

Oklahoma Innovations Radio Show

Air Date: June 14, 2009

Guests: **John Sullivan**, Computer Risk Management

[Music]

>> From the OCAST Radio Network, this is Oklahoma Innovations, a weekly science and technology radio magazine brought to you as a service of OCAST, the Oklahoma Center for the Advancement of Science and Technology. OCAST is the state's only agency whose sole focus is technology, its development, transfer, and commercialization. OCAST mission is to identify and fund promising research and technologies that allow Oklahoma to compete in a global market economy from our own backyard. This program features some of the state's most gifted and talented scientists, inventors, entrepreneurs, manufacturers, and business leaders who all have one common goal, developing technology-based economic growth for all Oklahomans. Now here are your host, Gary Owen and Steve Paris.

>> I am the voice.

>> And I am the brains.

>> That's right, and we are delighted to have you here listening to our program each weekend to bring you interesting guests from around the state that relate to science, technology--

>> And all things that have to do with R&D.

>> That's right, and R&D means--

>> Research and development, now well I just wanna tell all listening people, our listening audience that it was my good friend Gary who was pointing at me and made me say that or the show would not have gone off.

>> That's our new icon. [Laughter] I'm the voice, you're the brains so. I think that's fun, that's right.

>> Alright.

>> Of course if the saw us--By the way, you know, some of our affiliates have us now on their websites so you can go and see what we look like. So those of you in Oklahoma City you can go to the KTOK and go down to the weekend listings and you can look at me and Steve.

>> Yeah.

>> And I'm not sure that KRMG has us up yet but I know they're working on this.

>> They're working on it, you bet. And you know, just a warning, we don't wanna scare off all of our listeners when they see us.

>> That's right, that's right, and those of you who listen--

>> We have faces that make people turn against science.

>> That's right, that's right. They're still trying to work on making us look better. Those of you who listen on the Cameron University stations in Western and Southern Oklahoma, well you won't be able to see us, I don't believe.

>> Well, we're gonna work on that.

>> We're gonna work on that.

>> Yeah, you bet.

>> But we were out in the south.

>> We were just about a week and a half ago.

>> Yes.

>> We were at Fort Sill.

>> We're.

>> Exactly.

>> Great, great show, never had been on that base before.

>> Well I'd been on it a couple times but I tell you what, it has a tremendous history in US military service and of course it's the home artillery. And that mission is changing somewhat as we learn and still a lot of artillery activity going on but there are changes within the field of artilleries.

>> And if you missed that show, it was a great show. Steve and I got to experience some of the new technologies in military training and what they're doing to help our soldiers in Iraq and Afghanistan and it's amazing.

>> Right.

>> What's going on at OCAST?

>> You know Gary there's lots of things going on. We're talking right now with a lot of different folks about how are we gonna deal with the changing economy and everyone knows the economy has not been so great here the last 12 to 18 months, maybe even a little longer than that. We always wonder what does that mean for our state's investment in science and technology and it's something we've been doing for the last 2, nearly 2-and-a-half decades. And we, you know, it's one of those things, here is the hard lesson to learn about R&D and science and technology, it requires consistent patient investment. So if you invest 3 to 4 years and take 2 years off because you know, you just don't have the money or whatever. You have to make up for that and it takes longer to make up for it than it would just to keep it continuous. Now I know, you know, when you talk about a down economy, it just creates problems that are just so difficult to deal with.

>> Sure.

>> I will tell you this, the legislature and the governor cut our budget just a little bit, 1.9 percent, given the--given, you know what we could have had happened. We think that's just not too bad a thing. I mean that we could still function very efficiently with that cut. It's going to cause us to have to look at some other things and maybe make some changes and some adjustments.

>> But like every state agency you all got to make adjustments and work with them, the budgets that can happen.

>> Exactly.

>> So not as much money is gonna be out there.

>> Right, however, you know our concern is next year. We don't know what's gonna happen next year. But I bring this up for one reason and one reason only. The people who are listening to this show are the people who through their tax dollars are investing in R&D, and why would you do that? Well, some of your leaders about 2-and-a-half decades ago said, you know, Oklahoma needs to diversify its economy and one of the ways we can do that is invest in research and development. And so we have had on the last actually 22 years, we have invested roughly 165 million dollars. Now spread out over 22 years, you know, that doesn't sound like a great amount but the key to it is what we've been able to attract.

