

BANKING, INSURANCE & CAPITAL MARKETS

A comprehensive system for non-life insurance companies

Comarch NonLife Insurance



COMARCH
INFORMATION TECHNOLOGY

Introduction

The insurance market is an integral part of the financial sector, where success does not come easily. Rather, it is the result of a multitude of factors: new legal and supervisory regulations, new market development and globalization processes, fluctuations in the demographic structure of societies, emerging threats (terrorism, climatic changes) and new distribution channels (Internet, phone). These factors impose a new approach to organization and business tasks at insurance companies. Meeting this new challenge depends on the ability to quickly satisfy market demands by constructing new insurance products, introducing new business processes, taking advantage of alternative sales channels and customer service tools as well as improving risk management.

It is obvious that all the aspects mentioned above influence requirements that shape supporting IT systems. It is not enough that the system can register the policy and collect the insurance premium. Instead, the system must also support flexible definition of insurance products, proactively manage the claims handling process by taking advantage of fraud detection tools as well as offer insurance coverage through modern distribution channels.

Comarch is proud to present the Comarch NonLife Insurance system, designed to handle IT business processes at property and personal insurance companies. The system allows for comprehensive and flexible management covering all areas of operational activities at an insurance company. Thanks to state-of-the-art architecture and a broad range of functions, the system can become a valuable asset for a company on the insurance market.

Main system features

In the Comarch NonLife System, we can differentiate between several crucial functional areas:

Definition of insurance products, allows for the quick expansion of an insurance company's offer by constructing new lines of business from scratch or by using basic elements available in the system.

Support for business processes, such as:

- Policy sales and management,
- Active management of the loss adjustment process,
- Reinsurance program management,
- Workflow process definition,
- Structure and settlement process definition of a sales network,
- Settlement management, including mass payment reconciliation,
- Reserve and provision calculation,

- Closing a reporting period,
- Exchange of information with supervisory institutions dedicated to the insurance market.

Support for integration with an accounting system enables flexible parameterization of data exchanged between the production system and the general ledger

Support for reporting requirements, which takes advantage of a built-in set of reports, including those for supervisory institutions and enables the construction of operational and statistical reports, based on aggregated data, for management.

Comarch's rich experience in the areas mentioned above comes from the successful completion of projects in large financial institutions and can be a contributing factor to your success on the insurance market.

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The Comarch NonLife Insurance system is designed to support the following types of businesses:

- **Property insurance** – including various types of property insurance products such as theft, apartment, cargo, builders risks, electronic equipment
- **Automobile insurance** – individual products and packages of Third Party Liability, Auto Casco, Green Card, Assistance, Accident
- **Third Party Liability** – private as well as business TPL insurance
- **Personal insurance** – both individual and group casualty insurance, medical expense insurance
- **Agricultural insurance** – third party liability for farmers, property coverage for buildings, equipment, livestock and crops
- **Financial insurance** – the system supports various types of financial risk coverage, including coverage for credits during the transition period, investment credits and guarantees
- **Legal expense insurance** – coverage for legal expenses resulting from an event covered by insurance
- **Travel insurance** – against all types of risk associated with travel

The main advantages of the Comarch NonLife Insurance system are:

- Comprehensive management of all product lines for property and personal insurance,
- Modular system design, allowing for fast integration with a customer's existing systems,
- Multi-lingual and multi-currency approach,
- User-friendly graphical environment, uniform for all modules and product lines,
- Reduction of the time and expense needed for introducing new products to the market or modifying existing ones,
- Easy management of diversified and complex products,
- Improved usage of resources by shifting the responsibility for product definition to business users,
- Updated versions customized to legal regulations

Business and operational advantages

Comprehensive management of products

Management of all product lines in one system makes it easier to work with diversified and complex business lines.

Fast reaction to market fluctuations

The system reduces the time and expense related to the introduction of new products on the market or the modification of existing ones.

Easy parameterization of currencies

Thanks to the international approach of Comarch activities, the system offers multi-currency and multi-lingual capabilities.

