Technology to Simplify the Compliance Role

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& Group General Counsel
The Travelers Companies, Inc.

TRAVELERS

Technology to Simplify the Compliance Role

Challenges

- Insurance regulation is state-based.

- Information comes from multiple sources.

- Dependence on e-mail, spreadsheets, static documents and multiple databases to track compliance initiatives.

- Limited ability to link policies and procedures to regulations and proactively manage updates as regulations change.

- Managing and documenting compliance assessments, gaps in compliance and remediation programs.

- Limited ability to collaborate internally and share best practices among separate business areas.

- Determining appropriate parties to be involved.

Technology to Simplify the Compliance Role
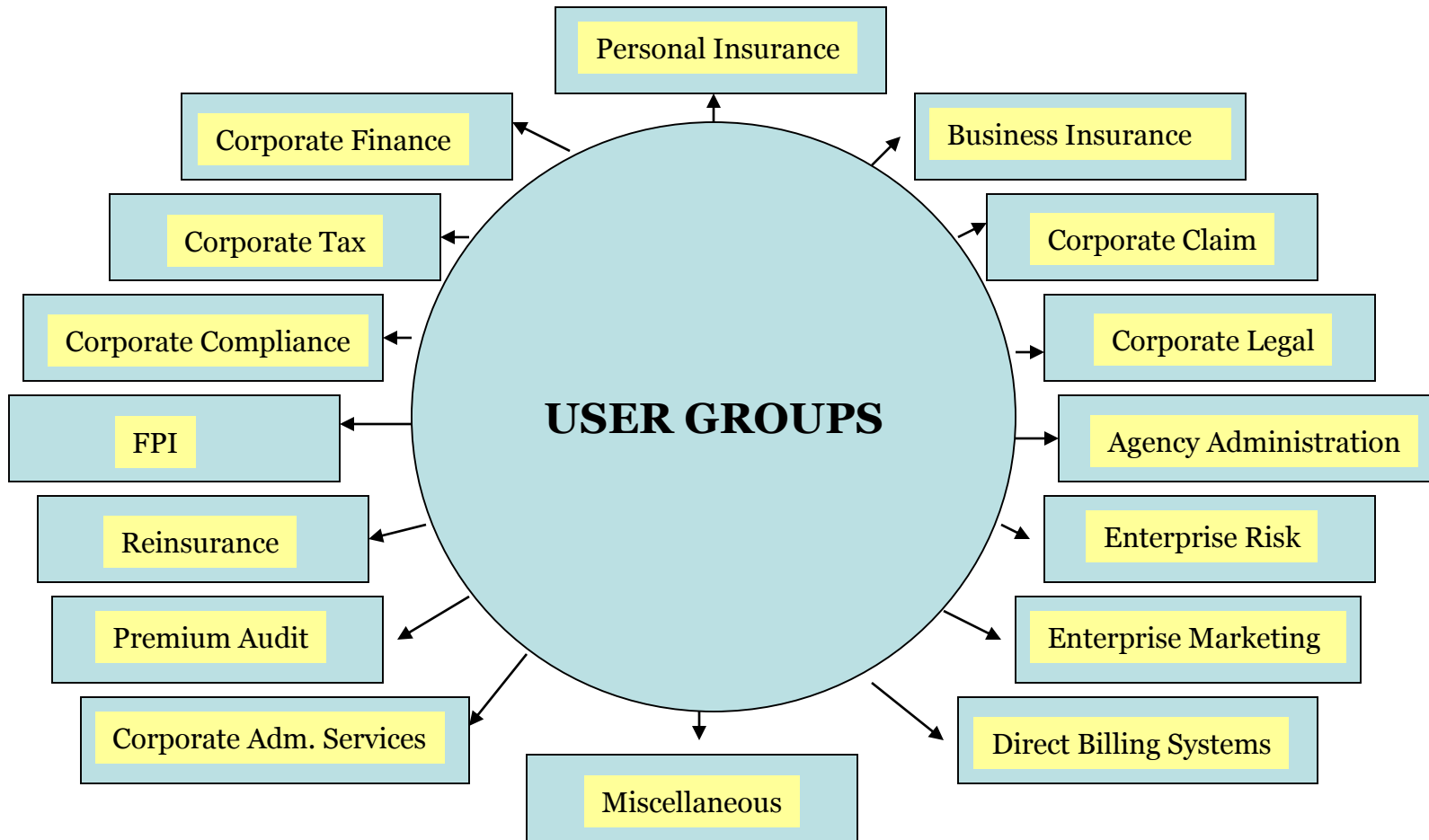
Technology to Simplify the Compliance Role

Moving Forward

- Consensus determined that a software solution was the right approach for updating new laws and regulations.
- Conducted due diligence on multiple vendors during the review process.
- Identified key stakeholders and utilized them heavily throughout the process.
- Contract signed with Compliance 360 in July 2008.
- Key stakeholders were instrumental in development of customized processes and documentation.
- Established an automated feed of updated regulations, from an external system, directly into Compliance 360.
- On-going effort to automate subsequent processes for individual users and reviewers.