>> And what the return is.

>>> And the return, yeah exactly. And so with that 165 million dollars Oklahoma's researchers have been able to take that money and I don't wanna use the word parlay but I'm going to. But they used that money to help attract private sector and federal dollars and that number is the impressive number. It's like over 3 billion dollars right now for the last 22 years. That's money that would have gone to Texas, Massachusetts, California or somewhere else, and they could use it but so can Oklahoma and our interest is Oklahoma so that's why we're doing what we're doing. I'm proud to report right now we have--we're trying to get the number, you know, finalized but we have just a whole host of scientists who have moved to Oklahoma--

>> Absolutely.

>> With their entire research team simply because of money that we've been able to provide via the State of Oklahoma through OCAST and the other organizations to attract some of the best and the brightest through our state and we've been able to retain people who are already here who are great researchers and have done some wonderful things. So what--if you look at the difference from what it was 22 years ago to today--

>> It's phenomenal.

>> You see, you know, 22 years ago we said "Okay, what is the basis for Oklahoma's economy" and you would have said "oil and agriculture" and you would not have been wrong, that is true. And by the way those are two very, still very important parts of our economy. We're not excluding it. But we've diversified in addition to oil and agriculture, now we have a lot of companies that deal on health research, that deal on applied research. We have found many ways including down at the student level, the college student level helping them marry up if you will with private sector companies in the form of an intern partnership.

>> That's right, that's a wonderful program.

>> You bet. And so, you know, when you look at the overall view of what's happening and what has happened, then it kind of gives you a position where you could say okay, we're no longer the state that doesn't invest in science and technology. We are--are we competing with Texas, are we competing with California, no we're carving our own science niche and that's an important part of who we're gonna be probably for the next hundred years.

>> Well when you look at even though we have carved our own niche, look at the niche we've carved.

>> Yes.

>> When you look at many of the things coming out of our labs here and some sciences that have gone national and international global recognition to the work we're doing.

>> Exactly, dealing with Alzheimer's, dealing with you know cancer and heart disease, any number of things that have not only a financial impact but have a quality of life impact for Oklahomans.

>> That's right. Good stuff, and our return, what is our average return for every dollar?

>> Well for every dollar we have invested, historically, we have returned sort of about 17 dollars and 52 cents, so you know, and that increases every year. Now, here is the thing. If we cut back our investment you would see a dip in that number because it's cumulative but it also has to be-- it has to be fueled and the fuel is money, so every state knows that and other state. By the way, some of the programs we have at OCAST and our overall program has become a model that other states are looking to and you know it's, I'm not gonna say we invented this, we didn't do that. But the way we operate here in Oklahoma through--with our investments, science and technology, it's something that even foreign countries, Australia and New Zealand have been here and some other countries in Europe have been here to look at some of our programs and say "how did you do that" and we tell them and they go back and--

>> Well, the OCAST model is impressive.

>> Yes. > So that's--and other people are looking at that for them, that's great. And some science news around the world, first of all it looks like a new El Nino could be approaching. They are saying that the warmth in the Tropical Pacific Ocean, the sea surface temperatures have been warming up and this suggest the potential for the development of the El Nino climate phenomena we know, and this according to the National Association of Atmospheric Administration. El Nino conditions are associated with increased rainfall across the east central and eastern pacific and with a drier than normal conditions over Northern Australia, Indonesia, and the Philippines. This summer, El Nino can lead to wetter than normal conditions in the intermountain regions of the United States and over Central Chile. And in an El Nino year there tend to be more than--more Eastern Pacific hurricanes and fewer Atlantic hurricanes. So for the US, that's good.

>> Yeah.

>> Scientists at one of Utah's major new dinosaur quarries say they have found 60 to 70 new bones this spring, including what appears to be a 20-foot long neck bone discovered this week. The latest finds are fresh evidence that the sight near Hanksville could be a large and important source of bones in the coming years. Scientists hope the mix of dinosaurs, trees and other species in the area may help piece together what life was actually like 145 million to 150 million years ago, including details about the ancient climate.

>> That would be interesting. The world's most powerful laser, they say it is the world's most powerful laser created to help keep tabs on the nation's nuclear weapon, stack pile, while also studying the heavens has been unveiled in California of all places. The super laser known officially as the National Ignition Facility was unveiled recently at Lawrence Livermore National Laboratory about 50 miles east of San Francisco. Researchers say, now Steve you are gonna get a tickle out of this.

