

Grafting the Mighty Oak

Valley Oak Systems is now part of the Aon family. Randy Wheeler discusses the future of claims and risk management technology.

Technology provider Valley Oak Systems this year made headlines when it became part of Aon's eSolutions group. Valley Oak, a past winner of the E-Fusion Award, made its name with iVOS, a claims management platform. Aon's best-known tech offering has been RiskConsole, a risk management platform.

BEST'S REVIEW: Going back through the various E-Fusion functions, we've seen a lot of tech providers end up with different organizations. We saw a lot of consolidation after 2001, and then things got quiet. So how did you end up with Aon?

WHEELER: Since Valley Oak's inception we've experienced a lot of growth. To continue to accelerate the growth and provide better products, we agreed to be acquired and become part of Aon's eSolutions group. We are now part of a large international corporation—we were really focused just on the U.S. We've got resources to draw upon, common expertise to draw upon to expand our capabilities to meet client needs.

BR: Randy, can you explain exactly what iVOS does, where that fits into RiskConsole and what's different?

WHEELER: There is very little overlap. RiskConsole is a risk management information system, targeted toward exposure, policy and claims information consolidation; iVOS, on the other hand, is really claims administration. It is used by folks to adjudicate claims. A claim would be entered in iVOS, then someone could run risk-management analytics on that same claim three seconds later in RiskConsole.

BR: Do you feel challenged by this integration and will users feel perhaps that they may see less of an entrepreneurial spirit in your system?

WHEELER: We look at Aon as a company now at their 20th birthday. It's grown through acquisitions. If you look at the DNA of the company, it's a group of folks that includes a large number of entrepreneurs. Aon as an entity continues to function like a group of entrepreneurs, even though it's a Fortune 250 company. That was a key consideration. RiskConsole was acquired by Aon a little over three years ago. We've got a case study of a technology company working inside a large brokerage. They were thriving, it continued to thrive and they're continuing to innovate.

BR: The combined ratio for the U.S. property/casualty industry in 2006 was excellent. It's the lowest it's been in a long time. There weren't all that many hurricanes, but much of that comes from better claims management and reducing the claims expense ratio. Is there much fat to be cut? How far can the industry go on that side of the combined ratio, Randy?

WHEELER: There is still room for improvement. With the automation of the systems we're providing, better data means better decisions can be made, as well as support more innovative risk analysis, risk identification, prevention and cost control. **BR**



Randy Wheeler,
CEO

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