Virginia Association of Counties
ACHIEVEMENT AWARDS

SUBMISSION FORM

All submission forms must include the following information. Separate submission forms must be turned in for each eligible program. **Deadline: July 1, 2024.** Please include this submission form with the electronic entry. If you do not receive an email confirming receipt of your entry within 3 days of submission, please contact Gage Harter.

PROGRAM INFORMATION

County: Chesterfield County

Program Title: Certificate of Insurance Process Redesign

Program Category: Customer Service

CONTACT INFORMATION

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SIGNATURE OF COUNTY ADMINISTRATOR OR DEPUTY/ASSISTANT COUNTY ADMINISTRATOR

Name: Clay Bowles

Title: Deputy County Administrator

Signature:

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Abstract of the Program

The Chesterfield County Department of Risk Management oversees the tracking and maintenance of current certificates of insurance (COI) pertaining to contracted and non-contracted vendors serving the county and schools entities. Diligent attention to this process is required to ensure that proper insurance coverage is secured and current for the specified duration of the project, contract term, or receipt of goods and services. Certificates of Insurance (COI) are forwarded to the Risk Management office from various departments across the County and School system. The Risk Management office collaborates with these departments and vendors to ensure the accuracy of the certificates and insurance coverage requirements. A significant increase in the volume of certificates routed to Risk Management and an inefficient, manual process necessitated a COI tracking program redesign. In July 2023, we implemented a comprehensive COI tracking system known as CTrax. The CTrax solution automates workflows for new COI, renewal requests, archival of expired COI's and includes dynamic dashboards displaying real-time compliance metrics. Leveraging the CTrax platform enabled Risk Management and the County to streamline the COI intake and maintenance process. This COI process redesign yielded benefits for all stakeholders, including improved productivity, decreased operating costs, and improved accuracy and compliance.

The Challenge of COI Management

When the County or Public Schools contract with a vendor, that vendor's activities and goods provided create an inherent liability risk. By obtaining appropriate certificates of insurance and

maintaining current certificates on file, Chesterfield County has evidence that insurance has been obtained therefore transferring risk associated with the vendor from Chesterfield County to the insurer protecting our citizens. Maintaining accurate COI's on file not only ensures contractual compliance but also mitigation of potential legal implications and financial risks.

The Risk Management office receives and maintains COI's for more than 1000 vendors. The COI tracking process utilized prior to the program redesign was no longer adequate for the volume of COI's we validate and maintain. The process required manual data entry, did not allow for batch document uploading, had limited search functionality, and lacked automated workflows for renewals and archival. Individually verifying the accuracy of a COI is challenging due to the specificity of insurance coverage required for the varying goods and services provided to the County and School system. The absence of coverage requirement templates contributed to variability and the potential for error. As volume of COI's received increased, this inefficient process became more labor intensive with less quality control.

COI Management Process Redesign

A project team was identified in November 2022 comprising key stakeholders within the organization, including Risk Management, Information System Technology, and Procurement. The process redesign project was aligned concurrently with the CTrax software implementation. The team started by batch importing the current repository of thousands of COI documents. The Optical Character Recognition (OCR) functionality in CTrax identified the insureds, the COI contact information, current coverages and populated the insured database. This alleviated the need for manual entry of over 1000 individual insureds with a current contract.

Next, the team defined insurance coverage templates based on current contracts and created the coverage templates in CTrax. The team created 46 coverage templates that were assigned to the appropriate insureds. The system's logic compares the coverage listed on the COI to the coverage defined in the assigned coverage template. If the coverage on the submitted COI is not sufficient, the insured's contact is sent a notification email with request to upload a corrected COI via a link in the email. This automated workflow eliminates staff resource need for multiple correspondence with the vendor and avoided rework. The coverage templates are easily exported from CTrax and have served as reference documents for staff when working with internal and external customers.

The team drafted and identified appropriate cadence of communication to vendors, via automated workflow notification emails, for missing coverage requirements, upcoming expirations, and other non-compliance. The email communications were crafted to provide insured parties with essential information to ensure the COI are meeting our requirements. The communications define the individualized insurance requirements based on the template assigned to their project or contract. The automated workflow notifications are enabled for the duration of the project or contract term.

A training manual for our internal customers was developed to outline the steps of the redesigned process. Guidance for using the CTrax solution in daily operations and database management was included. As stewards of the COI tracking process, Risk Management staff was granted "administrative" access to CTrax. Internal stakeholders, including Procurement and Parks and Recreation, have "read" access enabling them to search for insured parties and documents within the database. Instead of routing a request to Risk

Management for COI status inquiries, the internal customers now have that ability. This has empowered internal customers and relieved Risk Management staff of this task.

