



INTEGRAL GROUP ADMIN

OVERVIEW

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1. Overview

INTEGRAL GROUP is an integrated Group Insurance Administration system with functionalities that are fully matured having been evolved over the last 15 years. It is capable of handling employee benefits and managed care application.

It compliments an existing suite of systems to offer a complete continuum of information flow in the financial services industry.

2. GROUP Products Supported

The following products are supported in INTEGRAL GROUP Admin system

- I. Group and Individual Health (Indemnity and Managed care)***
 - Hospital & Surgical
 - Major Medical
 - Maternity
 - Dental
 - Outpatient
 - Hospital Income
- II. Group Life***
 - Term Life
 - Total Permanent Disability
 - Crisis Cover (Critical Illness and Dreaded Disease)
- III. Group and Individual Accident***
 - Accident Death
 - Accident Dismemberment
 - Medical Expenses
 - Temporary and Permanent Disability
 - Temporary and Partial Disability
- IV. Group Disability***
 - Disability Income
 - Repatriation Benefit
 - Medical Expenses
- V. Mortgage Reducing Term Assurance***
 - Death
- VI. Group and Individual Pension***
 - Defined benefit pool
 - Defined benefit individual
 - Defined contribution individual
 - Group Gratuity
 - Group Pension / Superannuation
 - Group Saving Linked / Deposit insurance
 - Leave encashment
- VII. Group and Individual Travel***
 - Travel related Medical / Health benefits
 - Loss / Delay in Luggage
 - Flight delay / Cancellation
 - Open and close ended man-days scheme

3. Group Product Structure

Integral Group has a comprehensive structure that allows flexible “product packaging” from a simple single-product to complex multi-product. It supports multi-subsidiary, multi product/plan as well as both member and headcount enrollment.

A Group policy consists of the following components

- **Policy Header** which holds the common information such as Contract Owner, Period of Insurance, the servicing Agent/Agency, billing frequency, premium payment type, Servicing staff etc. Specific information may be required for certain product types for example the Investment Strategy for Pension Policy. Extra information such as Payor, Owner Long Name, and Despatch Address can be entered here.
- **Subsidiaries** if any can be entered.
- **Product/Plan** which holds the product(s) for each policy and the plan(s) under each product. Each policy must have a minimum of 1 Product/Plan. Headcount indicator, Premium method, Max and Min Sum Insured, Max and Min Age, Network ID, Free Cover Limit are some of the information that are defined here. The information required will be based on the product selected.
- **Headcount** information will be required if the Headcount indicator is set to Yes on the Product/Plan level. It requires information such as Headcount Sum Insured, Headcount No, Headcount Average age etc.
- **Members** information will be required if the Headcount indicator is set to No on the Product/Plan level. Each member must be created as a client in the Integral Group system and dependents can be attached to each member based on the Insurance Class in the Product/Plan level.

4. Integral Group Modules

INTEGRAL GROUP Admin System is modular based and all modules are fully integrated to the financial module. The modules are:-

- a) Client Management
- b) Agent Administration
- c) Receipts and Payments
- d) Debtors / Cash Accounting
- e) Group Policy Admin
- f) Group Policy Enquiry
- g) Group Claims
- h) General Ledger
- i) Reinsurance Processing

4.1 Client Management

A client is defined as any individual or corporate body that has any transaction dealings with the Insurer. This same client can take on the role of a Policy Owner, Claimant, Agent, Reinsurer, Provider, Beneficiary, Payer, etc. This same client id can be shared and used across applications for administration of P&C and Life insurance products.

The system allows user to have a consolidated view of the client and all the roles that this client plays in the system. The design of the system is such that user is able to drill down to the relevant details applicable to each entity of that role. This facility is provided through the integrated Client Module to allow user to take advantage of the many search criteria options in the system.

The client module in itself provides facilities to maintain and enquire on personal and corporate client details, merge duplicate clients created in the system, inquire on the roles played by a client, link and unlink clients to form relationships between various clients.

4.2 Agent Administration

Agent Admin module administers Agents and other intermediaries responsible for selling Group Insurance contracts for a Insurer. All Agent details are held within the Agent Record including the Agent type and Date appointed.

Commission rates are explicitly entered as a percentage of gross premiums at product level in the contract.

Agent Portfolio Transfer is used to transfer policies between agents and is done on a case by case basis.