>> Okay.

>> Researchers now say they have made a variety of apes and some human babies laugh and they're analyzing the sounds. They concluded that the people and great apes inherited laughter from a shared ancestor that lived more than 10 million years ago. After measuring 11 traits in sound from each species, they mapped out how these sounds appeared to be related to each other.

The result looked like a family tree. Significantly, the tree matched the way the species themselves are related. The scientists reported online last Thursday on the Journal of Current Biology, right. And I had one other story I was gonna share with you but he's got some interesting innovations in history and I want you to hear these, these are really good.

>> Very good, thank you Gary. It was on June 6, 1925 that Walter Percy Chrysler founded the automobile company that still bears his name and of course that's been in the news a lot.

>> Now it's gonna be Chrysler-Fiat?

>> Yes, or something.

>> June 6, 14 years ago, NASA astronaut Norman Thagard broke the American record for time in space with 84 days and 16 minutes. He did it, however, aboard the Russian Space Station Mir. A frank biological event took place on June 7, 182 years ago in the British Town of Cargo. Two massive swarms of beasts collided and fought warlike for hours until one of the swarms was finally driven away. On June 8, 1869, Ives McGaffney of Chicago obtained a patent for his sweeping machine. It was the first vacuum cleaner. And the first Automat Open on June 9, 1902 in Philadelphia. It was the forerunner of the modern day vending machine that we find in all of our cafeterias and other places. Those Gary are just a few of our science wonders and innovations in history for the month of June.

>> Doctors are testing a new kind of obesity surgery without any cuts to the abdomen. Now you're not gonna like this, snaking a tube as thick as a garden hose down the throat to snap staples in the stomach. The experimental scar-free procedure creates [background music] a narrow passage that slows the food as it moves from the upper stomach into the lower stomach helping patients feel more quickly and eat less, no thanks. We will get back to you momentarily with our guest on Oklahoma Innovations, don't go away.

[Music]

>> Breast cancer is the most common cancer among women in America. The good news is the chances of a woman dying from breast cancer are declining thanks to early detection. In Oklahoma, biotechnology research is instrumental in the evolution of a new innovation that will assist doctors in detecting a woman's risk of breast cancer at any stage of her life. Through support from the Oklahoma Center for the Advancement of Science and Technology, a biotech cancer risk and treatment company developed an oral mouthwash designed to collect DNA for cancer gene analysis that can identify women who are at risk. Improving health and wealth, that's what OCAST is all about. We are looking for Oklahoma researchers serious about investigating new products, services and processes that improve the quality of life and the economy for Oklahomans. For more information call OCAST toll free, 866-265-2215. Monitor the heart beat of our state's research. It's the pulse of a healthier Oklahoma.

>> You're listening to Oklahoma Innovations with Gary Owen and Steve Paris on the OCAST Radio Network.

[Music]

>> This weather is just wonderful isn't it, people out enjoying summertime activities.

>> Yes, we've gotten off a little bit of a cool start.

>> Yes, we have.

>> You bet.

>> Our guest has over 50 years experience in the insurance claims and risk management industries. He founded Commercial Insurance Services in 1977. Commercial Insurance is a general agency with emphasis on large trucking account as well as general commercial insurance problems. In 1981 he founded Claim Indemnity Service, Inc. Claim Indemnity is a third party claims administrator for large trucking concerns and other commercial ventures that investigate, evaluate, and negotiate various categories of claims. Now, you say well what does that have to do with science and technology? Well, John Sullivan is gonna tell us all about that. He is chairman of company risk management, Steve.

>> That is exactly right, Gary and John is an attorney and he has the other designation of CPCU which is chartered property and casualty underwriter and Gary raised the question, we're dealing with insurance here, what does that have to do with technology. Well, as we're finding in almost any business you've become involved with that you have to have things, the tools that help you do your job, help you gather information, help you be effective and in this case, it was technology in the form of developing software, in the form of developing some--well, some things that you're gonna be talking about, John. But before we get into that we want to know a little bit more about you and I'm sitting here holding a book that you authored called Fuel to the Troops and it's a memoir of the 698th Engineer Petroleum Distribution Company from 1943 to 1945 and you were there.

