The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)

ICIEC Takaful System

ESKA® Insures – Bancassurance

Business Requirements Document (BRD) & Gap Analysis

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Prepared By

ESKADENIA SOFTWARE

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Content

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Scope

Identification

This document shall be referred to hereafter as the business requirements and gap analysis document of **ESKA® Insures – Bancassurance**.

Purpose

The purpose of this document is to provide an overview of **ESKA® Insures – Bancassurance**, highlighting the main features and functionalities of the system and obtain the associated stakeholders' approval on the provided requirements as a confirmation prior to development.

Document Overview

This document divides the system into components; a categorisation made solely for the readability of this document, which does not necessarily reflect the actual modularity of the system. The document is written under the assumption that the reader is familiar with the general context of **Credit Insurance Business.**

Definitions, Acronyms and Abbreviations

The list below contains the definitions, acronyms and abbreviations used throughout the document:

Abbreviation	Definition
UW	Underwriting
ECA	Export Credit Agency
CSTP	Comprehensive Short-Term Policy
STP	Specific Transaction Policy
STP – CF	Specific Transaction Policy - Contract Frustration
BMP	Bank Master Policy
DCIP	Documentary Credit Insurance Policy
FIPE	Equity Investment Insurance Policy
FIPF	Financing Facility Insurance Policy
NHSO	Non-Honouring of Sovereign Obligations

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1 Roles Definition

- **Super Admin (SA)**: Special user account created for bancassurance portal administration purposes, granted full access and authority levels to control the products available, banks' users along with their accessibility.
- **Privileged Users**: Banks' users (employees) accessing the Bancassurance portal with varying degrees of authority associated with the relevant user's activity.

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2 OVERVIEW

ESKA® Insures – Bancassurance reflects the accurate understanding of automation requirements of the modern credit insurance industry. **ESKA® Insures – Bancassurance** is a joint venture between banks and insurance companies to sell their products and provide insurance services. It is usually assumed that the insurance company and the bank are two separate legal entities whereby the bank is responsible for the distribution and selling of insurance products for various lines of business offering insurance services and management.

ESKA® Insures – Bancassurance is an online portal accessed by the bank's employees on behalf of their clients to request insurance coverage, apply changes, submit declarations, claims and follow-up on available policies via the internet.

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3 KEY FEATURES

3.1. Modularity and Integration

ESKA® Insures – Bancassurance is characterized by its modular design where all modules are fully integrated with each other and with:

- **ESKA® Insures - Credit Insurance**
- **ESKA® Business Manager (Financial System)**
- **ESKA® CRM**
- **ESKA® Documents Management System**
- **ESKA® Notification and Approval**

3.2. General Features

- Products and respective parameters (such as rates, cover types, fees, terms and conditions, exclusions etc.) are built and derived from the main Credit Insurance system.

- Simple and easy to use with very limited UW information and minimum number of screens.

- Management of banks' insurance business ranging from premiums calculation, tracking incentive earned by the banks' employees/staff and ultimately commissions earned by the bank itself.

- **ESKA® Insures – Bancassurance** provides a collection of valuable reports for management purposes.

- **ESKA® Insures – Bancassurance** facilitates cancelling and renewing policies.

- **ESKA® Insures – Bancassurance** allows users to inquire information from production and claims.

- **ESKA® Insures – Bancassurance** permits users to enter basic NPL and Claims information, inquire and be updated about their status.

- Technical endorsements are requested by the bank employees on behalf of the client via **ESKA® Insures – Bancassurance** and further processing will take place at the insurance company itself.

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- Ability to integrate with core banking systems to streamline collection processes such as account transfer and cash deposit bearing in mind that integration implementation between **ESKA® Insures – Bancassurance** and external parties will require further communication, discussion and additional development efforts through Change Requests procedures.

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4 SETUP

4.1. Products

ESKA® Insures – Bancassurance offers products targeting corporates, financial institutions, as well as export credit agencies (ECAs) whilst supporting but not limited to the following lines of business:

Policy Type (Product)	Insurance Class	Description
CSTP	Trade Credit Insurance	Covers exporters against the risk of non-payment by their buyers due to commercial or political reasons.
STP		Covers contractors against the risk of non-payment by the project owner due to commercial or political reasons.
STP - FC		Covers contractors against the risk of non-payment by the project owner due to commercial or political reasons.
BMP		Provide insurance to banks for their export related financings to customers on an Islamic basis against both commercial and political risks.
DCIP		Provides insurance to banks for their confirmation on Letters of Credit for exports from member countries.
FIPE	Foreign Investment Insurance	Provides insurance coverage for cross border equity investment by any individual or company against political risks.
FIPF		Provides insurance coverage for cross border financing by banks and financial institutions against political risks.
NHSO		Provides insurance coverage against the default of governments and government-owned entities in meeting their sovereign obligations.

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Along with the products' definition, a variety of properties and details are also specified such as the bank's employees (users) or groups of users that are eligible and authorized to access each product, processes and transactions related to them.

