processing may be occurring on a mainframe or other older computer system. Software products have also been introduced to serve special application needs, such as catastro-phe simulation software to assist in examining the effects of disasters on a group of exposed properties, and hazardous material tracking programmes to record the uses and locations of potentially hazardous items.