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

ICIEC Takaful System

ESKA® Insures – Credit Insurance

Business Requirements Document (BRD) & Gap Analysis

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Prepared By

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Content

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Figures

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Scope

Identification

This document shall be referred to hereafter as the Product Overview of **ESKA® Insures – Credit Insurance**.

Purpose

The purpose of this document is to provide an overview of **ESKA® Insures - Credit Insurance**, 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. **The document is not intended to describe the detailed technical features of the system**.

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 a **Credit Insurance Business.**

Definitions, Acronyms and Abbreviations

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

Abbreviation	Definition
UI	User Interface
UX	User Experience
RMD	Risk Management Department
IBNR	Incurred but Not Reported
UW	Underwriting
OS	Outstanding
NPL	Notification of Probable Loss
NBI	Non-Binding Indication
NTU	Not Taken Up
ICL	Individual Credit Limit
OCL	Overall Credit Limit
KYC	Know Your Customer
DN	Debit Note

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CN	Credit Note
DoA	Delegation of Authority
AR	Accounts Receivables
AP	Accounts Payables
UR	Ultimate Risk
CLA	Credit Limit Application
IIPG	Investment Insurance Processing Group
NOL	Non-Objection Letter
TUC	Technical Underwriting Committee
TBD	To be Discussed
PAF	Policy Administration Fees
BAF	Buyer Assessment Fees
CRAD	Country Risk Analysis Division
ST	Short Term
MT	Medium Term
LT	Long Term
FII	Foreign Investment Insurance
TNW	Tangible Net Worth

Fields colouring symbolism:

- White fields indicate optional entry.
- Red fields indicate mandatory and process cannot be completed unless filled.
- Yellow fields indicate disabled and automatically generated/retrieved.

Note:

- The buyer’s financial analysis requirements will be provided in a separate document. The requirements will be based on what was agreed with Mr. Mohamad El-Sayed on 19.02.

1 INTRODUCTION

ICIEC is the only multilateral export credit and investment insurance corporation in the world that provides Shariah compliant insurance and reinsurance solutions.

ICIEC main mandate is to expand trade transactions and encourage investment inflow into its Member Countries. The Corporation fulfils the mandate by providing Shariah compliant export credit insurance solutions and Reinsurance services to cover the non-payment of export receivables resulting from commercial and non-commercial risks.

ICIEC also provides investment insurance solutions against risks, mainly the risks of exchange transfer restrictions, expropriation, war, civil disturbance and breach of contract by host governments.

ICIEC offers a comprehensive suite of Takaful solutions for its corporate customers, covering the different aspects of commercial and country risks as follows but not limited to:

- Export Credit Insurance solutions tailored for exporters
- Credit risk Insurance solutions for banks
- Reinsurance services to ECAs in Member and non-Member Countries
- Political risk insurance solutions for investors

ICIEC intends to adopt the proper technology in line with its future strategy with the proper tools to face the evolving business environment therefore required solution should meet the following objectives:

- Enhance customer services
- Ability to provide the proper information to assist and make timely decisions
- Ability to provide smooth communication with local and international brokers
- Assist the company to grow and expand with no added strain on existing resources
- Improve the company's operations
- Flexible system to meet the ever-changing business environment
- Meet the Financial and Re-Takaful requirements
- Meet the required reporting of all regulatory bodies

2 OVERVIEW

ESKA® Insures - Credit Insurance reflects the accurate understanding of automation requirements of the modern credit insurance industry. It fully supports a wide range of commercial and political risks that exist in most economic sectors in compliance with Sharia to fulfil the various needs of clients on all levels.

Embracing its activities from NBI and application generation through underwriting and policy issuance to administration, claims processing and reinsurance, **ESKA® Insures - Credit Insurance** keeps insurance corporations competitive while facilitating business ventures into new and niche markets.

3 KEY FEATURES

Modularity and Integration

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

- **ESKA® Business Manager (Financial System)**
- **ESKA® CRM**
- **ESKA® IMS**
- **ESKA® Documents Management System**
- **ESKA® Notification and Approval**
- **ESKA® Wakala Module**
- **ESKA® Workflow**
- **ESKA® Agents Portal**
- **ESKA® Customer Portal**
- **ESKA® Banc-assurance**
- **ESKA® Audit Trail**
- **ESKA® Logging**
- **ESKA® Analytics**

Parameterization

A large set of parameters can be defined and altered by the authorised users via simple yet user-friendly graphical interfaces.

Security

On both access and functionality levels, permissions can be set and enforced. The administrator can dynamically configure access rights to the different parts of the system. In addition, while allowing multiple users' access to the system, the incorporated functionalities can be limited to the authorised ones and only, being granted the requisite credentials.

It is worth mentioning that **ESKA® Insures - Credit Insurance** is programmed to time out after a certain pre-determined period of inactivity. This feature is in place for security purposes and we apologize for any inconvenience it may cause.

Multi-Branch Support

Multiple branch definitions are supported by the system, with access to each branch being restricted to the authorised users.

Multi-Currency & Bi-lingual Capabilities

Multiple currency definitions are supported, allowing for automatic conversion of monetary amounts into the insurance company's preset default currency. The bi-lingual feature is additionally supported, providing the ability to select amongst the available insurance company's languages of communication, coupled with the ability to edit the system's dictionary by those with the granted credentials, whenever needed.

User Friendly

ESKA® Insures - Credit Insurance is a web-based solution that supports cross-browsing, mobile and tablets responsive with an intuitive, robust and visually appealing user-friendly interface. The interface is built based on advanced and dynamic UI and UX features as:

- Menu-driven
- Dynamic fields' creation and re-arrangement
- Fields' style amendment (e.g. optional, mandatory)
- Drag and Drop facility
- Edit Labels
- Customized user settings (widgets, notifications and dashboards)
- Wizard oriented processes
- Bookmarks/Favourites where users can add up to a certain number of commonly used pages to a list of bookmarks.

4 SHARED SETUP

The **Setup** module is the core of **ESKA® Insures - Credit Insurance**. It comprises basic configurations, system variables and definitions needed to set the insurance company's business logic and standard for day-to-day operational activities whereby integration is maintained with all other sub-modules.

4.1. Insurance Classes

Insurance classes covering trade credit (exports from member countries to the rest of the world along with imports from non-member to member countries) and foreign investment transactions (flow of capital and foreign direct investments from the world to member countries), can be defined with a differentiation and/or combination of Commercial and Sovereign risks in a dynamic and flexible manner taking into consideration the tenor of the policy type which could be either short term, medium term or even long term. Insurance classes line of business could be identified as but not limited to (Commercial Trade Export, Sovereign Investment Insurance and ECAs).

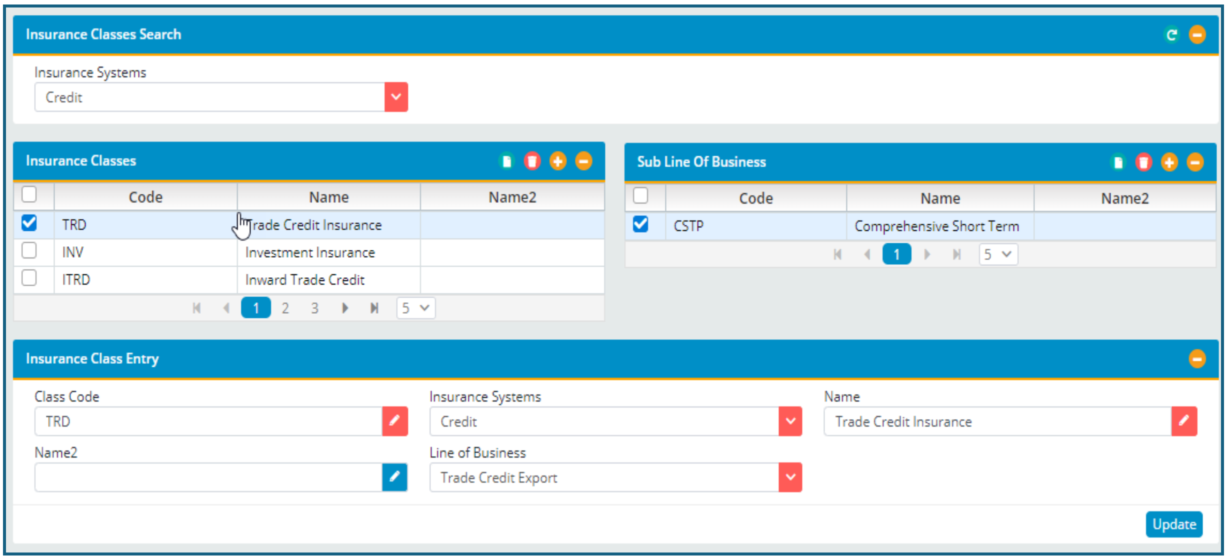

Figure 4-1 (Insurance Classes)

4.2. Policy Types

Policy Types are defined as sub-lines of business for each main insurance class. Various supported policy types along with the relevant details (policy type unique code, name in company's primary language, name in company's secondary language, sub-line of business, unearned calculation type, effective and expiry dates) can be defined in order to cover the insurance company's business needs and operations for the offered products' portfolio bearing in mind that sub-line of business represents the various solutions' nature offered to the public such as (Trade Credit Domestic, Trade Credit Export, Non-Honouring of Sovereign

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Financial Obligations and Foreign Investment). Moreover, possibility to identify unearned premium calculation type is also available either as a certain percent or on prorate basis.

Policy types' configuration represents a product catalogue with all information relating to insurance products that can be subscribed to by customers through origination along with the ability to hold and manage the manipulation (define, modify and delete) of these products. It supports the association of tariff mechanisms (rating types and tables) and business rules (maximum/minimum premium).

Examples on such policy types (insurance policies) under each insurance class are:

- Trade Credit Insurance (Direct Business) insurance class
  - Comprehensive Short-Term Policy (CSTP): covers exporters against the risk of non-payment by their buyers due to commercial or political reasons.
  - Specific Transaction Policy (STP): covers single non-recurring transactions, simple export transaction for a single time.
  - Specific Transaction Policy Contract Frustration (STP - CF): covers contractors against the risk of non-payment by the project owner due to commercial or political reasons.
  - Bank Master Policy (BMP): provide insurance to banks for their export related financings to customers on an Islamic basis against both commercial and political risks.
  - Documentary Credit Insurance Policy (DCIP): provides insurance to banks for their confirmation on Letters of Credit for exports from member countries.
  - Supplementary Medium-Term Policy (SMTP).

- Foreign Investment Insurance (Direct Business)
  - Equity Investment Insurance Policy (FIPE): provides insurance coverage for cross border equity investment by any individual or company against political risks.
  - Financing Facility Insurance Policy (FIPF): provides insurance coverage for cross border financing by banks and financial institutions against political risks.
  - Non-Honouring of Sovereign Obligations (NHSO): provides insurance coverage against the default of governments and government-owned entities in meeting their sovereign obligations.

- Inward Business
  - IFRP: Inward Facultative Reinsurance Policy
    - IFRP-ST (Covering DCIP, CSTP etc.)
    - IFRP-MT (Covering DCIP, STP etc.)
    - IFRP-INV (Covering Finance, Equity and Loan)
  - IQTP: Inward Quota Share Treaty Policy
  - IXoL: Inward Excess of Loss

- Fronting Business (will be processed via **ESKA® Agents Portal)**
  - Coface
  - Credendo

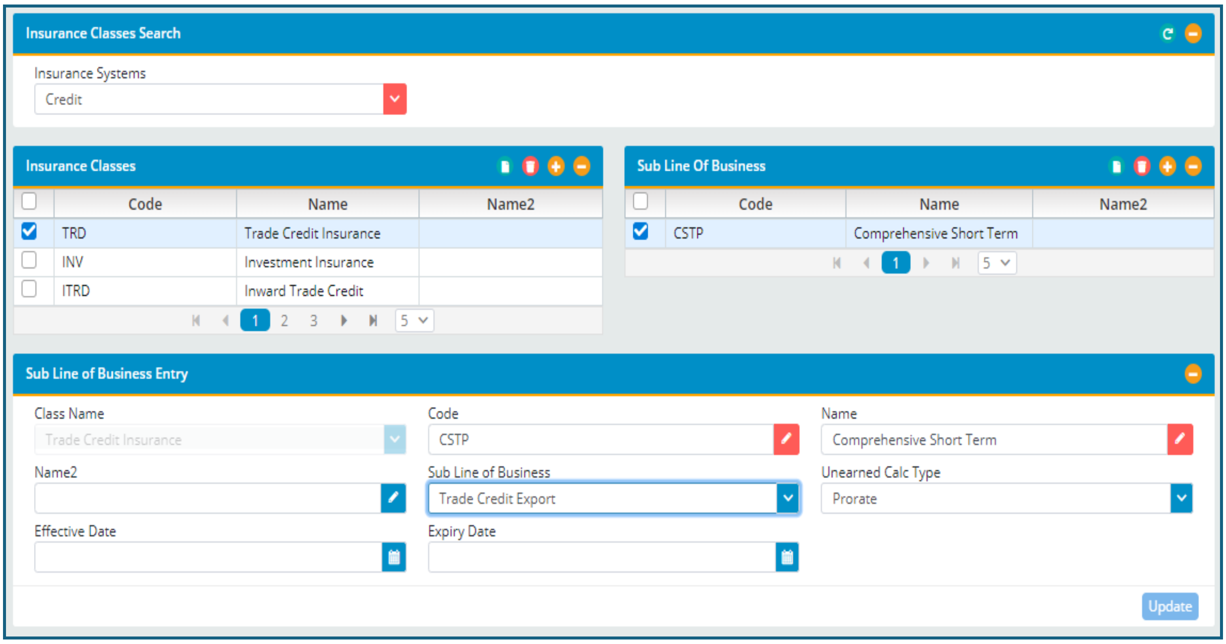

Figure 4-2 (Policy Types)

4.3. Cover Risks

The supplementary risks covered by the insurance company as add-ons to policy provisions can be defined and customized according to specific coverage preferences with the possibility to link and related each cover to its respective insurance class and policy type. Examples of such covers are:

- Insolvency of the obligor/buyer/LC issuing bank
- Currency Inconvertibility and Expropriation
- Transfer Risk
- War and Civil Disturbance
- Breach of Contract
- Non-Payment Risk
- Pre-Shipment Risk
- Non-Acceptance of Delivery Risk
- Non-Honouring of Sovereign Obligations, etc.

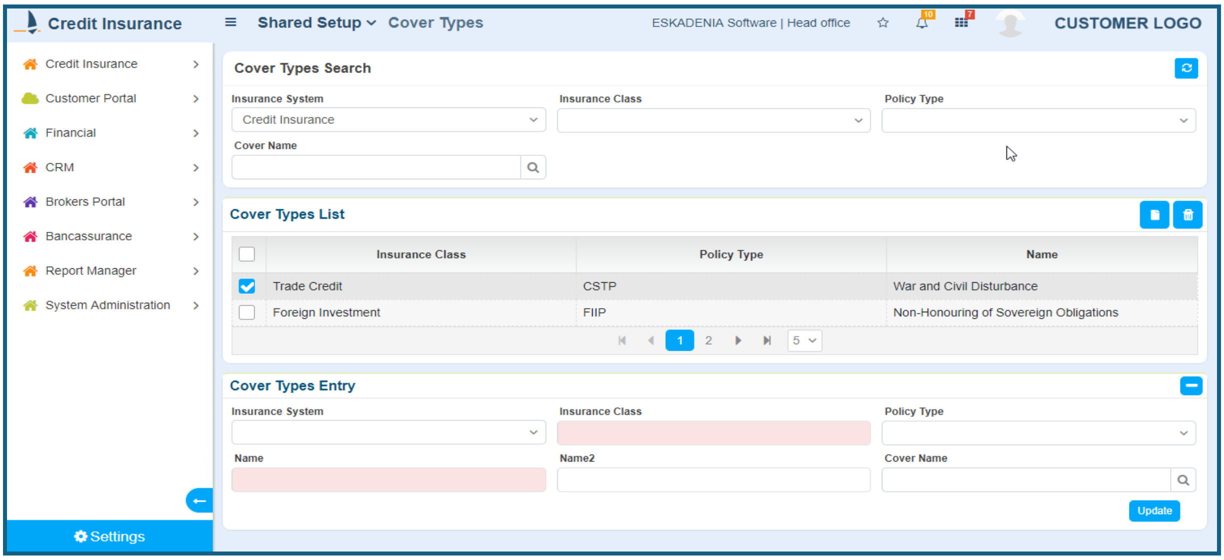

Figure 4-3 (Cover Types)

4.4. Business Types

Users can identify the supported business types in order to pledge proper financial integration and statistical results representation that support timely decision-making bearing in mind that at production level, details of the NBIs, applications and policies will vary based on the selected business type. In addition, the identification of relevant reports (e.g. NBI report, Offer Letter, Policy Schedule, etc.) can be dynamically handled and defined in accordance to the combination of policy and business types.