Flexible approach to deployment and integration

Because the system design is modular, it is possible to separate functionalities for integration with a customer's

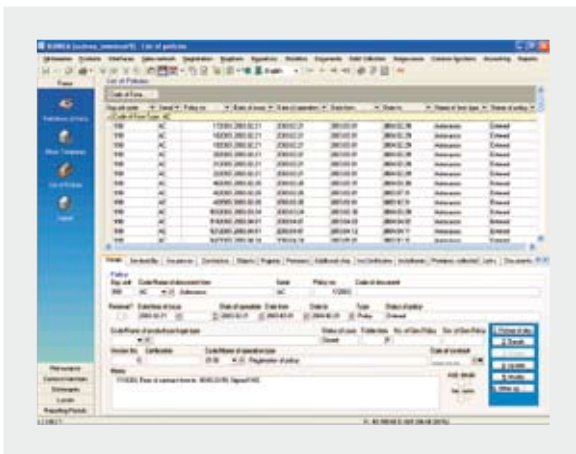
systems or to gradually implement subsequent business areas. This results in the substantial limitation of risk involved in the project.

Higher quality of customer service

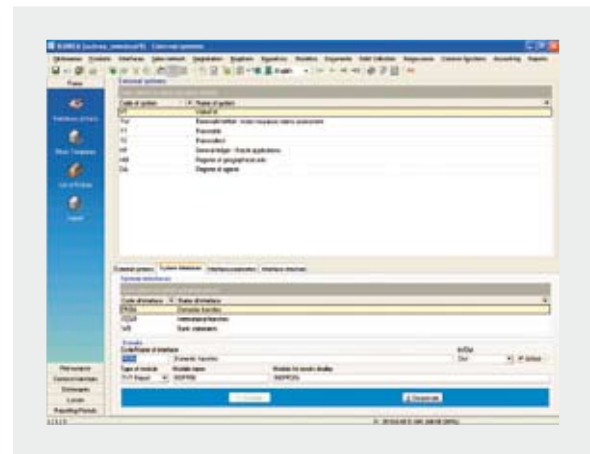
Taking advantage of new channels for customer contact (WWW, WAP, SMS) and the automation of processes responsible for handling policies and claims, a company can provide customers with a higher quality of services resulting in a higher level of satisfaction.

Increased competitiveness

The reduction of organizational expenses thanks to improved exchange of information, automation of processes and the ability to use new sales channels (bancassurance, Internet) facilitates increased competitiveness on the insurance market.



