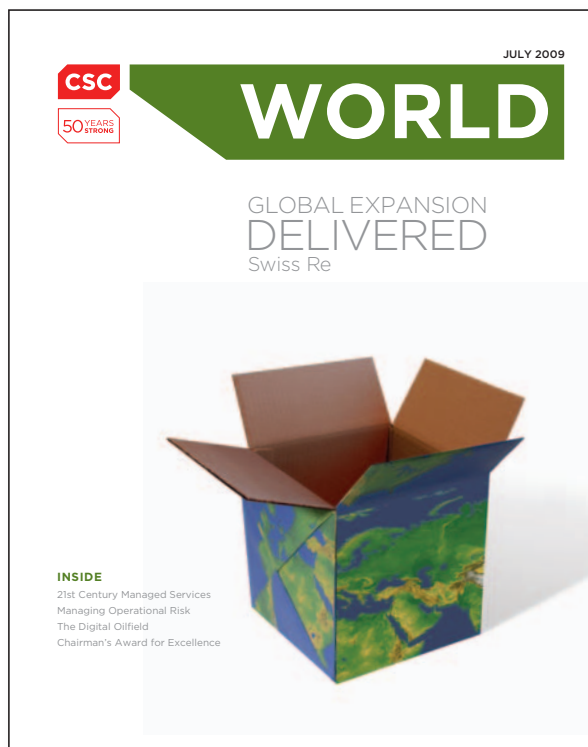


CSC

AN ARTICLE FROM

CSC  
WORLD

# SWISS RE Q&A



JULY 2009



NEW YORK CITY, UNITED STATES OF AMERICA

# Swiss Re Q&A

## The Operations Perspective: Ken Stewart



Ken Stewart, a Swiss Re managing director and president of one of the company's U.S. life and health insurance subsidiaries, is responsible for acquisition, integration and ongoing operations of Swiss Re's U.S. Admin Re® business. His operations acquire in-force life and health insurance policies from clients seeking to monetize their non-core lines of business and now, with a team of only 30 full-time employees, support more than three million policyholders. Speaking from his office in Armonk, New York, he discusses how a combination of deep business expertise and agile outsourcing capabilities is essential to making these transactions happen.

## “IN A LITTLE LESS THAN 15 YEARS, SWISS RE HAS INVESTED MORE THAN \$3.5 BILLION OF CAPITAL IN THE U.S. ADMIN RE® BUSINESS.”

### How would you describe Swiss Re’s Admin Re® solution in the U.S. life insurance industry?

**KS:** In a little less than 15 years, Swiss Re has invested more than \$3.5 billion of capital in the U.S. Admin Re® business. Global Admin Re® is one of the highest-growth businesses on the life side of Swiss Re overall, and it’s still a relatively young business. We provide the capital that allows our clients in the life and health insurance industry to harvest value from parts of their business that are no longer core. We’re assisting these companies in refocusing both their human and their financial capital resources to areas supporting their current core strategies. In many cases, this non-core business is running on legacy IT systems, and the company is also looking to divest that operational responsibility. In addition to providing a capital solution, through our relationship with CSC, Admin Re® provides an administrative solution that allows companies to divest operational responsibility, thus eliminating future operational strain.

### Why did you choose to outsource the business you acquired? How does outsourcing benefit your company?

**KS:** When we started the U.S. business, we recognized one of the competencies that we didn’t have was day-to-day operational expertise. We entered the market with a strong financial management team; however, we needed a partner who could support the migration of the business and manage the day-to-day operations to a high degree of quality. While Swiss Re maintains overall management responsibility and operational oversight, we leverage CSC’s technology, processes and expertise related to direct life and health insurance operations and systems.

“WHILE SWISS RE MAINTAINS OVERALL MANAGEMENT RESPONSIBILITY AND OPERATIONAL OVERSIGHT, WE LEVERAGE CSC’S TECHNOLOGY, PROCESSES AND EXPERTISE RELATED TO DIRECT LIFE AND HEALTH INSURANCE OPERATIONS AND SYSTEMS.”

### What is CSC’s role in supporting new acquisitions? How does the relationship benefit your company, and how has it changed over time?

**KS:** CSC works side by side with our operations and systems leads in assessing the block and helping us to establish our core pricing assumptions for the business related to migrating and running the ongoing operation. The CSC team is really a subset of our due diligence team in the early stages of a transaction. Over time, both Swiss Re and CSC have really broadened the expertise of the teams supporting this business and the robustness of our methodologies and processes for migrating and administering the business. We’ve grown together and have become best in class at delivering on these solutions in the marketplace.

### What results have you seen from the relationship?

**KS:** CSC has been our primary vendor supporting the growth of our U.S. Admin Re® business over the past 15 years. We have grown together in the development of this business model, and we have created a leading outsourcing relationship where the handoffs and interaction between the two companies is efficient and well controlled. Simply stated, we are pleased with the results of our relationship.