Business types can be one of the following:

- Direct Business
- Co-insurance Leading
- Co-insurance Following
- Inward Reinsurance
- Outward Reinsurance
- Fronting

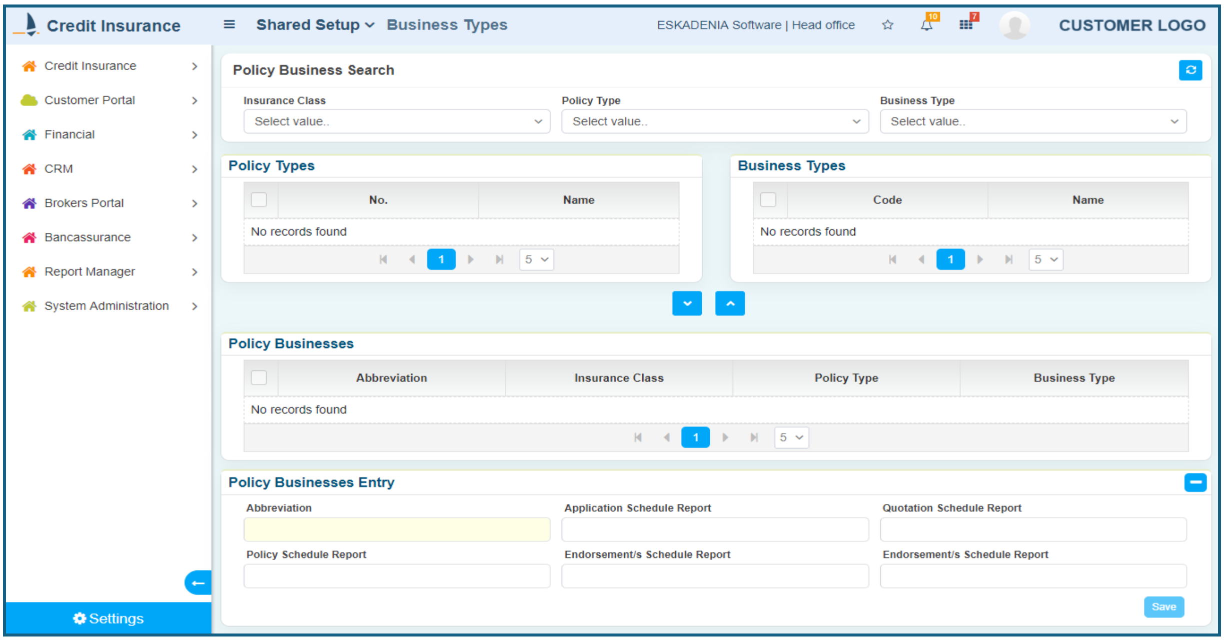

Figure 4-4 (Business Types)

4.5. Wordings

Set of standard policy wordings including covers, terms, conditions, exclusions, benefits and warranties can be defined and linked to the associated insurance classes and insurance policies that shall be available and can be further amended (i.e. customizable for each new policy if required) at NBI, enquiry, application, preliminary application, policy and endorsement entries level. Moreover, these wordings can be utilized in order to be dynamically derived and generated at relevant reports' printouts providing that they have been reviewed and confirmed by Legal Counsel.

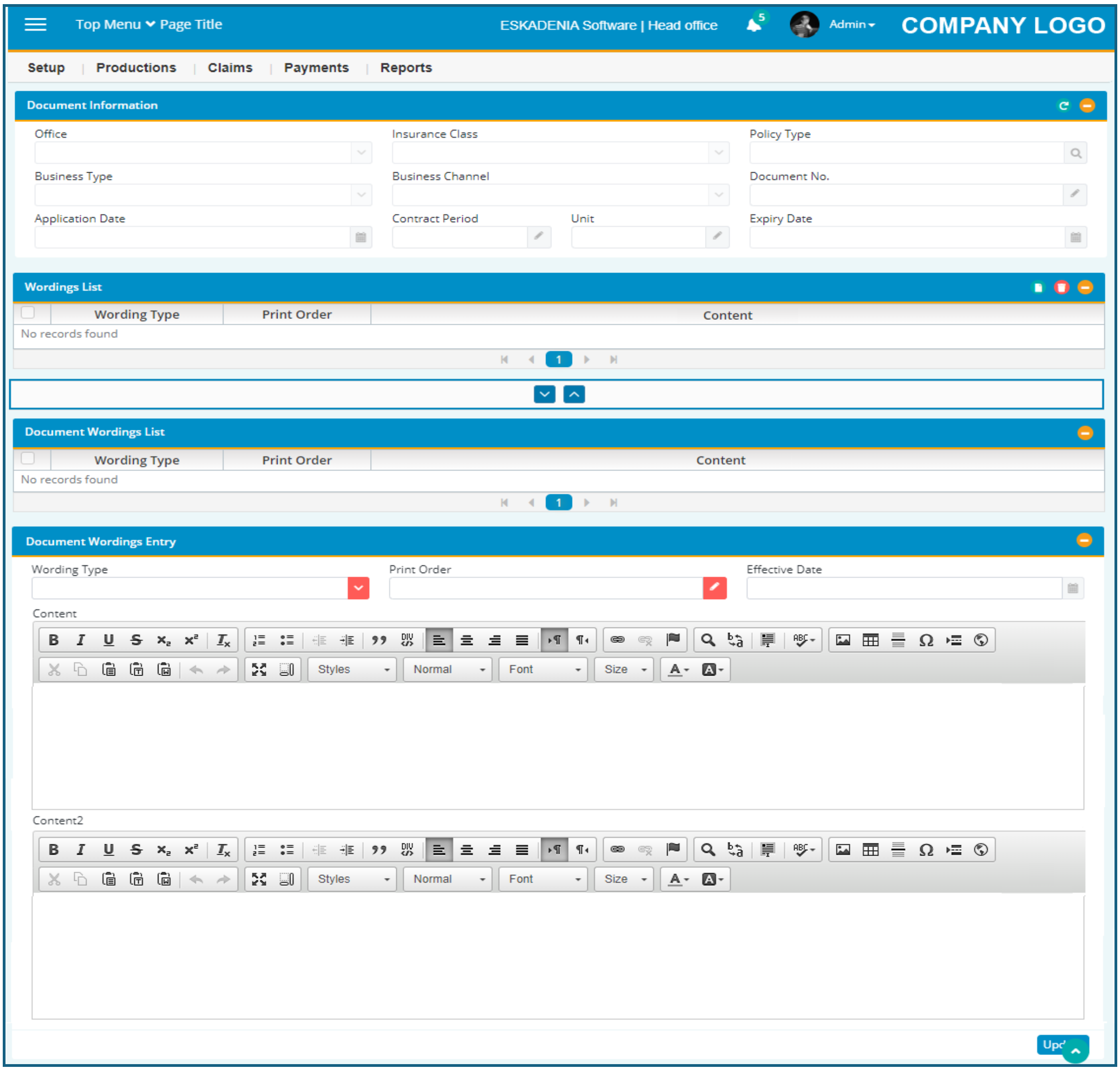

Figure 4-5 (Wordings)

4.6. Premium Mode of Payment

Applicable and supported premium mode of payment methods can be defined and differentiated per insurance class and policy type for premium collection purposes (e.g. account transfer) taking into consideration the currency for which each payment method is applicable upon.

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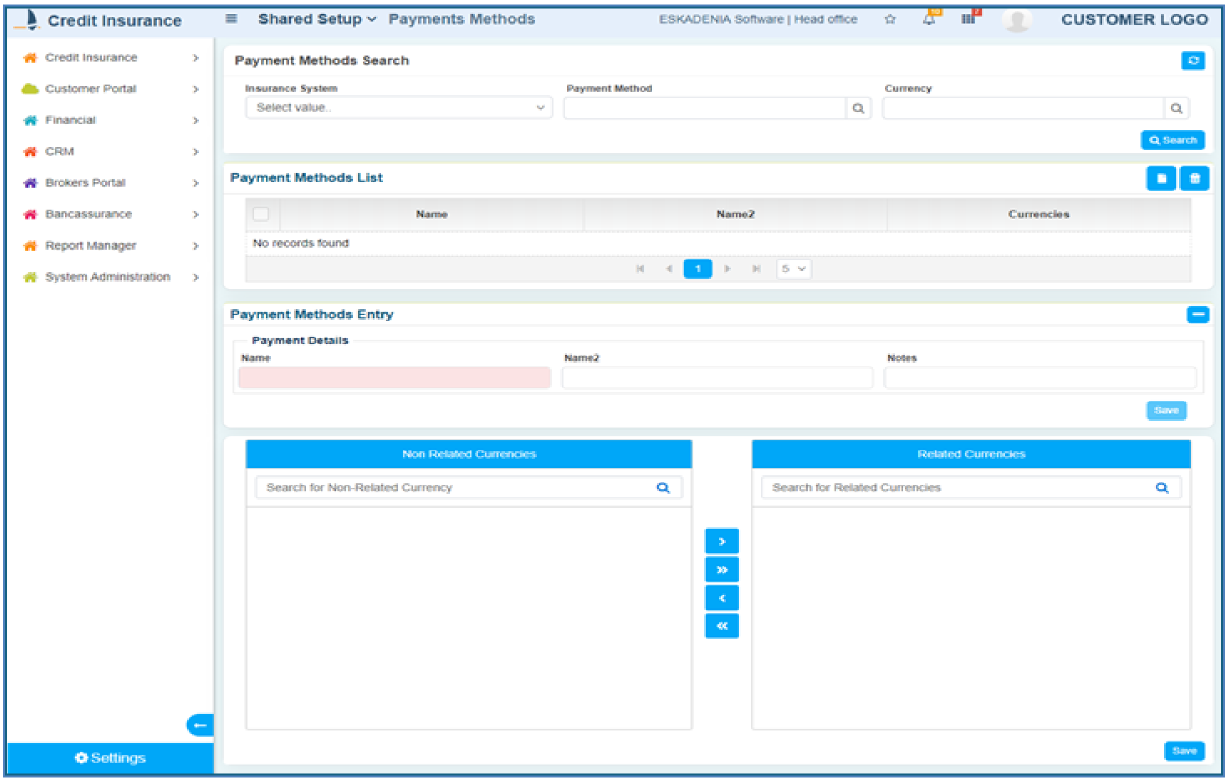

Figure 4-6 (Premium Mode of Payment)

4.7. Premium Payment Cycles

Premium payment cycles, factors and applicable payment methods, if any, are defined for consideration at production level splitting the premium into frequent equal or unequal instalments consisting of the specification of the following details:

- Period Unit (days, weeks, months)
- Frequency
- No. of Payments

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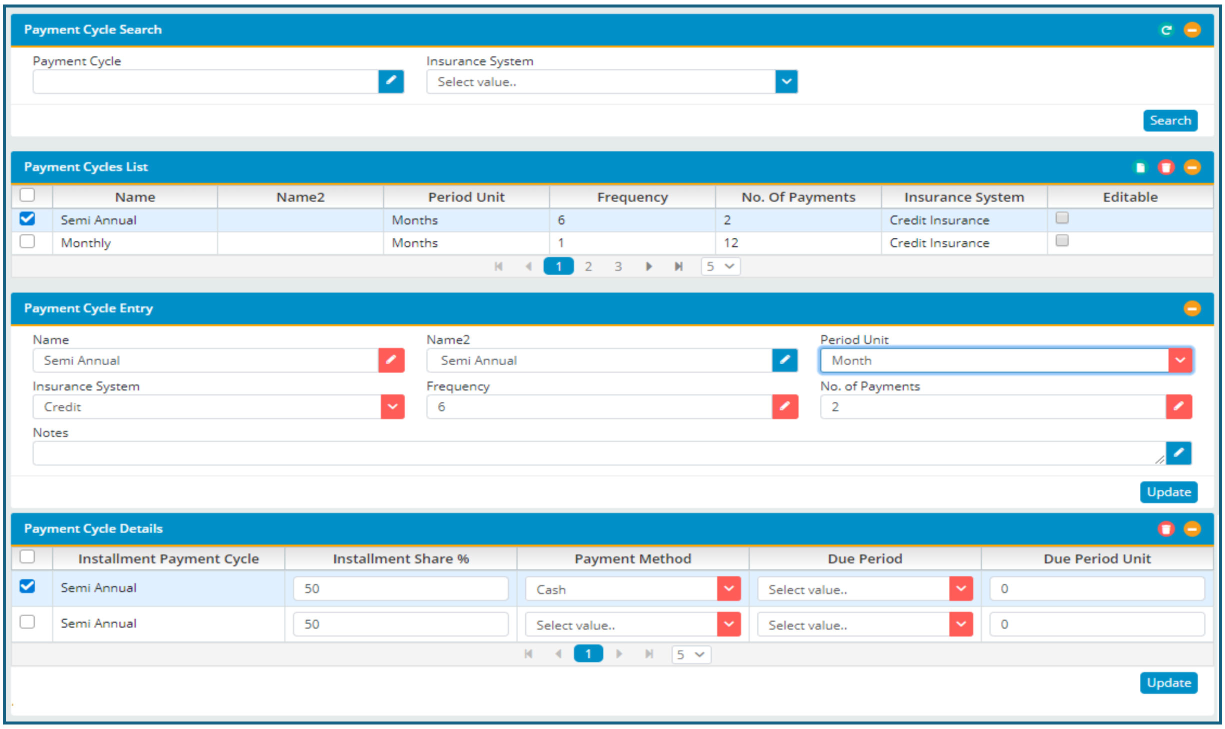

Figure 4-7 (Premium Payment Cycles)

4.8. Fees

The different fees' types which are to be imposed on the client, either by the insurance company or government, can be defined. Those fees, applying to applications, preliminary applications, policies, endorsements, claims or reinsurance transactions can be calculated with consideration of a specific percentage or flat amount and can be either applied on the resulting premium or refunded. Such fees types contain but are not limited to (BAF and PAF etc.). In BAF for example, there are two methods of fee calculation i.e. Flat Rate and Standard Rate; in flat rate there will be normal fee calculation whereas in Standard Rate, adjustment (loading or discount) will be per buyer.

