Case Study – Post placement messaging

June 2023, Kristina Segin

Case Study – Post placement messaging Aon/Swiss Re
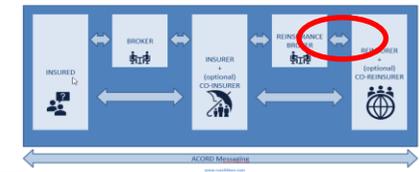
14 days vs. 3 days
Improved cash flow via reduction in # of queries on accounting TA & CL messages

Qualitative benefits
Improved data quality for accounts
Early contractual setup in accounting system
Easy access to contract
Timely resolution of internal/external discrepancies

Elimination of
> 1'000 TA/CL queries
as fixed at post-bind stage

Sender

AON

WHY
- Bridging the gap between placing and administration
- Encouraging timely resolution of all queries to not negatively impact the liquid balances
- Speed up accounting process and move money faster
- Improve data quality of business setup and accounting structure
- Estabish the basis for the ePlacing messages as the post-bind (pre-accounting) message uses some of the attributes of the ePlacing message

HOW
- Exchange well structured and complete administration related information via eMessaging
- The pre-accounting message carrying detailed administration info and the attributes agreed during the placing process
- Following ACORD GRLC 2016-10 standards, assuring data consistency between ePlacing and eAccountig and Claims

WHAT
- Automate formerly manually performed contract review
- Shift queries related to contract identification and contractual conditions from the accounting and claims process to the earlier post bound stage
- Easy access to senders wordings as attached to the post-placement message
- Improved portfolio management as receiving party early informed on the account set up on senders side
- Establish a validation framework that serves as basis for the ePlacing message validations

Receiver

🔢 Swiss Re

Vendor(s):

DXC TECHNOLOGY

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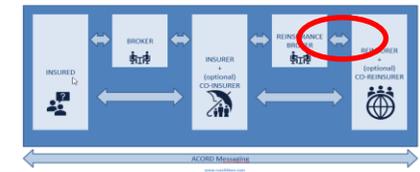
PITFALLS / LESSONS LEARNT

- Close cooperation amongst pilot teams helped enhancing and improving the senders and the receivers IT systems and defining the processes
- Differences in data granularity are common cause for accounting mismatches
- Market practices can cause challenging administration structures which impact processing efficiency (on sender's and receiver's side)
- Most benefit realised after 2016-10 ACORD standard implementation
- Dependency on the partners and vendors resource availabilities
- System validation setup was demanding as this was a market pilot, not only Swiss Re/AON – no best practise in place

IT PRE-REQUISITS AND ADJUSTMENTS:

- Reinsurance administration system GRiDS (in-house) on Aon's side
- ACORD compliant in-house gateways and connectivity solutions on Swiss Re's and Aon's side
- Swiss Re collaborating closely with DXC SICS inward to shape the eMessaging module and establish the validation engine for post-placement messages

SCOPE

- Period: 01/01/2022 – 31/03/2023
- Portfolio: TTY & FAC; Prop & Non-prop
- AON US/UK/Prague (as sender) - SR Zurich/SR Germany & SR UK (as receiver)
- Message types: ePlacing -> Post Placement

ROI

- Message validation integrated into already existing module of accounting system – large benefits in TA/CL process with regards to speed and efficiency
- Initial investment case very strongly supports the ePlacing message exchange and system integration – further benefit realisation expected

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OUTLOOK:

- Growing the community of ePlacing/Post placement partners
- Expand the Post placement scope to whole AON/Swiss Re portfolio

Swiss Re - Kristina Segin

"With the post-placement message, the sender provides structured information on the account set up in his system at the stage of post-bound. As the receiver is informed on the sender's accounting set up at this very early stage, he can immediately follow up on potential mismatches and initiate next steps (e.g. clarification on contractual terms with counter party and/or adjust internal accounting set up). The wording is easily accessible as it forms part of the post-placement message. Even before the first accounting or claim message is received, all discrepancies have been solved what reduces the number of queries at the accounting stage and positively impacts the cash flow."

Aon Reinsurance Solutions - Troy Hughes

"The joint post-placement message pilot between Swiss Re and Aon Reinsurance Solutions prepared the ground for the ePlacing message data standard definition. As the post-placement message carries numerous ePlacing message relevant attributes and is enhanced by administration condition information, Aon and Swiss Re could define and refine the validation framework that will also be used for ePlacing messages. "

Swiss Re – Enrico Alessandri

"This pilot was the perfect opportunity to prepare the ground for the ePlacing activities. By taking advantage of all the expertise gathered through the successful exchange of TA, CM, FA and ACK messages between Aon Reinsurance Solutions and Swiss Re, two like minded companies defined the data and process standard for post-placement messages, which has been put at disposal of the industry through the publication of the post-placement implementation guide."