>> Yes, sir. As a matter of fact 65 years ago today, we went on the beach at what we called Easy Red and we later found out was Omaha. We wondered where Omaha Beach was with those. We went on the east section of the Red Beach.

>> And you just showed me a few minutes ago a passage from your book and it had the date June 9th and which is by the way the date that we're recording this program but it didn't dawn on me that that was the connection until, so just now. So, I'm not real quick John, you got to have to understand me. [Laughter] But you were involved in getting fuel which, I mean if you're in a military situation and especially a large combat theater as we were involved in in World War II in the European theater, without fuel nothing happens.

>> Without fuel you can't go anywhere.

>> That's right.

>> And we were in the war in 1944. By that time all the horses that the war started with were dead.

>> Yeah, they were gone.

>> And they ate them probably somewhere in Poland.

>> Yeah. Exactly where it was a very difficult period of time and especially difficult for the people in Europe and things were just so vastly different I'm sure that you had to be very creative and find ways to get that fuel to the troops.

>> We had Oklahoma City oil man Charles McCann [phonetic] who was our company commander and he led us through all that and he had recently come and fought thinking he was gonna go to Sumatra and rehabilitate the [inaudible] oil fields and he thought he'd been hijacked and put into something involving a pipeline company and that's what we did, we did the ship

shoreline at the beach and later rehabilitated the Port of [inaudible] and operate the Port of Antwerp later on.

>> Yeah. And that's a lesson to be learned about military service. Don't ever expect things to happen the way you think they're gonna happen.

>> No, that's right.

>> Well John, let's talk about your company. Company Risk Management, CRM located in Oklahoma City and I guess before we get into that we probably need to get a little bit of history of how you got into this business and what all was involved, the challenges that you've had which kind of leads up to what you've done to resolve some of those issues. Just, it's your show, go ahead.

>> Yes. To start with we already insured lots of large trucks and we didn't wanna lose claims so we needed to do something in the way of trying to hold the claims together and find where they were and make sure we didn't leave anything unturned about handling the claims. And so, we started out with something like a simple Word Processor program and we went through about 7 or 8 more into different claims and eventually it became necessary to form Computer Risk Management which is the present company in 1992 and then we had a daunting time facing this on September of 1996 because we had to prepare for a 3-year policy for Y2K.

>> Oh yeah. Everybody remembers Y2K.

>> Yes. So, we had September of 1996 as a deadline that we had to be able to handle Y2K with 3 year policies. So, we did a lot of investment, we went down a lot of wrong turns, we worked originally from what was called in a client's server application Visual Basic application for Microsoft and we eventually put this program into what is known as structured query language or SQL database which is a Microsoft product and now we have not only developed in to Microsoft SQL 2005, most of it has already been moved into Microsoft 2008 database and this I realized there's a lot of technical stuff for someone who's not a technical guy. But we have now overlain this with a product from Oracle Business Intelligence the enterprise edition which directs the things that people can do with those numbers and making that into a combined safety program, something for cost reduction as to exactly which one of the units and the people that are involved and everything else. So there's lots of things to be considered in this.

>> Okay, very quickly. Your first target, audience was for the trucking industry.

>> Yes, sir, that was what I worked with many years in the insurance business.

>> And you headquartered in Oklahoma at that time?

>> No. I was recently with a truck insurance exchange as the regional manager of the Midwest and Southeast United States.

>> Okay, you know Oklahoma has a pretty good history of fostering, catering, supporting the trucking industry, lots of other areas that contribute also. We're kind of in the middle of the country here. Just a little bit south of the middle, the middle is in Kansas and well we have a lot of major arteries going through Oklahoma. So, what you did [background music] had a tremendous impact on Oklahoma business.

>> Absolutely.

>> We're gonna take a break. John, we'll come back and elaborate on that.

>> Okay.

>> We're talking with John Sullivan with Company Risk Management. More to come on Oklahoma Innovations.

[Music]

>> There's more to learn on Oklahoma Innovations with Gary Owen and Steve Paris on the OCAST Radio Network.