4.3 Receipts & Payments

The Receipting module is capable of recording different types of revenues that an Insurance company is likely to receive, such as:

- Policy Premiums
- Contributions for Pension
- Commission Refunds
- Reassurance Recoveries

As well as dealing with recognizable revenues, occasionally the system has to deal with revenue whose destination is unknown at the time of receipting, such as cheque received without any supporting documentation or accompanying remittance advice. It is also possible that the receipt is of a deposit premium accompanying a proposal/application that cannot be allocated to the contract number, as it has not yet been entered into the system.

The Application Form Number assigned to a proposal or application can be entered on the Receipt Entry Screen to link the receipt of monies to the corresponding proposal or application. Under these circumstances the revenue must be recorded in an appropriate suspense account until its posting details are known, at which time it can be transferred by journal.

The Payments module allows user to create, maintain and enquire on payments, controls and monitors their progress through the payment cycle from initial request until final payment. In addition, the details of any payment processed are reflected in Contract, Agent and Claim records to ensure that accurate information is available at all times.

Each payment request is automatically allocated a unique requisition number. The numbers used are controlled by the Automatic Numbering System. This number is used to identify the Payment Record at all stages of its progress through the payment cycle.

4.4 Debtors and Cash Accounting Basis

The Integral Group supports Debtors and Cash Accounting basis. This is a configurable setting and is on a global level. It should not change once it is set.

Debtors accounting method requires a series of Batch Schedule processes to be run that will automatically updates the premium receivable to the respective agent account, perform Debtors reconciliation based on the reconciliation rules set by the User and will produce Billing documents such as Agent Statement of Account.

Cash Accounting method requires the premium receivable to be collected before the policy status can be In Force. Premium receives from policyholder will be entered into the premium suspense account either by online transaction (cash or cheque payment) or though an upload programs (direct debit payment). Once the money is sufficient in the premium suspense account, the system will automatically advance the due date / paid-to-date to the next instalment date. General Ledger accounting postings will be written.

4.5 Group Policy Admin

This function is the entry point for a new application and it normally specifies the product chosen/sold, the amount of sum assured and/or premium method. It defines all the entity known to be connected with the contract such as the Policy Owner, Payer, Beneficiaries, Trustees, etc. All this information is validated by the system ensuring that it complies with the contract definition rules set in the various tables and can calculate premiums for each member/headcount based on the Product/Plan selected.

When a policy is entered into the system it is available for subsequent amendment, deletion or addition of product/plan or member. Each time such an amendment is entered the validation checks will be repeated.

The Policy may require reinsurance on part or all of the risk with another company and in this case the details are retained so that future processing of premium payments and claims can be maintained.

The Follow-Up processing logged in the progress on member underwriting processing and reports any outstanding requirements. These requirements and their receipt may be logged and reported according to the rules that the Insurance Company defined. If required, further processing will be prohibited if the outstanding requirements are mandatory to be completed.

There are some basic rules on the underwriting process that can be set up, such as underwriting limit table for medical check-up based on total sum insured of the member, age, BMI index checking, questionnaires and underwriting limit approval by user..

There are two ways to complete the processing of an application, one by issuing the contract and bring the policy into force or by not proceeding with the application and any money received is refunded. An application not proceeded with is retained for statistical reporting and remains within the client details but no further processing occurs.

Once a contract is issued, there can be many events/transactions that a Life Office has to record against the contract during the life span of that particular contract such as beneficiary amendments, change of billing status, change of premium frequency, etc.

The following are a list of the on-line servicing functionality (to name a few):

- Minor Alterations (transactions that does not trigger financial activities)
 - change owner
 - change beneficiary/owner name
 - change beneficiaries/trustees/assignees
 - change dispatch/correspondence address
- Major Alterations (transactions that trigger financial activities)
 - Mid-term addition or change of member/dependents
 - Creation of headcount members for claim processing
 - Entering underwriting decisions
 - Decrease/increase sum insured
 - Mass transfer of plans
 - Termination of policy

- Specific for investment linked or interest bearing contracts
 - fund switch
 - single premium top-up
 - partial withdrawal
 - premium re-direction
 - premium holiday

Throughout the whole process of creating a policy and policy amendment there is 'windowing' facility to view and create clients and view tables for code checking. In addition to this full HELP information, either on individual fields or general area is also available.

4.6 Group Policy Enquiry

Integral Group provides full control during the life time of a policy and maintains full historical transaction information for analysis and audit.

The system enquiry modules allows inquiry on

- Policy level
- Member level
- Billing level
- Transaction history
- Policy Account Movement
- Subsidiary Ledgers

Integral Group displays all transactions for the policy with ability to drill down to the premium posted details for any member/dependent/headcount or any selected financial transaction.