Technology to Simplify the Compliance Role

Current Status

- Number of users and assessments created have increased substantially since inception.
- Penetration in business areas with highest risk scores.
- On-going push to leverage system by providing additional content.
- Eliminated dependence on email, spreadsheets, static documents and multiple databases as the repository.
- C360 is the 'compliance system of record' for Travelers, providing a consolidated view of the body of evidence of compliance for each regulation.
- Corporate Audit now reviews C360 Compliance during exams.

Using Technology to Simplify the CCO's Job

Lamond W. Kearse
Chief Compliance Officer
Metropolitan Transportation Authority

Using Technology to Simplify the CCO's Job

Metropolitan Transportation Authority

Who We Are

Nearly 67,000 Employees

Serving 8.5 Million Customers Daily

Transportation, construction, real estate, art, etc.

What It Takes

$12.6 Billion Annual Operating Budget

$20+ Billion Capital Plan

Results

North America's largest transportation network

Using Technology to Simplify the CCO's Job

MTA board adopts Corporate governance reforms creates chief compliance officer position-2004

Investigations

Governace

Disclosure

MTA CORPORATE COMPLIANCE

Ethics

Compliance

Internal Controls

Using Technology to Simplify the CCO's Job

- In 2010 began 'Busting Silos'
  - Automation and integration of governance, compliance, and risk efforts on a single platform
    - Began with audit committee support
    - Engaged IT and internal audit as partners
    - Senior Executive
      - efficiency transparency accountability
    - No longer manual process
    - IT WAS LIKE TAKING CANDY FROM A BABY
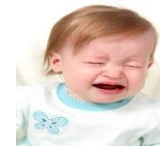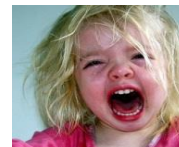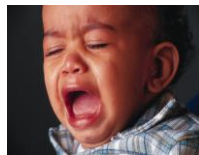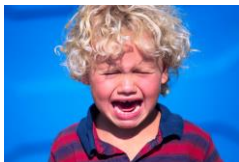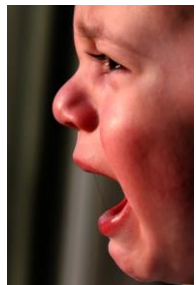
Using Technology to Simplify the CCO's Job

Our Platform: Oracle GRC Manager and Intelligence

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GRC Intelligence

Distribution
Publishing

Organizational Map | Financial Map | Audit Map | Compliance Map

Master Library | Business Processes

Assertions | Risks | Controls | Corrective Action Plans | Audit Findings | Control/Process Testing | Assessment

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Using Technology to Simplify the CCO's Job

Paul L. Robert
Associate General Counsel
United Technologies Corp.

Sikorsky

UTC Fire & Security

Hamilton Sundstrand

United Technologies

Carrier

Otis

Pratt & Whitney

GLOBAL PRESENCE
Sites Worldwide

As of 12/31/10

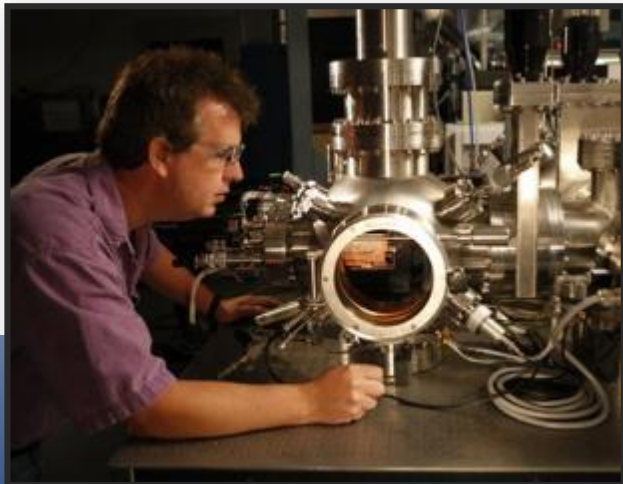- 🔵 **Key manufacturing sites**
- 🔴 **Other sites**