List of Policies



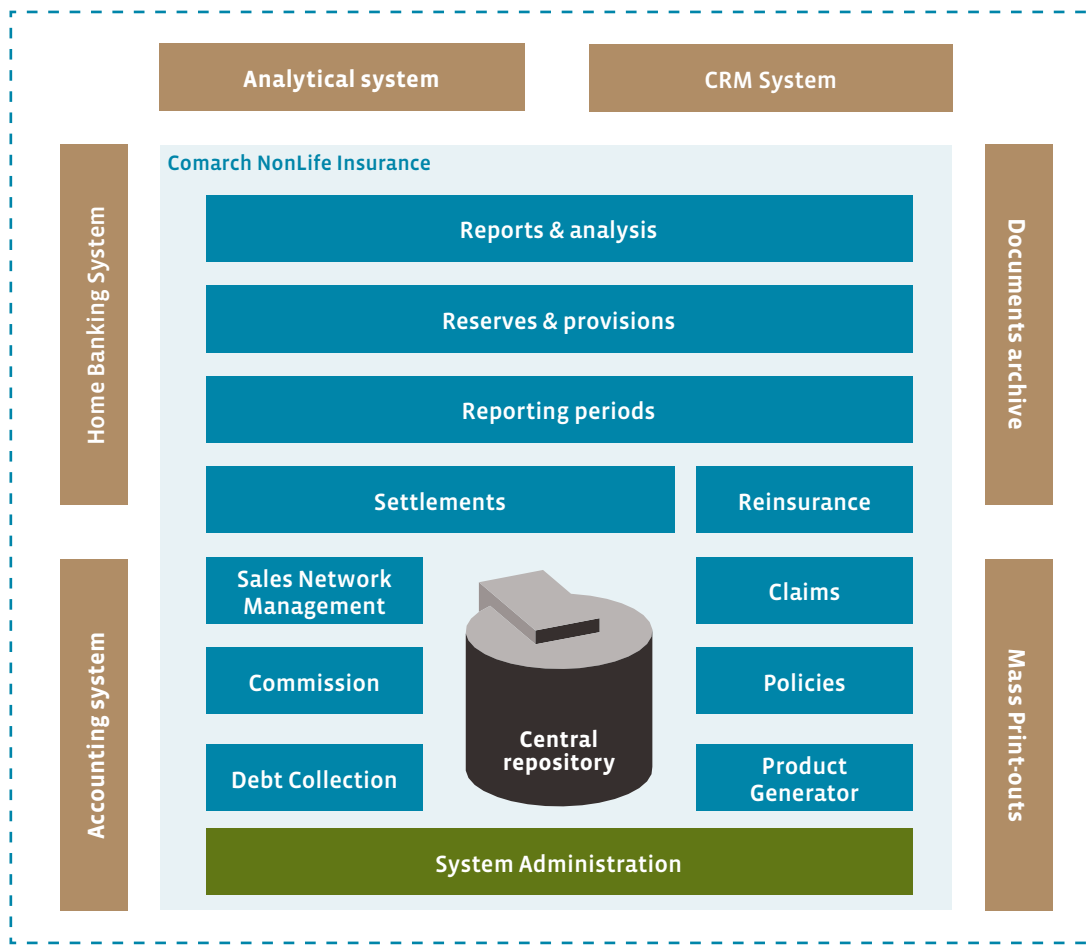
External systems

Functionality

The system design is modular to enable the independent usage of particular elements by an insurance company (the insurer can decide to purchase respective modules, e.g. Policies or Claims Management) as well as its inte-

gration with the customer's existing IT systems. Alternatively, particular modules constitute a family of applications which as homogeneous system, can support all of an end-user's insurance activities.

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Comarch NonLife Insurance functionality

Policies

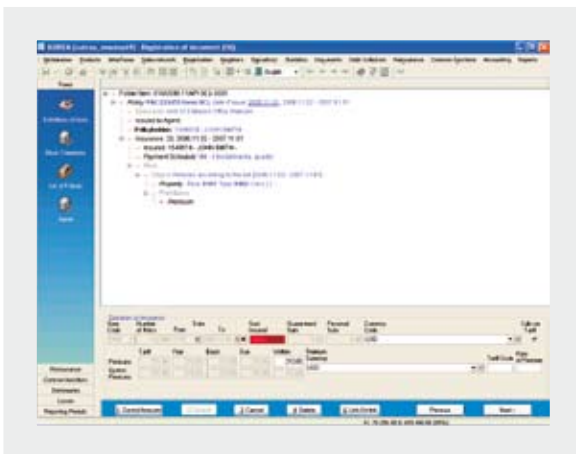
The policies module, based on data prepared in the product generator, enables the submission of insurance documents and provides full operational support for applications and policies, including:

- Registration of policies and applications,
- Automatic or manual transition of applications into policies,
- Automatic calculation of premiums based on registered data,
- Modifications of policy data including adjustments of premiums, e.g.:
 - Change in personal data,
 - Supplementary coverage,
 - Sale of vehicle,
 - Cancellation of a contract;

- Automatic policy renewal,
- Monitoring entered data, including:
- Up-to-date product definition,
 - Document number control,
 - User privilege control,
 - Control of applied discounts and increases,
 - Control of the correctness of entered premiums,
 - Double verification of packages of data (four eyes concept).

The module allows the input of data at headquarters, branch offices, agencies as well as by agents. It also enables the direct submission of applications by customers of the insurance company on an Internet portal.

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Document registration (HQ)



Comarch Insurance Net

Sales network management

This module is responsible for storing information of a sales network's elements (branch offices, managers, agencies, intermediaries) and for placing these elements in a dynamic hierarchical structure.