[Music]

>> It's a scientific fact. Plants have a positive effect on our world creating oxygen, beauty, and a healthier environment. Plants make all kinds of chemical compounds that affect human health. Scientists like those at the Noble Foundation, a biology research center in Ardmore, Oklahoma are examining how genetically enhanced plants can produce their own chemicals for greater potency requiring fewer manmade chemicals. The end result will provide for more effective medicines and vaccines. This genetic study holds promise for plants and crops that will be naturally resistant to bugs and disease. The Oklahoma Center for the Advancement of Science and Technology or OCAST invests in projects like these at the Noble Foundation to help Oklahoma scientists continue their quest for new discoveries and development of innovative technologies. Investing, partnering and promoting Oklahoma science and technology, that's what OCAST is all about. For more information, call 866-265-2215 toll free. OCAST, planting seeds that blossom into technology-based economic development for Oklahoma.

>> Science and technology affects nearly every aspect of our daily lives. Everything we use had to be developed or invented. What would our lives be like without science research and development? We'd most likely still be living in the Dark Ages. OCAST, the Oklahoma Center for the Advancement of Science and Technology, provides competitive funding for cutting edge Oklahoma research and development. In fact, OCAST is Oklahoma's only agency whose sole focus is technology, its development, transfer and commercialization. Our goal is to diversify and improve Oklahoma business while helping build a solid technology-based economy. The technology developed by world class Oklahoma researchers is a major component of the message to the rest of the world that Oklahoma is open for business. To learn more about how OCAST investments help our state compete and profit from Oklahoma innovations, visit our website, just type O-C-A-S-T in the search window of your browser. You'll be linked to a world of fascinating discoveries being developed in your own backyard. OCAST, an investment in Oklahoma's future.

>> Research and development, technology transfer and commercialization, creating high paying jobs in Oklahoma is what OCAST is all about. This is Oklahoma Innovations on the OCAST Radio Network.

[Music]

>> Before the break I said this company was Company Risk--it's Computer Risk Management, my apologies, John. The company basically, what they do is supply risk and claims management information systems to self-insured organizations and third party administrators. We're finding out in the initial segment obviously it sounded like a lot of technical jargon there. But I guess in--when you're dealing with numbers and data, it can get a little cumbersome and a little confusing unless you see it on papers, so. But Steve, we got a lot more to talk about.

>> We do and you know we talked about the trucking industry, John, as we came to close the last segment, an industry that has a major impact on Oklahoma's economy and other states too. We're not the only one of course. And you have provided through the work that you've done in developing this software, developing these programs, have made life easier for both the truckers, the insured in other cases when it's not in the trucking industry, and on the people who are working the claims and making the link of things happen in an efficient way which makes business runs smoothly. And that's kind of what our overall goal is, isn't it?

>> The overall goal is to make sure that money doesn't go some place it shouldn't go.

>> There you go.

>> And we have to keep cost down but we also have to make sure that we are taking care of claims properly so that we're doing the things that are necessary to keep our help ready and able to work and be back to work as soon as they can be returned to work in the best possible working condition.

>> There you go. You know, one of the things that always happen whether it's this industry or another is that as you start out in the infancy of a business, there's things you didn't know about that just show up. And one of the things in the insurance business, I'm sure, in the business that you're in is okay, who would have ever thought that there would be any question about the third party pay and whether they've been paid twice or whether they got the money or didn't get enough or got it. I mean those all became very big issues very quickly early on. And that's kinda what you address here, isn't it?

>> Yes, we are addressing in many ways one of the most important things that you can do with any organization is to have certified employees that are doing their best to work for you. And if they don't have the confidence in the way they're being treated and the way that they're being measured, believe me, they won't give you a product you can use.

>> That's right, that business is destined for failure, isn't it?

>> Absolutely.

>> Okay, let's talk about this--I'm gonna take segments of this and let you address them. First incident report. Now what that means is of course when there's a mishap, an accident or whatever, you have to have an initial contact.

>> Yes.

>> And things can get messed up right from the start if you're not careful, can they?

>> Yes and you must take your loss and there are certain things that has to go into every loss but with the computer, we're able to tie in to other databanks like the list of equipment that a company has.

>> Right.

>> Or the human resources matters that the company has in this databank and all these things can be brought in together, excuse me. Can be brought in together and can be a part of the report and not make mistakes again and again and again.

>> There you go, because if you make one early on, it's probably going to repeat itself as the process moves on. Claims administration, I'm gonna just go down to a list of things here and let

you comment about how your business has made this easier, better, faster, more efficient which means good business. You have a diary system, adjusted workflow, financials, check writing, file attachments, litigation. Oh we don't want to go there, do we? Well, you're a lawyer. You're a lawyer maybe we do wanna go--

>> If you're doing a litigation, you make--you have to makes sure you don't lose the case.

