

IMPLEMENTATION OF SAP S/4 HANA INSURANCE AT UNIQA INSURANCE GROUP AG



A success story about the automation of all relevant work processes for managing reinsurance for UNIQA Re, UNIQA Austria, and UNIQA Hungary, balancing technical capabilities with time and budget constraints.

Background

The UNIQA Insurance Group is one of the leading insurance groups in its core markets in Austria, as well as Eastern and Southeastern Europe. The group comprises 40 companies in 18 countries, serving approximately 15.5 million customers and employing 23,500 staff and sales partners. In 2020, the group recorded a gross premium of around 5.3 billion euros. The group includes the internal reinsurer UNIQA Re, located in Zurich, which handles the group's internal reinsurance business and consolidates retrocessions. UNIQA Re, along with the operational primary insurance companies of the UNIQA Group, including UNIQA Austria and UNIQA Hungary, used an administration software for managing internal and external reinsurance business that required a high level of additional manual effort. Additionally, the requirements for data quality and transparency had evolved in recent years. As part of their SAP strategy and due to the versatile deployment options and functionalities, the UNIQA Group decided to implement the SAP S/4HANA Insurance system for reinsurance management.

Challenge

To develop the product features to be implemented, a preliminary study was conducted from September 2019, consisting of workshops held in Zurich and Vienna. During these workshops, the processes and tools were analyzed in detail, and use cases were defined. The project was scheduled from January to December 2020 to ensure the go-live by the end of the year and to accommodate all quarterly closings in the new system for 2021. This tight timeline, along with

the specified budget, led to planning a solution that closely aligns with standard practices as a minimum viable product. The challenge was to find the most efficient and optimized solution, particularly for the automation of relevant work steps, while balancing technical possibilities and requirements on one side, and time and budget constraints on the other side, keeping in mind the target processes.

After the go-live on January 1, 2021, and a subsequent four-month hypercare phase, msg continues to support the customer through an Application Management Services (AMS) for second-level support and system operations.

Solution

In addition to implementing the S/4HANA Insurance for reinsurance management base system, the module for individual risk management was also implemented for UNIQA Austria. The goal of the implementation was to automate the business processes of the units to the greatest extent possible. In a parallel project stream, all relevant master and transactional data were migrated to the new system landscape. For UNIQA Austria and UNIQA Hungary as the first user units within the group, an automated end-to-end process was realized. To access the primary insurance data of the units in the system, an upload of gross accounting data from the SAP FI-GL general ledger was implemented through an interface. From these gross data, outgoing cessions to UNIQA Re are calculated and booked using contract associations and calculation rules, and further processed at UNIQA Re up to retrocessions. Similarly, the processing of individual claims is largely automated.

Best of Both



„Despite the unique COVID-19 situation, which required us to implement the project almost entirely from home offices, we successfully met the time and cost objectives. I was impressed by the professional and pleasant collaboration with the colleagues from msg Plaut, both in terms of expertise and interpersonal skills. The Excel upload function they implemented for us, in particular, will save us a significant amount of time during quarterly closings.“

Adrian Rindlisbacher,
Project Manager, UNIQA Re AG

For an additional 22 subsidiary companies of the UNIQA Group, a standardized upload process was implemented, where reinsurance settlements are created in MS Excel by the companies and directly booked into SAP at UNIQA Re through an interface. This previously involved a labor-intensive manual process that caused delays and placed a heavy burden on the affected employees, especially during quarterly closings. In an additional project stream, the selection and extraction of reinsurance data for IFRS17 reporting were implemented, ensuring fast, efficient, and accurate integration.

As part of the change management process, key users and end users from the three units underwent a three-week seminar series to receive training on how to use the new system and the implemented workflows.

Benefits

The utilization of SAP S/4HANA Insurance for reinsurance management by Finance & Accounting and the reinsurance managers of UNIQA Re, UNIQA Austria, and UNIQA Hungary, along with the resulting process automation, has led to significant efficiency improvements and cost reductions, as well as the avoidance of future personnel growth. Strong bottlenecks associated with various manual tasks, especially during quarterly closings, have been eliminated, resulting in increased employee motivation and satisfaction.

The integration of active and passive reinsurance into a unified system landscape also reduces error sources and improves transparency and data quality. Combined with the capabilities of embedded reporting in SAP S/4HANA, there is a significant enhancement in internal and external reporting possibilities. This, among other things, provides an improved basis for decision-making regarding reinsurance strategy and structure and establishes the foundation for meeting future external requirements.

Furthermore, the automation and integration of processes enable faster consolidation and fast close processes, as well as seamless integration into the UNIQA Group's IFRS17 solution.

„Given the costs, resources, temporary additional workload, necessary focus, and prioritization throughout the project duration, the implementation of FS-RI is only meaningful if it is seen as a necessary long-term investment that enables automation, efficiency, and ultimately cost savings. At UNIQA, we attribute these elements to FS-RI, and therefore, we are confident that with this solution accompanied and successfully implemented by msg, we have introduced an SAP module that brings long-term benefits to employees, processes, data quality, and speed, confirming the value of the investment.“

Dr. Sylva de Fluiter, Chief Executive Officer, UNIQA Re AG

Would you like to learn more about our offer? We look forward to hearing from you.



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Best of Both



PROJECT PROFILE



Customer:

- + UNIQA INSURANCE GROUP AG

Industry:

- + Insurance

Background:

- + Management of internal and external reinsurance for UNIQA Re and all operational primary insurance companies within the UNIQA Group (in 18 countries) using a pre-existing system with a high degree of manual tasks.

Decision:

- + Adoption of SAP S/4HANA Insurance for reinsurance management as the new solution in line with the SAP strategy of the UNIQA Group.

Task:

- + Implementation of SAP S/4HANA Insurance for reinsurance management.
- + Optimization and automation of existing processes.
- + Integration into the existing SAP S/4HANA Finance landscape (SAP FI-AR and SAP FI-GL).
- + Migration of master and transactional data from the pre-existing system.

Solution:

- + Process analysis and development of use cases.
- + System customization and use case implementation.
- + Development of interfaces for process automation.
- + Integration with SAP FI-AR and SAP FI-GL, inclusion in the IFRS17 reporting landscape.
- + Execution of data migration for defined master and transactional data.

Benefits:

- + Increase in efficiency and cost savings in the business units.
- + Unified technological platform, eliminating data transfer gaps.
- + Improved data quality and transparency, reduction of errors.
- + Enhanced internal and external reporting, improved decision-making for management.
- + Shortened turnaround times for consolidation and fast close processes, automated data extraction for IFRS17.
- + Increased level of automation.

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