

e-Accounting

Why messaging

Introduction

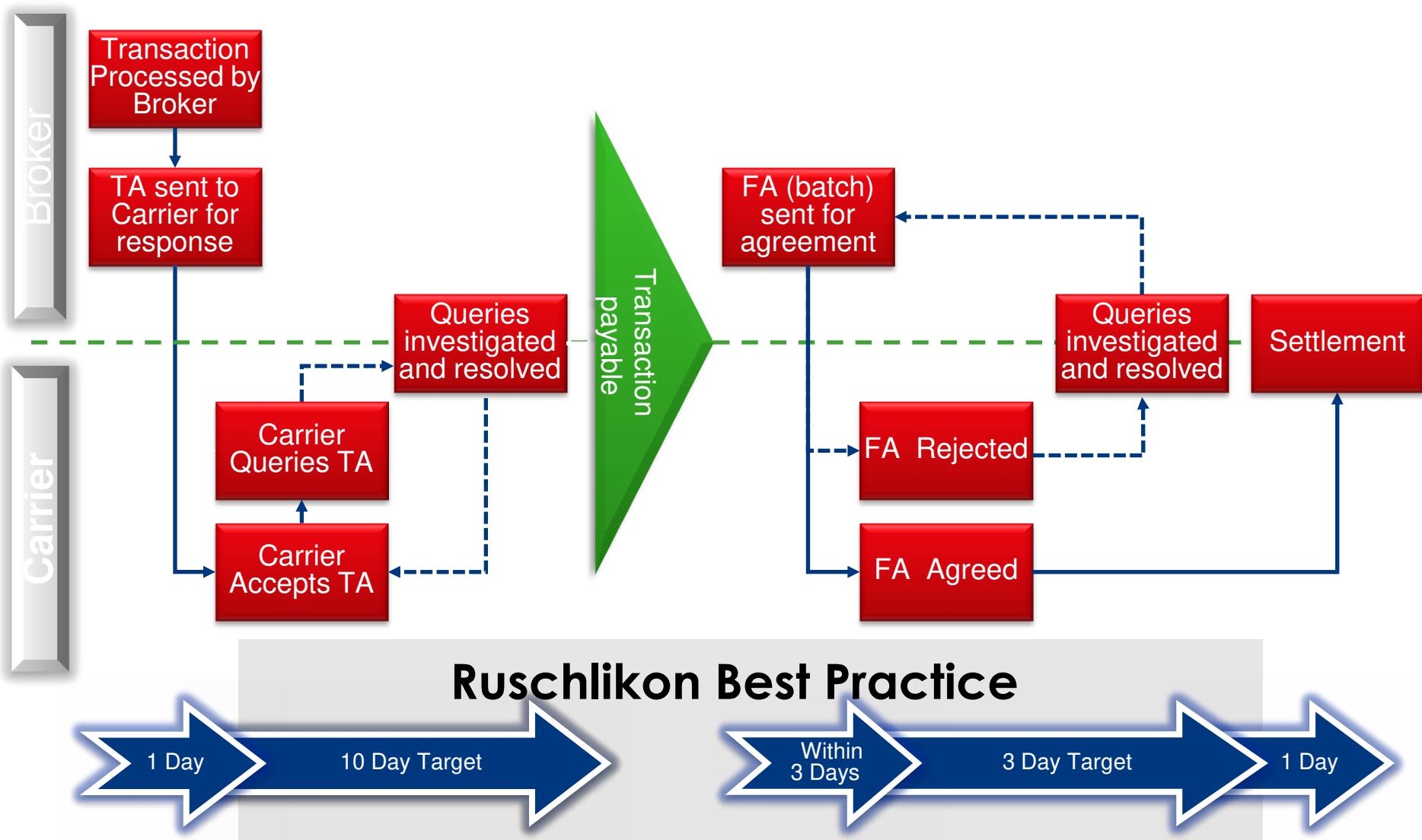
e-Accounting is the process for facilitating financial agreement and settlement of Premiums and Claims, typically between Brokers and Carriers, replacing paper with data in the Accounting & Settlement process

- e-Accounting enhances accounting & settlement but does not change existing placing, billing and claims agreement processes
- It utilises Internationally accepted ACORD standard messaging and Ruschlikon Rules, using structured data messages to replace the issuance and acceptance of:
 - Carrier Closings/Advices – replaced with Technical Accounts (“TA’s”)
 - Financial Statements – replaced with Financial Accounts (“FA’s”)
- Through secure data delivery and mandatory agreement to TA’s, e-Accounting facilitates real business benefits including earlier/faster transactional reconciliation, settlement and query resolution

