

KMG MFX BPO Case Study



KEY MANAGEMENT GROUP, INC.

The Competent People

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1 CLIENT OVERVIEW

The Client is one of the global financial services holding companies. Through its subsidiaries, client is engaged in Property, Casualty and Life Insurance as well as Reinsurance, Investment Management and Insurance Claims Management. The client is a technology company with proven solutions-both ASP offerings for the insurance industry-and managed infrastructure services for all market segments.

2 ABOUT KMG

KMG is a global software development, application maintenance and BPO operations company, which provides premium IT solutions worldwide using Microsoft, IBM & Java Technologies. In a wide-open sea of countless software development companies, KMG distinguishes itself as a company driven by excellence.



KMG was established in 1990 and is among Top 10 fastest growing Indian-owned companies in the US. It is also rated among top 50 software companies in India. It has a Dun & Bradstreet rating of “Good-2A1”.

KMG’s onsite-offshore model and industry expertise enables the company to enter into long-term, mutually beneficial strategic partnerships with many Fortune 500 companies. Unlike most other Indian-based software services firms, KMG maintains a large development team in the US. This team is used to interact with the client & provide a longer overlap to the users.

KMG has its headquarters in New York with 4 Offshore Development Centers in India (Bangalore, Delhi/NCR, Chandigarh and Kolkata) and 4 sales and development centres in US (New York, San Deigo, Chicago & Cincinnati).

KMG has around 60 professionals in the US supported by another 250 in India. KMG has resource expertise that covers Microsoft.NET technologies, Java J2EE, Mainframe, IBM iSeries (AS/400) and Software Testing.

KMG provides software maintenance, development and testing, and BPO solutions to large and medium sized insurance, banking, financial service, healthcare and government organizations throughout the world. Indeed, the company has aggressively captured a niche market in the property and casualty insurance sector in the USA.

KMG has constructed a 600-seat state-of-art development centre near Chandigarh in the North West part of India. This centre houses a large training centre for providing training to in-house / external resources on legacy systems, QA testing methods, BPO processes and operations.

3 CLIENT SYSTEMS

Producer Management System: Repository to store all producers/brokers and related information.

- Stores related producer contacts by producer code.
- Contains Producer Address & other Contact details.

Submission: Records all submissions and products for an account to be stored.

- Keeps a track of submissions lifecycle.
- Generates an Account No & Policy Number for the quote.
- Status of the quotes can be changed to Declined, Bound, Working etc.

ISyCL: International System for Commercial Lines transaction processing system. ISyCL data is fed through data interfaces and with online data entry from various transactions types - policy and claims.

- Contains all the policy functionalities like Issue, Endorse, Renew, Cancel.
- Corrections can be made with Cancel/Reissue transactions.
- Manages the Claims Setup, Reserve Setup.

Claims Assure: It manages the entire Claims process.

- Setting up new claims.
- Reserve setup.
- Expense & Indemnity Payments.
- Adding & Voiding Recoveries.

RBS: It is a powerful product used for billing in the insurance industry. Renaissance standalone billing provides support for two types of billing, namely, direct billing and agency billing.

- Manage billing of policy premium and account fees.
- Manage billing of insurance policies and generate bills for agents, policyholders, and premium finance companies.
- Maintains installment and commission information.
- Calculates policy equity.
- Generates billing system
- Generates periodical notices.
- Ironshore's Citibank lockbox account document analysis

URS: The **Universal Reinsurance System** is a comprehensive property and casualty reinsurance application. This reinsurance software processes assumed, ceded, treaty, facultative, proportional, and non-proportional reinsurance. It helps in:

- Managing reinsurance treaties for assumed, retro ceded, pools, and affiliates.
- Automates the attachment, calculation, and posting of premium and loss cessions and retro cessions, including inter-company pooling.

4 PROJECT DESCRIPTION

In the beginning the BPO initiative started with the Data Analysis & Field to Field mapping between client's applications and insurance company systems. It then progressed to an "End to End" testing for all insurance applications with real time data feeds.

