

Suncorp installs reinsurance IT solution

Increasing regulation is forcing insurers to better document and control their business processes, including reinsurance arrangements.

The Australian Prudential Regulation Authority (APRA) now requires that general insurers' boards develop high-level reinsurance management strategies that should, at a minimum:

- Be submitted to APRA for approval and be regularly updated,
- Pay regard to counterparty diversification and creditworthiness,
- Include controls on use of financial reinsurance, and
- Set out clear processes for reinsurance decision-making.

Queensland-based general insurer Suncorp has just installed an integrated reinsurance management solution, EMBRE Outwards, to ensure compliance with APRA's stringent requirements.

Matthew Pearson, Suncorp's chief financial officer, general insurance, said Suncorp considered a range of potential back-room software products before selecting iMantras Pty Ltd's EMBRE Outwards.

He said the software assisted compliance and gave greater control of reinsurance placements and recoveries and improved performance analysis.

EMBRE Outwards, one of three insurance industry software products made by Sydney-based iMantras, offered greater functionality.

"It links well with our general ledger system, removes single-point sensitivity, and enhances communication between our Sydney and Brisbane reinsurance departments," Mr Pearson said.

Suresh Dhanushkoti, chief executive officer at iMantras, said the software facilitated efficient management of reinsurance contracts and claims recoveries, and delivered "the required information to people who need it, when they need it".

"It is critical that insurers capture, manage and control information on their outwards reinsurance. It is just as important, from a business perspective, to decrease processing costs and be able to generate accurate reports for regulators and internal use," he said.

EMBRE Outwards records reinsurance contract details, processes premiums and ensures recovery of claims against reinsurance contracts.

"To remain competitive, reinsurance managers need to be able to leverage reinsurance assets to enable efficient, speedier claims recoveries. They need quality information to fulfil internal and external reporting needs and make informed, strategic decisions," Mr Dhanushkoti said.

Mr Pearson said the requirement for greater control and flexibility in managing reinsurance assets

and reporting was a key aim. One of the benefits of EMBRE Outwards was its enhanced ability to comply with APRA's new requirements.

Once Suncorp selected the iMantras product, following an extensive analysis of competitor products, installation and testing took only six months. iMantras tailored aspects of the software to suit Suncorp's specific requirements.

The decision to buy EMBRE Outwards considered iMantras's extensive reinsurance knowledge, based on implementations in Australia and 10 other countries.

Mr Dhanushkoti said the software would continue to be upgraded to reflect changes in the regulatory regime and Suncorp's specific reinsurance requirements.

Suncorp is the first general insurer in Australia to install EMBRE Outwards. Neither Suncorp nor iMantras would disclose the cost involved, due to a confidentiality clause in the contract.

iMantras employs 35 reinsurance consultants and technical experts.

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