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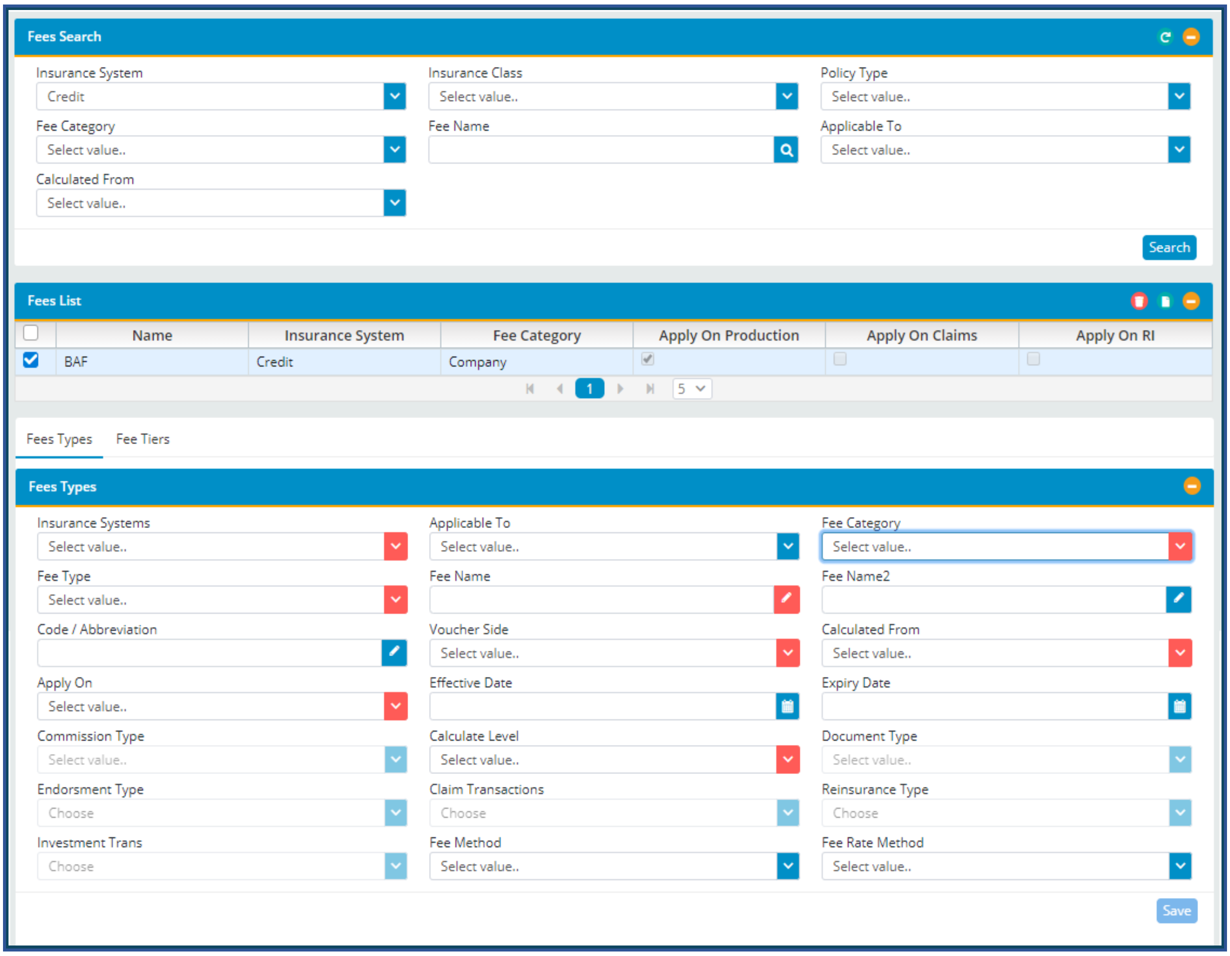

Figure 4-8 (Fees)

Moreover, applicable fees can be differentiated according to a variety of factors and criteria such as branch, currency and location/country. Final fees amount operation can be also specified whether it will be rounded or ceiled to a certain number of digits along with minimum and maximum amounts specification.

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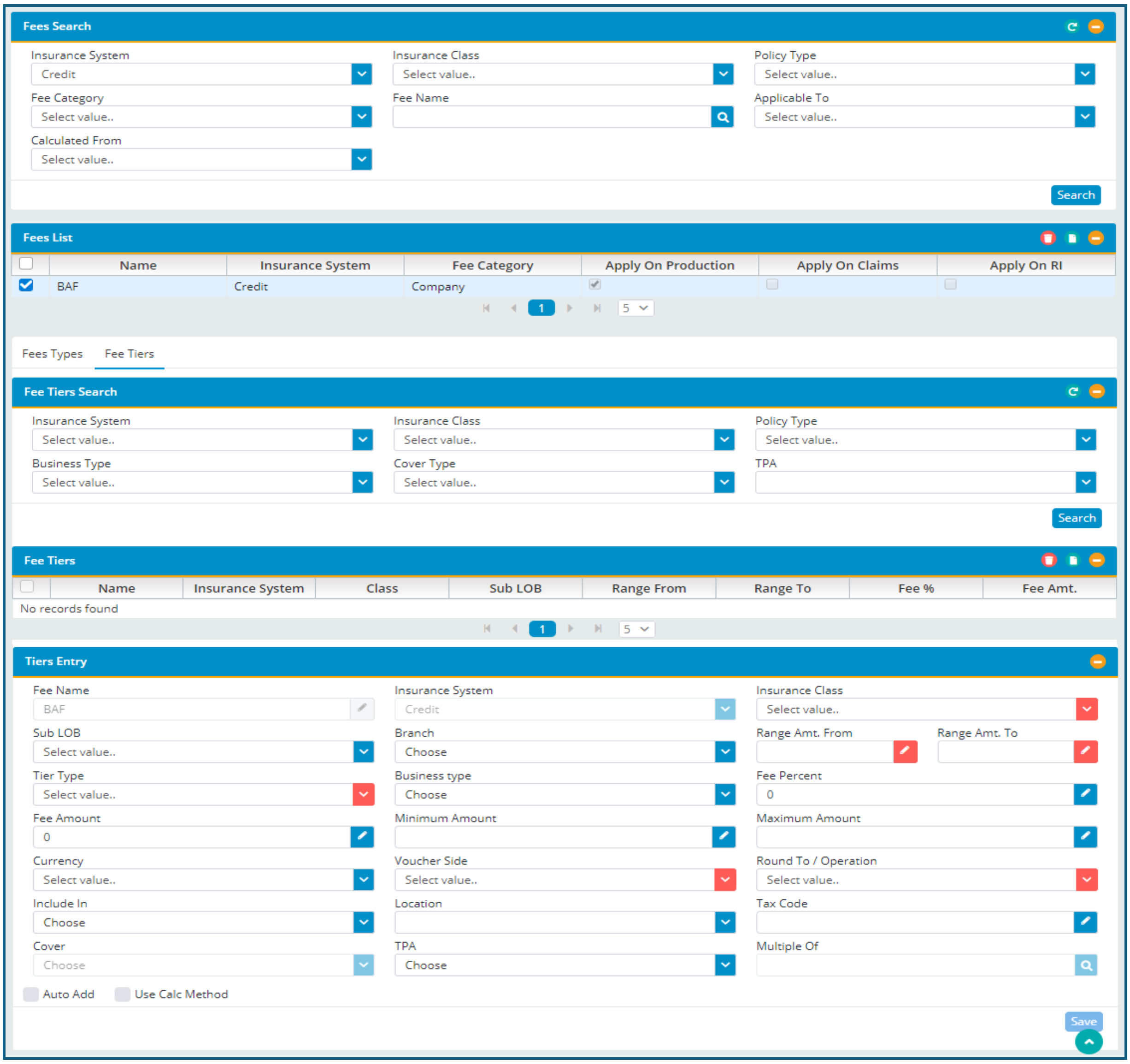

Figure 4-9 (Fees Tiers)

4.9. Discounts

The different discounts which might be offered to the clients based on certain criteria, can be defined either as a certain percentage or flat amount along with the respective discount's order (in case of multiple discounts implementation).

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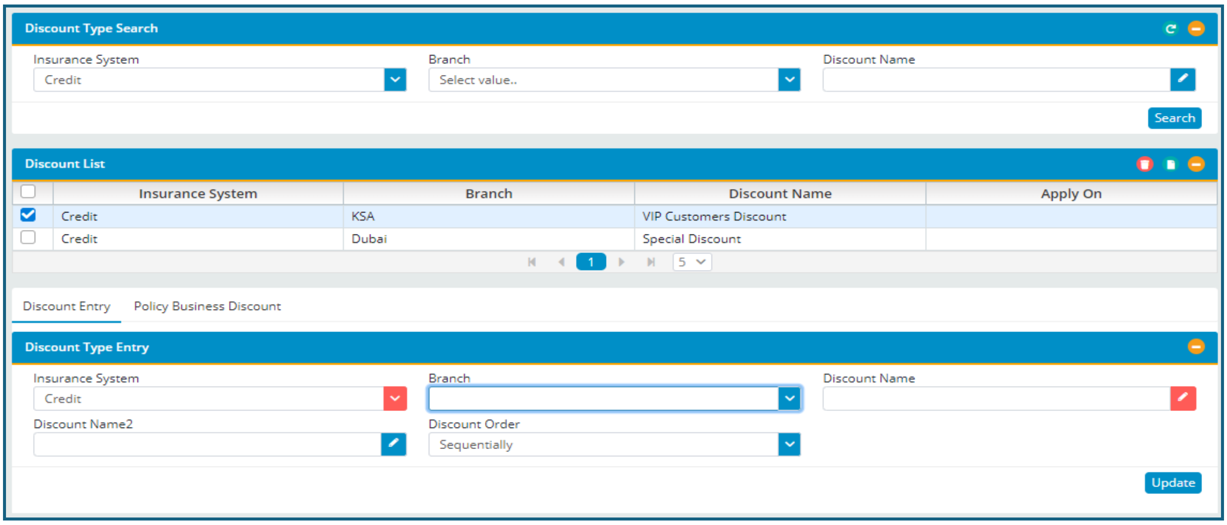

Figure 4-10 (Discount)

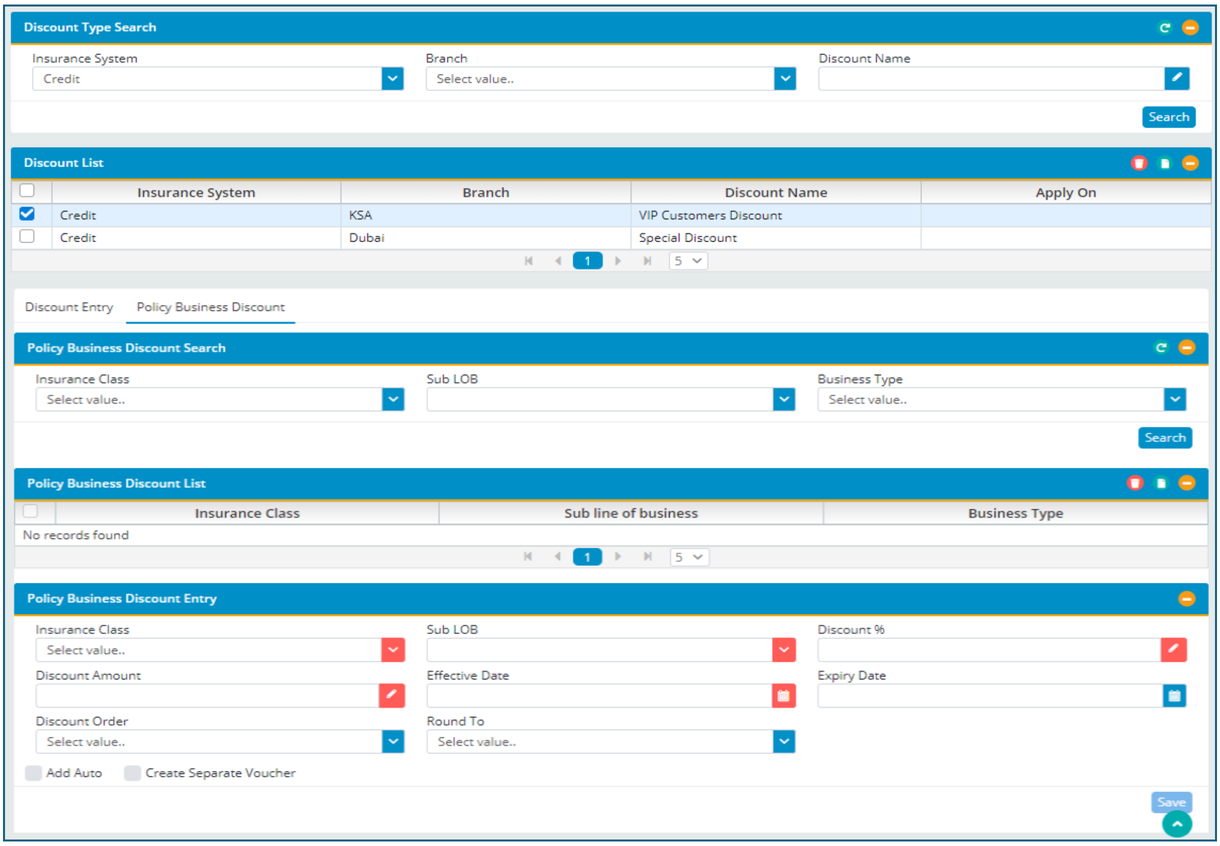

Figure 4-11 (Discounts)

4.10. Documents Groups

The specification of required documents groups per insurance class, policy type and specific business transaction is facilitated. A specific document group contains the required documents' list for the various transactions and phases e.g. NBI, enquiry, application, preliminary application, policy, notification of probable loss etc that will be validated upon processing.

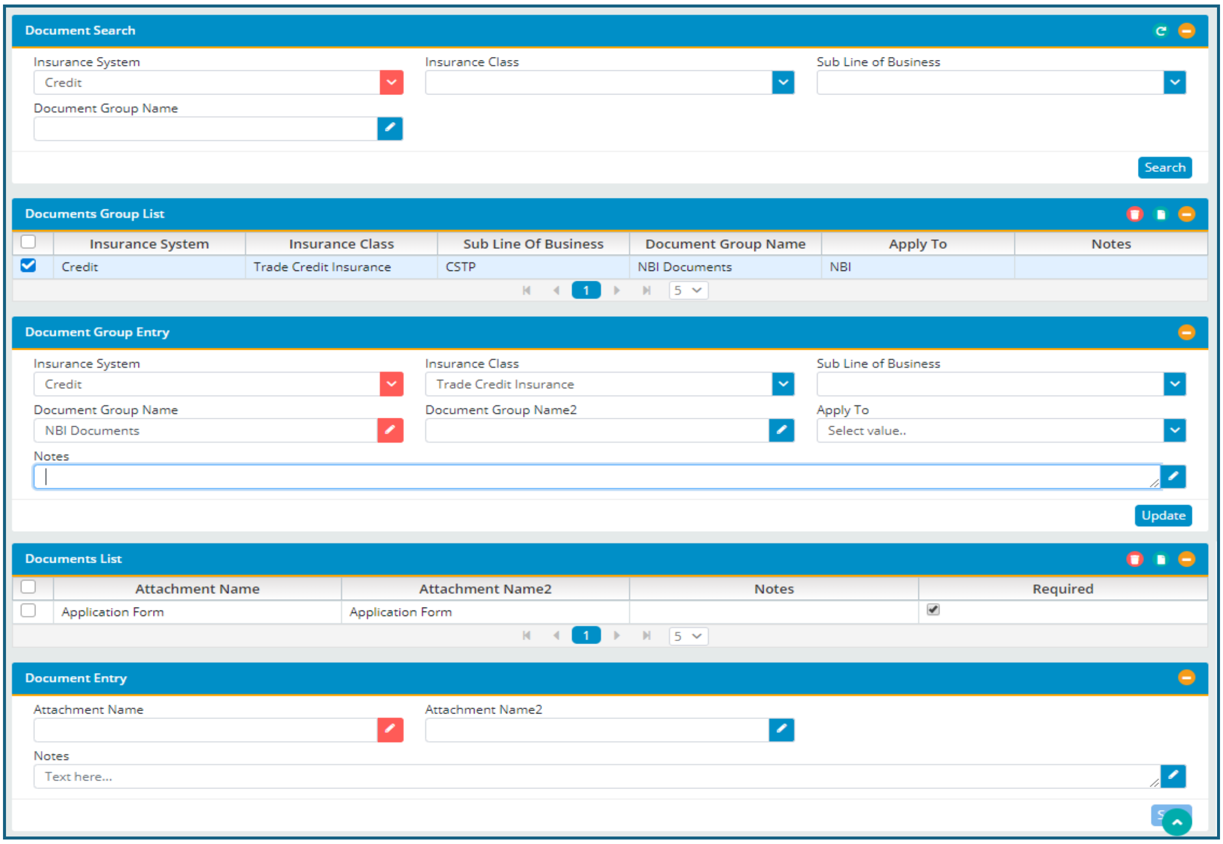

Figure 4-12 (Document Groups)