Commission

The commission module allows for defining and calculating commission for elements in a sales network:

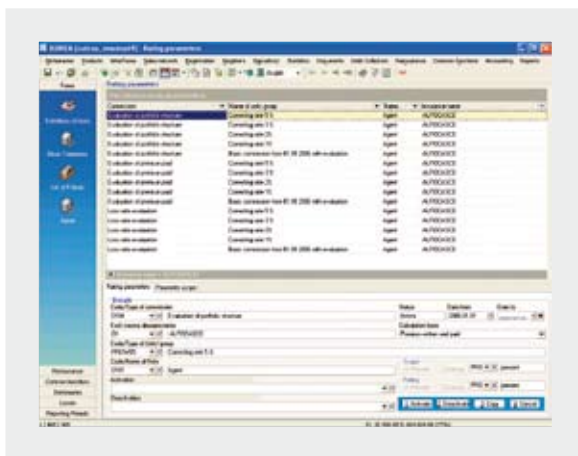
- Basic commissions for respective units in a sales network,
- Override commissions resulting from a network structure,
- Commissions based on results and the quality of an agent's portfolio,
- Bonuses and awards based on freely chosen parameters.

Reinsurance

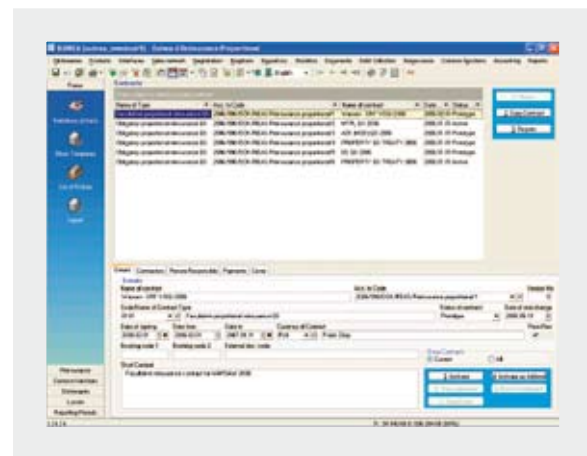
The system supports definitions and settlements of reinsurance contracts, as well as reinsurance and coinsurance programs. The modules can handle proportional and non-proportional treaties and facultative contracts as well as a combination of these types (facob). Examples of functions provided are:

- Defining the types of risks that are covered,
- Settlement of contracts – calculation of shares for respective reinsurers,
- Display of policies and claims reinsured,
- Determination of probable maximum loss (PML),
- Annexes to reinsurance contracts,
- Scaling commission calculations,
- Reinsurance slips, bordereau,
- Calculation of shares in reserves/provisions,
- Forecast of reinsurance results.

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Rating parameters



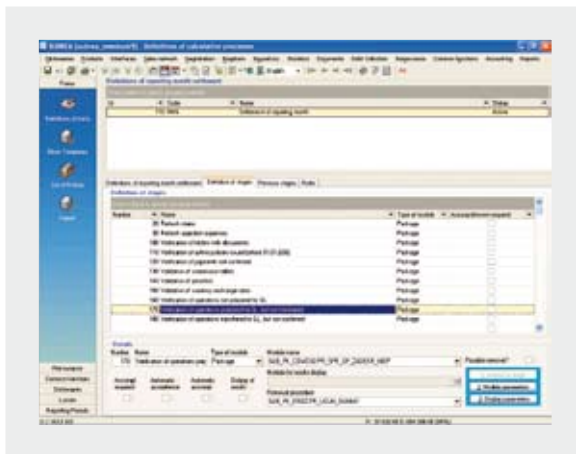
Outward Reinsurance Proportional

Reporting periods

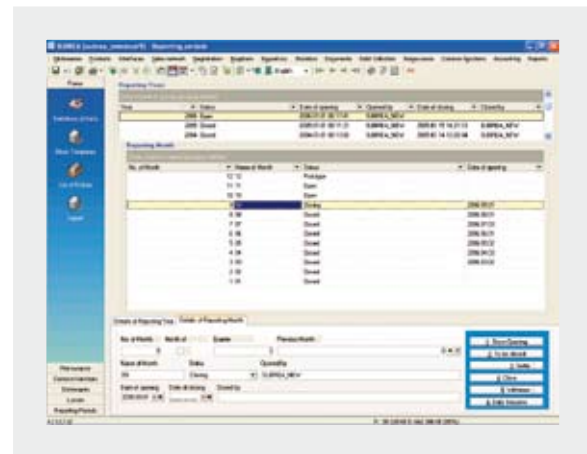
This is the critical module of the system and its most important functionality. This module is where information gathered during registration of operational data is processed to the conditions expected by management, actuaries, controlling, accounting and other departments monitoring and controlling insurer activities. Depending on company requirements, the reporting period can be defined in days, months or years. Their closure is associated with performing a number of predefined process stages, which can be distinguished as the following:

- Calculation of provisions,
- Calculation of reinsurers' share,
- Calculation of aggregated data (e.g. loss triangle),
- Calculation of premiums for supervisory institutions,
- Calculation of a contract's portfolio structure.

