

PHILADELPHIA INSURANCE COMPANIES REDUCES COST OF SOX COMPLIANCE

With a software as a service GRC solution

CUSTOMER SUCCESS STORY

ABOUT PHILADELPHIA INSURANCE COMPANIES

Philadelphia Insurance Companies, a member of the Tokio Marine Group, designs, markets and underwrites commercial property/casualty and professional liability insurance products incorporating value added coverages and services for select industries. In operation since 1962, the company, whose commercial lines insurance subsidiaries are rated A+ (Superior) by A.M. Best Company and AA- for counterparty credit and financial strength by Standard & Poor's, is nationally recognized as a member of Ward's Top 50 and National Underwriter's Top 100. The organization has 50 offices strategically located across the United States to provide superior service.

THE CHALLENGE

Philadelphia Insurance Companies was using outside consultants to complete their Sarbanes-Oxley related work. They wanted to bring the process in-house in order to reduce costs and enable their internal audit group to exercise more control over the regulatory requirements.

The company was using a highly customized Microsoft Access database to manage their workpapers and had only one person who could perform administrative changes. In addition, they were generating massive amounts of paper housed in numerous binders. The approach was not only cumbersome and expensive, but it lacked a methodology for sign-offs and was not suited for a growing internal audit department.

THE SOLUTION

The internal audit group at Philadelphia Insurance Companies, at that time led by Jennifer Schultz, assistant vice president and director of internal audit, began the search for an automated tool. The research began late in the third quarter of 2007 and the timeline was very tight. The goal was to complete the certifications for the second quarter of 2008 using a new software application.

With a drive to increase efficiencies, provide credibility and add value, the group began their search by surveying the Insurance Internal Audit Group (IIAG) members to determine the tools that they were using successfully. They also relied upon analyst reports for insight and recommendations. Based on their research, they narrowed their focus to two vendors, one of which was Thomson Reuters. With a detailed list of requirements in hand, they began to evaluate both vendors with in-depth product demonstrations.

In the first quarter of 2008, Philadelphia Insurance Companies chose the Thomson Reuters on demand GRC solution. Key factors in the decision included the single

"The on demand GRC solution helped us significantly reduce cost by eliminating the need for outside consultants to comply with SOX."

— JENNIFER SCHULTZ
Philadelphia Insurance Companies



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“The software enabled our internal audit team to gain immeasurable efficiencies and add expanded value to the organizations.”

— JENNIFER SCHULTZ
Philadelphia Insurance Companies

database structure of the GRC solution that would enable them to house all their data – both SOX and internal audit – in one secure, yet easy to access location. In addition the software-as-a-service delivery method would allow them to get up and running fast, without relying on their internal IT department or managing through the red-tape that often accompanies a new on-premise application. Further benefits were realized as the initiative aligned with the organization's drive to go paperless.

THE RESULTS

In May of 2008, Philadelphia Insurance Companies was ready to have their data uploaded and start training, and by late June they went live with the on demand GRC solution to support both internal audit and SOX related activities. The company quickly moved sign-offs and certifications to the system and was able to shift ownership of controls and issue management to the business units. The goal of completing second quarter certifications was easily met.

The GRC solution made it easy for the company to take a risk-based approach to SOX. They were able to scrub their data to find duplicates and synergize key risks and controls. The time reporting functionality in the software allowed the internal audit team to become more efficient. The group now had full visibility into how they were spending their time. According to Schultz, “We were finally able to accurately measure chargeability, better budget for individual audits and determine the most efficient use of our time.”

With the GRC solution, the internal audit process has become more organized. They rely on templates to ensure consistency across audits and find sharing information easy. The group gained flexibility as they were now able to access the software from the office, at home or on the road at any time of the day. In addition, the internal audit group is able to provide senior management visibility through easy to access and understand heat map reporting.

There are many future plans for the GRC solution within the company as they begin to look at the workforce scheduling and survey functionality. “Not only will we look to using more aspects of the software, but we plan to look at other business units to see how they can benefit from sharing data as well as the issue tracking.” said Schultz.

