

SAP® Insurance Analyzer

Product Viewpoint by Stakeholder

SAP Insurance Analyzer (IA) is a powerful accounting, risk and analytical tool set that standardizes and consolidates an insurer's asset and liability (policy) information into one unified view. This comprehensive view of the enterprise information delivers transparency for insurers to understand risks to the enterprise and adapt business transactions to local, state, federal and global accounting requirements regardless of the source system. The system also provides guidance for decision making and reacts to changing market conditions and regulations with supreme agility.

CEO

IA is designed to simplify the enterprise's information landscape and give all stakeholders in the organization easy and consistent access to the pertinent information about the enterprise. An insurer's product portfolio and operational processes require many IT assets to perform the business of the organization. Many of the solutions implemented to run the enterprise are best of breed and niche solutions requiring complex and expensive integration to interact with the other assets in the insurer's IT landscape. All of these solutions provide information, financial or otherwise, that impact the bottom line and can pinpoint risks facing the organization.

A CEO is concerned with "cutting through the noise" and understanding plainly how the organization is performing. IA is a solution that can provide that clarity through a unified insurance data model that standardizes and consolidates the organizations financial and risk related information into a consistent and reliable package.

Key Benefits to the CEO:

- Single version of truth across the organization
- Quick and easy access to asset and liability information

CFO and Chief Investment Officer

The insurer's CFO and Investment Officer are faced with constant change while being mandated to quickly deliver accurate financials for the purpose of reporting externally, to regulators and governments, and internally, to management tasked with planning/strategy and investing the organization's assets. These challenges are significant to overcome even without the pressures of constantly changing regulation and market demand, but these stakeholders must adapt and deliver so that the organization's future is clear and its past is accurately documented.

IA addresses these requirements with a highly adaptable Integrated Finance and Risk Architecture (IFRA) that leverages best practices in insurance, finance and technology to perform transactions for all accounting bases at the deepest transactional levels for both assets (down to the investment lot level) and liabilities (down the policy or policy coverage level).

Highlights

Unified, detailed insurance data model consolidating operational master data, business transactions, financial results and risk calculations for:

- Insurance Assets & Insurance Liabilities

Business driven rules & calculation framework for:

- Insurance Accounting & Enterprise Risk
- Analytic, Stress Testing & Reporting Capability
- Actuarial Engine Interface
- Claims Triangles

IA adapts easily to changing market and regulatory conditions through its highly configurable rules/calculation processing module and its comprehensive and extensible data model. Adapting to frequent change does not come with the cost of losing transparency either.

IA maintains full auditability and traceability inherently, while providing peace of mind through comprehensive reconciliation from the General Ledger all the way back to the source business transactions which comprise that information with a complementary drill down/back capability of the same.

Finally and most importantly, IA's data model delivers streamlined and easy-to-understand/assemble information for reporting with guaranteed accuracy and timeliness. Stakeholders, analysts and managers will experience a significant reduction in the amount of time needed to collect, standardize, and consolidate financial information that is completely based on all required accounting standards. IA further eases the demanding effort to comply with and adapt to changing regulations and market conditions through a robust and easily accessible financial information model and configurable accounting capability.

Key Benefits to the CFO and Chief Investment Officer:

- Resource time spent on value-added work and analysis instead of data consolidation through Excel
- Expedite and automate financial closing process, such as consolidation reporting and Exhibits reporting

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Chief Actuary

The Chief Actuary is the key stakeholder driving the details around product development and ensuring the viability of the organization's future through proper reserving against risk. Actuarial discipline within the organization leverages experts using complex tools to ensure the drivers listed above are met. Unfortunately, much of the energy that actuaries currently expend is not on the operation of these tools, but the collection, standardization and consolidation of the information necessary to feed these tools.

IA delivers a platform that manages the actuarial information requirements and provides a means of preparing the models for, and interfacing with, the actuarial tools for the purpose of determining reserves, thus automating the non-value-add portion to the actuarial work. Having all data flow through one platform improves actuarial function efficiency and mitigates the potential for errors by enabling actuaries to access one single source of the information. IA further simplifies actuarial activities by automating the import and transformation of data from spread-sheet software, homegrown valuation systems and web applications. Insurance Analyzer can also make sense of accumulated data to find patterns, test assumptions, assess financial risk and enable decision making to better prepare for the future.