4.11. Financial Accounts

The financial accounts to which premiums, commissions, discounts, fees, claim transactions and payments will be directed in **ESKA® Business Manager,** are defined for the insurance classes and policy types with the possibility to copy accounts from a branch (office) to another, bind or search for accounts. Some of the applicable transaction types according to which financial transactions (vouchers) will be created and generated are as following:

- Premium Invoice
- Commission Voucher
- Inward Commission Voucher
- NPL Voucher
- Claim Reserve Voucher
- Claim Payment Voucher
- Claim Expected Recovery Voucher
- Claim Recovery Voucher
- Fronting Fees
- Reinsurance Premium Vouchers (treaty and facultative)

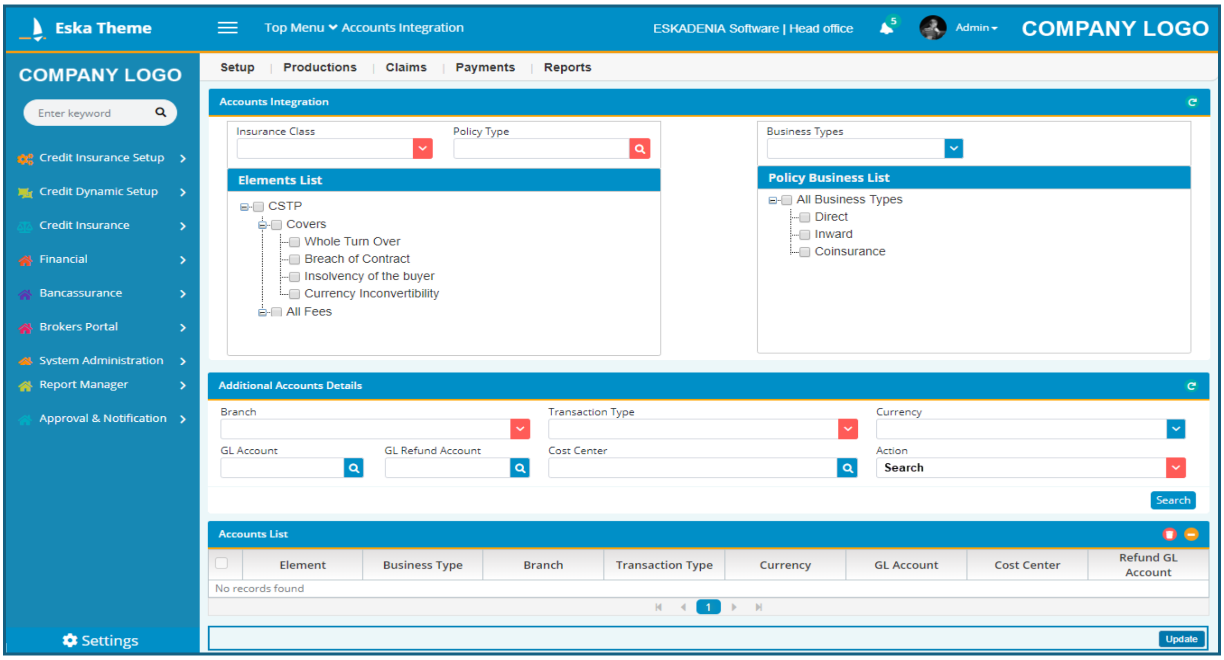

Figure 4-13 (Accounts Integration - Search)

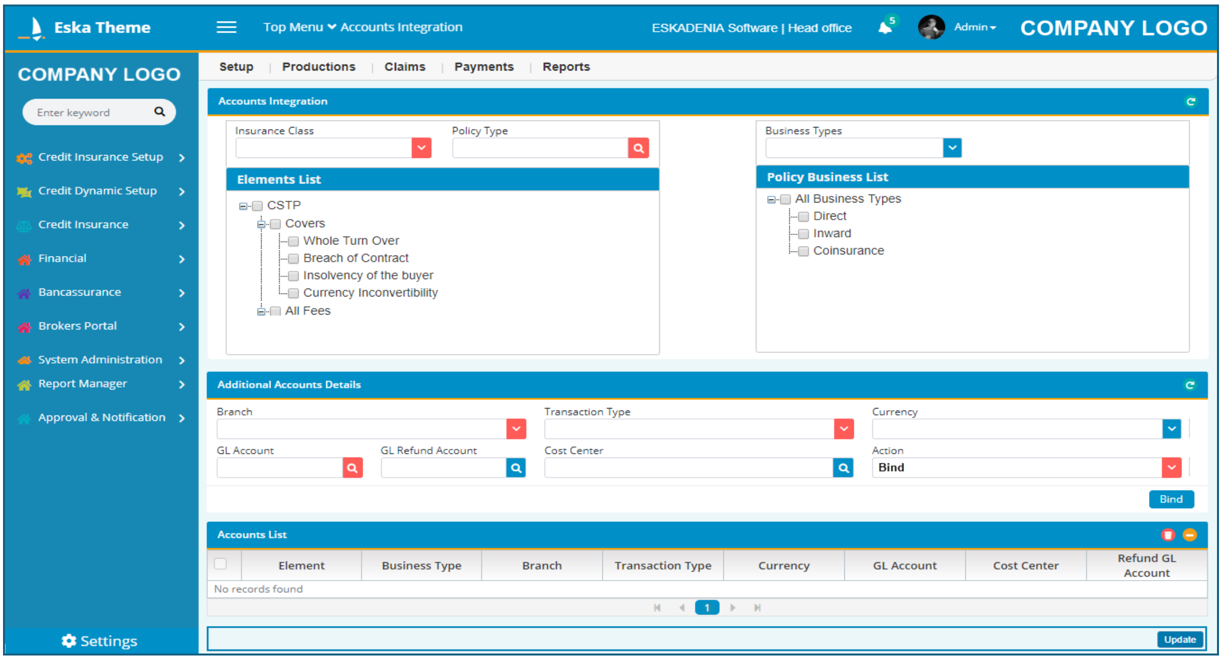

Figure 4-14 (Accounts Integration - Bind)

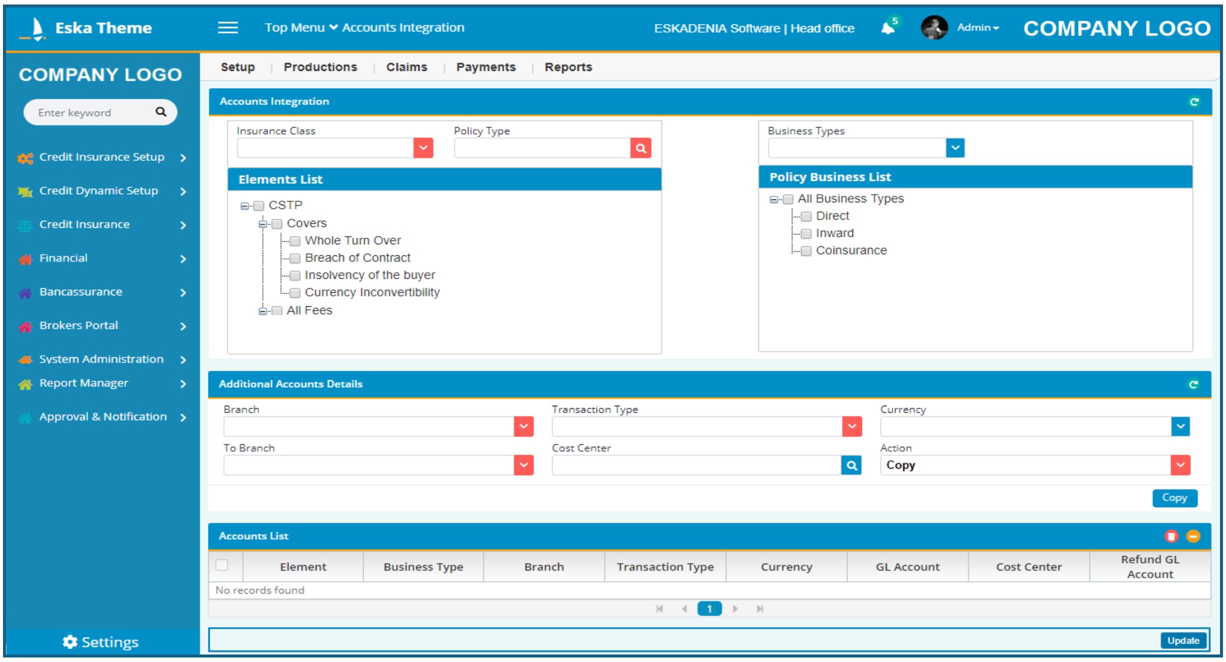

Figure 4-15 (Accounts Integration - Copy)

4.12. Serials & Segmentation

Serialization and segmentation of policyholders, banks, buyers, brokers, NBIs, enquiries, applications, preliminary applications, policies, NPLs and claims can be dynamically controlled via the system, providing both automatic serials' generation and manual entry alternatives as per business needs based on the combination of a variety of criteria such as branch, insurance class, policy type, country etc. whereby specification of serialization term (yearly, monthly, daily or default) can be also controlled e.g. BMP-SAU-00001, BNK-SAU-00006 etc.

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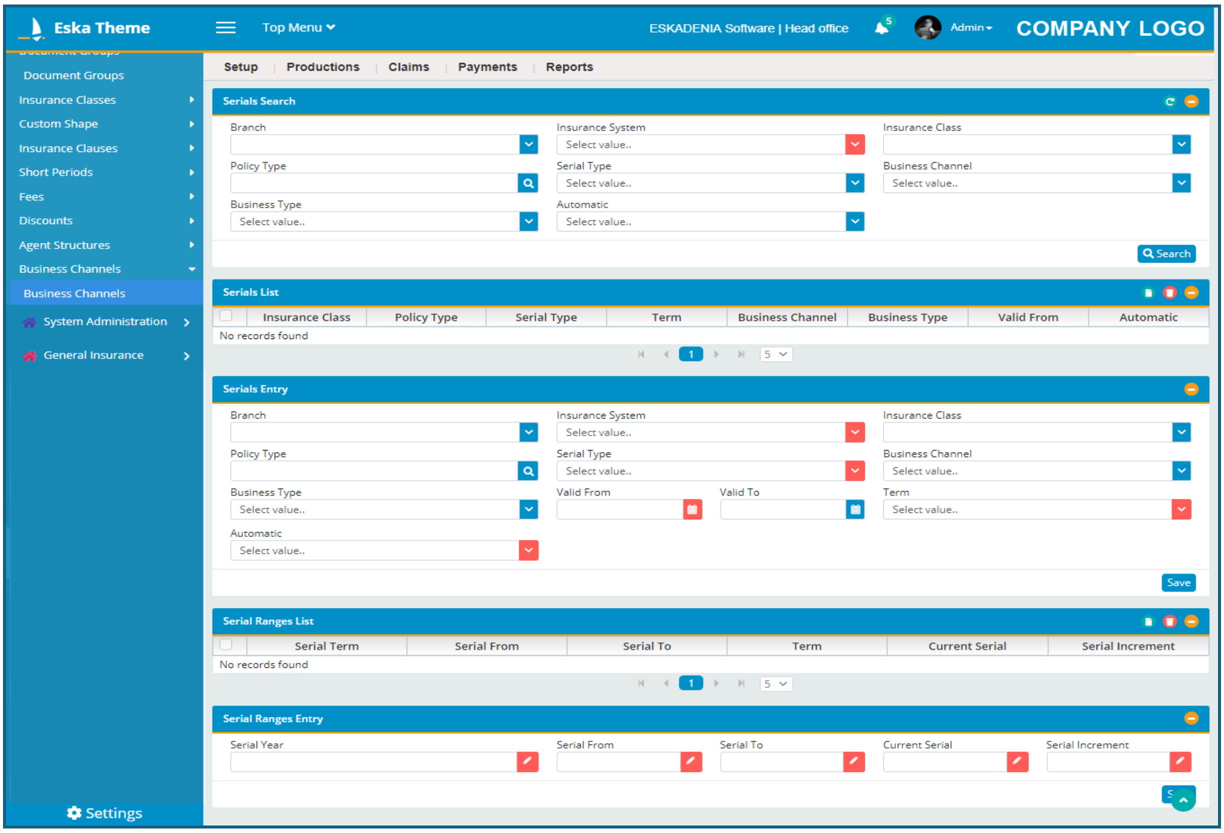

Figure 4-16 (Serialization - Yearly)

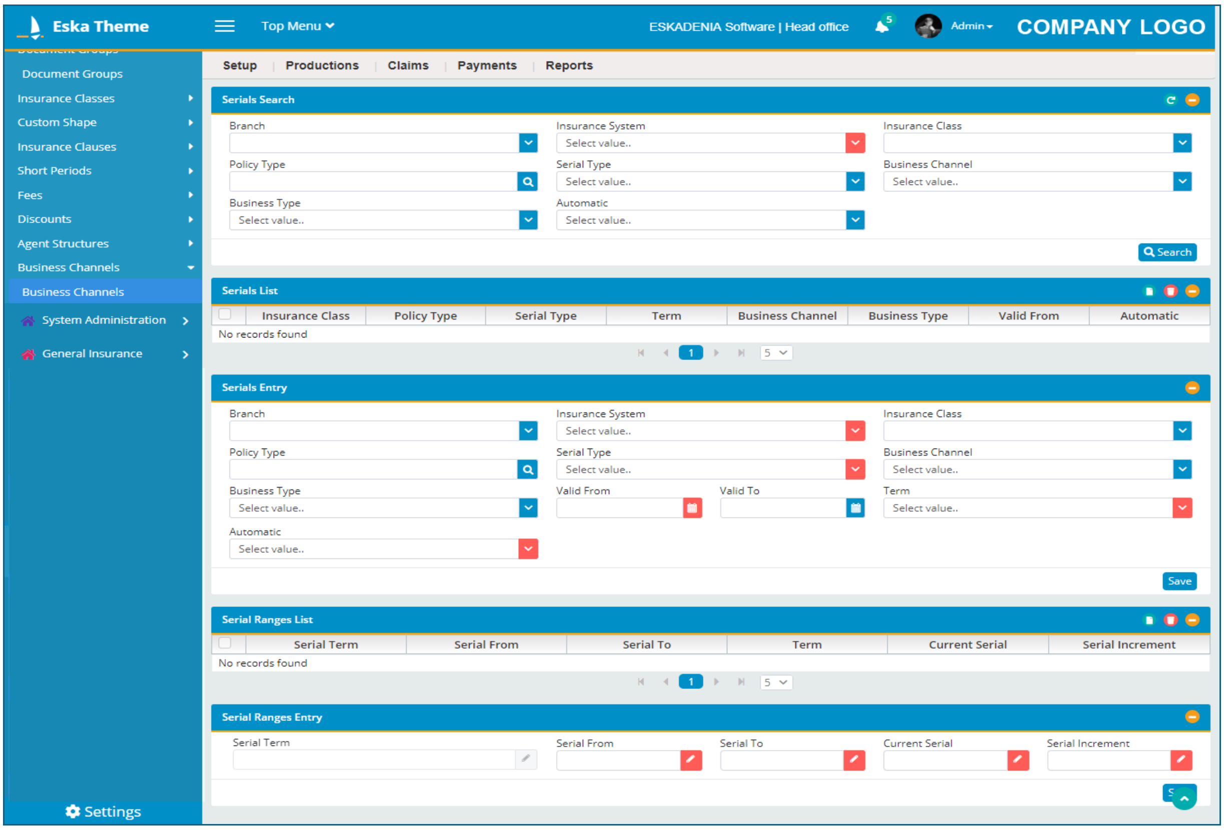

Figure 4-17 (Serialization - Default)