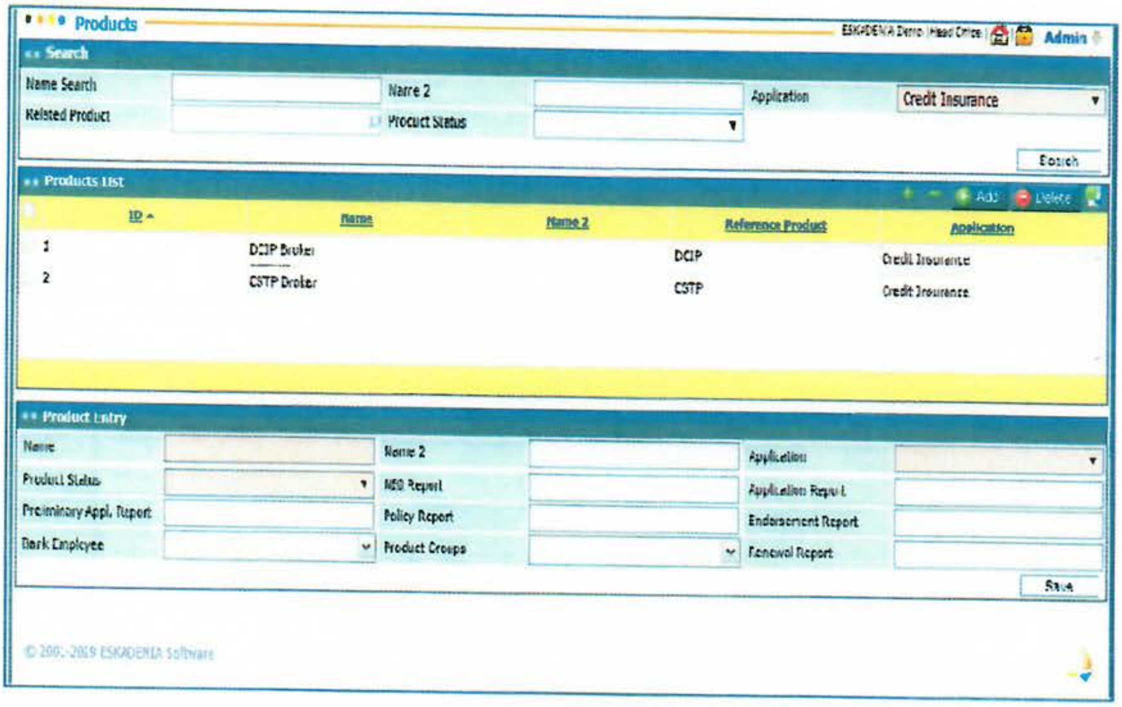

Figure 4-1 (Products)

4.2. Users

Authorization defined for bank's staff might vary and can be differentiated per insurance type (product). This enables and provides the option to prohibit certain users from accessing and using a product that is not within their authority and scope of work. Furthermore, authority level can be specified in order to identify whether users can preview and inquire only about transactions and records inserted by themselves utilizing the various search criteria (**Bank User Data**) or all transactions processed by the the team reporting to them (**Bank Admin User Data**).

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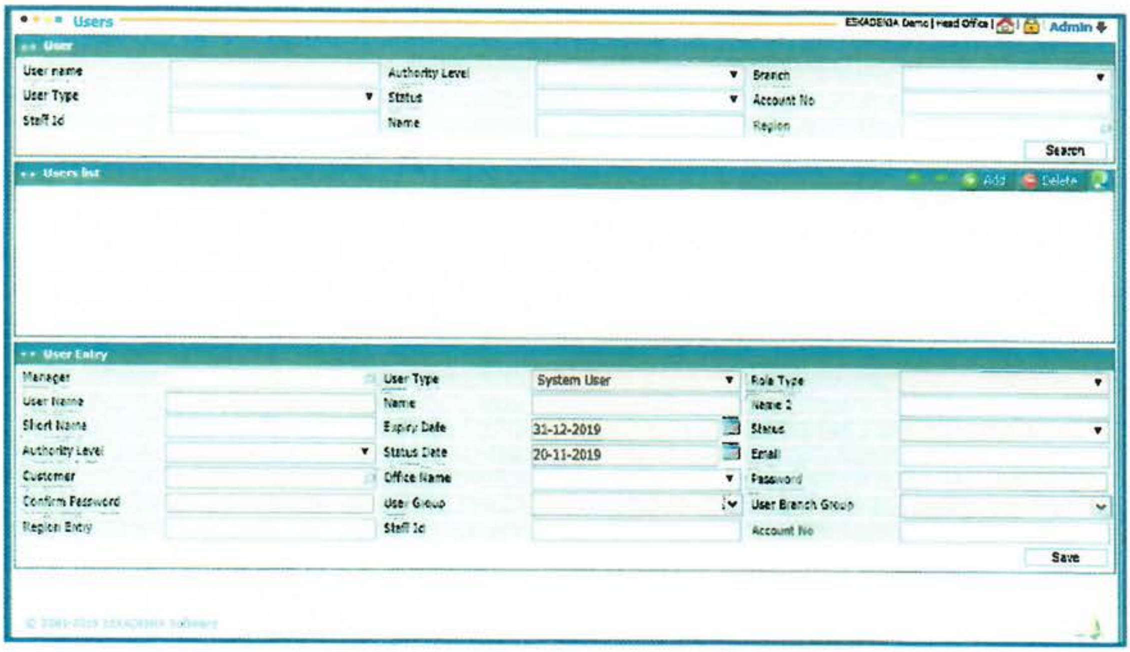

Figure 4-2 (Users)

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5 PRODUCTION

A profitable and successful bancassurance model demands efficient operations all around for the bank, insurance company and the customers. A seamless integration with the existing insurance product (**ESKA® Insures – Credit Insurance**) and **ESKA® Insures – Bancassurance** is necessary to make a bancassurance tie up successful.

ESKA® Insures – Bancassurance is designed for financial institutions offering bancassurance services and a channel for insurance distribution across different markets. It covers the entire journey of an insurance customer acquisition, selling and servicing management.

5.1. Bank Login

Existing and prospective customers of ICIEC may conduct a range of transactions through banks at their own convenience providing that eligibility and registration criteria have been met whereby authorized bank's employees can access a variety of services maintaining protection from suspicious login attempts.