Parameters such as e.g. automatic acceptance or automatic accomplishment can be defined for separate stages. An additional important feature of the process is the ability to remove results and run the process once again after corrections have been made to input values. The accomplishment of each stage results in the generation of an appropriate set of messages regarding process performance and the correctness of the processed data.



Calculation process definition



Reporting periods

Settlement

In this module, the system accumulates all financial information regarding customer settlements, intermediaries and reinsurers. As an additional ledger, the module offers access to analytical settlement data, with direct relationship to registered insurance documents. The module enables:

- Searching and filtering settlement data,
- Monitoring the current balance of a customer,
- Importing electronic bank statements,
- Automatic reconciliation of settlements with bank statements,
- Generation of correspondence,
- Searching and filtering account transactions.

The module is equipped with a definable interface to the general ledger. This tool enables the user to:

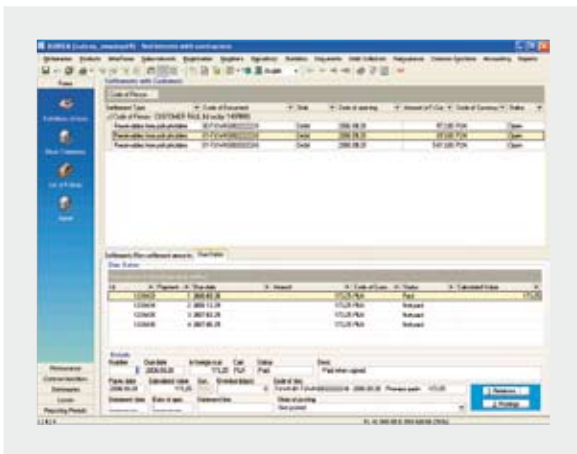
- Define sums to be sent to the general ledger,
- Define accounts in the general ledger, to which the sums will be sent,
- Monitor the total sums sent to the general ledger and their division into sum details.

Reports and analyses

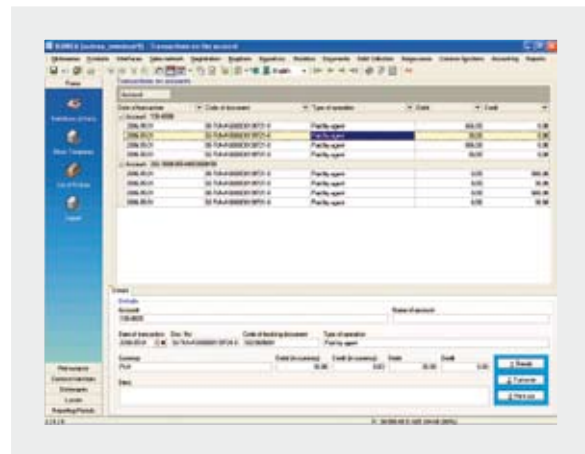
The Comarch NonLife system provides a standard set of reports and print-outs of various types. Reports and analyses are always customized according to the individual needs of a customer. They are divided into the following standard areas:

- Internal reporting:
- Operational reports (print-outs of documents, tabular reports),
- Analytical reports (listings, summaries, cross-section analysis);
- External reporting:
- Annual and quarterly financial reports.

Users can also construct their own operational and statistical reports.