Why e-Accounting? – A reminder of the benefits



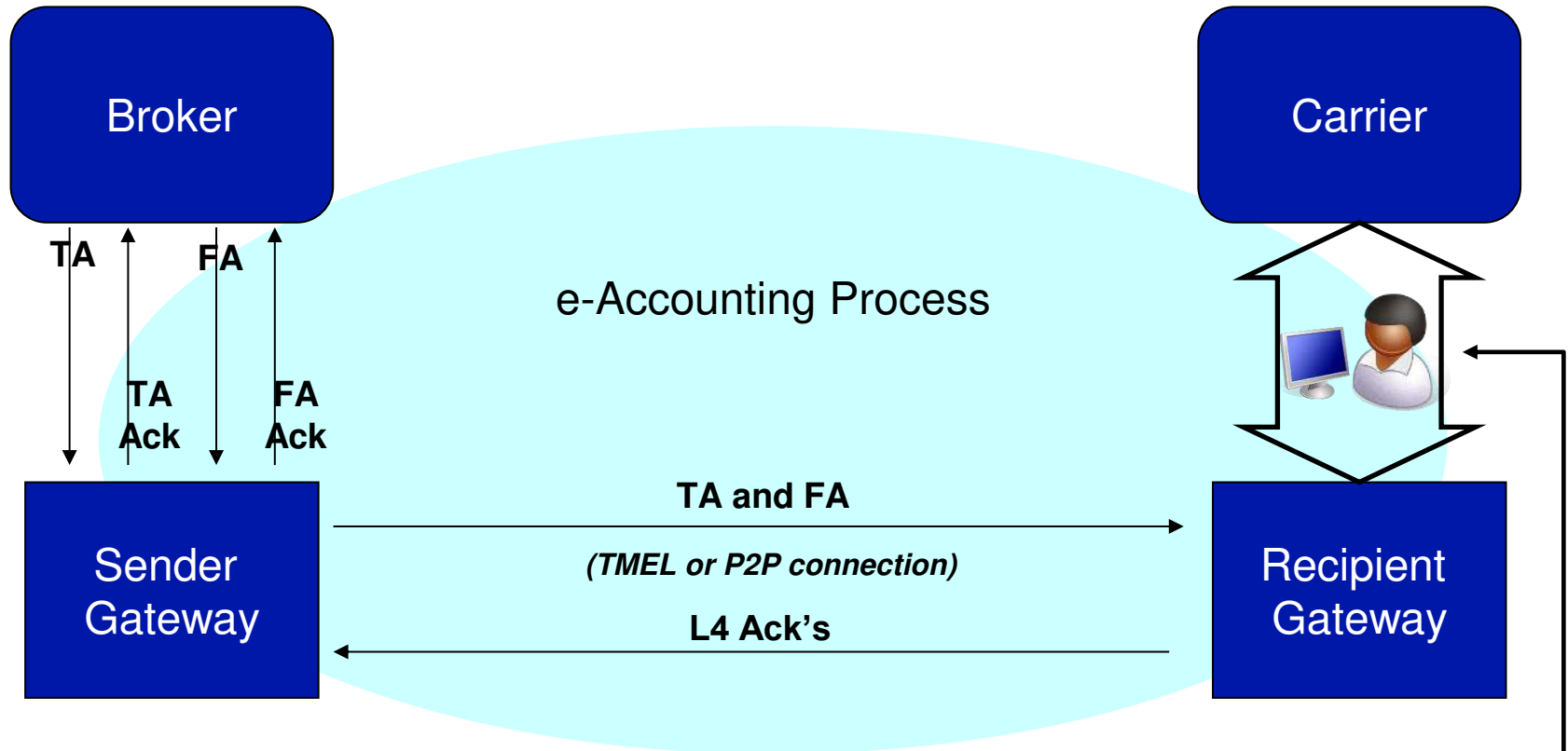
- e-Accounting is recognised as the preferred method of accounting by major London Market Brokers and Carriers
- Entry cost is low – required technology and functionality is already in place and delivery is fast – implementation achieved in 12-16 weeks from securing a decision to proceed
- Queries and re-work are significantly reduced - secure exchange of critical closing/settlement information at the earliest opportunity ensures early alignment and guaranteed reconciliation.
- Improved Control – supports Solvency II (Inadmissible Assets rule) and new CASS5 requirements, and eliminates uncorrelated cash
- Enhanced cash flow – a minimum weekly settlement provides premium settlement in releases Credit Control function to focus on critical debt.
- Secure route for supporting documents (as requested) – supporting documents can be placed in a central repository and accessed via a URL link or delivered via DRI
- A foundation for process automation – Using Globally accepted ACORD messages e-Accounting offers potential for Carrier upload automation and wider integration with other “e” processes