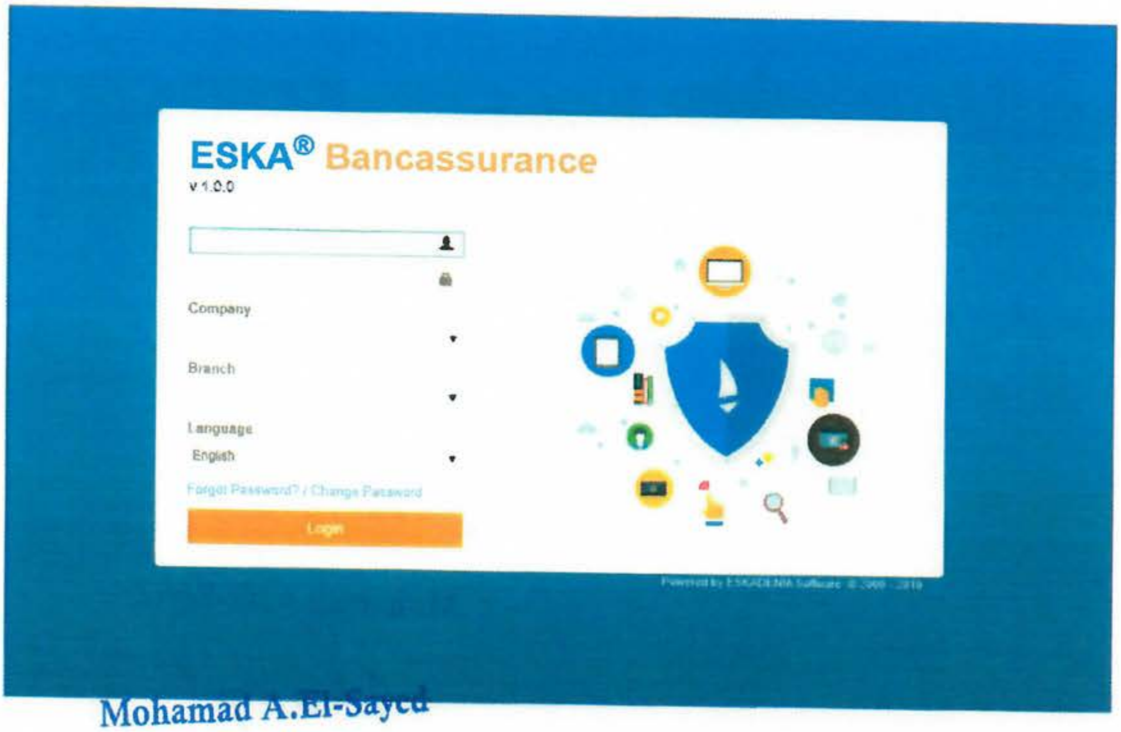

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Figure 5-1 (Bank Login)

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5.2. Change Password

Users who have either forgotten their password or triggered an intruder lockout to authenticate with an alternate factor, and repair their own problem, without calling system administrator or IT department can go through the change/reset password process. It can also be utilized to ensure that password problems are only resolved after adequate user authentication.

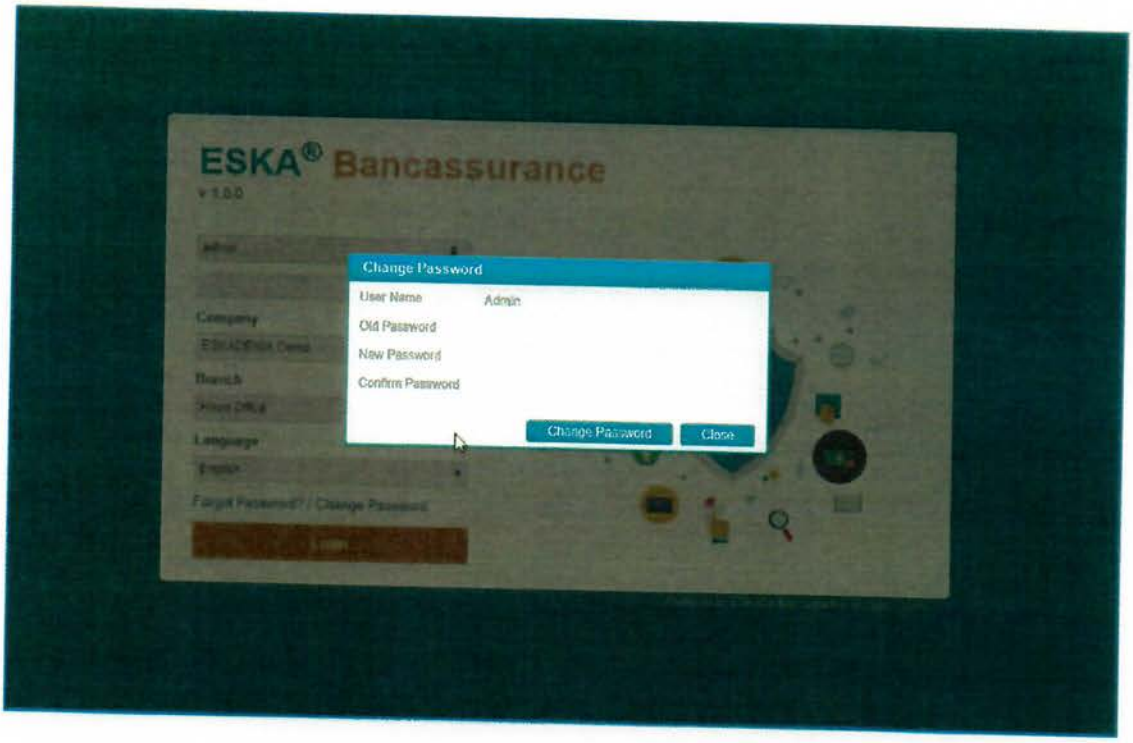

Figure 5-2 (Change Password)

5.3. Bank Application

Existing clients, prospects and leads can review the products and services offered by ICIEC in order to identify what better matches and fulfils their needs through direct communication and contact with bank's employees whom will eventually provide advice and recommendation in the clients' best interest.

Inquiry and application-based activities that take place consist but is not limited to a range of criteria and parameters as following:

- Branch
- Insurance Class
- Policy Type

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- Policy No.
- From – To Date
- Applicant
- Status
- User

Following the insertion and selection of a desired document (NBI, Application, Policy), details that vary according to the respective insurance class and policy type become available such as below bearing in mind that these details are configurable and can be dynamically adjusted by system administrator:

- Applicant's details: name, registration type, registration no, entity nature, business sector, sub-sector, incorporation date, commencement date, phone numbers and address, legal status details, contact details and shareholders.
- Document's details: submission, effective and expiry dates, term, currency, contract period, status and stage.
- Attachments' details: document group, name and path, with multiple supported formats e.g. Microsoft Word, Excel or PDF.
- Underwriting details: goods and services offered, goods' type, sector, trade history and business turnover for the past 3 years, expected business for the incoming 12 months and major buyers' details.
- Eligibility criteria specification: based on pre-defined setup of questionnaires, series of questions will be automatically retrieved and according to the provided answers, the process of obtaining the insurance eligibility will take place to ensure that certain criteria are fulfilled; accordingly, risk exposure and appeals can be minimized and payments are expedited at the appropriate rates.

Eventually, once all required information is defined, possibility to calculate the premium along with the applicable fees, discounts and loading in reference to the pre-defined setup and configurations at **ESKA® Insures – Credit Insurance** is feasible.

As per mutual agreement, financial settlement between both the bank and ICIEC shall take place on an agreed basis, monthly or quarterly for instance, where due premiums collected from the client according to the policies' transactions will be transferred to ICIEC while any due payable commissions to the bank along with the possibility to provide insights as with reference to banks' staff incentives..