4.7 Group Claims

INTEGRAL GROUP provides the functionality to deal with Policy Surrender and Benefit Payments for Pension Policy and Claims processing for Group Medical and Group Non-Medical claims. It is integrated with other related systems such as underwriting and accounting.

Claim is registered in the system with system validating that the policy has the valid benefit. The claim payable amount can be set using parameters and will be validated by system during claim registration or modification.

INTEGRAL GROUP currently supports claim payment types of Reimbursement or Indemnity benefits. Claim can be paid as one-time payment or in installments. A regular claim payment namely TTD (Temporary and total disability) is available and the regular claim payment is based on the Benefit amount, benefit formula, benefit period, deferment period, claim payment frequency, escalation percentage and terminal age.

The Benefit Payment for Pension policies will automatically calculate the amount to be payable upon registration of a claim. The amount payable depends on the following:-

1. Claim benefit
2. Vesting rules
3. Type of benefit (Defined Benefit or Defined Contribution)
4. Unit price
5. Account Balance
6. Preservation rules

Integral GROUP will not allow partial withdrawal / surrender for a Pension policy. The system will display a breakdown of the amount payable for each contribution type / investment fund. When the termination of a member is authorized, the system will automatically generate a payment requisition.

4.8 General Ledger

The General Ledger module provides a highly flexible, table driven, hierarchical, multi-currency GL. The Insurance Company establishes accounts and these are linked together in a hierarchical structure to form a Chart of Accounts. In this way, many charts of accounts can be established and these charts may be totally independent or could be linked for group summary reporting.

The bulk of GL posting is automatically generated by other parts of the INTEGRAL GROUP Admin system. These postings are automatically batched and posted to the GL as often as required or daily, weekly, monthly, etc. The rules defining the postings required are also table driven, thus ensuring total flexibility to implement any type of accounting practices that a company may wish to adopt.

Transactions that are entered into the system during the day are usually posted to the GL in an overnight batch run (this process could be weekly, monthly depending on the company's requirements). Therefore, the effects of the transaction will only be reflected in the General Ledger accounts once this posting run has been completed.

This posting run fulfils two functions:

- 1) post manually entered direct journals such as cash, cheques (disbursements), journals
- 2) automatic postings such as premium payments. This is necessary where transactions of this nature enter the system without a specified General Ledger account so that the system determines the posting account by reference to tables.

4.9 Reinsurance Processing

Reinsurance functions provide the facility of reinsuring sum insured for a policy/member/product/effective date based on the reinsurance arrangement set up. It handles the definition of reinsurance details against coverage, cede periodically and create accounting movements necessary in order to process payments to the Reinsurer. Reinsurance is set automatically at New Business or policy changes on how much to retain and how much to cede.

Reinsurance parameter tables store information such as risk class, retention limit, treaty arrangements whether surplus or quota share and what are the reinsurer retention limits, facultative arrangement, reinsurance premium and commissions, etc.

5. Product Configuration

INTEGRAL GROUP Admin System makes extensive use of codes and information held on tables to define the rules and processes required for each type of product. A table may hold valid codes with additional information, or may have extra data screen containing further information for each of the code entries.

Some extra data screen tables are dated tables, that is, a “from” and a “to” date can be entered and the information contained on that particular table is valid for that date range. Dated tables cater for alterations to contract rules that apply to specific date range such as legally imposed changes or changes to premium or commission rates.

Some common functions require processing that is specific to a particular component/ benefit type. In such circumstances, tables are used to point to processing subroutines, for example, surrender and claim processing. These subroutines in turn may also reference other tables during processing. The subroutines delivered with the base system are method based and can be customized and created according to the product's requirements, for example claim calculation methods, premium calculation methods or rounding routines, etc. Since programs access tables to obtain the required subroutines, there is no need for hard coding of these subroutines and subsequent compilation of programs. This approach provides flexibility, since table entries and subroutines can be tailored to individual requirements.

Some table fields exist because an area of processing has been recognized, but little or no functionality has been added to the base system. This is due to the fact that there are so many differing insurance processes and practices that CSC provide the minimum and will customize these areas in different client site. This entire product set-up configuration in INTEGRAL GROUP will be done through third party configuration tool software called VP/MS.

The following features help to achieve fast product launch for the company:

- Table driven and tables are controlled by date range
- Products set up as components and links together by means of tables to form different types of products
- Business users maintain table parameters to suit business needs
- Product features can be switched on/off easily
- Existing products may be cloned, mixed and matched
- Help text and windowing