>> That's exactly right. And form--some things are simple as form letters, invoicing and check writing. Now how does--and let's talk about your product. The most current product I believe is your Risk2009, is that right?

>> Yes, sir.

>> Okay and how does this impact those areas we've talked about?

>> Risk2009 allows the client himself to make any report he can from any bit of data that our situation is attached to. So we attach our claim reports into the databank of equipment, HR, everything else and this allows the man to evaluate not only his equipment usage and its damage and when it's back to work and all that sort of thing. But anything else that he can think of that he wants to know about and everybody wants to know about something different.

>> There you go. All this is made available by a technology driven program or series of programs that provide this information. And here's the thing, I notice this as I was reading through this litany of areas that you have to deal with that, you know I forgot about those. Or maybe I never knew about some of them. It's not a simple process. It's not just having an accident, filing a claim, getting your money and forgetting about it. There are other things involved.

>> No, of course the important thing is to get the claim back and forget it.

>> Yeah.

>> But those claims can be reawaken years and years and years. I had one, not too long back, that was reawakened after 22 years.

>> Really?

>> Wow.

>> Mercy.

>> This databank allows you to go back and pick that up.

>> Very good, let's talk about safety just a minute. You know that is so important and you know I know that insurance companies unlike they were maybe 70 years ago like they are today, they're thinking okay, if we can be proactive and help our clients to be more safety conscious, be more aware, that probably means fewer accidents which means fewer claims. Is that kind of on track here?

>> Well the insurance people will tell you that all they could care about is frequency. But that's not so. The important thing really to any organization is not to measure just the frequency or how the severity might be, but I'll tell you this. If the morale of the clients and his people are good it's gonna be a good risk.

>> There you go.

- >> And they will not have frequent accidents.
- >> Because their properly trained.
- >> Yes.
- >> Their management team knows how to do it right.
- >> It's a streamline system basically.
- >> That's what has to be done and from a risk management standpoint of my own in looking for risk that I would like to insure. If I can find some company that are taking care of their employees' right and are concerned about these things, all these things are way--are things that could be measured here. And they can have this successful and profitable business. Because the employee, if his heart isn't in it you're gonna lose a lot of money.
- >> That's right, that's right.
- >> Historically, we call that good business and bad business, right?
- >> That's right. The morale of the employees reflects themselves in everything that the company does.
- >> There you go.
- >> And that starts from the--that starts from--from hiring all the way through the training process.
- >> That's true.
- >> I mean that's part of--that's why your management team is so key. If you got a management team in place that knows what to look for in recruitment, those recruits when they come in to the system, their attitude, their experience, their safety record, all of those issues apply.
- >> One of my clients has always been interested in the health of his employees. And can you imagine how the man did and in Houston, that's washing out a tank. If the president of the company comes along and says Jose, how is Maria doing after the operation, believe me, those things all come into how this thing works.
- >> Because that employee knows that his employer has a vested interest in his health and then his family.
- >> Absolutely.
- >> That's very important. It's part of the underwriting process.
- >> Yes, that's right.
- >> And my reference to good business and bad business a little bit ago had more to probably do with insurance agents. Because well you know that insurance agents who historically write bad business usually don't stay around very long.
- >> No. This program that we have here--
- >> Self-insurance mostly.
- >> --is mostly for self insurance.
- >> Right. Exactly.

>> And this has to do with how well that self insurance is applied and ultimately what your costs are going to be.

>> There you go. Which brings up what we've been touching on for the last couple of minutes is safety reports.

>> Safety report.

>> You know you can have an accident with your, say it's a truck or whatever and you know OSHA?

>> Yes.

[Inaudible Remark]

>> Oh, yes.

>> --information about that and that's hard to put that information together. We're about out of time but let's talk about it just a second and we'll come back to that in the next segment. So, Gary how much time do we have, about a minute?

>> Well, we're getting down probably about 30 seconds.

>> Okay. So what we do or what you do with your company is you provide an easy way. Easier for the client to put together the logs that are required by OSHA, by different governmental agencies, is that right?

>> Yes, not only governmental agencies but the management of your company has to be cost effective in everything that you do for the employees and the equipment and everything that you run in order to succeed.

>> Okay.