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Required Documents

- CSTP
  1. Application Form

- STP
  1. Application Form
  2. Buyer information
  3. Memo on project
  4. ESH description and reports
  5. Business plan with cash flow projection (if any)

- BMP
  1. Application Form
  2. Recent audit financial statements
  3. Copy of standard contract used for financing trade

- DCIP
  1. Application Form
  2. Investor's latest audited annual financial statements
  3. Latest audited annual financial statements of the investor's ultimate parent company
  4. KYC Report on the investor and the applicant
  5. Project feasibility studies, including cash flow projections and market analyses
  6. All documents related to the investor's contribution to the enterprise: (shareholder's Agreement, Joint venture agreement, management agreement, technical assistance agreement and loan guarantee agreement)
  7. Latest audited annual financial statements
  8. All contracts relating to any non-equity direct investment: (production-sharing contract, lease agreement and operating agreement)
  9. All agreements with the host government and its agencies
  10. Approvals issued by the host government and its agencies
  11. Guarantee issued by the host government and its agencies
  12. All other agreements between the enterprise and third parties relating to this project on which the viability of the project is dependent

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5.4. Entity Registration

Through the single portal, bank employees can provide a variety of services, advice and manage a client's interests providing that the client's is registered in ICIEC records and all necessary details and information are captured otherwise registration process has to take place.

Required Documents

- Copy of commercial registration certificate
- Copy of membership of the Chamber of Commerce
- Three latest annual reports (or audited financial statements)
- Brochure of the company and its activities

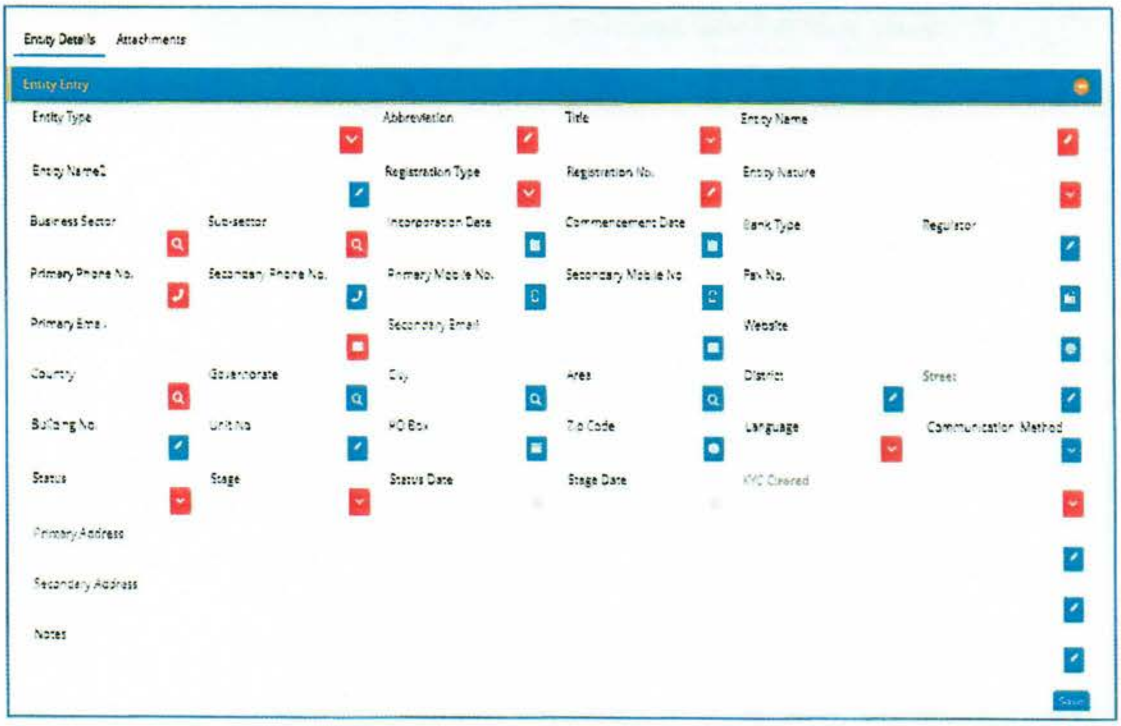

Figure 5-3 (Entity Registration)

5.5. Services

Through the single portal which promotes standardisation and clarity, bank employees have the ability to review clients' associated policies and respective details in terms of status, effective and expiry dates, buyers/banks, active limits etc. along with the possibility to provide a variety of services and transactions

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such as requests' submission for renewal of expired or about to expire policies, changes submission, declarations, NPLs and claims.

5.6. Bank Renewal

Upon successful login to ICIEC bancassurance portal, bank employee will have the ability to review their associated clients' policies and respective details in terms of status, effective and expiry dates, buyers/banks, active limits etc. along with the possibility to perform a variety of transactions such as requests' submission for renewal of expired or about to expire policies. Upon renewal transaction submission, automatic email notification emails will be delivered to the client, bank employee and particularly ICIEC to further process the request.

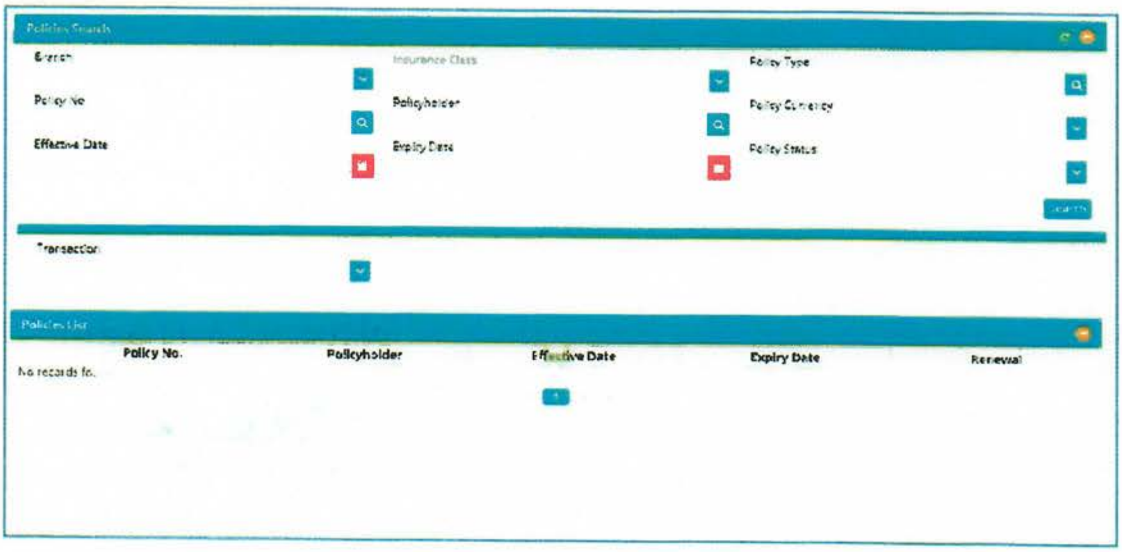

Figure 5-4 (Bank Renewal)

5.7. Bank Changes

Once the policy is signed and delivered, any further amendments shall take place via the administration matrix so as to maintain a history of both the policy's and amendments' details. During the policy lifetime, the policyholder might apply and request for a variety of changes such as amendment on the agreed upon terms and conditions, increase or decrease of limits, loss payee's assignment etc. This can be performed online or through direct contact with the bank which acts on behalf of the insurance company and will be considered in the policy premium calculation at the end of policy period.