At the time of testing system clocks were changed to simulate the real time scenarios. Reconciliation of the financial figures was done to ensure correctness and accuracy of the information and premiums.

Data entry work for the policies, claims, submissions & billing system is undertaken in the production environment.

The offshore team is structured into Silver & Platinum teams. Platinum team consists of the Business Analysts. Silver Team consists of the Data Entry Operators. The Lead Analyst in the Platinum team allocates work to the Silver team, reports issues to the client and maintains client communication and status.

5 PROJECT ACTIVITIES

The project activities included the following work items:

- Data Analysis, data Massaging, data Mapping for all applications like Submission, ISyCL and Claims Assure
- End to End Testing
- Verifying the Financial Results
- Work Allocation to the Data Entry Operators
- Premium Coding with the help of
 - Binder
 - Rating Worksheet
 - Mapping Document
 - Industry Classification Code Document
 - Big Table (For Valid ASLOB, Coverage, Subline combinations)
- Data Entries in Production Environment
- Making Corrections through Policy Endorsements
- Reporting Issues to the clients
- Maintaining Client Communication and Status Reports

Workers Compensation: We provide policy coding services to a Florida based Insurance Company which offers Worker's Compensation insurance to small to medium sized roofing contractors and other artisan trade contractors in selected states.

Applications used: NCCI & CDX (PEEP).

Types of transactions:

- New booking
- Renewal

- Endorsements
- Cancellation
- Non renewal
- Reinstatement

Quick Solver: We also provide premium coding/ Premium rating by using Quicksolver

Work flow involves:

- Source docs sent via email. Separate mailbox at both ends for work assignments and communications between Client Customer service and MFX BPO for:
 - Segregates from other work
 - Provides a single place to monitor & search
 - For backup coverage
- Simple check-in/check-out log at BPO Checkpoint.
- Notation on log if sent back for questions or missing info.
- Quicksolver already have records. BPO will search for record and complete the entry, including:
- Premium adjustment on the basis of ratings in system to match bound premium
- Automated forms generation
- Any additional forms needed for analysis (based on binder) will get from Client Forms Library.
- Combine both info sources into a single PDF policy package.
- Perform basic QA review, and email completed policy package back to Client customer service.

ISO Rating: Insurance Services Office Rating Service is a comprehensive, automated rate-management system featuring a powerful combination of advanced technology and product-management tools. ISO provides advisory services and information to many insurance companies. It develops and publishes policy language that many insurance companies use as the basis for their products.

