Firms use a variety of forms of loss data information for their own purposes, including:

- Internal loss data, gathered within their own operations and describing actual losses, near misses and other mitigated adverse events which happened to them;

- Consortium loss data, where consortia members contribute their own internal loss data on an anonymous basis, then use the consolidated data for their own internal use. Such data tends to be more quantitative than descriptive in nature, simply to preserve the contributing firm's identity; or

- Public loss data, where an organisation collects information on events entering into the public domain, analyses the data and then either uses it for its own internal use or makes such data available to other firms, usually on a subscription basis.

RiskBusiness offers services around consortium loss data and public loss data and has added a service to assist firms in collecting and managing their own internal loss data. Data collected and managed within the RiskBusiness Internal Loss Data Service can be seamlessly transferred to any loss data consortium using the RiskBusiness Loss Data Consortium Service.

Irrespective of whether a firm collects internal loss data purely for modelling potential future losses and inclusion in some form of capital model or if the primary purposes is examining what happened with a view to correcting problems and reducing the potential for them occurring again, RiskBusiness' web-based Internal Loss Data Service provides an attractive and cost-effective alternative to traditional software packages or internal spreadsheet approaches.

The RiskBusiness Internal Loss Data Service can be used centrally to capture loss events reported by individual business units or decentrally by the business units themselves. Employing the RiskBusiness Taxonomy to consistently classify losses, the Internal Loss Data Service allows users to easily correlate actual loss information to previously recorded risk and control assessments, risk profiles, risk, performance and control effectiveness indicators, scenarios and to public loss information and consortium loss data.

The RiskBusiness Internal Loss Data Service can also be extended by using the RiskBusiness Taxonomy Service, within which a rules-based engine can be used to enforce the standardisation of risk categorisation of loss events and which allows a categorised loss event to be automatically “translated” into a variety of alternate risk taxonomy structures, including standard Basel II structures, standard insurance policy structures and into specialised structures such as used by various loss data consortia.

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The main functionality provided by the RiskBusiness Internal Loss Data Service includes:

- Ability for a user to record the details of a new loss event, either completely or partially and then to add further detail as the investigation into the event proceeds, as well as to record and manage near misses, complaints and audit issues;

- Facility to link the loss event to the specific business activity within which it originated, as well as to add specific process information relating to where the event was discovered;

- A multi-level risk categorisation capability, mapable to Basel II loss event types, which can have an additional control failure dimension added if the organisation wishes, along with causal classification – if the event was caused by an external event such as an earthquake, the event can be linked to that external event as well;

- Facilities to include multiple additional loss values in addition to the basic gross loss amount, including fines, settlements, indirect impacts and recoveries, in any currency in which the actual loss was suffered;

- The ability to manage the loss event over its life-cycle, including adding notes, attaching documents, finalising and closing the loss event and optionally, authorising the closure;

- Facilities to establish action items against the loss event, to assign the action items to individual users and to track and manage the action items through to their closure, with integrated email reminders and status tracking; and

- Where the organisation employs the RiskBusiness Taxonomy Service and other components of the RiskBusiness RiskIntelliSet™, the ability to correlate the loss information to other components of the organisation’s risk profile.

The RiskBusiness Internal Loss Data Service supports a range of standard analytics, including the mean, standard deviation, median, mode and range by number, gross loss and actual loss of all recorded data or any subset, for example, a specific business unit or a selected risk type. Various graphical reporting, with download capabilities are also provided. The Service is web-based, with a secure PKI-based security model which enforces confidentiality of the subscriber’s data, while facilitating global data collection on a real-time basis.

For more information on the Internal Loss Data Service, please contact RiskBusiness Services Limited through our website or email us at info@RiskBusiness.com.