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The supported policy administration transactions/amendments including alterations, services and benefits, are divided into:

- Technical transactions that affect premium require underwriting and hence need to be executed by the insurance company.
- Non-technical transactions that neither have financial impact nor require underwriting and so can be executed by the bank.

Type	Transaction Name	Classification
Endorsements	Policy Cancellation	Technical
	Term Modification	Non-Technical
	Policyholder Details Modification	Non-Technical
	Loss Payee Assignment	Non-Technical
	Loss Payee Modification	Non-Technical
	Terms and Conditions Modification	Technical
	Subsidiaries Addition	Non-Technical
	Cover Types Modification	Technical

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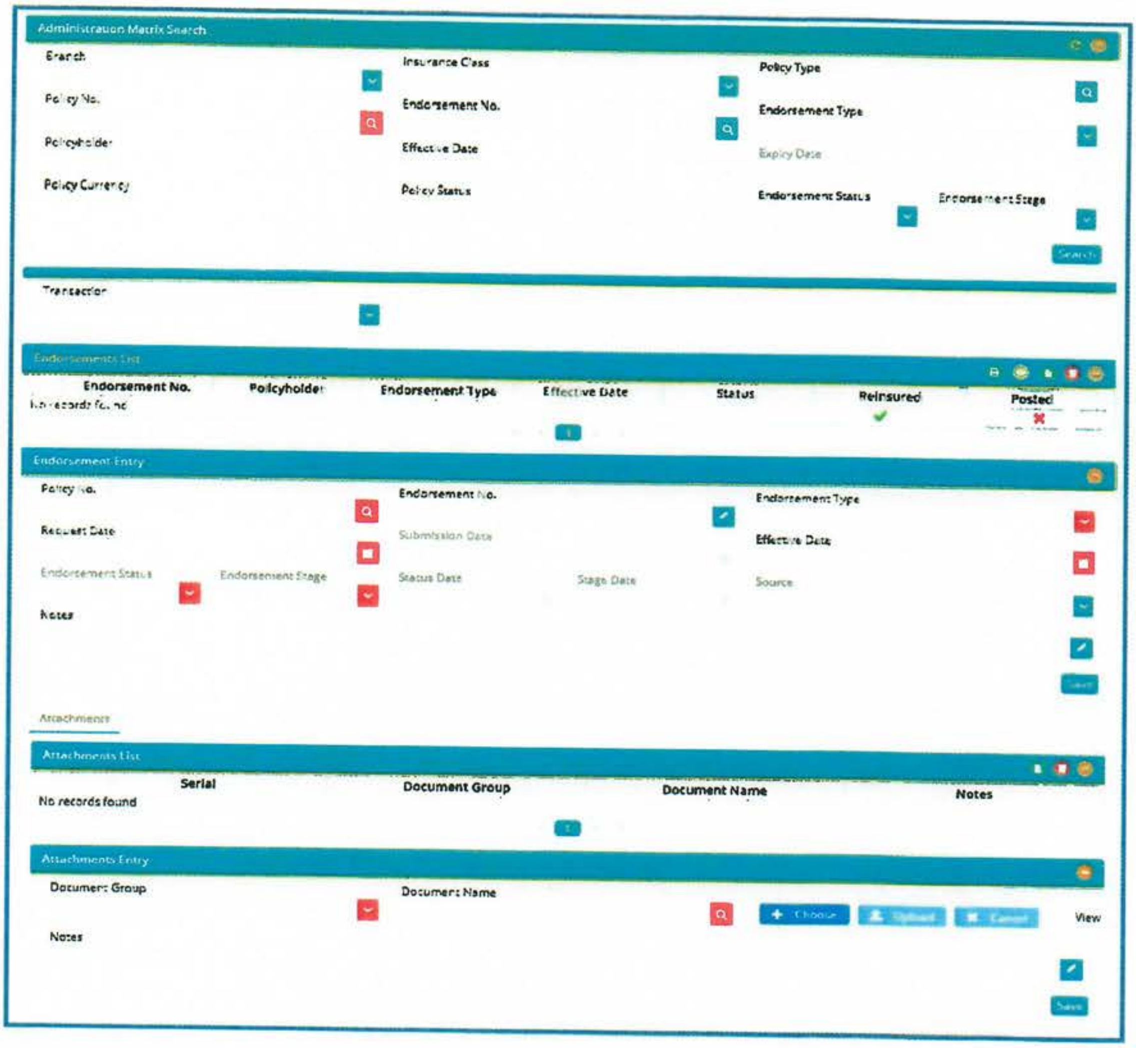

Figure 5-5 (Bank Changes)

5.8. Bank Declarations

During the policy lifetime, the policyholder should declare to the insurance company on monthly or frequent basis the exports' turnover and invoices' details delivered to buyers. This can be performed online or through direct contact with the bank which acts on behalf of the insurance company and will be considered in the policy premium calculation at the end of policy period.

Upon communication with the bank employees, client declares the exports' turnover and invoices' details delivered to buyers, automatic email notifications are delivered to client, ICIEC and bank employees to indicate the success of the transactions enlisting all enclosed details.

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Required Documents:

- Declaration report by Policy Holder

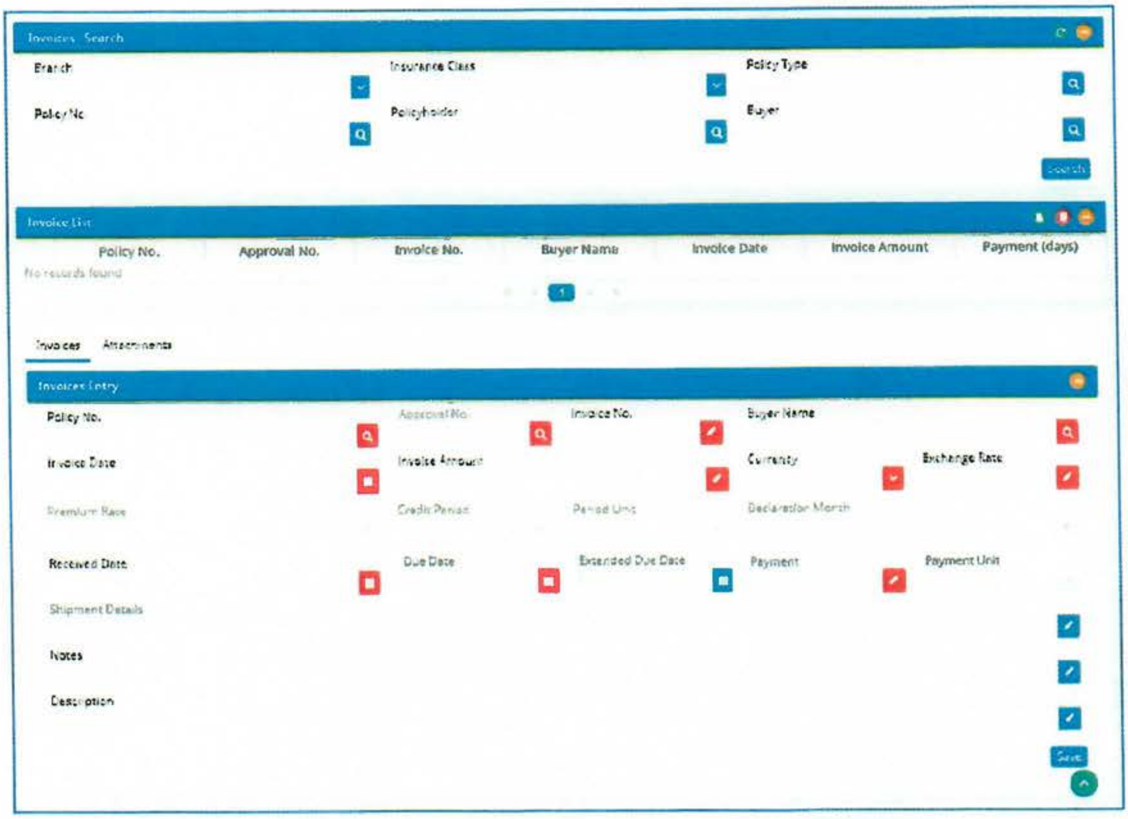

Figure 5-6 (Bank Declarations)

5.9. Bank NPL

Claims notification is the process of informing the insurance company that a loss is highly probable to occur and that the client intends to ask for money as a result. In that case, the bank employees will fill up a NPL Form on behalf of the client which will be delivered to the insurance company whereby the policyholder shall confirm the delivery and invoicing of goods specifying the reason of loss (via a questionnaire) along with additional information inquired in the form of questionnaires to identify measurements taken to mitigate risk of loss.

Required Documents

- NPL application form
- Communication with buyer (via email, via courier etc.)

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- Evidence and reasons for payment delays
- Documentation of all related information about the probable loss and due dates
- Time Frames
- Acknowledgement of the overdue notification: within the grace period of 30/60 days after the due date of payment.

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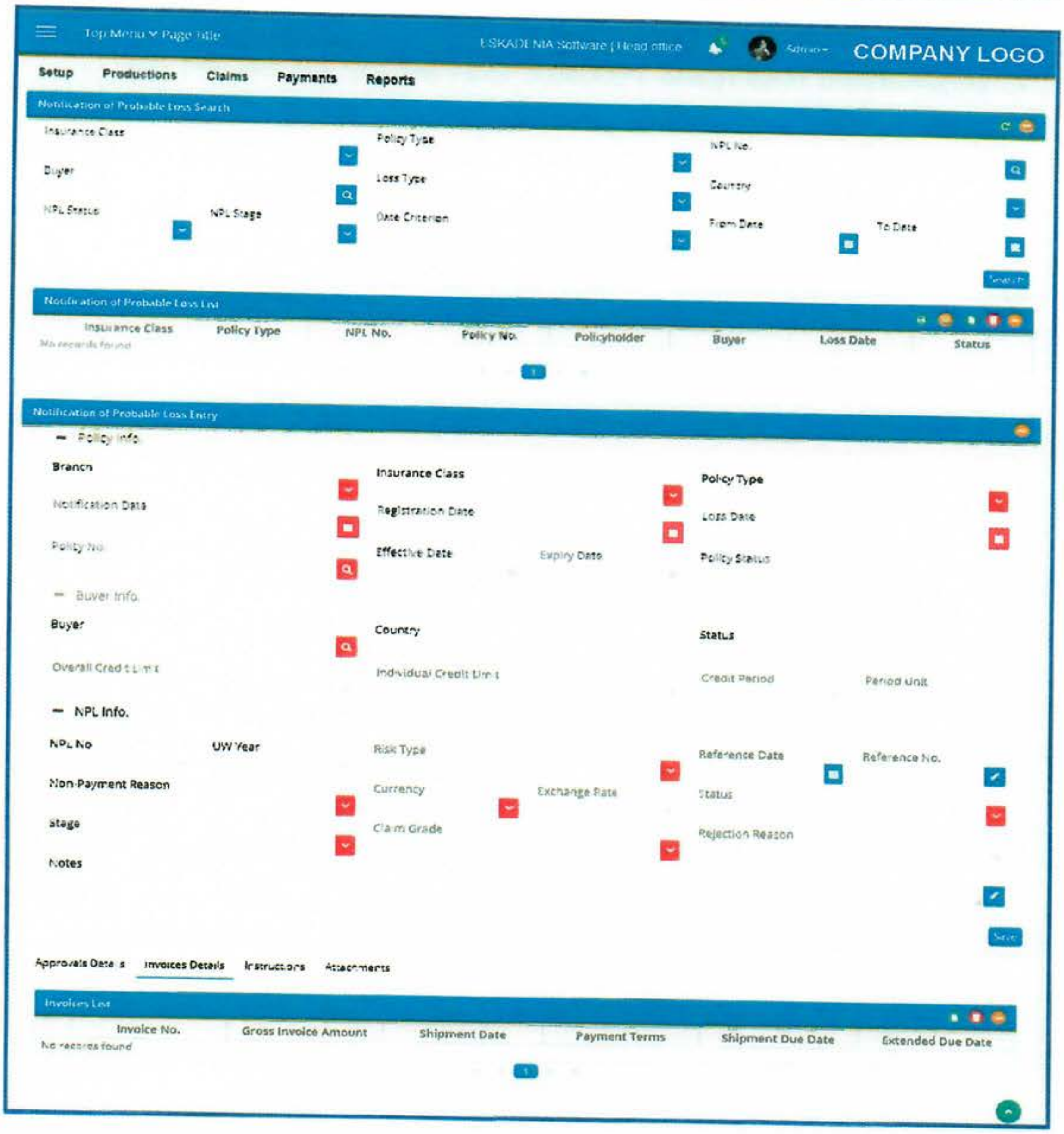

