Case Study

Meeting the Needs of Generali Worldwide in the Group Risk Market

Guernsey based Generali Worldwide is a subsidiary of Assicurazioni Generali S.p.A (the Generali Group), offering a flexible range of international employee benefits including group risk, retirement, savings and investment. These are specially designed to meet the needs of employers and organisations employing individuals working away from their country of origin.

Generali Worldwide works closely with the Generali Employee Benefits (GEB) network, providing benefits programmes in over 50 countries, and coordinating multinational pooling and reinsurance programmes on a global basis.

As LISS Systems and Generali Worldwide have a long history of working together, Generali naturally approached us to see if the LISSIA system would support their requirements for a new unit linked Group Pension system. The resulting project formed the first stage of their implementation of the Group version of LISSIA. After a smooth transition to operational running of the system in January 2003, Generali Worldwide were ready to embark on the next stage of replacement of their business systems, in the area of Group Risk, and once again they turned to LISS for assistance.

Generali Worldwide provides an extensive range of Group Risk products including Group Life, Spouse’s and Orphan’s Pension, Critical Illness, Accidental Death and/or Dismemberment and Long Term Disability (Permanent Health Insurance) along with a variety of other covers.

Given that there are other well-established packaged systems on the market that support these products, why were these not regarded as suitable?

Generali Worldwide’s Senior Manager, Ian Robinson explains:

“The protection needs of employees working outside of their own country create an inbuilt necessity for us to be flexible. We provide highly customised products and these cannot be supported by the standard off-the-shelf systems, which handle Group Risk products very much as commodities. LISSIA is ideal for any insurance provider looking to develop a specialised market niche requiring high levels of flexibility”.

The design brief handed to LISS typifies the conflicting demands of Group Risk business: balancing the need for efficiency in processing large numbers of individual members, with the need for a flexible and personalised service to the individual employee. Generali Worldwide required the system to:

- Store information on each individual member and coverage at the lowest level of detail.
- Maintain a complete history of Member Underwriting Rating details.
- Maintain controls and data on reinsurance treaties at the lowest level of detail.
- Drive all system processes from the Scheme level.
- Provide full accounting consolidation at Scheme level for premiums, commissions, claim reserves and claim settlements on both direct business (or inward reinsurance) and reinsurance cessions.
- Automate setup of new Schemes.
Case Study

Meeting the Needs of Generali Worldwide in the Group Risk Market

Generali Worldwide brought their extensive knowledge of this international niche market to the table and worked closely with LISS in defining the detailed requirements. The challenge was to turn their business knowledge into reliable and repeatable, but flexible, system processes. This would hinge on the system’s ability to:

- Allow controlled overriding of the standard product template.
- Enable adjustments to be made at Scheme level.
- Support multiple Quotations (allowing the Group owner to select from a number of different benefit / rating scenarios) and, critically important, to then auto-activate the selected Quotation.
- Support the wider Generali Group’s need for timely and accurate reinsurance reporting.

By the standards of conventional Group Risk systems, these are difficult and contradictory requirements. How can you reconcile users being able to override the standard product and make adjustments to product pricing with the need for underwriting control and financial integrity?

These contradictions play to the inherent strength of the LISSIA system as a business solution. LISSIA is built on a solid bedrock of double entry accounting standards and controls, and yet does not constrain the creativity of the business in responding flexibly to its market place.

This capability is due to a unique interaction of qualities that make up the LISSIA Group system:

- A high level of parameterisation permits flexibility, often allowing new or modified products to be setup without need for a system change.
- The LISSIA Group data structure supports powerful bulk processing, and provides ease of operation between Scheme Policy, Member Policy and Member Coverage levels.
- The innovative structure of the Rates Table supports up to ten variables, allowing hugely complex algorithms to be setup or modified without the need for system change.
- Separate Quotation tables allow multiple Quotations to be provided. Only the Quotation selected by the Group owner is taken forward. Unused quotes can simply be deleted from the system, although summary results and quotes are retained. Quotation is, however, an integral part of the system, controlled by the Product Template and Scheme Characteristics.
- Import processes provide the means of efficiently and accurately entering Individual Member details. The Group owner sends data to the insurer on an Excel spreadsheet, avoiding any need for re-keying. The import process also provides high levels of validation, ensuring that data is complete, consistent with Scheme rules and valid in terms of selected options at both Scheme and Product level.
- All changes to Member data (such as a change of salary or location) automatically trigger recalculation of Sum Assured and Premium if required. All changes are processed as a single recalculation and result in a single change to the premium payment request to the Group owner.
- The system handles joiners and leavers, performing all necessary pro-rata calculations.
- All sets of accounting transactions created from a specific business event include both the relevant direct business postings and the corresponding reinsurance cession postings.
Case Study

Meeting the Needs of Generali Worldwide in the Group Risk Market

With Group Risk live for quotations and the remaining administrative function in the final stages of implementation, Generali Worldwide now has the flexible and powerful system they need to extend their already strong position in this international niche market.

But has it all been worthwhile? The final verdict must be with the customer. As far as Ian Robinson is concerned,

“It’s a win-win situation. We now have better systems in place for more efficient running of our offices and we are able to deliver better information more quickly to our existing and potential new clients and partners.”