COMPLIANCE WEEK 2012

EMPLOYEES
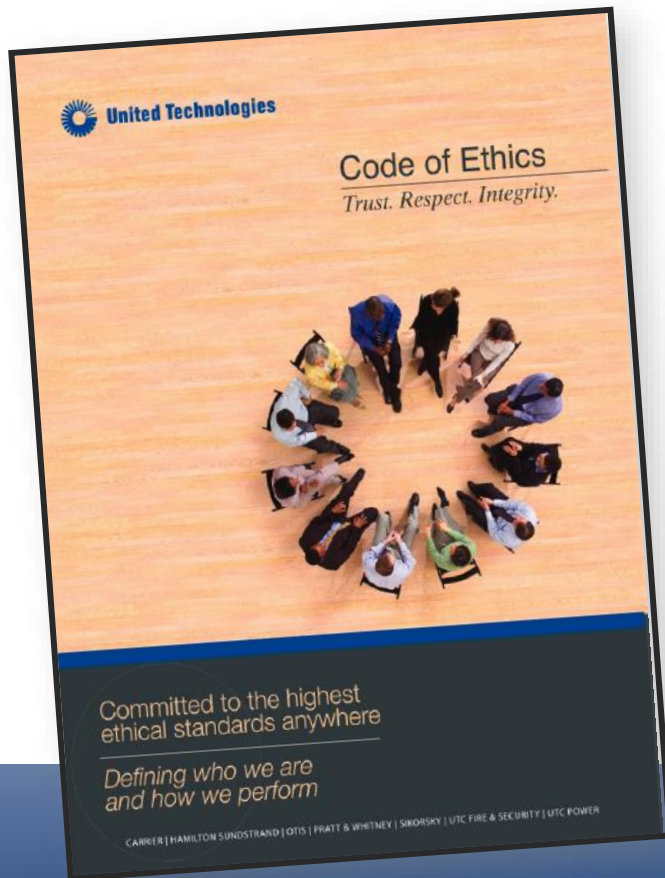## *More than 200,000 in ~70 Countries*

EMPHASIS ON VALUES & BUSINESS PRACTICES
*Highest Ethical Standards – Everywhere, Always*

Using Technology to Simplify the CCO's Job

Who We Are – What We Do

- Global Compliance
  - Compliance Counsel – high-risk subjects, high-risk locations
- Business Practices Officers – 462 worldwide
- 3 Ombudsmen
- DIALOG Program
- Care & feeding of sr. management, board of directors
- SEC & other external reporting

COMPLIANCE WEEK 2012

Using Technology to Simplify the CCO's Job

- Matter management
- Board contacts
- 3rd party inquiries
- Customer complaints
- Investigations & subpoenas
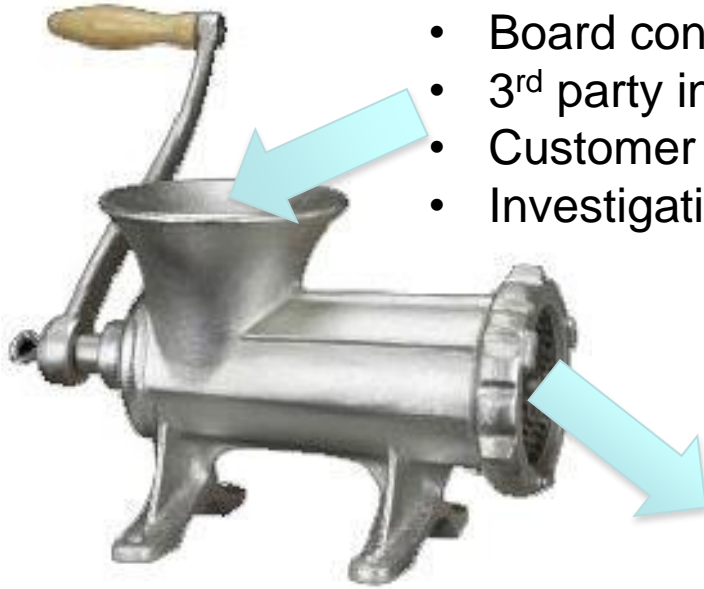
Ethics Advantage™

- ERM inputs
- Predictive modeling
- Reporting
- Insight into risks & investigations
- Oversight of risks and investigations
- Training effectiveness assessment