Insuring Complex Multiple-Entry Needs Are Met at SouthwestRe

SouthwestRe (SWRE) is one of the largest third-party administrators in the United States, administering the insurance accounts for over 600 reinsurance companies. Different aspects of the business require SWRE to record transactions in three different perspectives – Premium Deposit Accounting, Reinsurance Accounting, and Corporate Accounting, effectively tripling the number of entries required for each transaction.

Clearly, efficiency and automation are critical to SWRE's ability to compete, grow and remain profitable in this environment. Microsoft Business Solutions Great Plains Edition was the best mid-market solution for this highly complex environment and helped save 40 hours a month of data entry and processing.

SITUATION

Located in Albuquerque, New Mexico, SWRE provides independent third party administration (TPA) of reinsurance and direct insurance products. With expertise in single life and property, casualty insurance taxation, cash, statutory GAAP accounting and policy administration, SWRE has created customized reinsurance programs for insurance producers in the auto dealership industry, funeral home industry, and financial institutions. In 1985, SWRE founder and owner Jim Smith established a nationwide reinsurance program offering limited-capitalization, producer-owned reinsurance companies that operated autonomously and were able to realize the same underwriting profits and investment income as fully capitalized insurance companies.

Early adopter of Great Plains
SWRE utilized Great Plains Accounting for more than a decade and was confident in how the solution met all of their business needs. This positive experience led Jim Smith to look at Microsoft Business Solutions as the business grew and it's accounting and reporting needs expanded. The company manages approximately eight internal companies and maintains financial records for over 600 reinsurance companies.

Working with Microsoft Business Solutions reseller, Meyners + Company, LLC (the original parent company of TechVisions), SWRE

determined that Great Plains on MS SQL would not only help their system operating speed but also create a more flexible, expandable solution to manage all 600 companies.

SOLUTION

Implementation of Great Plains has helped to dramatically reduce duplicate entry. Much of the same financial data is needed for all three accounting areas mentioned previously and must be accounted for in different categories. Administrative fees, for example, are set up as a payable to the administrator in Premium Deposit Accounting, an expense to Reinsurance Accounting, and revenue to Corporate Accounting. Not only is the same data required in three different areas but also is initially entered into a separate administrative processing software (Admin system). SWRE has multiple Admin systems for different products. With the use of Integration Manager, they are able to import financial data from the Admin systems, eliminating five additional areas of manual entry. All in all, Integration Manager allows them to pull together and integrate a huge number of transactions across an array of companies.

Great Plains on an SQL platform allows SWRE to set up three master charts of accounts for each functional area. As SWRE grows by adding new products, new direct writers and new reinsurance companies, the new ledger set-up is as easy as creating a new company through Utilities. Once

the company is created, the master ledger, financial reporting and system files are copied utilizing SQL Tools Enterprise Manager.

Ability to scale and grow as they grow
SWRE realizes many benefits from migrating its database from Pervasive.SQL to Microsoft SQL Server. For example, other applications can easily and tightly integrate with Microsoft SQL Server, enabling information to flow seamlessly. Microsoft SQL Server provides a faster, more stable platform that proved to be an excellent solution to capture all financial data in the three accounting areas and produce financial reports in minutes. SWRE needed a solution that had the flexibility and scalability to grow at a price point they could manage – Microsoft SQL Server fit that profile.

Electronic Funds Transfer
As a TPA, SWRE adjudicates claims for many of the products marketed. There are approximately 4,000 disbursements per month for payment of claims, commissions and administrative fees. The Great Plains Accounts Payable-EFT module enables SWRE to disburse funds to payees utilizing electronic ACH (Automated Clearing House) transaction, thus eliminating the need for massive quantities of hard copy checks. In addition, the Electronic Bank Reconciliation module allows them to electronically match these disbursements against the bank paid items file.

Financial Reporting
SWRE has many different types of stakeholders in the results of transactions. FRx Financial Reporter easily provides reporting as detailed or simple as necessary. FRx Financial Reporter consolidates financial accounts; it can consolidate different entities into one. It is summarized reporting but offers drill-down capabilities.

BENEFITS

Great Plains on MS SQL, with its extensive functionality, not only met SWRE's unique requirements but also significantly reduced the amount of time spent on data entry, provided faster reporting, and increased processing speed. These, in turn, provided substantial savings. TechVisions met and continues to meet SWRE's complex demands for service and support. Providing customized training, regularly scheduled classes and research into innovative solutions help meet the significant challenges SWRE faces.

About techVisions, LLC

techVisions is a technology and business consulting firm with headquarters in Albuquerque, New Mexico. The firm's VISION consulting approach is designed to improve business performance through faster and more organized access to information, to reduce costs and increase profits while allowing operations to run more efficiently, and to put an organization at the leading edge of the information technology curve. techVisions powers your business vision! You can learn more at www.poweringyourvision.com or by calling 505-314-2500.