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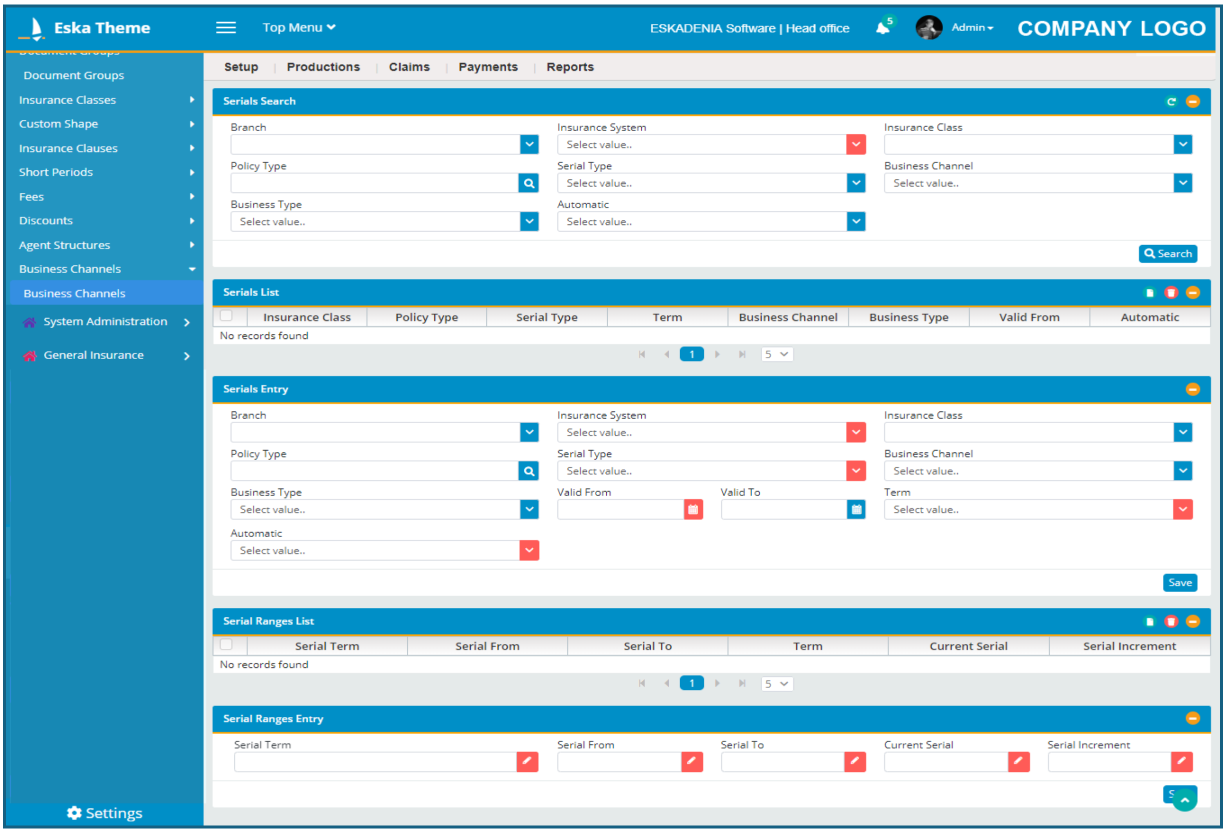

Figure 4-18 (Serialization - Daily)

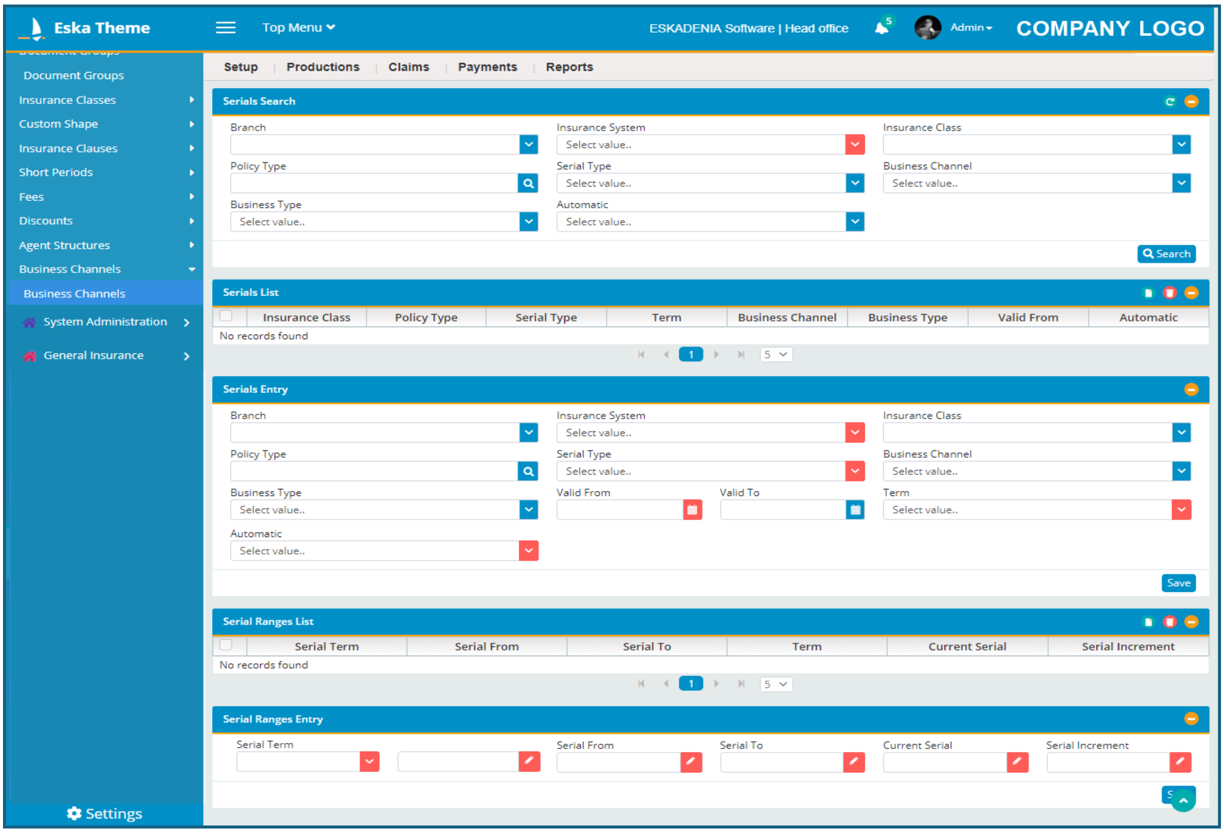

Figure 4-19 (Serialization - Monthly)

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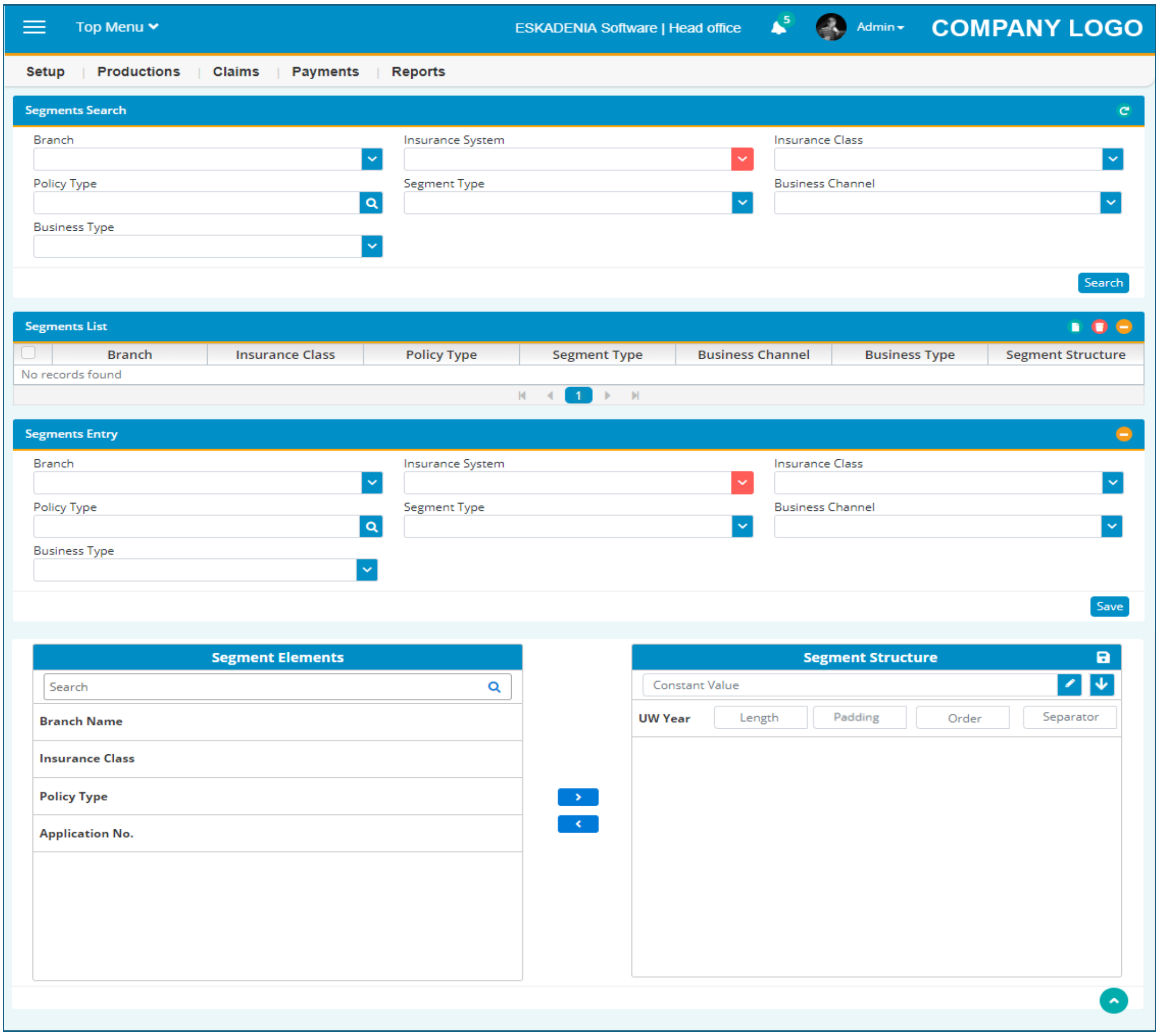

Figure 4-20 (Segmentation)

4.13. General Codes

General Codes is a flexible feature which offers the ability to specify and differentiate certain options, conditions and system behaviour according to applied criteria e.g. drop-down structured list of options can be easily maintained by administrators and dynamically adjusted as with reference to business needs. For example, statuses and stages according to which control will be applied to the various documents (NBI, enquiry, application, preliminary application, policy and endorsement) such as:

- NBI status
  - Registration
  - Under Processing
  - Approved
  - Declined
  - Cancelled

- NBI stage
  - Data Entry

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- Pending - Clearance
- Pending - Additional Info.
- Pending - Data Adjustment
- Pending - Missing Documents
- Pending – KYC Clearance
- Approved
- Declined
- Cancelled

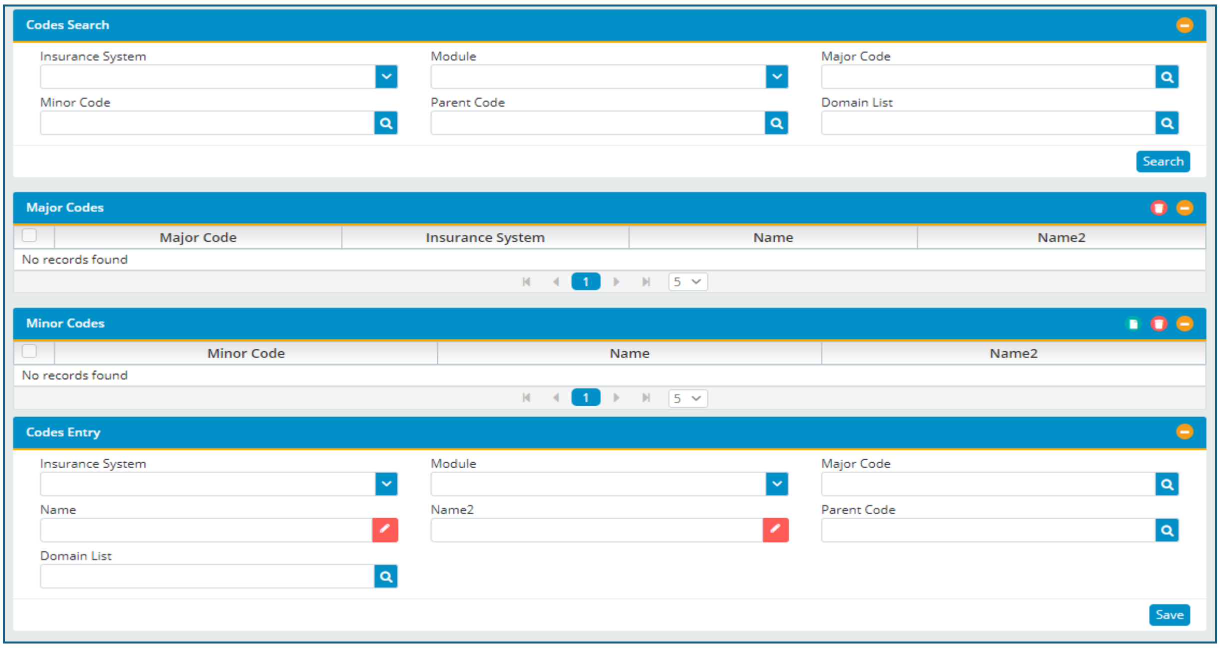

Figure 4-21 (General Codes)

4.14. Parameters Management

Preferences page is utilized to add additional flexibility through the definition and set of pre-determined configurations that are subject to differ from one insurance class and policy type to another containing all the necessary global preferences that will be used bearing in mind that the parameters are mainly managed and maintained by ESKADENIA technical team or ICIEC IT team to fulfil customers' needs.

P.S. The below is a new requirement request by ICIEC on 27.01.2020

In order to implement be control on maximum domestic business which can be underwritten by ICIEC (max 10% of any insurance policy), a new parameter has been introduced (Max. Domestic Business) with the ability to have the percentage dynamically set.

