

REPORTS ON PREMIA APPLICATION

1.0 **Premia Agreement Review**

The following documents were reviewed:

1. Premia Software Services Agreement
2. Software Support and Maintenance Agreement
3. Software Order
4. Addendum Agreement

Below are contracts signed with associated modules:

|  |  |  |
| --- | --- | --- |
| **Premia Life Contract (11th February, 2011)** | **Premia GI contract (12th March, 2015)** | **Annuity Contract (31st December, 2015)** |
| 1. Premia Individual Life 2. Premia Group Life 3. Premia General Insurance 4. Premia Document Management and Workflow 5. Premia Collaborator | 1. Premia Business Intelligence (BI) 2. Premia GI 3. EInsurance Portal (Individual Life, Group Life, GI, Annuity and Group Life) | Premia Annuity   * BI * DMS/Workflow |

The main contract document is the Software Services Agreement signed 11th February, 2011. Other agreement documents (Software Support and Maintenance Agreement, Software Order and Addendum Agreement) refers to the main contract document.

2.0 **Findings on Software Agreements**

Term and Termination

We discovered the following unfavourable clauses:

* “Upon Termination of the Agreement for any reason whatsoever, the client shall immediately expunge 3i-Infotech’s Software Applications, modules, program documentation, source codes, object codes, enhancements, updates and all other data. Information, e.t.c. from all computers servers, systems, network, processors, storage media or other instruments, devices or equipment in its possession or under its custody or control; and immediately furnish a certificate confirming the compliance of this section”.
* “Neither 3i Infotech nor its licensors make any warranty that service(s) licensed here under will meet customer requirements nor that the service(s) will be uninterrupted, timely, secure or error free. Nor do 3i Infotech and its licensor make any warranty as to the result that may be obtained from the use of the service(s) or to the accuracy or reliability of any information obtained through the service(s)”.
* “In the Software Order Agreement, the choice of technology agreed to be used for implementing E-Portal is “Microsoft SharePoint” as against JBOSS which is an old technology.”

From the agreement, it can be deduced that the Software was not out-rightly purchased and that the Software is a property of 3i Infotech.

3.0 Premia Module Assessment

**Keys**

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Working | Not Working | Stopped Working |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **INDIVIDUAL LIFE** | **GROUP LIFE** | **AGENCY MANAGEMENT** | **FINANCE** | **DMS / WORKFLOW** | **ANNUITY** | **E-PORTAL** | **B.I** |
| **Capturing / Conversion ✔** | **Capturing / Conversion** ✔ | **Commission process ✖** | **Receivable / payable ✔** | **Workflow ✖** | **Underwriting** ✔ | **Annuity ✖** | **Output is wrong ✖** |
| **Reinsurance ✖** | **Reinsurance ✖** | **Agent transfer ✔** | **Bank reconciliation ✖** | **DMS ✔** | **Proposal** ✔ | **Group life ✖** | **Annuity BI not configured ✖** |
| **Claims ✖** | **Claims ✖** | **Agent terminator ✖** |  |  |  | **Agent ✔** |  |
| **Loan ✖** |  |  | **GL** |  | **Processing** | **Customer ✔** |  |
|  | **Endorsement** | **Processing** | **Petty cash ✖** |  | **Claims ✖** | **Admin portal ✖** |  |
| **Premium Collection** | **Extension of cover ✖** | **Agent benefits process ✖** | **GL transactions ✔** |  | **Payout processing ✖** | **User manual and diagnostic documents for JBOSS ✖** |  |
| **Deposit ✔** | **Reduction of period ✖** | **Agent bonus process ✖** | **Check printing ✖** |  | **Commission ✖** |  |  |
| Renewal premium collection | **Decrease of sum assured ✖** | **Interest processing ✖** | **Budget ✖** |  | **Endorsement ✖** |  |  |
| Investment premium collection | **Facultative outwards ✖** |  |  |  |  |  |  |
|  |  |  | **Report** |  | **Reports** |  |  |
| **Policy Services** |  |  | **Trial balance ✔** |  | **Naicom report ✖** |  |  |
| **Policy endorsement ✖** | **Products - Credit life ✖**  **- Mortgage ✖ -Group EasySave ✖ -Term Assurance ✖** |  | **Ledger account ✔** |  | **Actuary report ✖** |  |  |
| **Frequency of payment ✖** |  |  |  |  | **Commission statement ✖** |  |  |
| **Duration of payment** |  |  |  |  | **Deferred annuity ✖** |  |  |
|  |  |  |  |  | **Business Intelligence ✖** |  |  |
|  |  |  |  |  | **DMS/Workflow ✖** |  |  |

**Observations**

|  |  |
| --- | --- |
| 1 | **Application Functionality** |
|  | Unable to process end-to-end transactions. E.g. Claims, Loan, Annuity |
|  | Only compatible with Outdated Operating System. |
|  | Bandwidth consumption resulting in high network traffic. |
|  | Use of outdated Webserver technology for Eportal i.e. JBOSS. |
|  |  |
| 2 | **Support from 3i Infotech** |
|  | Poor quality of Released Patches/updates |
|  | Capability of Support Personnel from 3i Infotech is below expectation because issues linger for months without adequate resolutions. |
|  | Communication Barrier |
|  |  |
| 3 | **Relevance of Premia to the future of FBNI** |
|  | Premium collection via mobile app, USSD, ATM and POS devices is not supported on premia due to non-availability of required APIs. |
|  | EPortal is not responsive and does not render correctly on various devices apart from Computer systems. |
|  | Restriction on Application interoperability with other third-party software. |
|  | Risk of over dependence on 3i-Infotech. |

In summary, from the module assessment table, it shows that Premia in FBNI is majorly being used for capturing of proposals and conversion to policies. Percentage usage of Premia is rated as less than 45%. All the modules identified above are basic functionalities in a standard Insurance application aside Eportal and BI.

**Note:** All issues identified on the table above are captured in the Premia issue list.

4.0 Suggested Solutions

1. In-depth Technical Training for In-house Developers.
2. Bring in 3i Infotech programmers and functional personnel to train and fix issues.
3. Source for alternative applications.
4. Hire more developers to build a new app.

Recommendations

|  |  |  |
| --- | --- | --- |
| **1** | **Short Term Solution** | **Processes** |
|  | In-depth Technical Training for In-house Developers. | * Discuss and agree with 3i Infotech to open up the source code. * 3i Infotech to send technical personnel (1 programmers, 1 functional personnel and 1 finance personnel) to conduct technical training. * Fixing of identified process gaps on premia (3i Infotech + FBNI programmers). * In-house programmers to develop add-on applications around Premia. |
|  |  |  |
| **2** | **Long Term Solution** | **Process** |
|  | Source for alternative application | * Engage KPMG or Deloitte to conduct Industry Survey and recommend three leading Insurance applications. |
|  | Hire more developers to build new application. |  |