>> Computer Risk Management is the name of the firm, John Sullivan is our guest. He's chairman of the company and you know if you're with a transportation company out there, you're probably a trucking firm, you're probably getting some good information and we will give you information on how to reach Computer Risk Management towards the end of the program so you want to stay with us on that. We've got a lot more to talk about this technology and how it's benefiting self-insured companies. So stick around, we have more to come on Oklahoma Innovations.

[Music]

>> Now in its 13th year, this is Oklahoma Innovations on the OCAST Radio Network.

>> In 1987, the Oklahoma legislature created OCAST, the Oklahoma Center for the Advancement of Science and Technology. The goal was to provide necessary resources in building of science and technology pipeline, from research and development to commercialization. The result, a stronger business infrastructure that today continues to profit in overwhelming economic growth for our state. Since inception, OCAST has administered 118 million dollars in state appropriated funding and leveraged 12 dollars for every dollar spent. That leverage represents more than 1.4 billion dollars invested in Oklahoma research. Whether it's providing seed capital for new innovative firms and their products, facilitating technology transfer between research laboratories and businesses, or sponsoring university and college intern partnerships, OCAST strategically implements programs and initiatives that continue to have a

positive impact on the entire technology development pipeline. To learn more about OCAST, visit our website. Just type O-C-A-S-T in your web browser, the Oklahoma Center for the Advancement of Science and Technology, an investment in Oklahoma's future.

[Music]

>> Thank you for joining us on this week's edition of Oklahoma Innovations. John Sullivan is our guest. He is Chairman of Computer Risk Management which has been operating as a stand alone independent software provider since 1996. They are solely focused on risk management information systems. And as you've been hearing, their approach is to use practical cost effective technologies to solve real business problems, Steve.

>> That's exactly right, Gary. You know John we were talking about safety before we went into the break. I wanna stay on that subject just for a little while 'cause it's so important. One of the things that your company does is help self insured and people who are involved with running their own companies and self insuring their own companies. They've got to know the history of what's happening in their country or company. For instance, there are a lot of accidents in certain areas or certain individuals seem to be having all the accident, they need to know that. And this kinda helps them put that together, does it not?

>> It allows them to not only put it together but we're talking about the cost of doing business. And that's the sort of cost that can eat you up and destroy your business.

>> Right.

>> And not only do you wanna stop the accidents, you have to measure exactly how you're going to do it.

>> Right.

>> And be prepared to do it. I've handled things all the way from the largest privately owned chemical hauler in the United States to some very small less than truckload businesses, the peddlers and so on and so forth.

>> Sure, sure.

>> But each one has its own things that it must do in order to succeed and it has its own specialty of people. So what we had to do is work something up which is adaptable to everybody's need, so an accident when it occurs, you have to get all the facts together so that they can handle every facet of the types of claims that maybe--may occur. Many systems start out trying to be a Worker's Compensation system then make things into a liability or a physical damage program when the facts are just the facts and you'd have to have all these things and by having a single group of facts from which to operate, you have less problems of losing the claim or missing a part of a claim that maybe have some importance in cost development.

>> You know one aspect of dealing in this business is that many of us like me who thinks simply and there is an accident, you file a claim, you get the money and go on. It's not always that simple is it, sometimes it trigger some other activity in the insurance business, talk about that if you would.

>> Well, one of the things is that no one wants to stop his equipment to have it repaired if it's going to interrupt his business.

>> Sure.

>> And so if the equipment is not going to be repaired very soon and somebody has a good deal of money, they take a large deductible and they work that in and handle it as they can. And some people go to self insurance and even goes far as to form their own copy of insurance company so they keep their own management--their own management philosophy together from one end to the other. And that's what self insurance is all about, is how you handle your whole business.

>> One factor I wanna get in here before, because these were in the last section. Let's talk about the public sector Risk2009 ideally suited for public sector clients, small cities and towns, large municipalities, government risk pools. Talk about that.

>> Yes, those government risk pools are a large segment of the business and constitute--this sounds like an awful lot of money but with public risk pools they handle somewhere near 18 billion dollars worth of claims a year.

>> Oh my!

>> So the 300 and so large groups of pools that there are in the United States are incidentally headquartered in Oklahoma for the whole United States.

>> No kidding.

>> Wow, how did that happen?