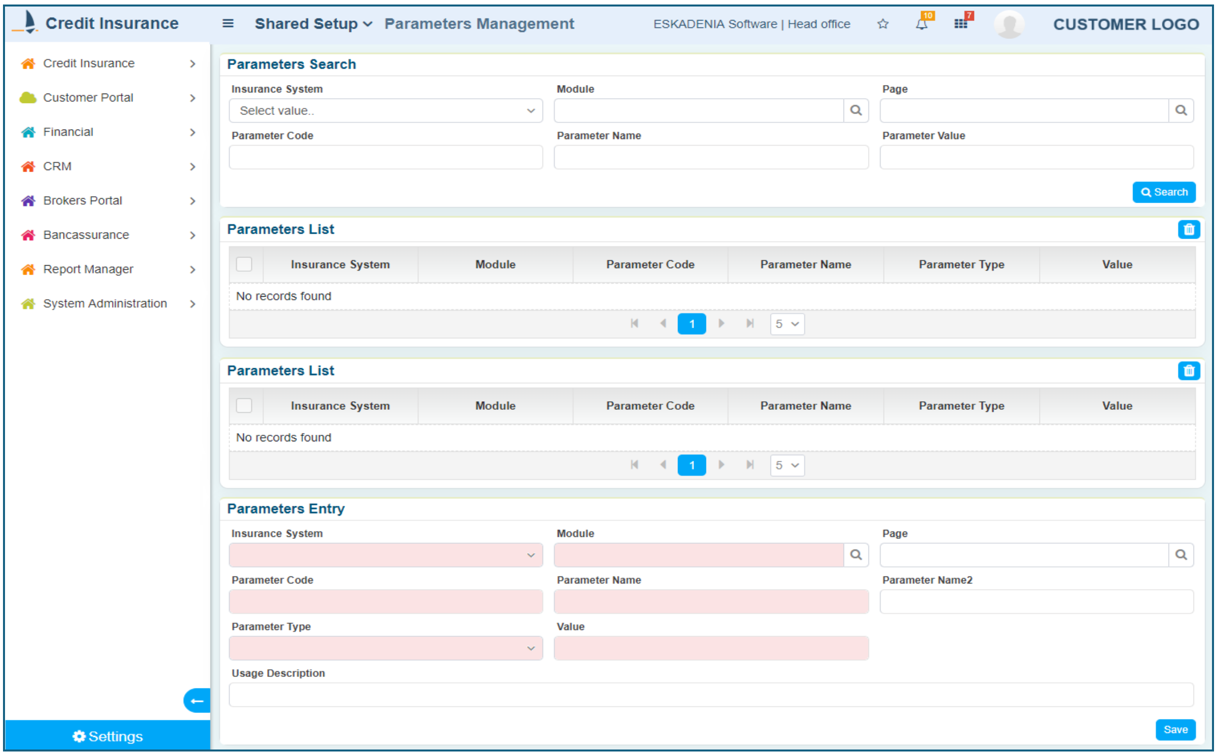

Figure 4-22 (Parameters Management)

4.15. Closing Periods

Certain periods can be closed prohibiting any further transaction and posting for reconciliation purposes between technical and financial departments as with reference to the transaction effective date and UW year. Such periods can be applied on the whole operations or bound to a specific department's/ or sections e.g. production, claims, reinsurance etc. and branches (offices) combinations to prevent and control any transaction processing.

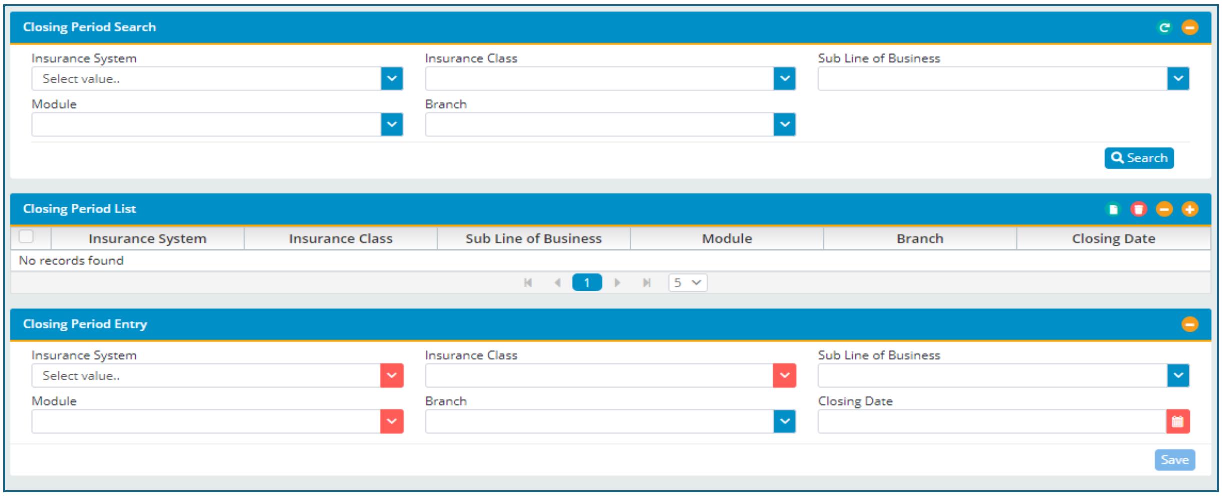

Figure 4-23 (Closing Periods)

4.16. Sectors

The Global Industry Classification Standard structure which consists of several sectors and sub-sectors can be dynamically defined and maintained. Furthermore, it can be utilized to analyse trends, perform analyses and generate statistics within sectors. At application stage, sectors and sub-sectors will be derived from setup configuration and specified per transaction.

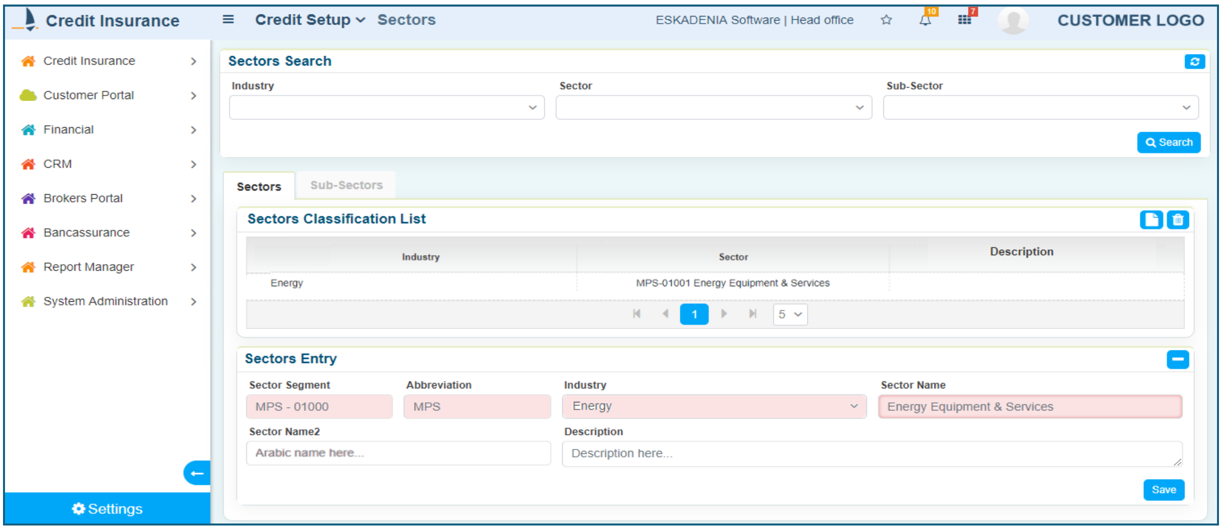

Figure 4-24 (Industry Sectors)

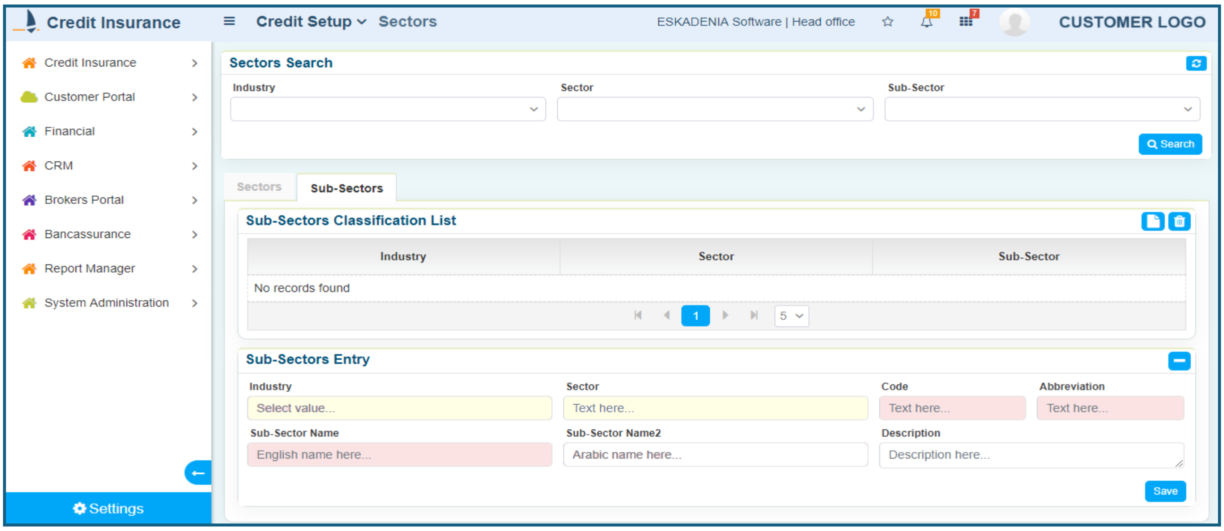

Figure 4-25 (Industry Sub-Sectors)

4.17. Authority Matrix

The documentation of the **Delegation of Authority Matrix** is a key requirement of the internal control in business entities as it defines the financial and administrative responsibilities and authorities delegated to the officers in charge of approving the decisions and transactions within business entities. Delegation of authority functionality caters to multiple level of approvals and processes, with full record of the approving authority and decision details throughout the various transactions' assessment, processing and verification such as OCL, ICL, discounts, loading etc.

Last but not least, it facilitates the initiation and modification of associated workflows with the various insurance products that drives origination and the decisions required to process and finalize transactions. This includes associating user interaction throughout the phases and roles involved in the business process with the possibility to apply multiple authorities to a single staff or single staff's authority transfer to multiple staff based on zone.

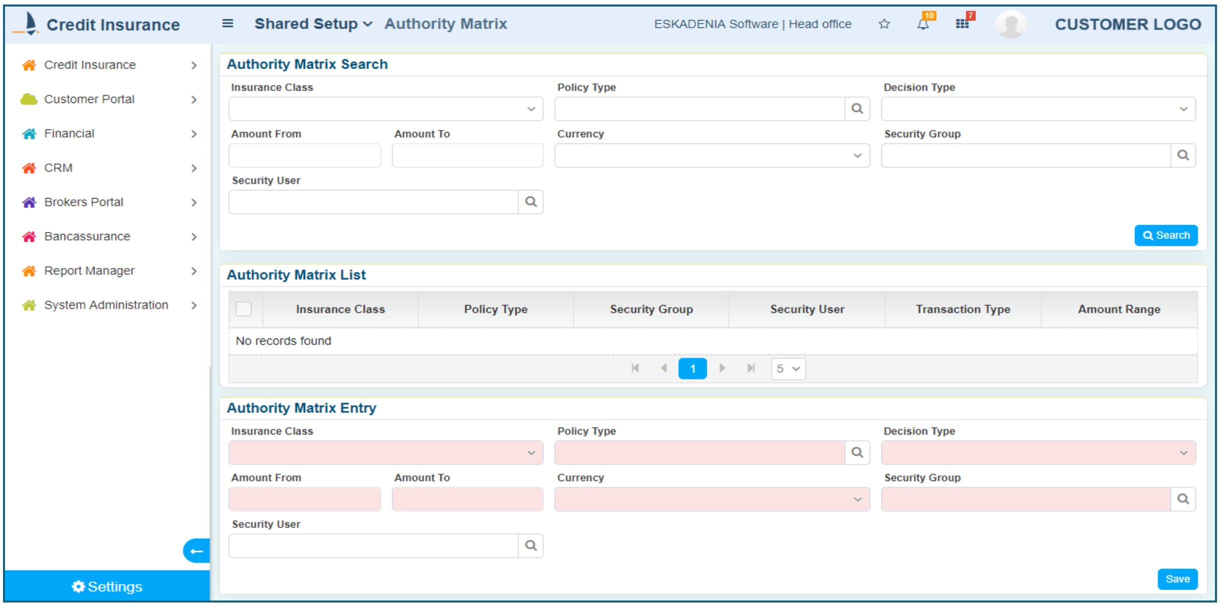

Figure 4-26 (Authority Matrix)

4.18. Questionnaires

Dynamic and engaging questionnaires' templates can be structured and defined, serving different purposes to deliver more accurate data per insurance class and policy type. A set of questions, answers and subsequent driven actions can be flexibly defined and will be automatically retrieved at **Production** or **Claims** module (if applicable) covering various areas throughout the system such as the process of obtaining the insurance eligibility verification of a policyholder based on the risks covered (e.g. sovereign, bank, corporate etc.) to ensure that they fulfil certain criteria according to services being provided; accordingly, risk exposure and appeals can be minimized and payments are expedited at the appropriate rates. Furthermore, questionnaires related to applicant experience and credit procedures can also be covered and fulfilled whereby all filled and answered questionnaires can be uploaded and saved in the system for future reference.

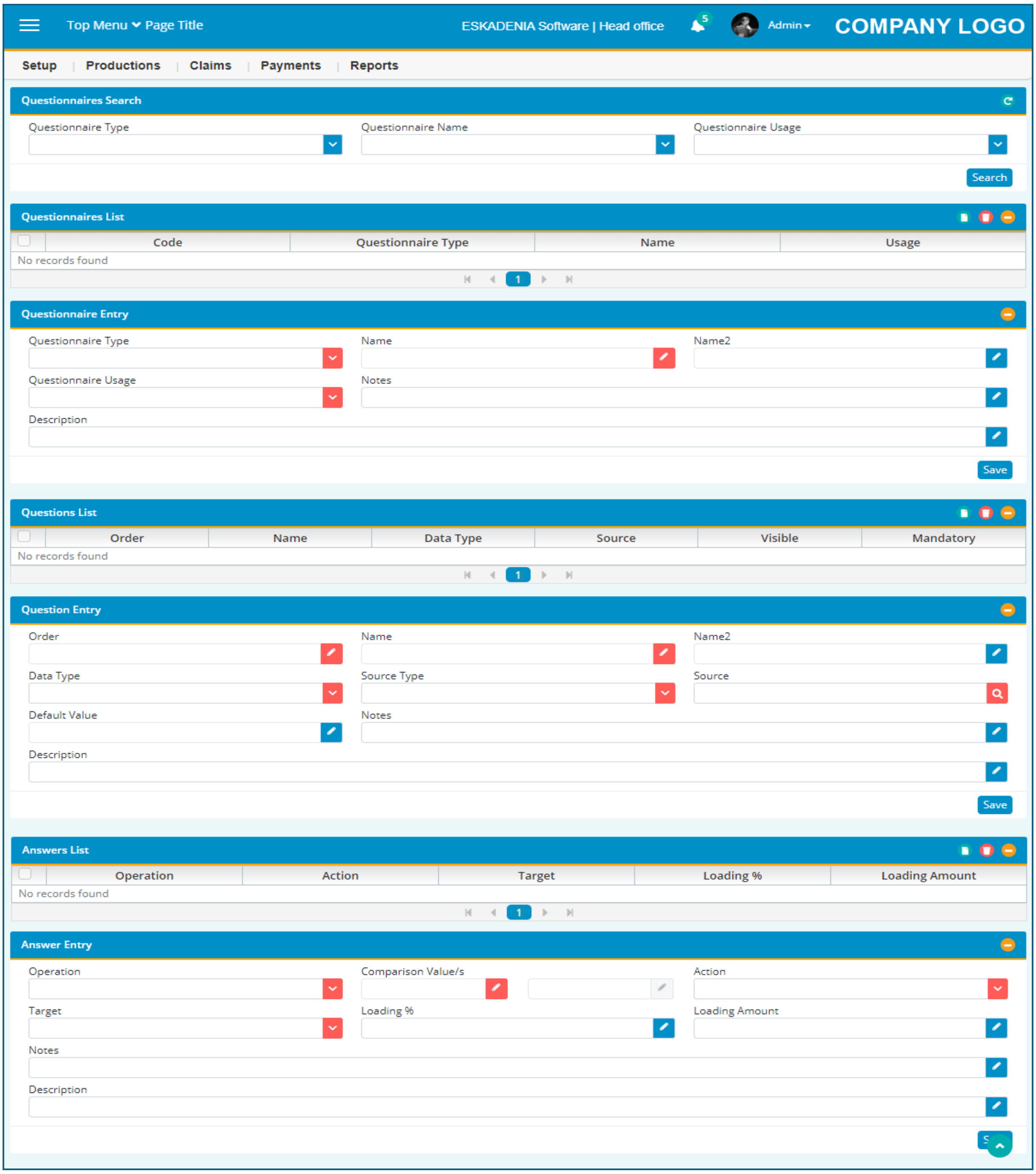

Figure 4-27 (Questionnaires)

4.19. Data Security

Data security is a key requirement of the internal control as it defines authorities delegated to security user groups or users who are authenticated to access certain insurance classes and/or policy types combinations whereby they will not be able to access, process or preview details related to the unauthenticated insurance classes and policy types.

