

COMPUTEC Ltd

Information Technology Solutions

I-MACC

GENERAL INSURANCE SYSTEM

THE SYSTEM

The Integrated Insurance and Re-insurance system was designed to handle all the basic functions of a General Insurance company.

The BASIC system modules include :

1. Proposal Preparation and Printing
2. Production - Printing of Policy and Debit note
3. Renewal Reminders and Renewal cycle
4. Re-Insurance
5. Claims
6. System Integration
7. Broker/Producer handling & stats
8. Production/Claims stats

ACCOUNTING MODULES

9. General Accounting for Insurance
10. Financial Reporting
11. Collections and Accounts Receivable

ADDITIONAL MODULES

- LIFE : Policy tarification and collection followup
- HP Tarification, production and Accounting

1. PROPOSAL PREPARATION AND PRINTING

This is the natural start of the insurance production cycle.

The policy details are entered into the system and a complete proposal is prepared including all the covers, special conditions, attachments and financial conditions.

The proposal is printed in the same Format as a policy with the following exceptions :

- It is given a proposal serial number
- The wording "PROPOSAL" is printed throughout to indicate the status.
- No accounting or technical effect on the production system.

The proposal can undergo as many changes as required and reprinting is always available. Once the proposal is approved the operator has to only request a formal policy printout. The system will then automatically give the proposal a policy serial number and a debit note to link automatically with the accounting. From that point on the changing or re-printing of the policy will be restricted.

The proposals file can be inquired into by client, broker, class of business etc...

The management can eventually analyse it for projected production and for analysis of pending or lost sales etc... .

2. PRODUCTION SYSTEM, PRINTING OF POLICY AND DEBIT NOTE

The recording of the policy (production or endorsement) is essentially serving three distinct goals :

- A** - Recording the policy for accounting purposes so that the proper production reports by class of business (Insurance Branch) can be obtained with the link to the Accounts. The customer debit note is printed to complete the link with the accounts receivable and the broker account.
- B** - Prepare the full policy text as it is to be printed with the associated annexes. The system here has extensive facilities to put standard text or clauses, or to add special texts to form the complete policy. Over 25 different formats have been programmed to cater for general insurance needs. Additional schedule/Formats can be added or existing ones modified.

The recording of the technical aspects of the policy including the overall treaty/fac distribution and the detailing of the cover conditions and their rates, the interest code(s) and any other technical data that may be required for any specific class of business.

The data prepared here is required here once we go to the re-insurance phase and later on in the claims and statistics.

Once the production is running smoothly the system controls are introduced to lock the data already processed or interfaced with accounts and allow entry of only current month policies (pass-words are allowed to override the facilities).

Once this is done the interface between the production file and the Accounts is completed. All customers are debited and the corresponding class of business plus other A/C (charges, policy fee...) credited.

At the end of the month production reports are produced by various alternative details and summaries : By broker, by class of Business, by currency etc... . From these reports the monthly analysis of production can be produced. During the integration phase Journal Vouchers may be generated automatically.

3. RENEWAL REMINDERS AND RENEWAL CYCLE

The renewals cycle is dynamic. The user can specify the date and range of policies for which renewals are to be reported (by COB, producer and policy No.). The reminders can be printed and after follow up the renew/not renew decision is brought back and the production file is updated accordingly. An outstanding list of expired/not renewed policies can also be produced.

4. RE-INSURANCE

The Re-insurance module has very flexible features to allow the company to :

- Maintain several facilities for the same class of Business (for example separate facilities in Marine Cargo for normal Cargo and Frozen Food).
- The facilities can start at any date during the year.
- Several facilities (current and past underwriting years) can be active concurrently.
- A single policy can have Multirisk placements. Thus one Fire policy can be split according to the risk covers in it and some placed under the Fire policy while others placed under Burglary etc... .
- Re-insurance can be allocated online for special distribution or in Batch mode (for automatic allocations of std. facilities or for remote Branches)
- Several types of treaties can be handled proportional, non proportional, Excess, net of premium.
- For all facultative placements the proper referencing is maintained (closing number). A credit note is issued automatically along with a closing note.

5. CLAIMS

Claims are entered according to the corresponding class of Business. A claim estimate is required but which can be continuously updated.

If these are re-insurers requiring claim notification an automatic note is generated per re-insurer.

- Partial payments can be made and the claim outstanding balance automatically updated.
- For re-insurer reporting payments made are allocated according to re-insurer share at time of claim occurrence.
- In addition to regular reporting of claims paid and recoveries, quarterly reports are issued for outstanding claims and estimated outstanding amounts.
- Rejected claims or claims with no further followup are also reported.

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7. BROKER/PRODUCER HANDLING AND STATS

Added detailed data on Brokers/Producers can be maintained such as normal commission rates agreed upon per class of Business. When processing the policy this data is used to automatically complete the commission due. When combined with the automated computation of the policy earning it becomes possible to compute the net profit per policy per broker. The analysis of profitability per broker/producer and class of business become all possible.

8. PRODUCTION AND CLAIMS STATS

The ultimate result and benefit of an integrated computer system is perhaps not the ability to automate the policy production and monthly reporting but rather in the ability to produce a wide range of statistical and analytical reports which cannot be easily produced in a manual system. Such reports can include :

- Profitability per class of business or per Broker/Producer, per client
- Ranking of customers by turnover or by gross margin
- Loss ratio analysis by client or by class of business or by Broker/Producer, or by facility
(Note that loss ratio analysis can be on : client premium, net premium or net to re-insurer premium basis).
- Risk profile per class of business
- Risk profile by seismic zones
- Portfolio analysis by : client, Broker, class of business, Facility and underwriting year... .