Collaboration with internal stakeholders was pivotal to the success of this process redesign. The Risk Management team worked closely with the Procurement team to identify improvements related to defining insurance requirements and staff roles during the procurement and contract drafting process. Risk Management is often consulted for guidance on coverage requirements and the implementation of the coverage templates offer a first level resource for the Procurement staff. Additional improvements arising from the collaboration with the Procurement office include: a revised reporting process to identify "spot purchases" that do not require contracts but do require COI; identification of an on-boarding process for new vendors to the automated CTrax notification workflow; reporting procedure identifying current contracted vendors used for the CTrax database quality assurance protocol; and improvement procedure for notification of insurance coverage cancellations.

The Information Systems Technology team was engaged to ensure the workflow notification emails would be routed to inboxes as opposed to "junk mail", preventing workflow delays. Risk Management also partnered with the Parks and Recreation team to improve the COI request process pertaining to the annual events sponsored by the Parks and Recreation Department such as the farmer's market and fourth of July events.

Financial Considerations

The constraints of the prior COI tracking database posed significant challenges to achieving compliance. Despite being provided at no additional cost as part of our brokerage services

contract, its limitations hindered our compliance efforts. The annual cost of CTrax is correlated to the number of compliance emails sent on tracked vendors. As our number of contracts and projects increases this number will grow also, however we do not track vendors or insureds that do not have contracts or projects crossing fiscal years. The annual cost for fiscal year 2024 was $11,847.20. The project team meets annually to review the training manual and conduct a compliance review for improvement opportunities. The estimated annual hours previously spent on maintaining the prior database was over 1,000 hours between two full time staff. As result of our redesigned COI tracking process, coupled with the implementation of the new tracking software, we estimate the annual hours spent ensuring a compliant COI protocol will be less than 500 for one full-time staff member.

Success of the Program

The COI process redesign has streamlined Risk Management responsibilities and enabled stakeholder autonomy. Labor hours previously spent manually entering data, searching COI for status inquiries, and sending correspondence have been reduced by nearly 75%. Vendors use the CTrax portal to upload their COI document which eliminates the administrative burden of faxes, emails, and paper mail. Internal customers are enabled to search for COI status and view coverage requirements without having to consult Risk Management staff. The notification of non-compliance to vendors via automated emails removes the need for Risk Management staff to send multiple requests.

In addition to the improvements seen in the significant reduction of administrative tasks related to tracking COI, the COI process redesign team has achieved the ability to monitor compliance to our COI protocol. Dashboards within the CTrax software provide process
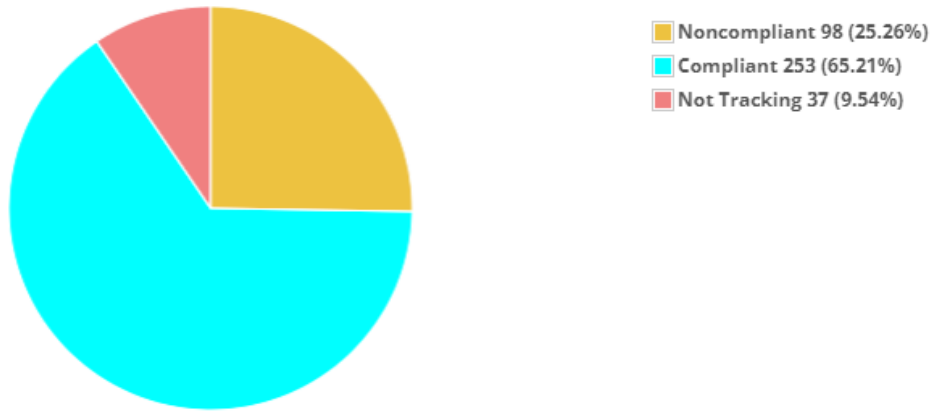
owners real-time data such as coverages expiring in 30 days, email notifications sent by type of non-compliance, and overall compliance indicating active and appropriate insurance coverages. The dashboard's real-time metrics enable staff to identify opportunities for intervention and monitor the effectiveness of the overall process. As a result of the COI Process Redesign project, we have achieved faster turnaround times, improved relationships with internal and external customers, reduced variation, and increased compliance with defined insurance coverage requirements.

Worthiness of Award

The COI process redesign project is worthy of this achievement award because it has transformed the time-consuming certificate of insurance tracking process that is essential to risk mitigation. By streamlining the administrative aspects of the process, we can direct focus to compliance with county policy, contractual agreements, and necessary insurance coverage requirements. Collaboration with those departments involved in the process fostered innovative improvements and a greater understanding of each stakeholder's role and requirements.

Chesterfield County Government
Department of Risk Management
Supplemental Charts

PROJECTS BY COMPLIANCE STATUS

- Noncompliant 98 (25.26%)
- Compliant 253 (65.21%)
- Not Tracking 37 (9.54%)

COMPLIANCE RATE

- Compliant 269 (70.98%)
- NonCompliant 110 (29.02%)