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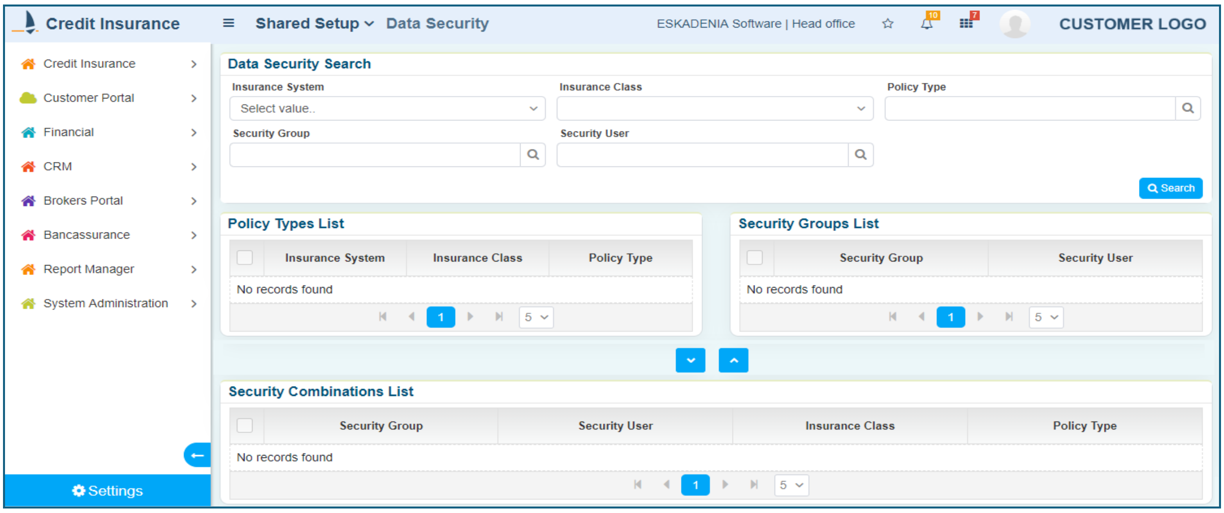

Figure 4-28 (Data Security)

4.20. Internal Rating

The premium methodology for credit insurance business is based on the guiding principles and the variation of several factors and criteria that will be determined at the time of rating definition such as insurance class, policy type, cover, schedule, tenor (in months) and country grade. Moreover, rating tables can be manually defined, copied from existing previously defined rates or bulkily uploaded in the system using pre-defined pre-formatted excel templates in a single transaction.

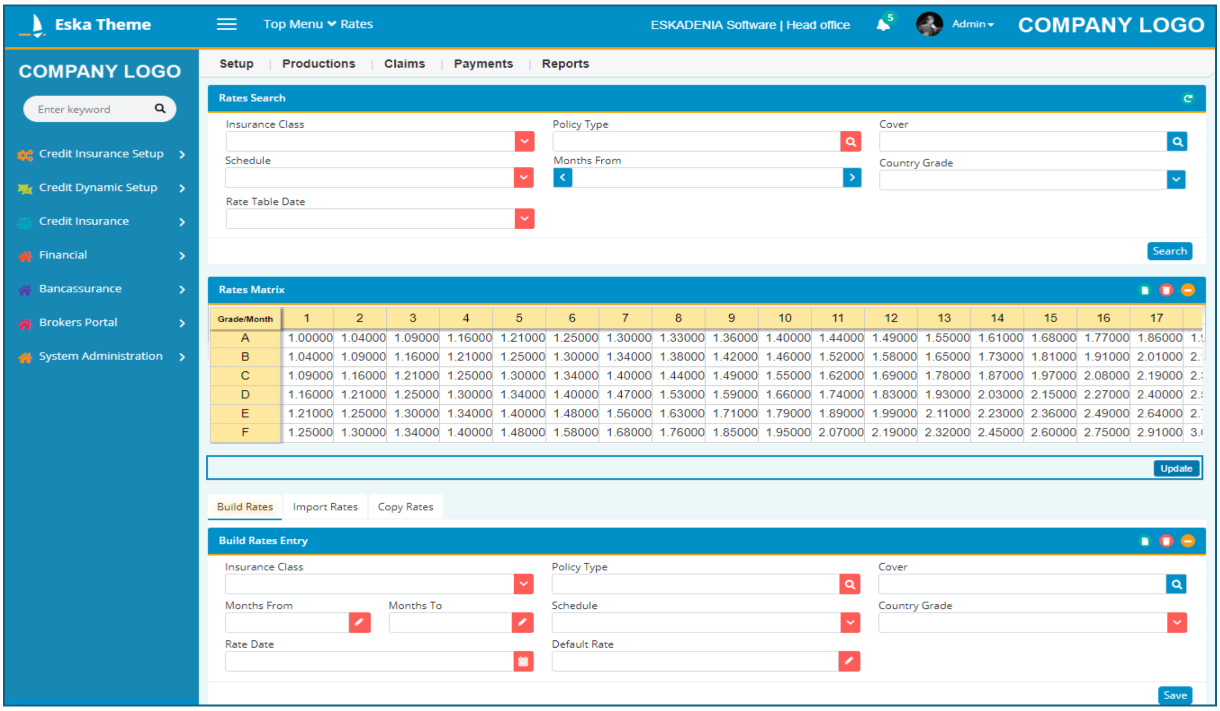

Figure 4-29 (Rating – Search and Build Rates)

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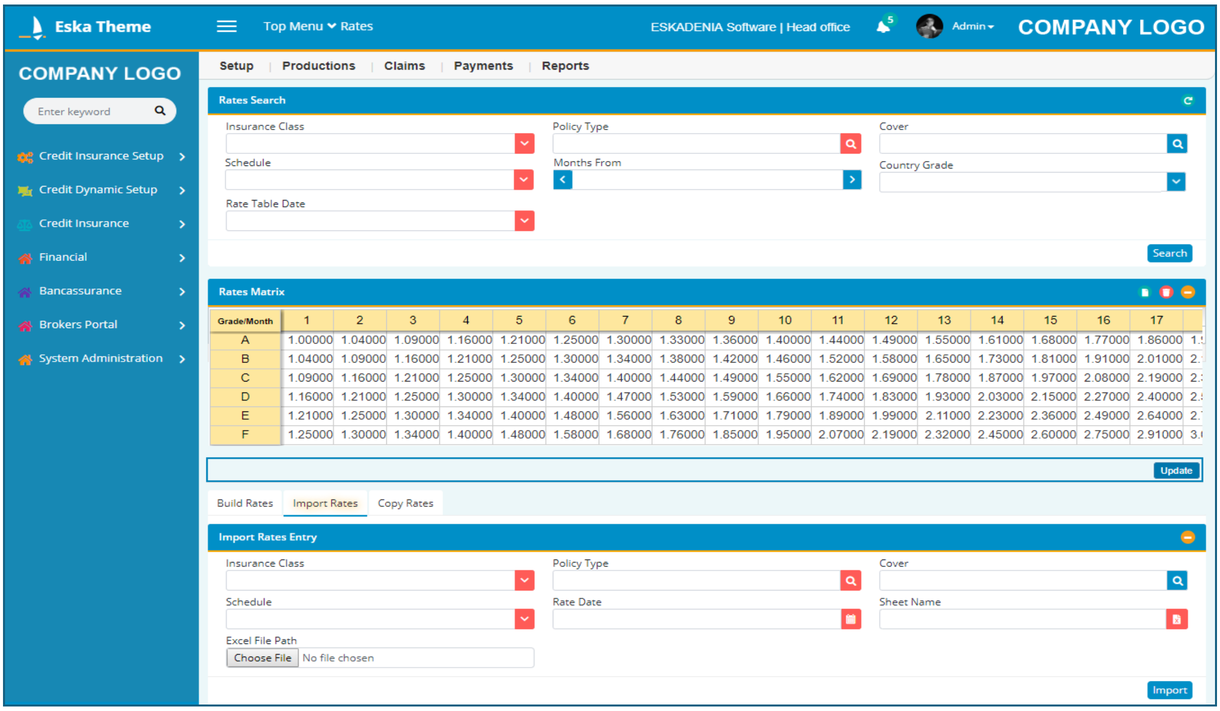

Figure 4-30 (Rating – Import Rates)

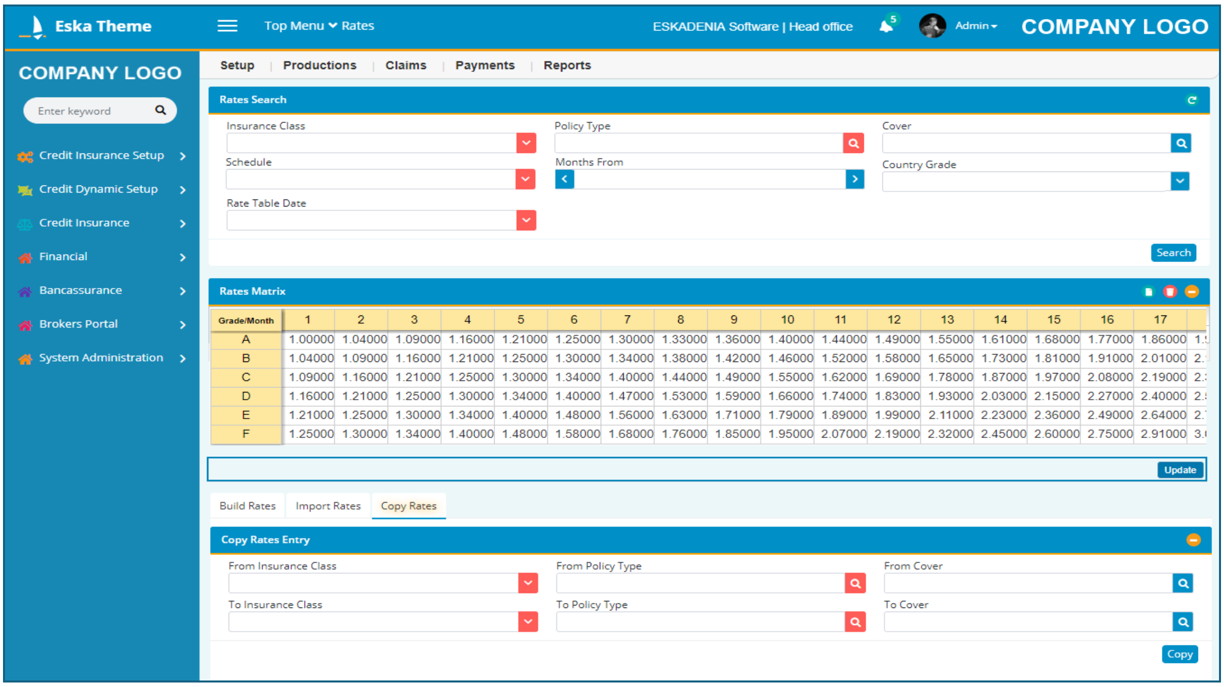

Figure 4-31 (Rating – Copy Rates)

4.21. Business Entities

At any time and as per the granted credentials, personal profiles of the various entities (policyholders, buyers, prospects, brokers, banks, exporters, credit information sources, insurance and reinsurance companies etc.) can be introduced; a time-saving utility during the application process. Moreover, additional details and information can be maintained such as legal status of the entity, contact details and shareholders as per the below screenshots along with

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the possibility to upload and store relevant documents and attachments. Whenever a new potential entity is in the process of registration in ICIEC services to conduct business with, know your customer process occurs as a mandatory prerequisite. KYC process gathers and analyses accurately the background information of the entity in terms of trust worthy, credit bureau, financial data, industry, sector, market and country economic data to mitigate risks and avoid losses that might result by unreliable customers. KYC process searches for any criminal background such as money laundering, fraud, or international sanctions through direct and automatic integration with international catalysts and various external data sources providing the facility to archive and store the derived reports. Upon decision conclusion, either with approval or rejection, automatic notifications are delivered to all stakeholders bearing in mind that any sort of transaction is suspended until the particular entity is KYC cleared.

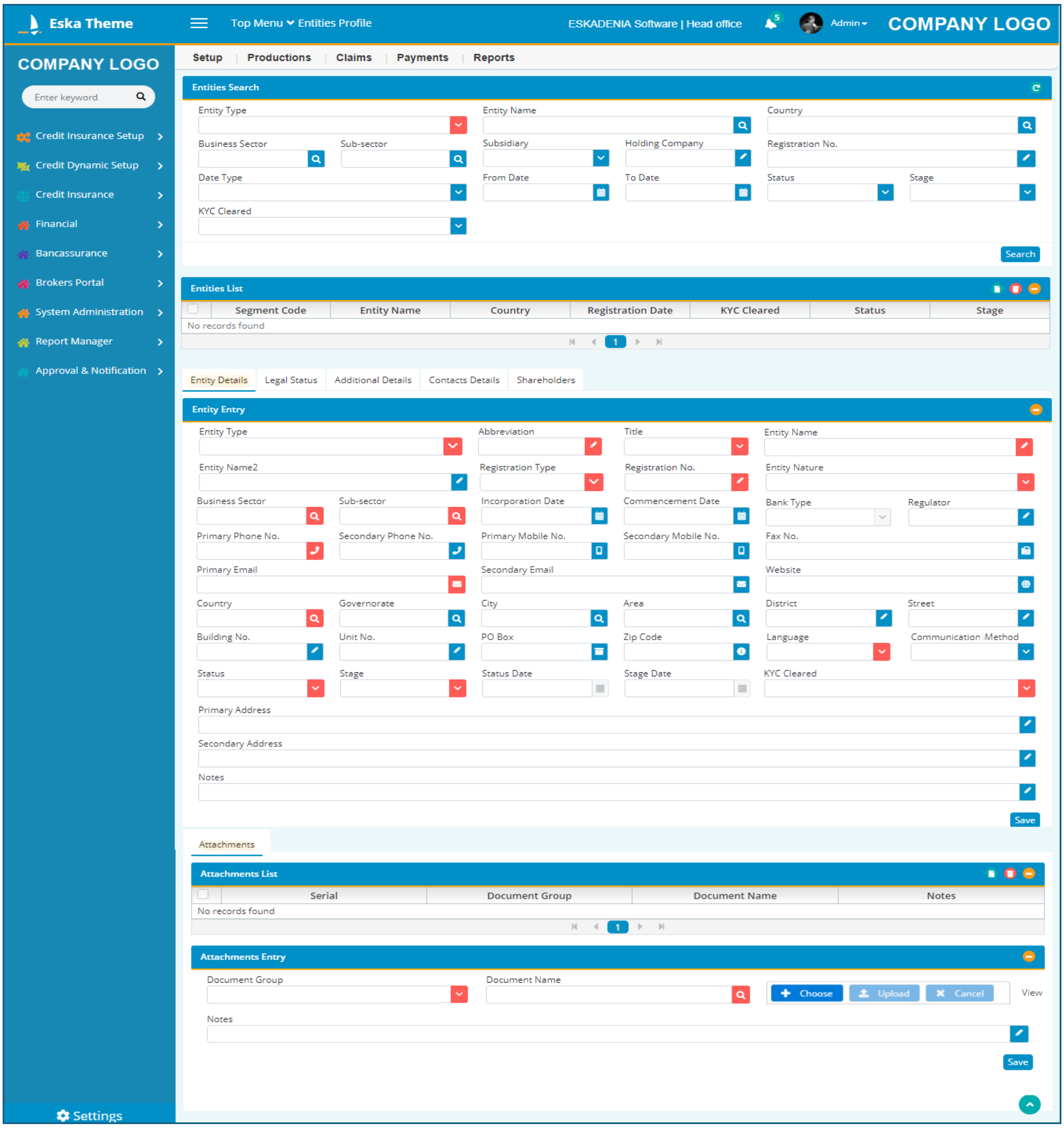

Figure 4-32 (Entities Details)