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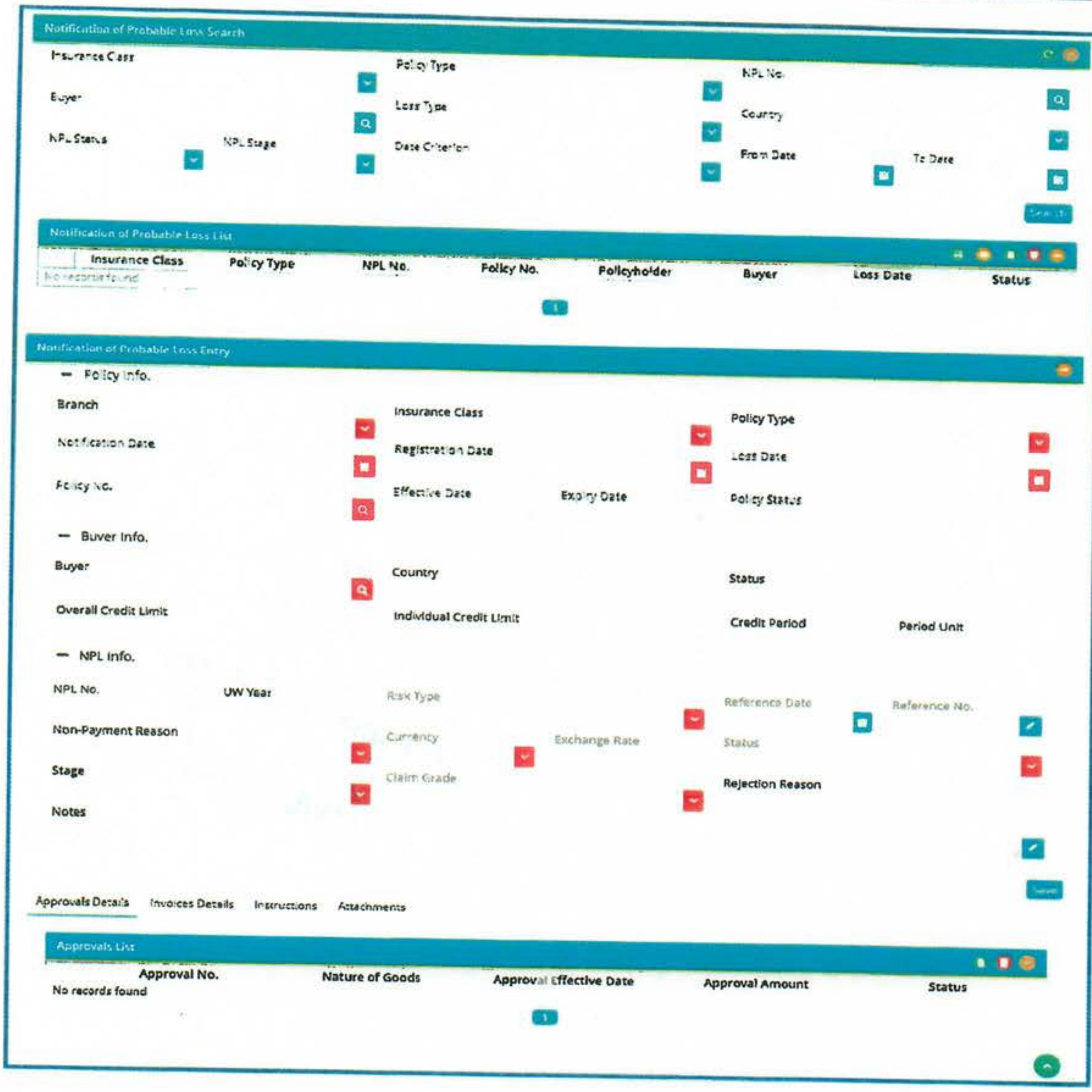

Figure 5-7 (Bank NPL)

5.10. Bank Claim

When debts are not paid by buyers at the respective due dates, policyholders must inform banks or ICIEC immediately as only with such information ICIEC can react prudently and take the necessary risk mitigating measures. Moreover, for a claim to be valid and legible, the insured party needs to prove that all required rules were applied.

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Required Documents

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- Claim application form (e.g. current limit conditions, policy conditions and terms, fraud transaction, no. of claims were paid previously, disputes between (PH) and buyer etc.)
- Communications with Buyer (via email, via courier, etc.)
- Evidence and reasons for payment delays
- Documentation of all related information about the probable loss and due dates

Time Frames

- The policyholder must notify ICIEC of his intention to make a claim within 45 days from the close, date (close date means payment date plus the waiting period) or product timelines defined, which has given rise to the loss.