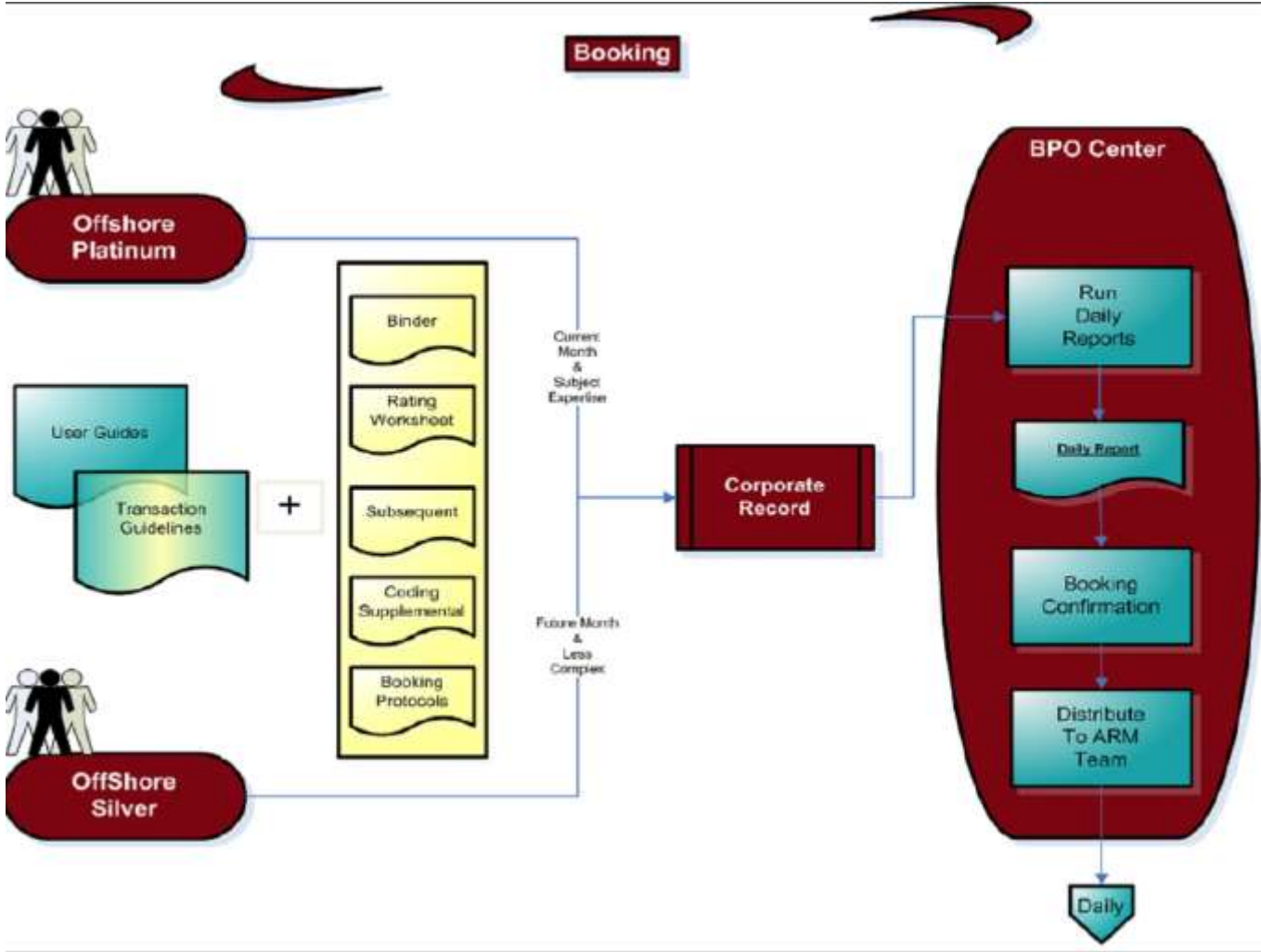
For a broad spectrum of commercial and personal lines of insurance, it provides:

- statistical, actuarial, underwriting, and claims information
- policy language
- information about specific locations
- fraud-identification tools
- technical services

We provide services in following three steps:

1. **RateManager** - A browser-based tool that allows users to develop rating logic without any programming skills. Once rates are developed using the RateManager toolset, they are propagated to the SoftRater rating engine.
2. **SoftRater** - SoftRater is the rating engine portion. The SoftRater rating engine is updated with logic created in RateManager and is the run-time environment for a company's rates. The engine is multi-platform such as development softtrater, QA/test softtrater and production softtrater; and has the ability to process rates in both a transactional and batch mode.
3. **Impact Analysis** - The Impact Analysis module is a data analysis tool that allows a user to compare the effects of a program change against existing rates. Users can compare two complete sets of data, such as a data set containing current rates and another containing a proposed rate change.

