



**MGAs look to technology to help drive their business,
streamline processes and provide transparency to
Insurers and Reinsurers at an Affordable Price**

London, UK – 4th February 2009 – The role of MGAs became popular many years ago but recent regulatory and credit agency scrutiny plus a greater demand by insurers for transparency and provision of management information have imposed some changes to the MGA model. These changes combined with improved underwriting disciplines and more efficient internal processes mean that MGAs are now better equipped to provide a viable and credible alternative within the global insurance industry.

The composition of the MGA, its insurers, the lines of business and territories it writes and the services it provides will all affect the manner in which the MGA operates and is permitted to operate. Some MGAs seek to outsource services and processes such as claims handling and infrastructure to enable them to concentrate on writing premium income. Others will want to keep all services in-house. The terms of agreement between the insurer(s) and the MGA will set out the Underwriting Guidelines which include factors such as levels of underwriting authorities, payment and settlement due dates and the management reports required. To satisfy the MGA's insurers it is imperative that the MGA implements IT software that facilitates these objectives being met while at the same time providing an efficient and reliable solution which helps, not hinders, the MGA's growth.

The MGA's software solution must underpin the business and aid the growth plan. MGAs that embrace technology will find they can streamline business processes, provide transparency to insurers, manage underwriting portfolios, set underwriting rules and parameters and handle multi-distribution channels.

The very best software solutions deliver tangible benefits through reduced operational costs, greater processing efficiencies, and flexibility for growth at an affordable price. Importantly it also helps the MGA provide a high level of customer service which is vital for success in such a fiercely competitive marketplace.

The good news for MGAs is they do not have to develop their own systems from scratch. While some MGAs have chosen (or been required) to implement systems utilised by their insurers or brokers, these may be unsuitable or may not be user friendly. In response to the growing number of MGAs, Eurobase has been able to implement its Synergy product which is a proven and successful software solution which covers all features of the underwriting cycle. Some MGAs require a full and comprehensive IT solution whereas others require reduced functionality and thus demand a simpler product. Either way Synergy meets all these requirements either as componentised software meaning individual business functions can be purchased (and funded) in segments or as one single integrated system all at a cost proportional to the investment in the product. Synergy caters for the management of binding authorities, underwriting, claims, reinsurance, retrocession, accounting, reports, bordereaux and management information.

One area which MGAs will need to consider is their connectivities with third party systems such as insurers, brokers, white label products, third party claims handling, legal advisors and e-commerce portals. Eurobase has developed Adaptors to meet these challenges and to enable real-time interfaces between all the relevant parties. These Adaptors also eliminate the need to maintain multiple point-to-point systems and the need to re-key information. Its proven technology is built on existing technology which Eurobase has successfully built and implemented within the banking industry.

Contract certainty imposes the same stringent conditions upon MGAs as insurers do; thus the onus to deliver on these is paramount. MGAs must also demonstrate to their insurer(s) that they have complete control of the whole underwriting cycle and be able to submit reports which articulate accurate information on their underwriting portfolio on whatever variables the insurer(s) request. A comprehensive software solution will provide this, thereby allowing the MGA's management to set parameters and rules to govern and monitor the underwriting process.

MGAs must implement software that meets regulator approval, satisfies their insurers' demands and provides an industry-recognised best practice approach to business continuity. In the light of the current economic downturn, MGAs must be confident that their software providers have the financial strength, resilience and stability to fulfil their business commitments to them over at least a five-year term. Regular investment by an IT supplier to maintain its software suite means the MGA is also kept abreast of technological advances.

MGAs offer consumers a real alternative and, like their peers and open market insurers, must consistently perform at their optimum level to participate in a growing and competitive insurance market. Proven software from a pedigree supplier with an enviable track record will help MGAs achieve their plans and trade for years to come. Eurobase Insurance Solutions has the proven technology to help MGAs achieve their plans and remain a financially secure partner with them in the years to come.

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Note to editors:

Eurobase Insurance Solutions is a division of the Eurobase International Group, which is a global software and services group. The group operates across a broad range of markets including insurance, reinsurance, FX, MM, Treasury, IT consultancy, technical services and recruitment. Established in 1988, Eurobase's nearly 300 employees and contractors support clients throughout the world. Clients include market leaders such as Beazley, Hannover Group, Asia Capital, Primary Group, WestLB, Standard Chartered Bank and Dow Chemical Company. Eurobase prides itself on the strength of its partnerships with leading technology providers such as IBM, Oracle, Microsoft and Hewlett Packard. For more information, visit <http://www.eurobase.com>.

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