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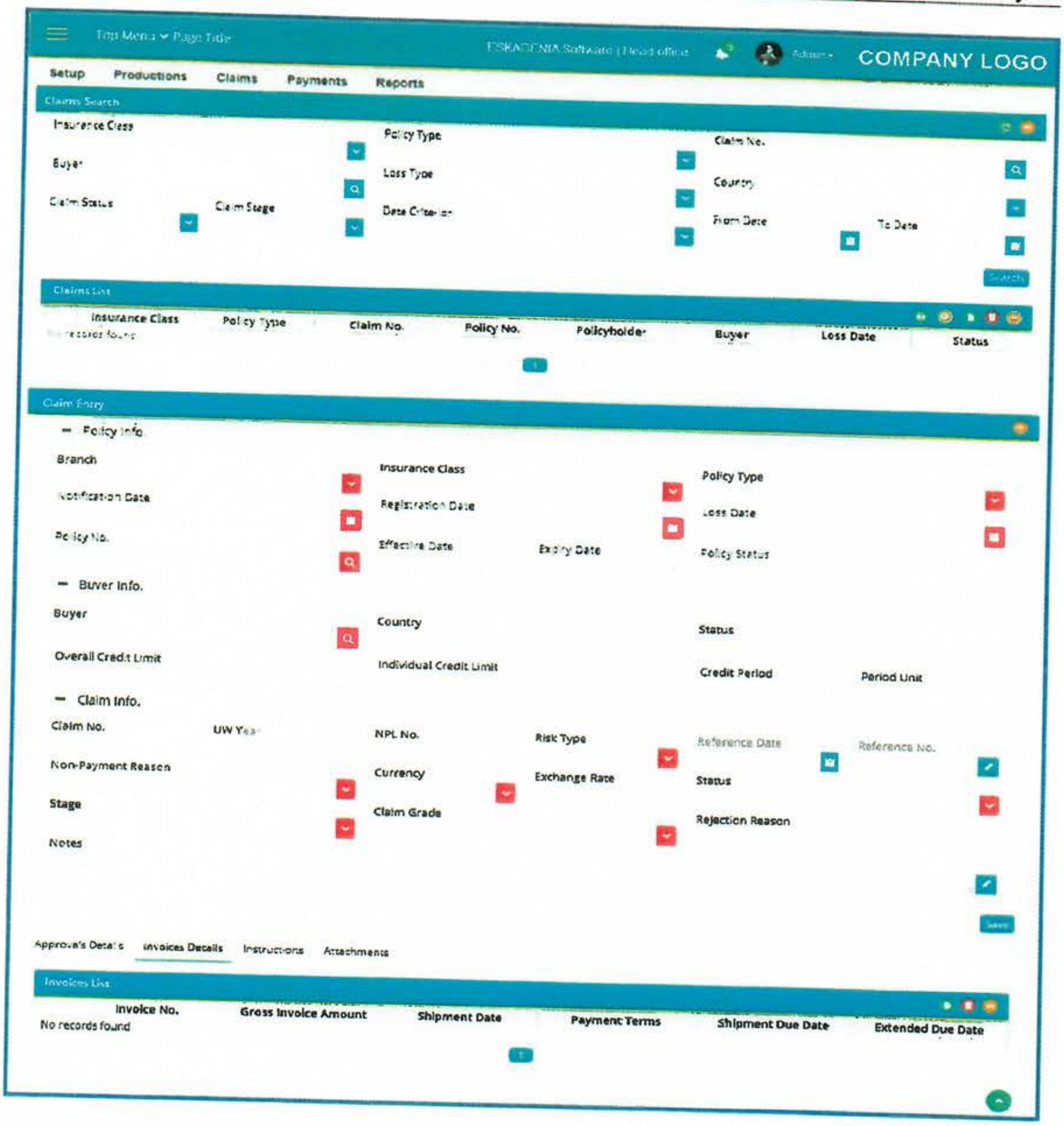

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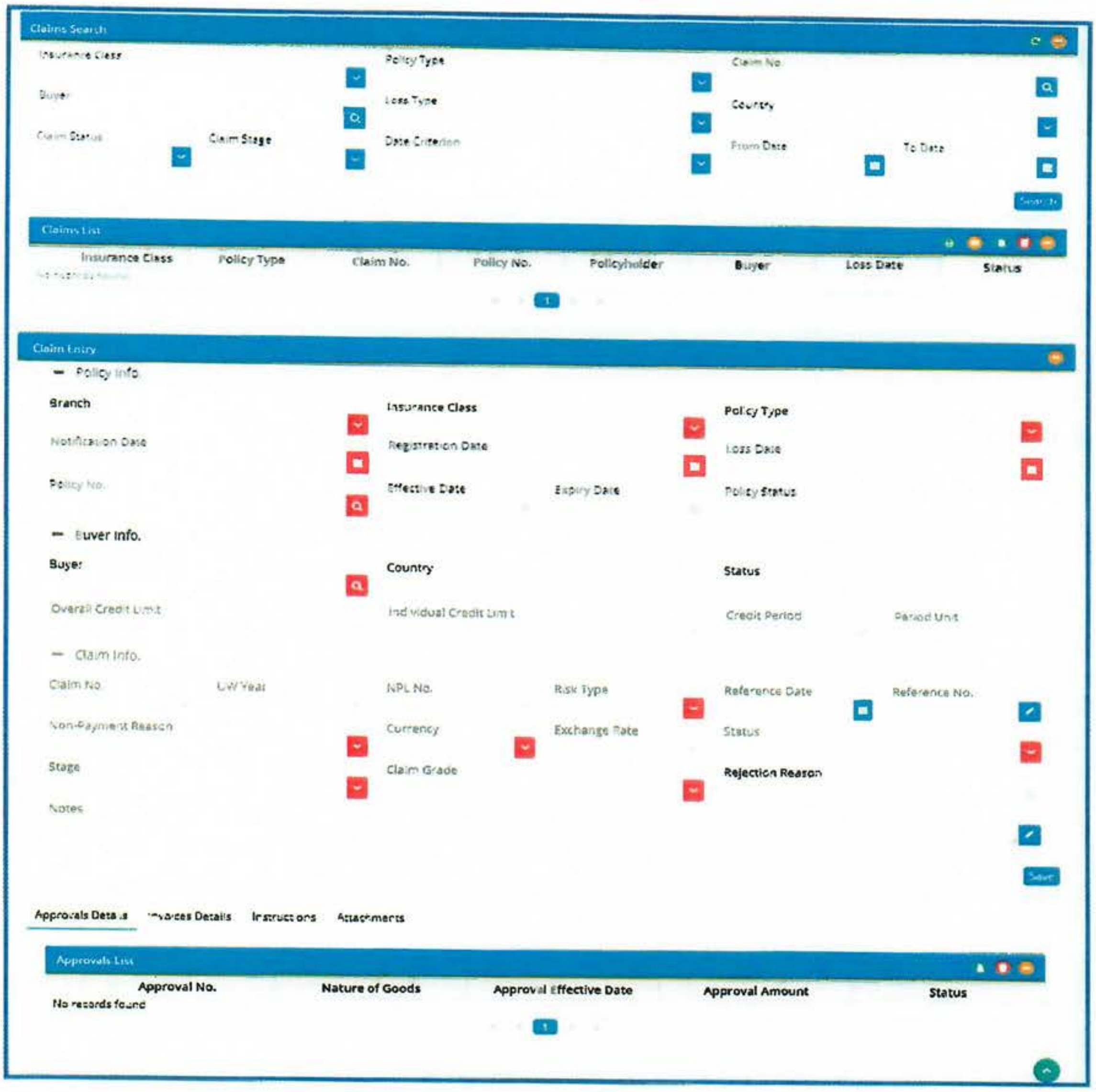

Figure 5-8 (Bank Claim)

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6 APPROVALS

ESKADENIA Project Manager	ICIEC Project Manager
Name : Ms. Laisan Mobaideen Date : 22.12.2019 Signature :	Name : Mr. Mohamad El-Sayed Date : 19/12/2019 Signature :
ESKADENIA Product Manager	
Name : Mr. Radwan Al Jundi Date : 22-12-2019 Signature :	

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