>> Well, the fellow that started it, he was here from Oklahoma and he was in the public risk business. He bought a ranch down near Prague, and Prague as the center of the public risk association business throughout the United States.

>> Really, Prague, Oklahoma, just about 45, 50 miles east of Oklahoma City, right.

>> Yes, sir.

>> Now see folks there is another reason you need to be keep listening to the show. You learn all kinds of new things about Oklahoma.

>> Have things happening right here in our own backyard, you bet. [Laughter] Well fantastic. You know John, before we go any further we need to give you a chance to tell people how to make contact to learn more about your technology-based business. And I don't know what's the best way for people to contact you, email, cell phone, what's best?

>> Well nowadays, of course everybody goes to websites and we have a website of www.riskmanagers.com and it tells who we are and how we can be contacted and Ty Smith who is a long time insurance professional and friend of mine is doing our--is heading up our sales effort and he knows probably a good 40 percent of the trucking people throughout the United States. And we have what we call Risk Express that we produce on a quarterly basis that's really a program, a paper that is put out electronically to people that would like to have something said about how to buy electronic things and how to cost them out against your needs.

>> It's kind of like a newsletter.

>> It is a newsletter.

>> Risk Express.

>> And it's not something we're trying to sell ourselves but we're trying to show everybody that we are trying to price our business in such a fashion that they can see exactly where the money went. And everybody is always worried about the mystery of how anyone processes the thing.

But after all the process is no great mystery. It is a matter of just exactly how much it costs you to do all your development all the time and engineers that you have to pay for in order to get a good product that would work properly. So, and that's the thing that drives this whole thing and drives what OCAST means to us because this is talking about the people we have to hire in Oklahoma to do this things.

>> Right.

>> And that costs money.

>> That's business, that's business and that's opportunity for people to develop their own businesses or to hire more Oklahomans. Yeah, I'm looking here at your most recent--I assume it's a March issue of Risk Express.

>> Yeah.

>> And it says risk management software for the trucking industry and I'm looking through here and I'm thinking now who if you're willing to start a trucking business, you never think about this until you got into the--until you had a problem.

>> I think about it all the time because--

>> Yeah, true, the business.

[Laughter]

>> But no, that's not quite right.

>> Is that right?

>> If you're in the trucking business, you have to have insurance.

>> Sure.

>> And if you are big enough, you're wondering why you're spending all this money giving it to the insurance company.

>> There you go.

>> Because the insurance company out of every dollar if you got a 70 percent loss ratio, 42 and nine-tenths cents of that dollar goes to the insurance company. It doesn't go to handling any claims.

>> Wow!

>> So, and if you go a 50 percent loss ratio then half of the money goes to somebody else. So the important thing about it is that one must find a place where the size of your organization drives the cost as to exactly what is going to cost to have your claims.

>> Very good. We're almost at the end of the show John and I've got a question I want to ask you because we talked about it earlier. Medicare is an issue that we have to deal with and it's--there are some reporting rules that are coming down, actually have already been issued and you've got some ways to help people deal with these new reporting requirements. Talk about that if you would.

>> I'm glad you asked that question. The SCHIP Act of 2007 is a mandatory secondary pay reporting act.

>> And there are a lot of rules coming out of this. As a matter of fact, we counted like 360 fields that are involved in reporting to the government on this. And the penalties are really great. There is a penalty of 1,000 dollars per day per claim that is not reported or is not properly handled.

>> Ouch.

>> And this is enough to make anyone fail in what his bottom line has to be.

>> And the bottom line is they're serious about this.

>> They're dead serious about this. And we are--we will handle this whole program electronically from the losses that we report to the government under their reporting plan and everybody who is a payer is mandated, they have to do this. Now they have to be registered before October the 31st. It was originally--I beg your pardon, September the 30th and then start reporting at October 1st. It was to be the end of June but they have put it back 3 months. So here we have something that has to be done and be done quickly and we are meeting this challenge and putting it right into our program.

>> We're dealing with John Sullivan. Sorry to cut you off Steve but we're out of time. We're out of time, dude. And Computer Risk Management is the name of the company, if you want to learn more go to riskmanagers.com, riskmanagers.com. John, a wealth of information here, you know when you start doing a program like this, you never know what you're going to learn and it was interesting stuff. Thank you so much for being with us. Steve.

>> Gary.

>> We'll see you next time on Oklahoma Innovations, have a good week.

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