

CARGEAS chooses TAS Group to implement its multi-year budget management system.

In search of advanced budget management tools

CARGEAS is a Non-Life Insurance Company, specializing for over 25 years in the provision of insurance solutions designed specifically for banking customers. It is one of the major players in the Italian bancassurance market. CARGEAS offers private customers coverage to protect health, housing, cars and financing and complete solutions tailored to corporate customers.

At the beginning of 2017 CARGEAS started a project to develop its own Performance Management system in order to optimize the Company's multi-year budgeting process.

Previously, CARGEAS's multi-year budget was managed mostly through sequential processes and EUC (Excel) operational tools. This approach involved a high degree of manual work, long production times and significant errors. A particularly critical aspect was related to the need to submit the approved budget to the Stress Testing required under Italian (IVASS) and European (Solvency II) law, verifying the impact that alternative scenarios (what-if,



best case and worst case) would have had on the Company's profitability.

In order to guarantee a high level of data quality, CARGEAS needed to arm itself with more advanced tools that could reduce operational risk and budget production times, as well as manage rapid test scenarios using the right methodologies.



Process knowledge and technical expertise on the Oracle Cloud: TAS Group's winning formula

After an accurate evaluation phase, CARGEAS judged Oracle's Planning and Budgeting cloud-based system as the best solution to meet its needs. For the implementation of the new system CARGEAS chose TAS Group, which in the past had already supported the Company with complex projects. TAS Group has been an Oracle Gold Partner for over 10 years, in addition to having been recognized as Oracle Partner of the Year 2018 for its innovative solutions based on Oracle cloud architecture.

A challenging project with many variables involved

The project was particularly challenging given the number of variables involved and the need for CARGEAS to produce a multi-year budget with a high level of detail.

The developed solution was designed to take into account the peculiarities of the various products, the different components of the insurance business (direct and inward reinsurance, investment and cash flow management and cost model), as well as the need for reporting and synthesis. The application works as individual modules and then re-aggregates the data in the overall budget.

Thanks to the implementation of a series of integrated models,

it was possible to have, in a single system, both a view of the Company's profit and loss, and the costs and revenues for each product, sales channel and related type of insured risk.

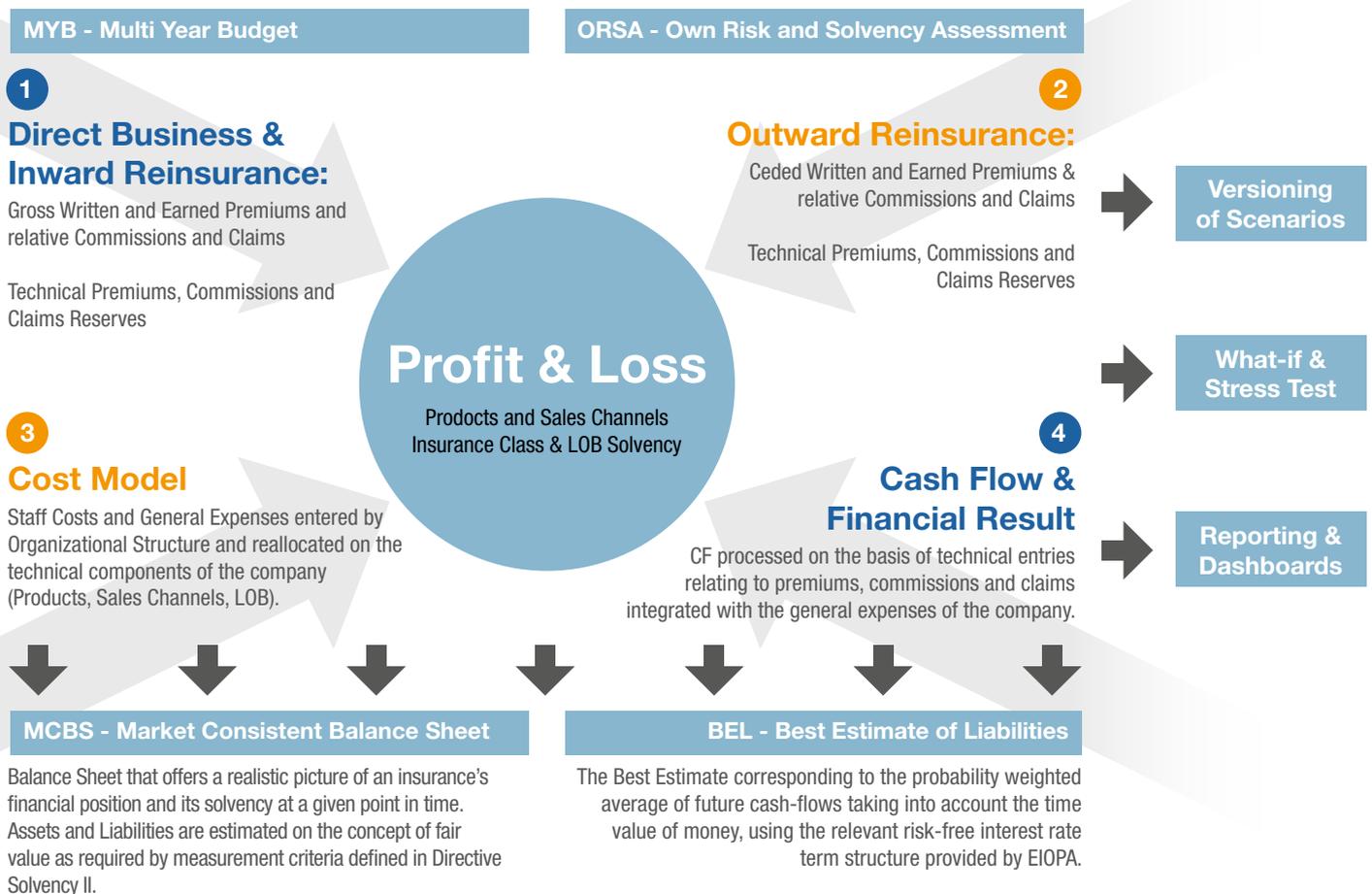
The final model allows the Company to prepare two high-level scenarios having different purposes and different processing periods, such as:

- the **Own Risk and Solvency Assessment (ORSA)**, which insurance companies must conduct within their own risk management system in order to perform an internal risk and solvency assessment. The ORSA is processed at the beginning of the year with a time horizon of three years and must be transmitted to IVASS.
- the **Multi-Year Budget (MYB)**, which provides the company's

official budget for a time horizon of three to five years, whose processing begins in May each year.

Thanks to this model it is possible to generate – for each scenario – a **profit and loss (based on domestic and IAS-International Accounting Standards)** for each single product combination, sales channel, type of activity (direct, indirect or transferred) and related risk (identified by the respective IVASS ministerial branch or by the LOB Solvency).

There is also the possibility to create multiple versions of **What-ifs** – by applying a percentage or a fixed percentage share - in order to analyze the impact on the profitability and income statement of the Company and immediately produce reports and ad-hoc extractions.



“It was a very challenging project that required an intense effort and the ability to find technical solutions to satisfy the different requests that emerged during the realization phase by the different company functions. The flexibility of OPBCS has allowed us to create a high quality and complete solution that can be a reference for similar companies”, commented Salvatore Preziosa, Business Consultant xtdERP - 2ESolutions of TAS Group.



Success drivers

Timing: the new model had to significantly reduce the production process timing of the multi-year budget and stress test for ORSA purposes that had previously required long processing times.

Flexibility: the new model had to guarantee system users the possibility to update data and parameters quickly and independently; it was also required that users could create ad-hoc data extractions without the need to proceed with software developments. Lastly, the architectural model

had to be scalable to enable further future developments.

Data quality: the system had to acquire complex and multidimensional data from a series of different sources, transferring it to a single repository containing the actuarial, financial, and economic assumptions to be shared with the different company functions. To this end, it was necessary to create a staging area for data acquisition and to implement numerous automatic checks to guarantee the correctness and completeness of the data.

Advantages achieved

All the objectives have been met and in particular:

1. Reduction in operational risks related to manual data management
2. Improvement in performance
3. Traceability of data during the budget definition processes
4. Ability to roll back at any stage of the process
5. Data repository shared among the various company functions with complete and custom reporting available for key users
6. Oracle Cloud service that eliminates the burden of system management and allows horizontal scalability for future evolutions.



"I would like to thank TAS Group for having created a simple and effective tool, but which contains highly complex calculations within it. The solution allows us to have full awareness and control of the drivers used to create our budget, being able to perform detailed and cross-cutting analyzes through the variety of dimensions used."

All our needs have been met, thanks to a team that has been able to deal with and manage the various difficulties that emerged during the implementation", said Alessandro Martignano, CARGEAS Planning and Control Manager.



TAS Group delivers software solutions for electronic money, payment systems, capital markets and extended enterprise. Our offices span 7 countries but our secure solutions manage financial transactions worldwide. We strive to simplify the way private enterprise, public sector, commercial and central banks interact with their customers,

stakeholders and technology systems. Our highly experienced team of business analysts and software engineers are focused on rethinking, reimagining and revolutionizing commercial business processes for digital and mobile integration. As an Oracle Gold Partner TAS Group has specialised in particular on the supply of Oracle applications.

TAS Group supports its customers in an innovative and professional way in the realisation of complete projects for the development of business processes and the efficiency of business and information systems.

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