Key Benefits to the Chief Actuary:

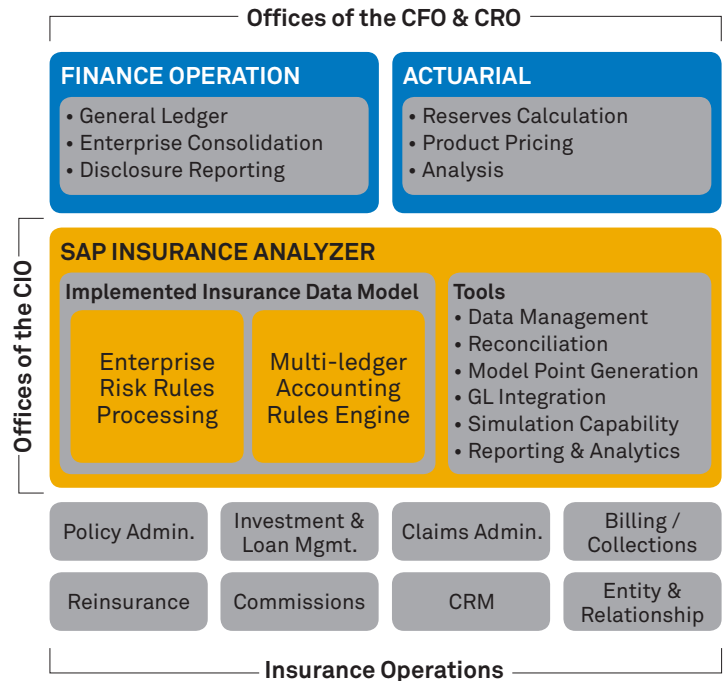
- Instead of providing the same pricing, reserve and financial projection information over and over to many different requesters across the company, requesters can come to IA and retrieve the information themselves.

CIO

Finally, the CIO... The CIO knows things are going well when all peers and subordinates are able to complete their work without technical difficulty. As an enabler of all the operations of a traditional insurer, the CIO has the unenviable goal of running the organization, faster and at a lower cost while providing the agility to adapt to a far more amorphous regulation and a fickle marketplace that forces insurers to develop new businesses, products and processes at the drop of a hat.

IA has already proven to the C-Suite that it is agile and adaptable, so the CIO already has half of their battle won; IA delivers on the speed and cost fronts in similar fashion.

IA can handle demands of user expectations of performance and the higher data volumes created by processing accounting at deeper levels through an expertly optimized data model and mature infrastructure built on the SAP Business Warehouse and SAP IFRA—all accelerated by SAP's HANA technology.



Operational and maintenance efficiencies are achieved by the CIO through reductions in requirements for data redundancy, diversity of resource skillsets and training, as well as a consolidated IT infrastructure that can even be deployed in the Cloud. SAP IA and HANA optimization streamline the data landscape and allow it to run efficiently in-memory without the need for replication of data for data marts, aggregations, indexes or other traditional IT measures meant to ensure performance amidst outdated data storage and reporting practices.

If the CIO has also adopted SAP in the organization holistically, the benefits of hardware optimization, central monitoring, maintenance and organizational development best practices can be extended to include IA.

Conclusion

IA is a unique set of tools surrounding a state of the art insurance platform for maintaining, transforming and accounting for insurance information sourced from all regions and divisions of the insurer's organization. This flexible tool can benefit users and stakeholders in several significant ways: improving visibility into the operation and financial state of the organization, assessing risk while driving down the cost and refining the efficiency to do those tasks. Further to note, this collection of information spanning the enterprise and the capabilities of the tools included with IA position it for future growth in the areas of profitability, planning and forecasting, assessing enterprise solvency and providing a means for LOB and enterprise analysis into the sales and operations of the organization. ■

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