Reinsurance Management™

Overview: Managing Reinsurance

In recent years, reinsurance administration has received an increasing amount of attention due to the rise in natural and man-made disasters around the world, and an added focus on compliance and financial controls. Insurers need to sufficiently automate their reinsurance processes in order to be prepared not only for what is here now, but also for what is yet to come.

Unfortunately, many insurers today are still reliant on highly manual processes for tracking reinsurance programs, placements and recoveries, which can lead to unintended levels of risk exposure as well as recoverable leakage.

Reinsurance Management At-A-Glance

Guidewire Reinsurance Management, a part of Guidewire InsuranceSuite™, delivers the automation needed to effectively manage ceded reinsurance processes. Providing the capability to handle proportional as well as non-proportional treaty and facultative reinsurance agreements across underwriting and claims processes, Reinsurance Management helps insurers reduce excessive risk exposure and recoverable leakage while increasing operational efficiencies.
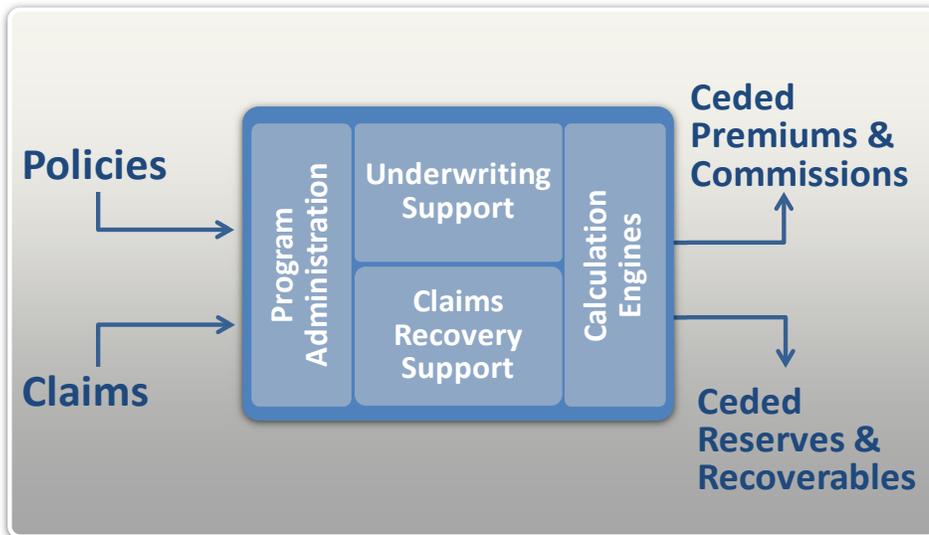

Figure 1: *Reinsurance Management, as part of InsuranceSuite, enables insurers to effectively manage programs, consistently support underwriting and claims processes, and accurately calculate reinsurance financials.*

PRODUCT HIGHLIGHTS

- Structure and administer reinsurance programs in a centralized repository
- Handle a wide range of proportional and non-proportional agreements
- Link the right agreements to the right risks and losses automatically
- Detect and manage facultative arrangement needs
- Leverage calculation engines to determine ceded premiums, commissions, ceded reserves and recoverable amounts for proportional agreements
- Support audit and compliance needs

KEY BENEFITS

- Reduce excessive risk exposure
- Lower recoverable leakage
- Increase operational efficiency and effectiveness
- Enforce consistency and reduce errors
- Promote regulatory compliance
- Benefit from a flexible, integrated suite

Increase Operational Efficiency and Effectiveness

Underwriters and reinsurance program managers are key knowledge workers who should be focused on their core competency of assessing risks and managing reinsurance programs. Unfortunately, many times their focus is shifted to memorizing or looking up complex arrangements and guidelines, thereby increasing risk of errors and impacting productivity. Insurers can ensure consistent and comprehensive reinsurance administration by automating the critical functions in the reinsurance lifecycle, and allowing these key knowledge workers to focus on growing profitable business.

Guidewire Reinsurance Management, in conjunction with Guidewire PolicyCenter® and Guidewire ClaimCenter®, eliminates unnecessary work and optimizes operational efficiency. Supplying a centralized solution for reliably storing and tracking reinsurance information, it significantly reduces the need to search for in multiple systems and reference guides, or to rely on manual spreadsheets.

Reduce Unintended Risk Exposure

By ensuring that each risk has the appropriate program associated with it at the point of sale and determining when facultative agreements may be needed, insurers reduce their exposure to excessive risks. To further minimize error prone manual methods, Reinsurance Management has calculation engines which handle complicated calculations such as total insured values, ceded premiums, and commissions. And, since exceptions do occur, Reinsurance Management provides the adaptablity to make alterations such as modifying the agreement without changing the policy, or adjusting for the total insured value with a probable maximum loss amount.

Decrease Recoverable Leakage

As claims occur, insurers can impose a reliable reinsurance recovery process that minimizes leakage from missed recoveries with automatic linkage of the losses to the appropriate programs. Guidewire ClaimCenter, with PolicyCenter and Reinsurance Management, determines the ceded reserve and recoverable amounts, eliminating the need for manual calculations and disparate spreadsheets. Given that adjustments might be required to account for factors such as indexation, ClaimCenter provides the added flexibility to adjust the recoverable amounts as needed.

Promote Regulatory Compliance

As with all InsuranceSuite applications, Guidewire Reinsurance Management supports audit and compliance needs such as Sarbanes-Oxley and Solvency II compliance with audit trails, tracking and archiving for transactions, business rules to enforce tight controls around certain process steps (e.g., facultative insurance placement), and security to only allow authorized users to make certain changes (e.g., only a reinsurance manager can set up agreements and programs). Additionally, the transaction data levels in InsuranceSuite applications are much more granular than typical legacy systems, better supporting compliance reporting needs.

Benefit from a Flexible Suite

Guidewire Reinsurance Management is tightly integrated with PolicyCenter and ClaimCenter. Like all Guidewire InsuranceSuite applications, Reinsurance Management is highly flexible with robust configuration capacity—everything from screen layouts and field edits to user permission controls are adaptable to fit the insurer's unique needs. Reinsurance Management, built upon a service oriented architecture, has APIs which allow insurers to integrate reinsurance data to other systems such as general ledger, billing, accounting, reporting, document management, and financial modeling. Moreover, any changes made to the application are upgrade safe. Since the source code is not touched, insurers can continue to benefit from enhanced functionality in Guidewire's future releases for years to come.

About Guidewire

Guidewire Software is a leading provider of flexible core systems that enable property/casualty insurers to deliver insurance the way they want to. Guidewire builds high quality software that consistently works as promised. Designed for maximum flexibility and scalability, Guidewire solutions give insurers the capability to deliver excellent service to policyholders and agents and increase market share—while lowering operating costs. Guidewire InsuranceSuite™, consisting of Guidewire PolicyCenter®, Guidewire BillingCenter®, and Guidewire ClaimCenter®, spans the entire insurance lifecycle—underwriting, policy administration, billing, and claims management. Guidewire is headquartered in Foster City, California, with offices in Hong Kong, London, Munich, Paris, Sydney, Tokyo, and Toronto. For more information, visit www.guidewire.com.