Phase 1: Inbound Messaging – *exploit existing ability to receive and manually respond to A&S messages using Gateway and Message Management Tool (MMT) interface*

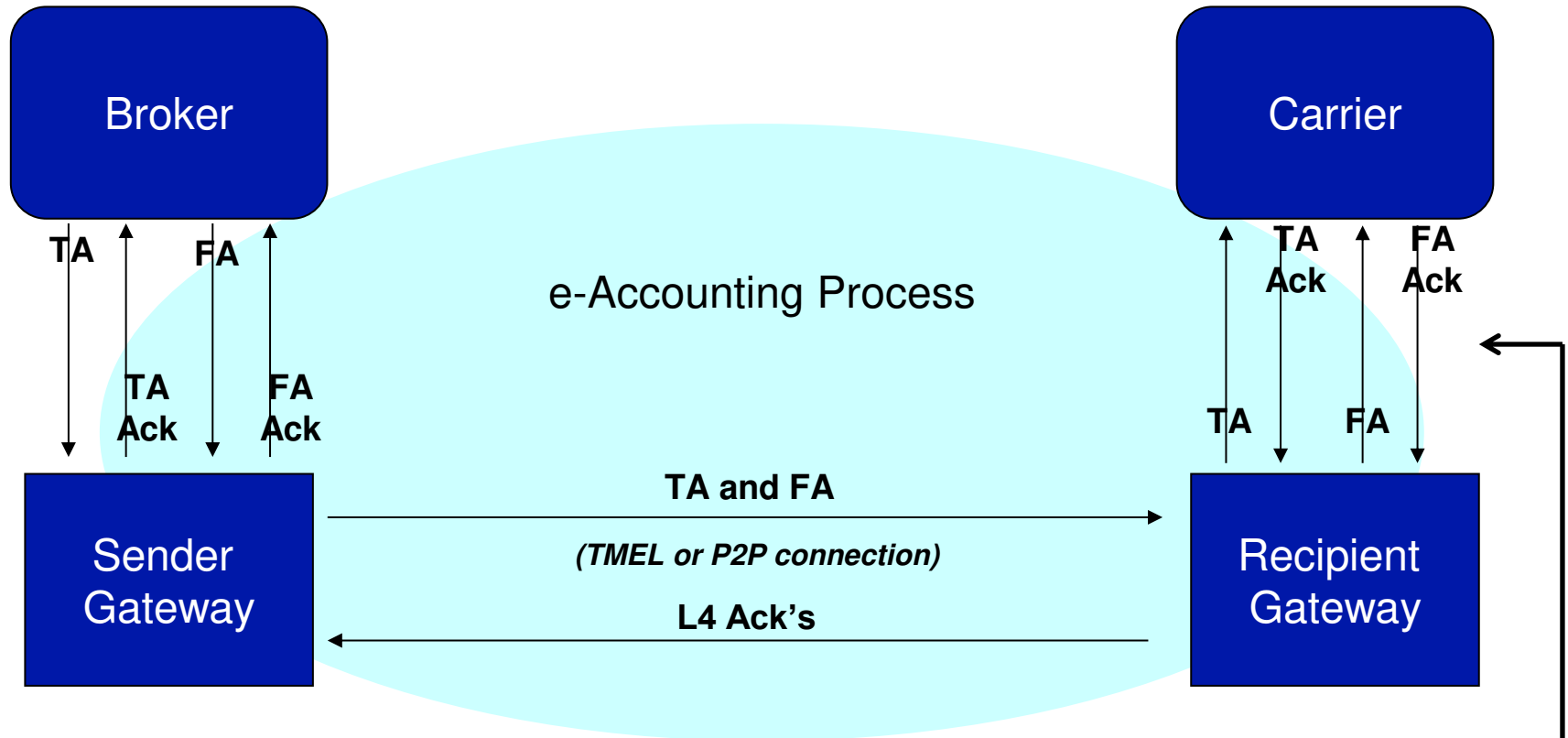
Phase 2: Inbound Message automation – *integrate A&S messages to in-house business systems enabling an automatic response to, and an upload of, critical business information*