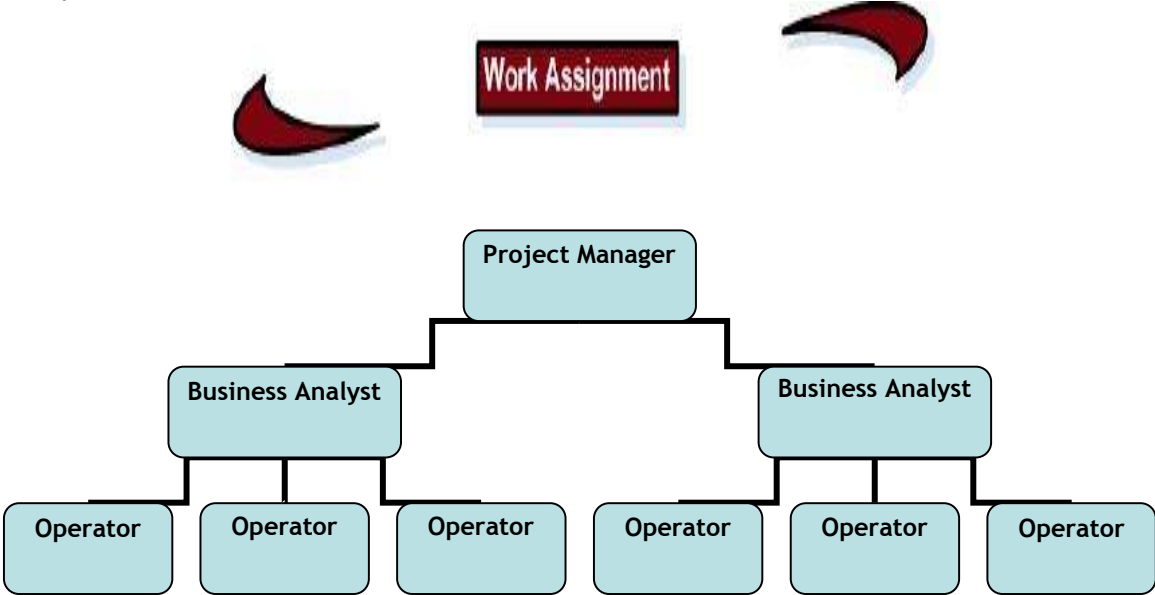
6 WORK PROCESS



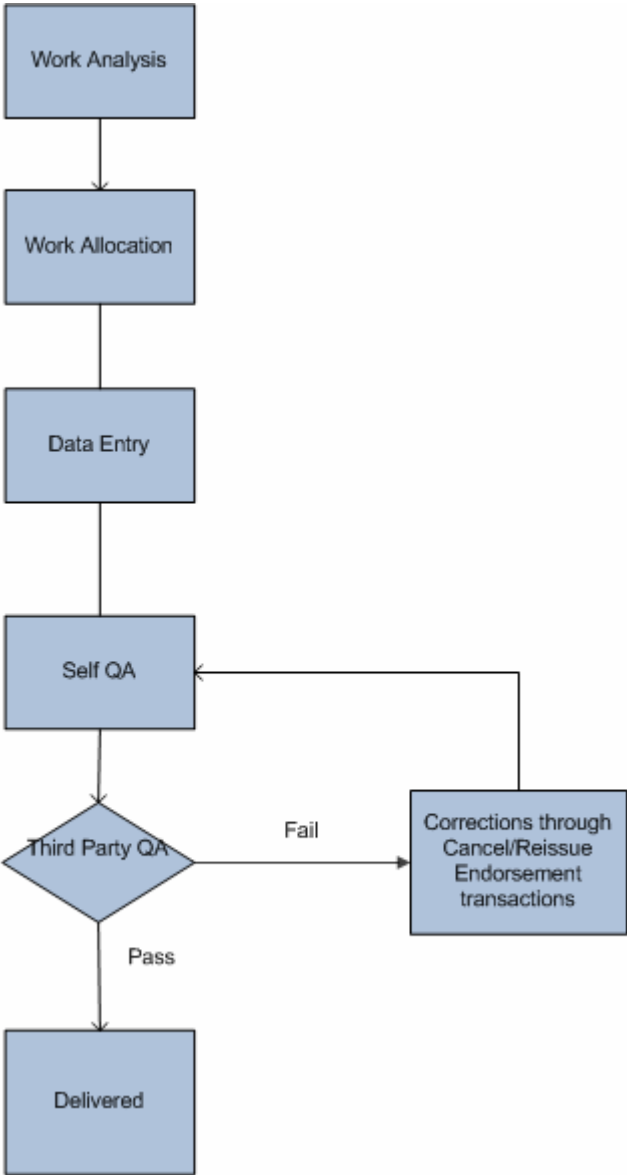
7 TEAM STRUCTURE

The team structure comprises of the following:

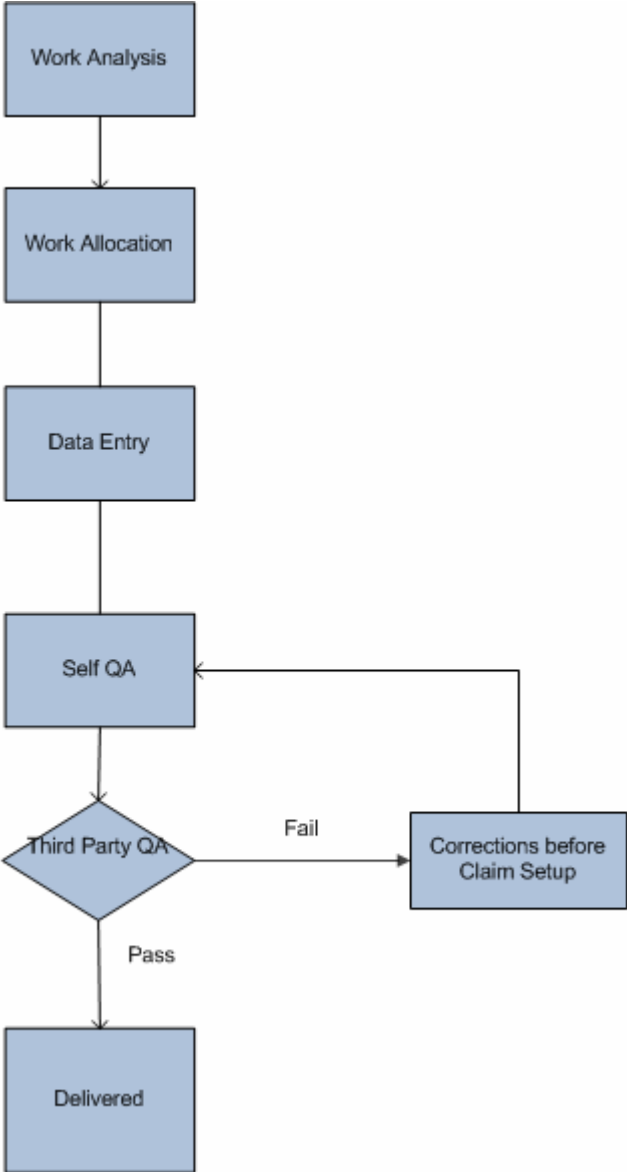
- Project Manager
- Business Analysts
- Operators



