

CLIENT CASE STUDY

Reinsurance Administration Operations:

Providing Unparalleled Reinsurance Administration,
Operational, and Software Expertise

CLIENT CASE STUDY: REINSURANCE ADMINISTRATION OPERATIONS

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THE BUSINESS CASE: ACQUISITION SPURS A NEED FOR IMPROVED OPERATIONAL EFFICIENCIES

After purchasing a ceded reinsurance block of business several years ago, a US insurer began to explore options of how to integrate this large block of business with their internal legacy block. While both blocks were administered using the TAI reinsurance administration software – different versions of the system were in place and administered from two separate locations and teams. Additionally, the two locations operated different administrative practices and processes. The insurer recognized the need to streamline operations across both locations and leverage the respective strengths of team members in each area. This would help them harmonize the reinsurance administration process to avoid inconsistencies, inefficiencies, and potential data and administrative issues.

The insurer approached TAI for this highly specialized project due to their expertise in reinsurance administration, operational processes and system analysis and implementation.



THE APPROACH: THREE PHASED REVIEW

TAI worked in three phases to provide the insurer with a strategy for integrating the two blocks of business and optimizing their future operational state:

1. **Phase 1:** Evaluate the current operating model and reinsurance system
2. **Phase 2:** Build a roadmap to achieve a cohesive future state
3. **Phase 3:** Execute the implementation of the improved recommended operating model



THE REVIEW: SIX AREAS OF FOCUS

TAI worked on-site with the client to gain a comprehensive understanding of each location's operations, processes, TAI system usage and areas of expertise.

This process encompassed six main areas of review:

1. Data Mapping & Management
2. Premium Processing & Reporting
3. Accounting & Financial Reporting
4. Treaty Data Management & Document Handling
5. Claims Reporting & Reimbursement
6. I.T. Infrastructure & Business Applications

THE FINDINGS: CHALLENGES DISCOVERED DURING THE REVIEW

During the review, TAI uncovered different approaches to administrative processes at each location which resulted in:

- ✓ Duplicate work being done at each location. One team's approach was operating under a more traditional reinsurance administration process while the other was more financially centred.
- ✓ Functions of the TAI system not being utilized to its full potential
- ✓ Inconsistencies in processes various reporting metrics, data management, data mapping and document handling
- ✓ Resources not focusing on areas of expertise

Based on the findings, TAI proceeded to build a Target Operating Model that addressed the complex technical aspects of integrating the reinsurance teams as well as the alignment of people and systems.

THE SOLUTION: BUILDING FUNCTIONAL CENTERS OF EXCELLENCE TO REDUCE REDUNDANCIES AND STREAMLINE OPERATIONS

To reduce duplicate work and inconsistencies across their operations, while focusing on areas of strengths each team had to offer, TAI built a **Target Operating Model** that would allow the client to leverage their resources more effectively and achieve a cohesive future state. The solution was to create functional centers of excellence so that resources were solely focused on their own respective functions, based on their expertise.

This operational model would optimize resources and give individuals the opportunity to continue to develop in their area of specialty. Additionally, the insurer would be able to establish team goals, consistent operating processes and measure metrics more effectively.

HARMONIZED OPERATIONAL PROCESSES

1. Consistent Operational Processes

Prior to this project, the two reinsurance teams were using inconsistent processes and different versions of the TAI administration system. The new operational model will drill down the focus of each team, standardize processes, and upgrade both systems to the same version of TAI .NET. The combination of efforts will harmonize reinsurance processes across all internal parties, ultimately establishing one cohesive administration team.

2. Time Saved Through System Automation

The new operational model will ensure that all relevant aspects of the TAI system will be used to their full potential. This will allow the insurer to automate processes that were previously manual and time consuming including claims processing, accounting, and initial feed consolidation.

While the estimated amount of time to be saved through automation will vary by task, the manual effort involved in many of these processes are anticipated to reduce by an average of 65 to 70%. The automations will also reduce the risk of human error that previously existed.

3. Highly Productive Teams

Establishing functional centers of excellence, will result in more productive teams, eliminate work duplication and help resources focus on their areas of proficiency.

By leveraging the expertise of the reinsurance experts at TAI, the insurer will also be able to provide their own team with deeper knowledge throughout the process from the consultation and advice received.

Overall, after implementing the new unified model, the insurer is expected to achieve a higher level of risk mitigation, streamlined operations and effective use of resources and expertise.



ARE OPERATIONAL INEFFICIENCIES IMPACTING YOUR BUSINESS?

Book a free 30 minute consultation to discuss challenges in your current operating model.

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 ABOUT TAI

 [TAIRE.COM](https://www.taire.com)



TAI is the market leader in life reinsurance systems in North America with clients in the United States, Bermuda, the Caribbean and Hong Kong. TAI is focused on simplifying life reinsurance administration through software and services. TAI software automates reinsurance administration for life insurance companies and TAI services identifies and solves areas of reinsurance risk that are impacting the bottom line. Over 90% of the top insurers in North America, by life face amount issued, trust TAI software for their life reinsurance administration. As the industry merges and consolidates, TAI can support its customers through changes in their technology and business model.

Specialties: Reinsurance Administration and Reporting System, Data and Analytics, Software Integration, Reinsurance Operations, and Risk Management

Software Solutions: .NET System (Life & Annuity), Insights, Connector



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