KUALA LUMPUR, MALAYSIA



## The IT Perspective: Markus Schmid

Markus Schmid, Swiss Re's global head of IT, is responsible for managing the global operating platform that supports reinsurance operations in more than 25 countries worldwide. From his office in Zurich, Switzerland, he described how system integration and consolidation are helping Swiss Re achieve transformational results.

**In the current financial services market, what are the primary ways Swiss Re can use technology to provide value to your clients?**

**MS:** Swiss Re brings value through information harmonization and integration. As a reinsurer, we've always been concerned about getting full information and harmonizing it in a way so that we can understand the total risk exposure based on policy-level data. We rely on that data to propose an intelligent way to mitigate risk, engage our own capital and support our clients in pricing.

**In discussing your core systems, how beneficial is it for Swiss Re to have one global platform for your Property & Casualty (P&C) reinsurance business?**

**MS:** Over the last five or six years, we have systematically globalized our P&C reinsurance platform with CSC's SICS software as a mission-critical component. Today we are running a global single-instance platform for the entire P&C reinsurance business. It was quite an effort, involving the transfer of more than 1.5 million contracts and 2.4 million claims to SICS for a single acquisition, but it is also quite innovative within the industry. We clearly see competitive advantage now resulting from this effort in terms of lower operational costs and also in our ability to ensure that



business is priced and managed in a consistent way around the world. We have a fully integrated view of underwriting, accounting, and claims in the P&C business. Based on this success, we are also taking the same approach for Swiss Re's life & health business.

**How would you describe the relationship between Swiss Re and CSC?**

**MS:** I think we have a very good relationship. CSC is a strong partner in the application and business process outsourcing area. On the reinsurance side, our main platform for the P&C business is CSC's platform, which I think, in all fairness, we can say we have jointly brought to maturity, and I understand that it's also considered quite a successful solution in the whole industry. We are highly satisfied with the SICS application in the heart of Swiss Re's P&C application landscape. And even more importantly, CSC is also committed to keep the application up-to-date with respect to underlying systems technology and architecture.

**“CSC IS A GLOBAL PARTNER WITH A SIGNIFICANT RESOURCE BASE. THAT'S IMPORTANT — PROVIDING FLEXIBILITY AND STABILITY AT THE SAME TIME.”**

**“WE CLEARLY SEE COMPETITIVE ADVANTAGE NOW RESULTING FROM THIS EFFORT IN TERMS OF LOWER OPERATIONAL COSTS AND ALSO IN OUR ABILITY TO ENSURE THAT BUSINESS IS PRICED AND MANAGED IN A CONSISTENT WAY.”**

**What role does CSC play in supporting your business?**

**MS:** First of all, CSC is a global partner with a significant resource base. That's important — providing flexibility and stability at the same time. We rely on CSC as an IT partner to take care of the technical development discipline and everything related to the process, which frees us up to focus on change management and business engineering. And that's a natural part of the relationship — each party sticks to its relative core competencies, and that creates value not just for us but also for our clients. In the area of BPO and Admin Re®, the mutual challenge on cost and quality in our partnership clearly improves the overall service to the benefit of our clients. ●



HONG KONG, PEOPLE'S REPUBLIC OF CHINA



BUSINESS SOLUTIONS  
TECHNOLOGY  
OUTSOURCING

## **Worldwide CSC Headquarters**

### **The Americas**

3170 Fairview Park Drive  
Falls Church, Virginia 22042  
United States  
+1.703.876.1000

### **Europe, Middle East, Africa**

Royal Pavilion  
Wellesley Road  
Aldershot, Hampshire GU11 1PZ  
United Kingdom  
+44(0)1252.534000

### **Australia**

26 Talavera Road  
Macquarie Park, NSW 2113  
Australia  
+61(0)29034.3000

### **Asia**

139 Cecil Street  
#06-00 Cecil House  
Singapore 069539  
Republic of Singapore  
+65.6221.9095

## **About CSC**

*The mission of CSC is to be a global leader in providing technology enabled business solutions and services.*

*With the broadest range of capabilities, CSC offers clients the solutions they need to manage complexity, focus on core businesses, collaborate with partners and clients, and improve operations.*

*CSC makes a special point of understanding its clients and provides experts with real-world experience to work with them. CSC is vendor-independent, delivering solutions that best meet each client's unique requirements.*

*For more than 50 years, clients in industries and governments worldwide have trusted CSC with their business process and information systems outsourcing, systems integration and consulting needs.*

*The company trades on the New York Stock Exchange under the symbol "CSC."*

**CONTACT CSC WORLD:** [world@csc.com](mailto:world@csc.com)

**VISIT:** [www.csc.com/cscworld](http://www.csc.com/cscworld)