Settlements with contractors



Account transactions

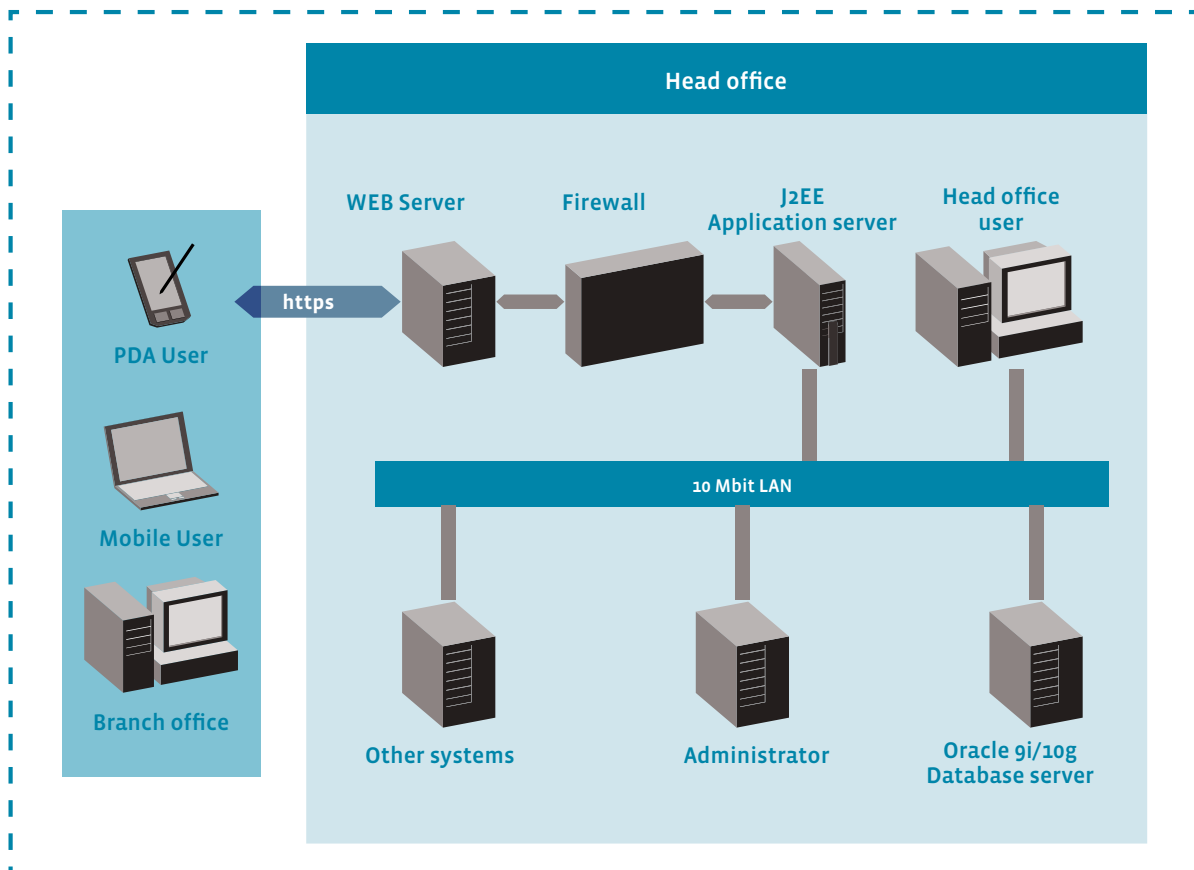
Architecture

Comarch solutions addressed to the financial market are oriented on services, based on high quality components managed by workflow, for which coarse-grained integration and communication is primarily applied.

The technical architecture concept is based on an Oracle database. In this way, data is stored in one place and

all users with appropriate privileges have access to it. Connection to an application is performed in the following ways:

- through a client-server application installed on user workstations at headquarters
- through a web application for users at branch-offices, sales points and mobile users



Standard integrations of Comarch NonLife Insurance

- Accounting system (ORACLE FINANCIAL, EXACT GLOBE, COMARCH EGERIA, SAP and others),
- Systems for claim assessment,
- Systems for document archiving (FILENET IMAGE SERVICES),
- Systems for reports and analyses (ORACLE DISCOVERER, COGNOS, OCEAN GENRAP),
- Systems for mass print-out,
- Systems for sales support and customer service (CRM),
- Systems for workflow and documents (FILENET WORKFLOW),
- Home-banking systems (TRANSCOLLECT, TRANSTABLE and others).

The answer for an insurance company's complex needs is provided by an advanced IT technology solution – one which allows immediate calculation of an offer specifically adjusted to a client's needs, ensures full access to data concerning current cooperation and manages communication between the client and their insurance company.

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