CorePointe Insurance Company Reins in Labor-Intensive Reinsurance Administration

Since 1964 the CorePointe Insurance Company has provided property and casualty insurance to auto and truck dealers. Recognized throughout the industry as the leader in dealership insurance products and services,

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>
> -- Matt Trzemzalski, Accounting Supervisor, CorePointe Insurance

CorePointe Insurance still faced the same reinsurance issues that many other insurers share. For reinsurance administration of settlements and treaty calculations CorePointe Insurance relied on hard-to-manage spreadsheets that were error prone. Now, though, new automation from the Universal Reinsurance System (URS®) is changing CorePointe Insurance's previously labor-intensive process.

The reinsurance system implementation kicked off with the first phase focused on the premium component. The second phase, the loss component, went into production late in 2008.

"On the premium side when we do account reconciliations, we can easily print a report that's backup for the general ledger," said Matt Trzemzalski, Accounting Supervisor for CorePointe Insurance. "The reports can 'slice and dice' information. If we need a reinsurer balance, we can set it to show that reinsurer. With URS, we save roughly a day per month in the time taken for account reconciliation."

Typical savings from the loss component come from:

- Automated handling of contracts with Annual Aggregate Deductibles as well as contracts with annual contract loss limits

- Detection of recoveries on potential catastrophes and other types of occurrences that allow for loss aggregation

- Detail claim level support of all loss recoveries billed in minutes via DSI (inbound interface and calculation process) reports

- Review of all contract setups before running live cycles via the use of DSI and Co-Claim modeling (Co-Claim is a component of the URS calculation engine that compiles multiple losses associated with a single occurrence)

- Automatic URS update of DSI-fed assumed loss recoveries for specific segments of business

Lessons Learned

To ease the challenges faced in any system implementation, Matt advises keeping on top of things early in the process. While it might be tempting to postpone a task, "go ahead and do it now," he advises.

Set some relatively firm deadlines and milestones. If something needs to happen by a specific date, don't let it slip two weeks … the slippage affects the next segment of the project and every following segment. "A little extra work up front will be beneficial in the end," Matt notes.

Learning the system is a process. CorePointe Insurance took some time to learn how to use the loss component most effectively, and the automation has helped this leading insurer operate more efficiently and accurately. From a cumbersome reinsurance administration process to a streamlined system, CorePointe Insurance is furthering its status as a leading insurer, willing to use technology to stay at the forefront.