

# AuditWare

## IDEA Applications

Insurance



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## IDEA Applications for Insurance

Here are some examples of analyses that can be performed using IDEA Data from different systems can be brought together for complete analysis. Ultimately, you are only limited by your imagination.

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### Policy Management

- Summarise monthly activity by agent, office, region, type of insurance, claims, etc.
- Analyse and chart trends
- Summarise insurance policies outstanding and recalculate required reserves
- Compare current reserves to prior period Compare reserve factors to published tables
- Summarise current policies by cash surrender value, paid-up additions, dividends on deposit, and policy loans outstanding
- Recompute commissions paid using applicable ratios and premium percents
- Compare recalculated commissions paid to actual paid amounts Summarise commissions paid by agent, office, region and type of insurance Analyse and chart trends
- Recalculate critical ratios such as premiums/claim and reserves/payment Compare ratios to prior year results

### Asset Management

- Recap asset values by net and cost amounts Compare useful life of asset to length of time held
- Identify items depreciated to replacement cost
- Recalculate depreciation expense and compare to actual Compare book and tax depreciation and identify variances Compute investment tax credits available and compare to credits taken
- Test for missing or duplicate asset identification numbers Select a sample of assets for physical verification
- Analyse profit and loss on sale of assets Identify intercompany sale of assets and compute net profit/loss effect

### Life Insurance

- Analyse policy characteristics such as type, coverage, age of policyholder, issue date, payment, status, etc. Identify policies without active status that have deposits or premiums paid in advance, dividends due and unpaid, or policy loans
- Identify active policies that have insurance base plans or policy loans Recalculate due, accrued, and unearned interest on policy loans or other items Identify policies with policy loans that also have a premium deposit fund Compare policy cash values to policy loan amounts
- Identify premium deposit funds, coupons left on deposit, suspense funds, etc.
- Recalculate dividends left at interest or dividends due and unpaid for current year and subsequent years

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- Calculate gross premium deposits Analyse unearned premium reserves for premiums due, deferred, or advanced Compare current year reserves to prior year and identify any unusual changes
- Sort and summarise investments by type, status, grade, and maturity schedule
- Recalculate accrued interest receivable and average yield on investments
- Recalculate amortisation of premiums and accretion of discounts on investments and compare to actual Sample and test security purchase and sales transactions
- Recreate maturity schedule for investment portfolio and compare to investment guidelines Compare book value of investments to current market value
- Identify policies with a death status report

## Casualty Insurance

- Analyse policy characteristics such as type, coverage, issue date, payment, status, etc.
- Compare policy origination date to premium receivable information
- Sort and summarise claims by policyholder, type, agent, location, etc. Test claims transactions for duplicates
- Recompute earned and unearned premiums Summarise by type, coverage, agent, status, etc.
- Analyse reserves by type to determine if they are within policy limits

## Pensions and Other Trusts

- Summarise trust asset information
- Check participant information for no allowable data
- Verify pensions, payment calculations, accrued interest calculations, and interest and capital gain income/loss distributions by account

## Investment Securities

- Summarise market value, book value, and interest for securities by type, maturity, investment grade, or agent Compare with investment guidelines/policy
- Recompute interest and compare to actual received Recalculate accrued interest receivable, amortisation of premiums and accretion of discounts and compare to actual
- Recalculate average yield by type, grade, or agent Compare to prior year(s) results and analyse trends

## Real Estate Loans

- Summarise loans by location, type, and collateral type Stratify outstanding balance to create frequency distribution of loan portfolio by size
- Identify past due loans and create aging of past due loan balances
- Recalculate unearned interest, prepaid interest, and daily interest accruals and compare to actual
- Analyse activity on non-performing loans

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