Phase 3: Outbound Messaging automation – *building on Phase 2, develop a send capability for A&S messages that supports both Reinsurance, Co-insurance and Intra-Group processes*



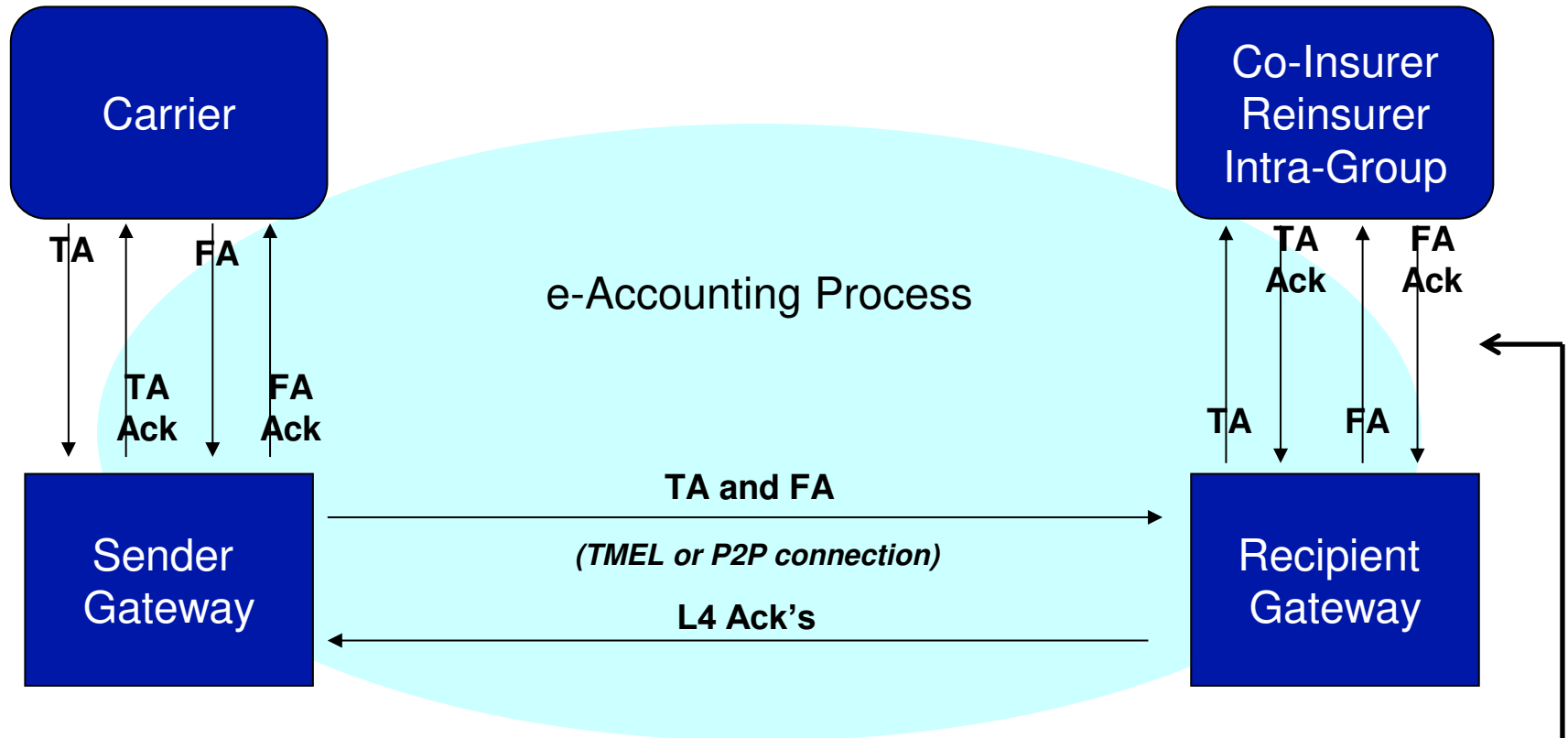
The Phase 1 e-Accounting process involves the use of a Message Management Tool (MMT) to review and agree, query or reject ACORD A&S messages