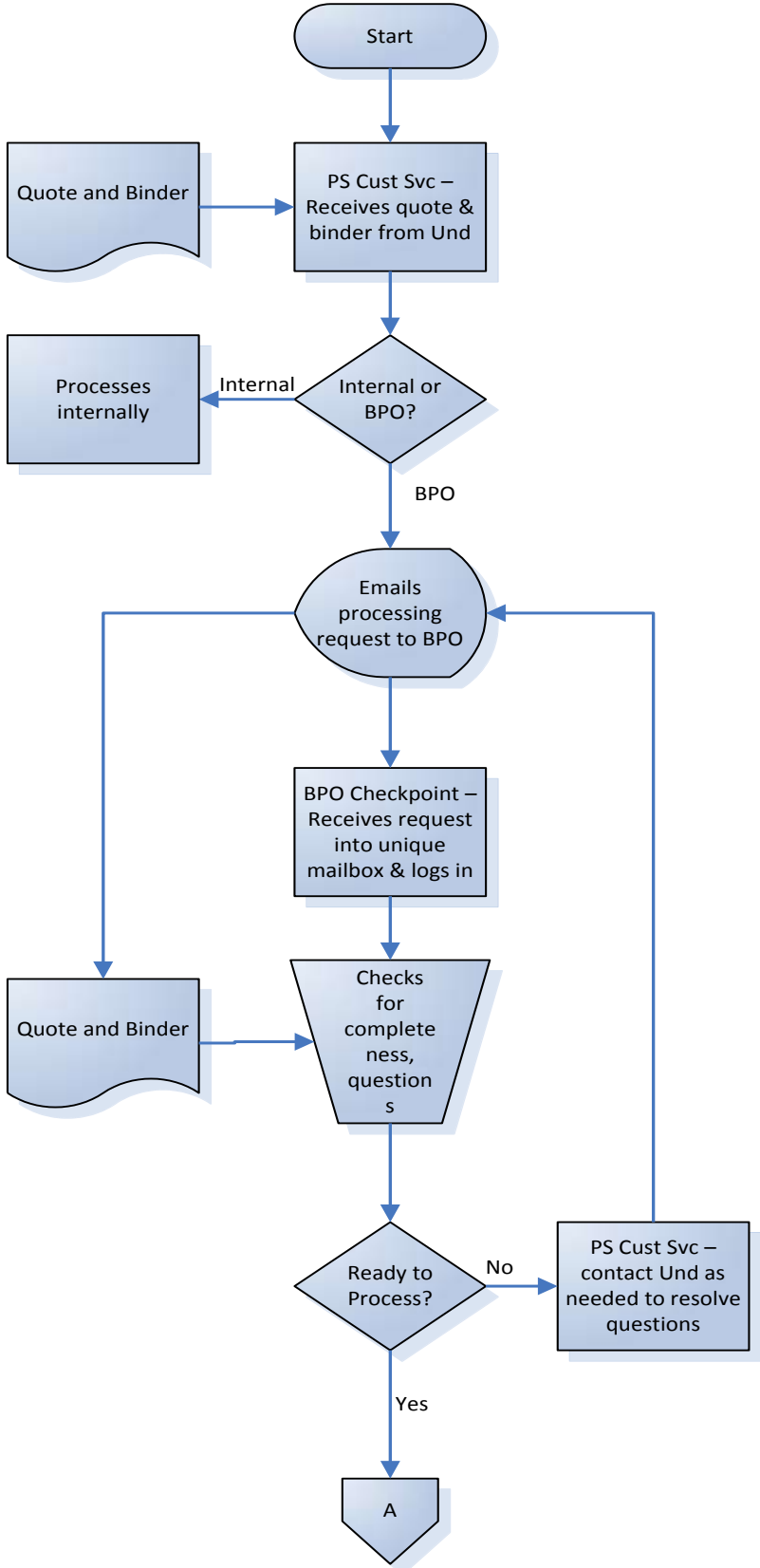
8 POLICY ENTRY PROCESS

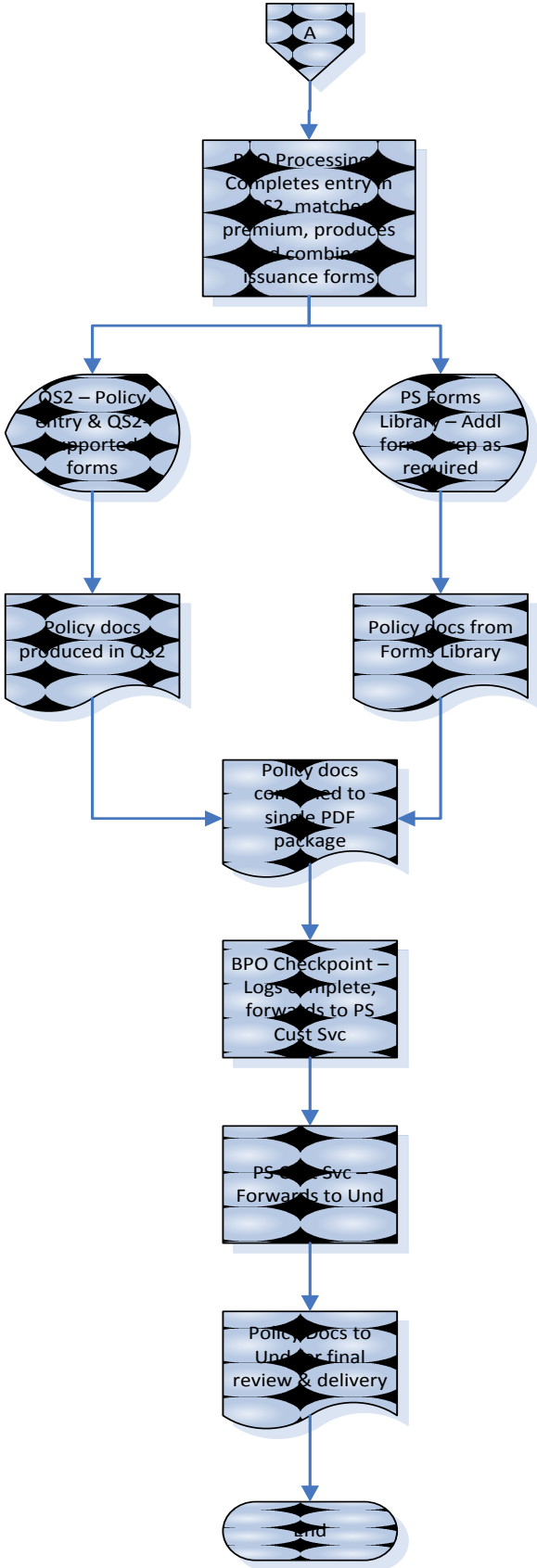


9 CLAIMS ENTRY PROCESS



10 PROSIGHT





11 BENEFITS

- **Cost:** Inexpensive Labor pool
- **Unique skill/expertise combination:** Our Analysts have an expertise for Property & Casualty Insurance. They have the exposure to different applications. Hence, it was easier to understand the intricacies of different systems.
- **Ownership lies with Offshore**
- **Client could focus on other important Business objectives and new client acquisitions.**
- **Process Optimization**

12 KMG ADVANTAGE

- **Rigorous Project Management**
 - Work Allocation
 - Issue Reporting
 - Work Status
 - Work Quality
 - Client communication
- **On Time Deliveries**
- **Meeting SLA's**
- **Maintaining the Quality standards**
- **Rotational Shifts so as to maintain daily goals**

This BPO engagement is a Success Story in KMG.

Client appreciated KMG's meticulous planning, stringent quality standards, dedicated team efforts and most of all meeting both short term and long term goals.

This is a growing account for KMG.

13 CHALLENGE

- **Accuracy of Work:** Client maintained stringent guidelines on accuracy & quality of the work, as the entries were being done in the Production environment
- **Training on System:** Training on the multiple insurance systems was provided by the client through Webex (Application sharing & Conferencing service). We had to get trained on the system remotely & directly work on the system in the Production environment.
- **Knowledge Transfer:** Data Entry operators were deployed for the entries. We had to train them on the insurance concepts & terminology so that they are comfortable with the applications and work. There was a need to make them aware of the financial implications of the entries.
- **Tough Working Hours:** Client worked on stringent timelines. Working hours hover around 12-15 hours.
- **Quality and Compliance Issues:** In case of erroneous information, Analysts need to think of a way to correct it in the system so that the financial balancing does not get affected
- **Reporting Issues:** Consolidation of the work status needs to be done at the EOD for reporting purposes. The work was allocated to multiple operators and analyst
- **Working on different Systems at the same time:** We used to work simultaneously on the ISyCL, Claims Assure & RBS systems. It was essential to maintain load balance among the team members and to allocate the work among multiple systems and resources.