

Centralizing Reinsurance Programs for Greater Efficiency, Simplicity & Ownership

The Client

The company is a specialty insurer operating on an approved non-admitted basis in all fifty states and D.C. Since 2003, the company has provided thousands of commercial customers with creative solutions for their particular insurance needs.

The company operates in a brokerage model working only with specifically authorized surplus lines brokers. Its underwriting approach is characterized by a wide risk appetite to create insurance solutions for both low and high hazard businesses.

The company's mission as a specialty insurance company is to produce an underwriting profit and superior return to their stakeholders by offering a broad range of services and providing clients with responsive, and creative insurance solutions.

The Challenge

The insurer was looking for a way to orchestrate its reinsurance processes, dispersed teams, and multiple approaches into a consistent streamline where the company would work as a unified entity. The company has over 40 reinsurance programs, and each program has its own treaty that was all manually calculated over Excel spreadsheets and managed in 14-15 different ways across multiple teams.

As a result, distributed data and information were inconsistent, human calculation error was always a factor, and each team had a different process which naturally led to a lack of ownership. In such a fragmented process, data analysis was not possible, and reporting was conducted on a summary level only.

The Solution

The insurer chose Sapiens ReinsurancePro, an efficient reinsurance administration tool that supports all types of reinsurance processing, at any volume, in a single, comprehensive powerful reinsurance platform. Sapiens ReinsurancePro automates the underwriting and administration of reinsurance, including treaty and facultative, ceded, assumed, and retroceded reinsurance. It works directly with the primary policy and claims processing systems to perform the automated identification and calculation of cessions. It also supports interfacing with a general ledger, annual statement, and other systems. This reduces manual work and operator error and eliminates duplicate entries.

The insurance company opted to implement the system in a 3 segment approach. They started with an MVP (Minimal Viable Product) and gradually expanded into a full, cross-segment implementation.

The Benefits

- **Automated Reinsurance** provides calculations at granular precision while eliminating human error. Processes are streamlined across all relevant teams, generating team dedication and ownership over all aspects of the reinsurance.
- **Consistency** across segments of all reporting, data, and information has a unified look and feel. This provides a greater understanding and utilization of the generated data and information.
- **Internal Control Mechanism** and process were put in place, including a preset approval process where treaties are not set up until secondary review and approval have been completed.
- **Proactive Data Analysis** is conducted internally based on granular data versus a general summary provided by the IT department. This shift in capabilities delivers a greater hands-on approach and control over all aspects of reinsurance including complex treaties.
- **Multi-Dimensional Claims Calculations** are produced across multiple segments and intercompany treaties from a holistic level, divisional level, claim level, the treaty set up and approval level, as well as the conversion into a policy.
- **Refined Human Resource Delegation** with automated, granular precision calculations allow senior accountants to focus on the analysis and strategy level rather than cumbersome calculations.
- **Augmented Reporting** is available at multiple levels, with granular data and insights. Surcharges and fees reports can be generated on a much broader scale. Underwriting results can be shared with business divisions.
- **A Repository System** where all direct and ceded data is centralized allows the whole organization to work effectively in a uniform manner and have greater engagement among the teams.

> We wanted a company/product that has been tested over time and yet current in system technology, with technically strong client services resources that understood the complexities of the accounting transaction, the variability of the data, and had implementation failures that we could learn from and avoid.
>
> The Insurer's Procurement Manager

The Results

The implementation of Sapiens ReinsurancePro has created an organizational change for the insurance company where teams are working together in a unified manner, using predefined processes on a single system.

As a result, they witnessed a significant rise in team dedication, efficiency, and ownership over reinsurance processes and data. Calculations of complex treaties are automated, increasing control and granularity over data and information, leaving senior positions to focus on strategic matters.

Simplicity and efficiency enable the company to increase its capacity for more clients, providing better service and accurate calculations with comprehensive reporting and insights.



About Sapiens

Sapiens empowers insurers and financial markets with digital software solutions and services. With four decades of experience and more than 600 global customers, Sapiens has a proven ability to satisfy customers' core, data and digital requirements. For more information: www.sapiens.com

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