Phase 2 – integrated inbound messaging



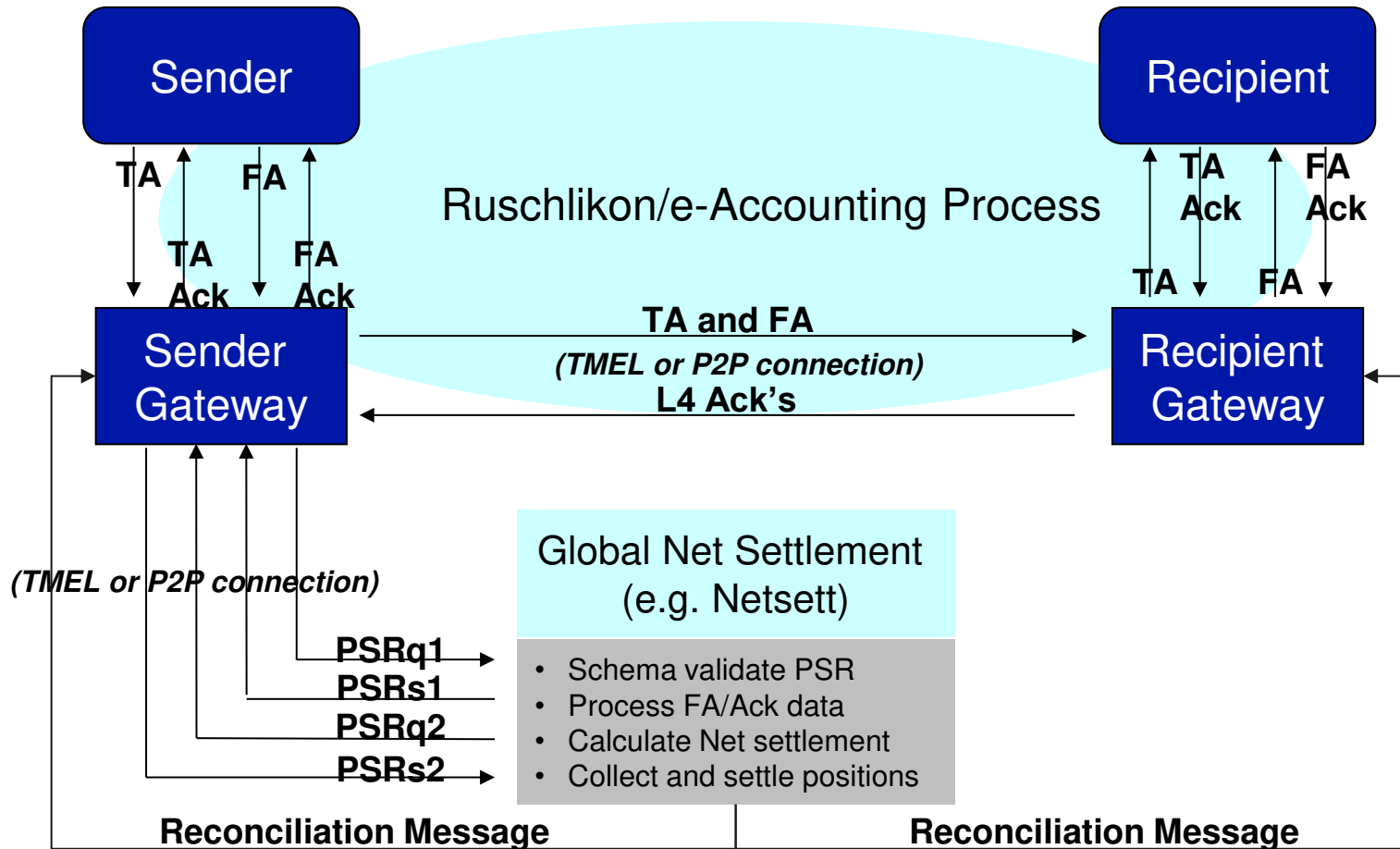
It is probable that an e-Accounting strategy would incorporate the integration of A&S messages to in-house business systems enabling an automatic response to, and an upload of, critical business information

Phase 3 – integrated outbound messaging



Carrier usage of A&S messaging could include the development of a send capability for A&S messages that supports both Reinsurance, Co-insurance and Intra-Group processes.

Messaging re-use – Global Net Settlement



Community usage of A&S messaging has now extended to the development of an ACORD certified Global Net Settlement Process that re-uses e-Accounting messages providing an opportunity for full automation of the post-placement A&S process.