

# ARPC Case Study

## SUMMARY

### → Customer Name/Location

**Australian Reinsurance Pool Corporation (ARPC), Australia**

### → Industry

Government

### → Needs

Functionality extension to ARPC's existing system to include:

- Capability for lodgement of premium return reporting
- Automation of claims processing
- Central store of information for client data

### → Solution

Axe developed and implemented RISE (reinsurance information system), a Microsoft.NET based system that achieved ARPC's objectives of continuing to automate previously manual processes and enable data collection from their clients in a more efficient and timely manner

### → Achievements

- Consistent communication channel to improve client service levels
- Increased number of automated processes
- Improved ability to cope with a declared terrorist incident (DTI)

## ARPC Improves Reinsurance Process Automation with Axe Group Solution



### BACKGROUND

ARPC is a statutory authority established to administer the Australian Government's terrorism insurance scheme. The scheme provides reinsurance cover for terrorism risk relating to commercial property and infrastructure, and associated business interruption and public liability claims.

The *Terrorism Insurance Act 2003* commenced on 1 July 2003 and was established following the withdrawal of commercial terrorism insurance cover by insurance companies following the terrorist attacks in the United States on 11 September 2001.

Insurance companies are able to reinsure the risk of claims for eligible terrorism losses through the ARPC. Premiums insurance companies pay for reinsurance to the ARPC have built up the first pool of funds which is now available to cover claims from DTIs.

The scheme now has more than 250 clients globally, including over 50 Australian-based insurers.

### BUSINESS NEEDS

In 2005 Axe developed and implemented the ARPC Online Risk Aggregator System (ARAS) – an internet-based system that streamlined ARPC's data collection – giving it much greater flexibility in analysing and using the data it was collecting. This system provided for the automation, collection, and aggregation of data from the insurers which choose to purchase terrorism reinsurance from the ARPC.

The implementation of this initial system for complex data gathering had cut processing time down from several weeks to virtually nil. It enabled over 200 insurance companies to deal with ARPC easily, and created a faster, more secure and auditable process.

For the next step ARPC sought to extend the capabilities of its existing system to include additional functionality such as automated premium return reporting. It also sought to provide a secure, single portal for clients to use to lodge these returns, and finally, it required a central information source for the storage of customer data. From these requirements the RISE project was born.

“ Over the time we have worked with Axe Group we are very pleased with their ability to design, develop and implement easy to use systems like ARAS and RISE in a timely manner.

Marianne Cavanagh – Acting Chief Executive Officer, ARPC

## → ABOUT AXE GROUP

Axe Group is a fresh thinking software company enabling clients to outperform with our insurance automation platform and cross-industry application services.

Our strength is building unique solutions to complex business problems with our domain experts enabling our clients to achieve their market goals. Since 1997 we have consistently delivered for our clients.

### **Axelerated Solutions**

Provides the Axelerator Insurance Platform, the first Adaptive STP system for automation of New Business, Claims Management and Lifecycle Services to enhance an Insurer's competitive advantage.

Axelerator provides one-touch and personalized process execution, with smart handling of exceptions. A single platform manages all channels with accessibility via the web, kiosks or offline laptops. Axelerator is a rules-driven system allowing the business to continually change and innovate to keep pace with market dynamics.

### **Axe Services**

Provides an extensive set of cross-industry application services focused on the software development lifecycle. We bring a fresh approach to application development, with our R&D Center being an incubator for emerging ideas, new products and services. This passion for innovation and our commitment to delivery ensures that our clients derive the maximum value from their applications.

## THE AXE SOLUTION

Based on a Microsoft .NET architecture, the Axe Services team was able to build a system that met all of ARPC's requirements.

During 2007-08, the Axe team developed and implemented the RISE system to consolidate and better manage information key to ARPC's operations. The purpose of the RISE system was to streamline the management of client information into one system and provide one place for insurers to electronically lodge all the information required by ARPC within a secure and user friendly environment.

The RISE system:

- Collects quarterly account information from over 250 insurers
- Enables insurers to submit their annual aggregate exposures by postcode
- Stores data submitted by insurers
- Offers insurers information on their market share for eligible risks
- Provides an effective method for insurers to lodge initial incident reports for the purpose of gathering information on likely claims
- Provides a claims approval and reporting process and incorporates required adjustment calculations in the event of a DTI.

Insurers are now able to log into a secure website, through which they can upload the information they need to provide to ARPC including quarterly premium returns, annual verification of details, aggregate exposures, submission of loss estimates and claims submission.

Insurers also have access to view a series of reports generated from the information provided by all of ARPC's clients, including a report showing prior returns, and a market share report based on the information clients have submitted given as a percentage of the total aggregate for premiums, exposures and, in the event of a DTI, claims.

## ACHIEVEMENTS

### **Consistent communication channel to improve client service levels**

The RISE system provides for a consistent channel of communication between insurers and ARPC, leading to improved levels of service. As all core data is submitted in the same format this has led to increased automation of data compilation and reporting. The electronic submission of data enhances ARPC's ability to analyse and provide intelligent reporting based on that data.

### **Increased number of manual processes now automated**

Automating processes has benefited ARPC in many ways. The introduction of the automated submission of information through RISE has assisted in reducing the likelihood of clients not providing ARPC with information it requires to conduct its business. ARPC's clients are benefiting from submitting reports online as RISE provides an easy to navigate environment which reduces the time needed to submit the information.

### **Improved ability to cope with a Declared Terrorist Incident (DTI)**

The RISE system incorporates automated claims processing which allows for the efficient and accurate recording of incidents. DTI information can now be directly captured in the RISE system which enables ARPC to quickly calculate what response is required depending on the magnitude of the incident.

## LOOKING FORWARD

Additional work is underway to update the look and feel of RISE in line with ARPC's branding. ARPC is committed to continuing to enhance RISE to ensure its clients obtain the maximum advantage from the technology and Axe will continue to work with ARPC to ensure that any future maintenance or enhancements are completed successfully.



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