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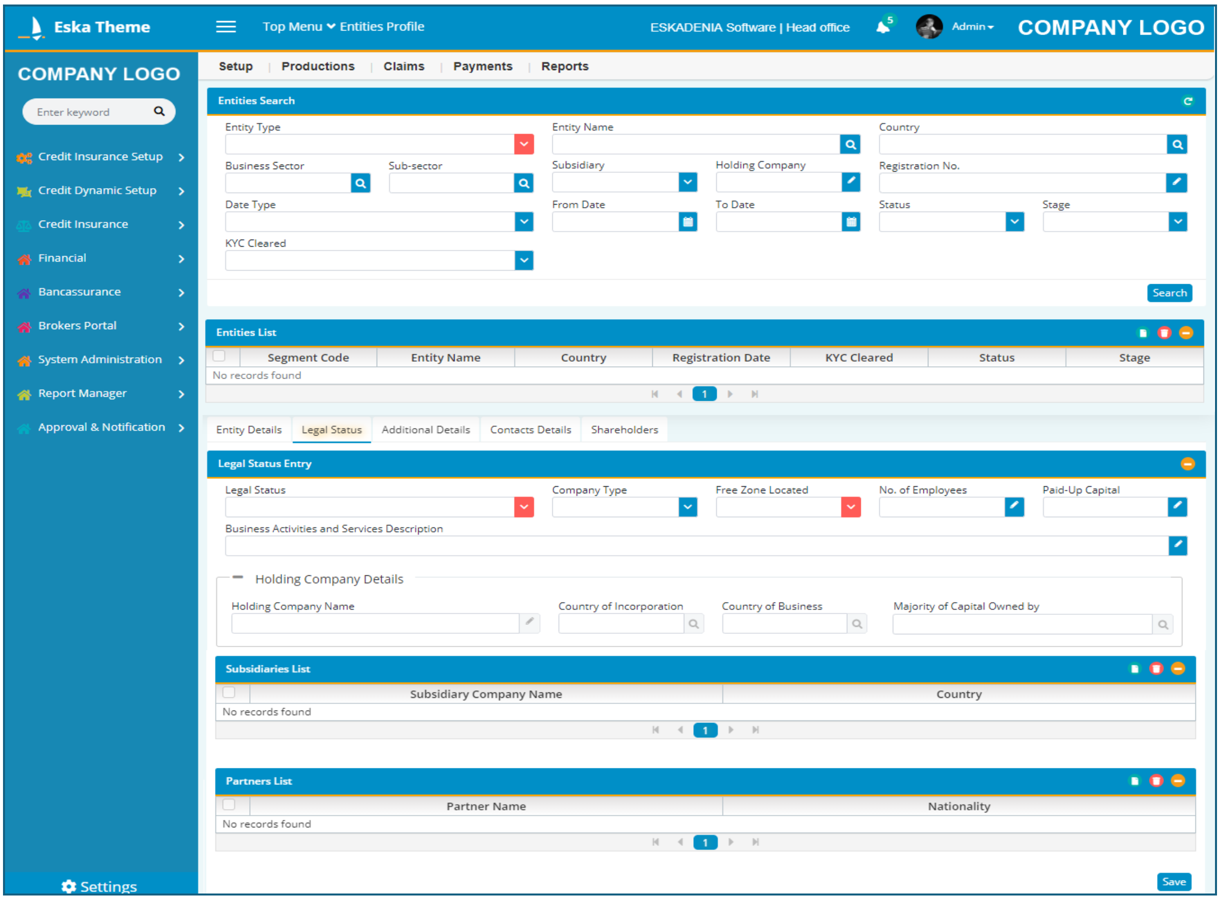

Figure 4-33 (Legal Status)

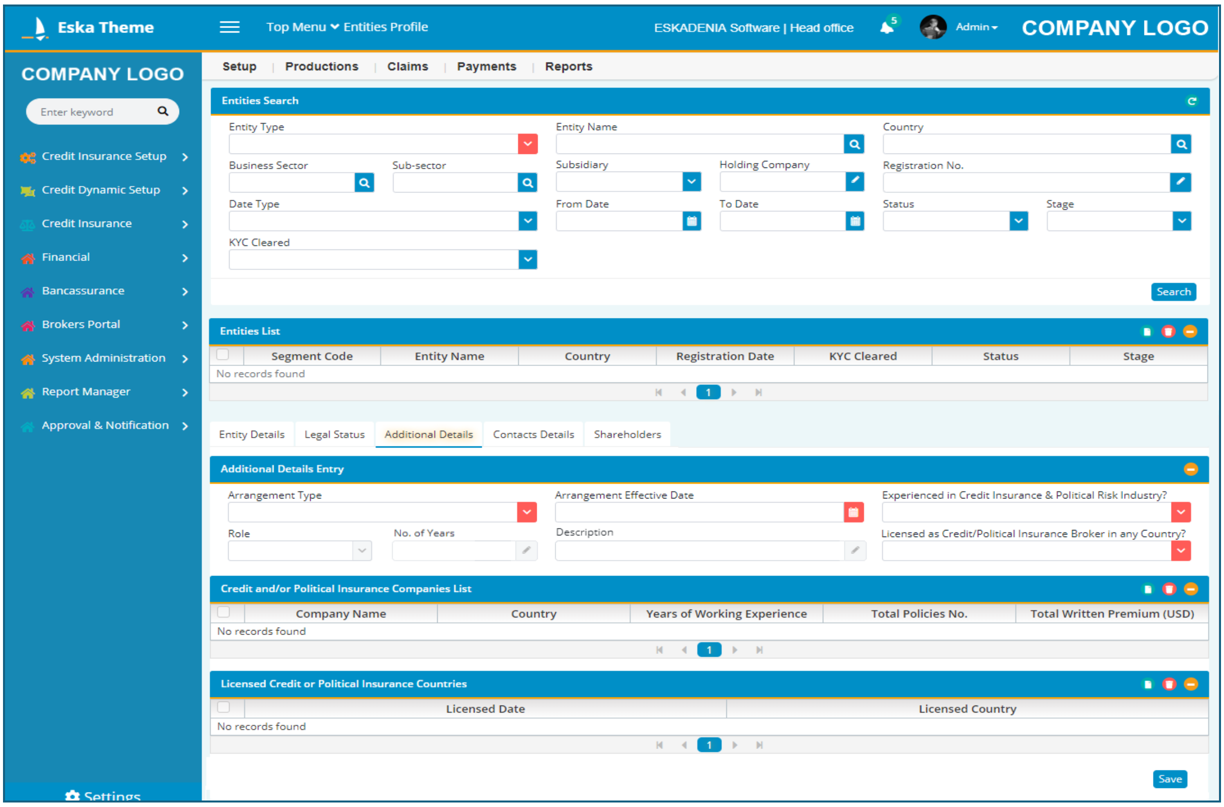

Figure 4-34 (Additional Details - Broker)

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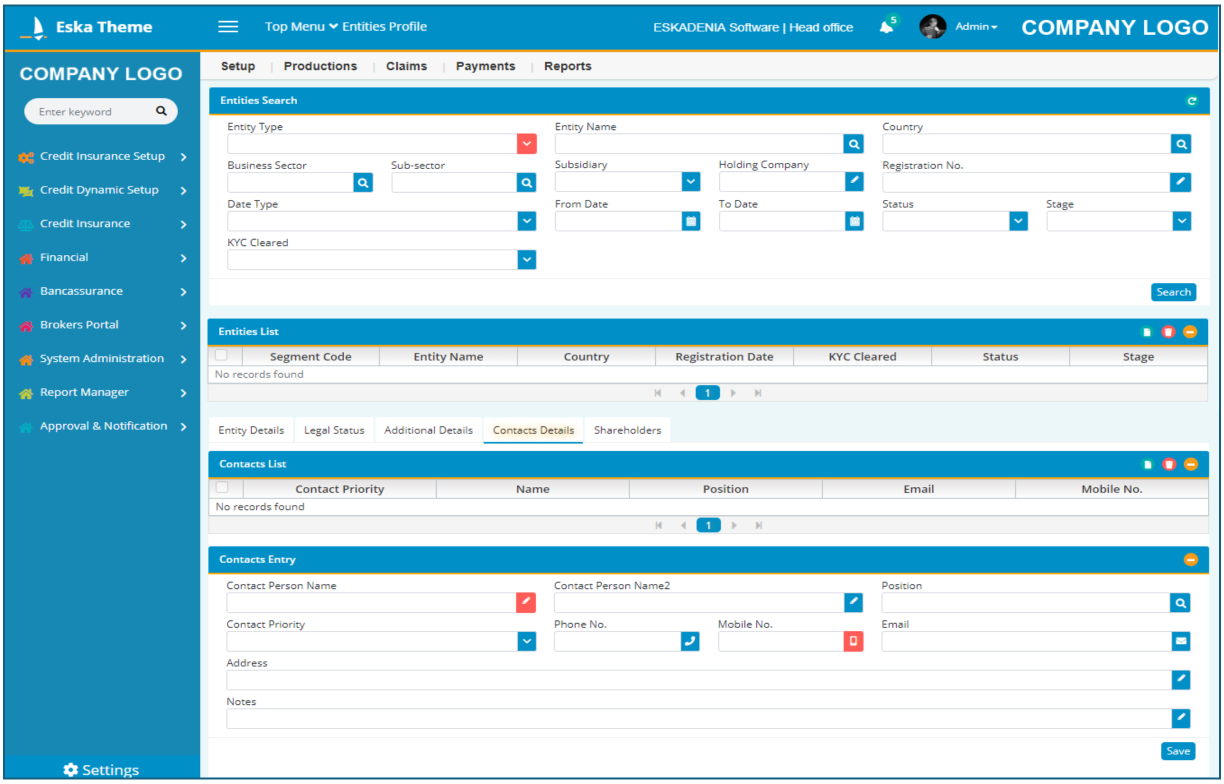

Figure 4-35 (Contacts Details)

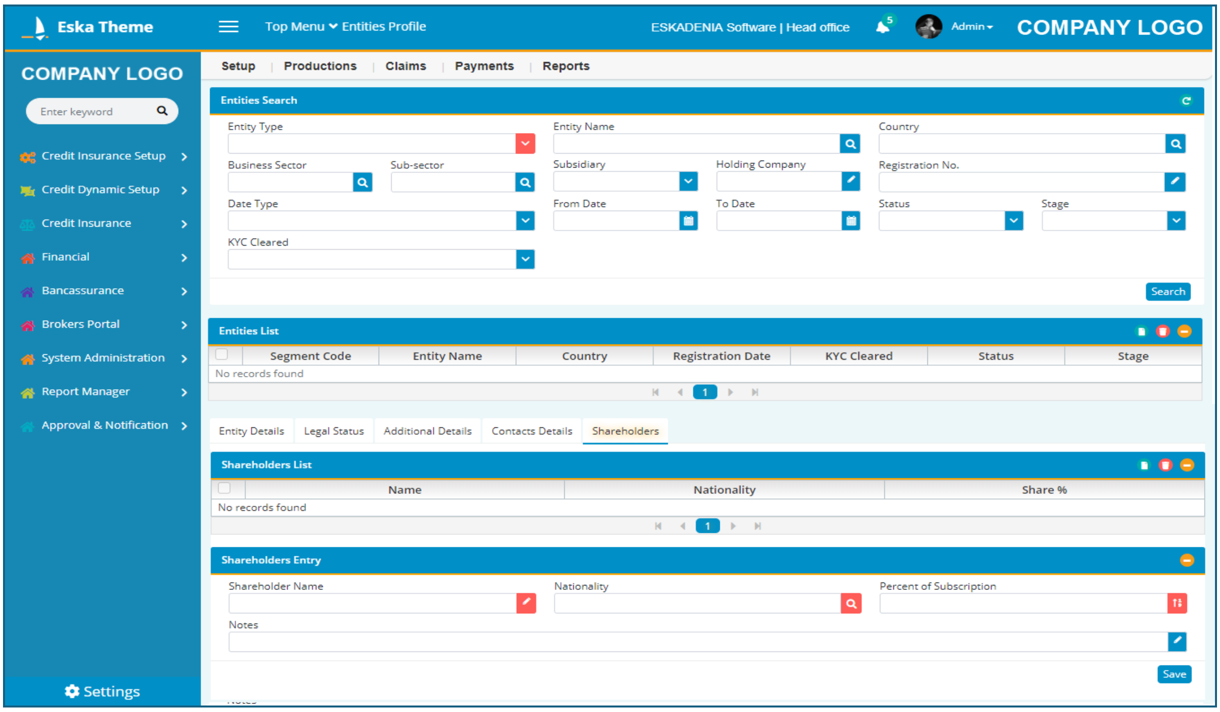

Figure 4-36 (Shareholders)

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4.22. Credit Information Sources

Know your customer process occurs every time a new potential entity is in the process of registration or even conducting business with ICIEC. Therefore, communication with third parties' which gather and analyse accurately the background information of the entity occurs. Details gathered and analysed include but are not limited to trust worthy, credit bureau, financial data, industry, sector, market and country economic data; this will help to mitigate risks and avoid losses providing recommendations and conclusions about the particular entities. These requests (in addition to credit limit application reference for which service was requested, limit requested and limit approved) and relevant reports (results) are registered and stored for future reference and for integration purposes with the Financial entity in order to properly track all expenses. Moreover, facility to save contracts and relevant details between ICIEC and the various credit information sources for covered countries, cost per country and priority is provided.

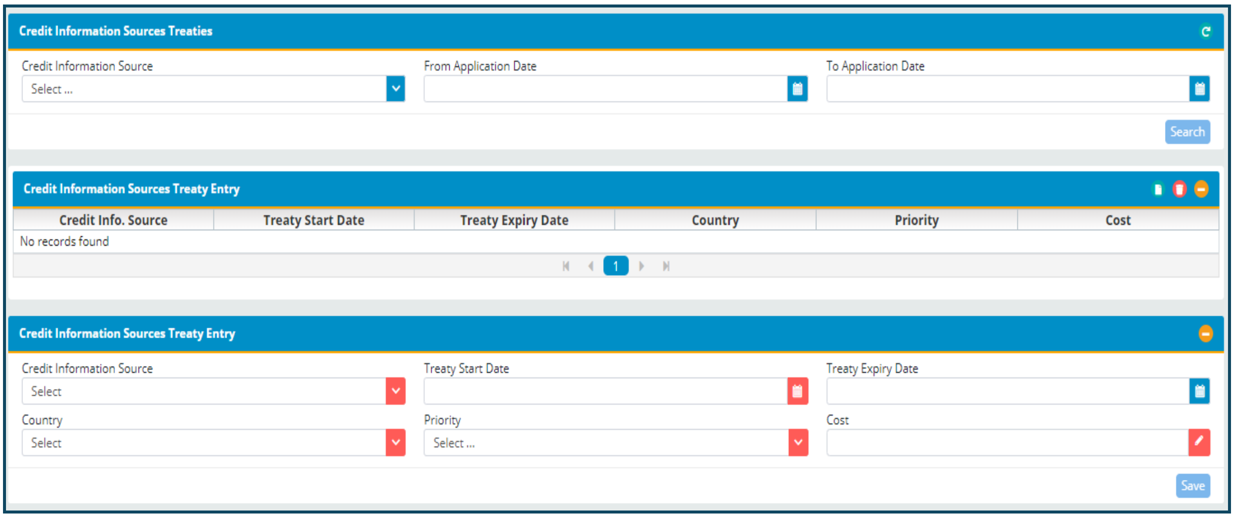

Figure 4-42 (Credit Information Sources)

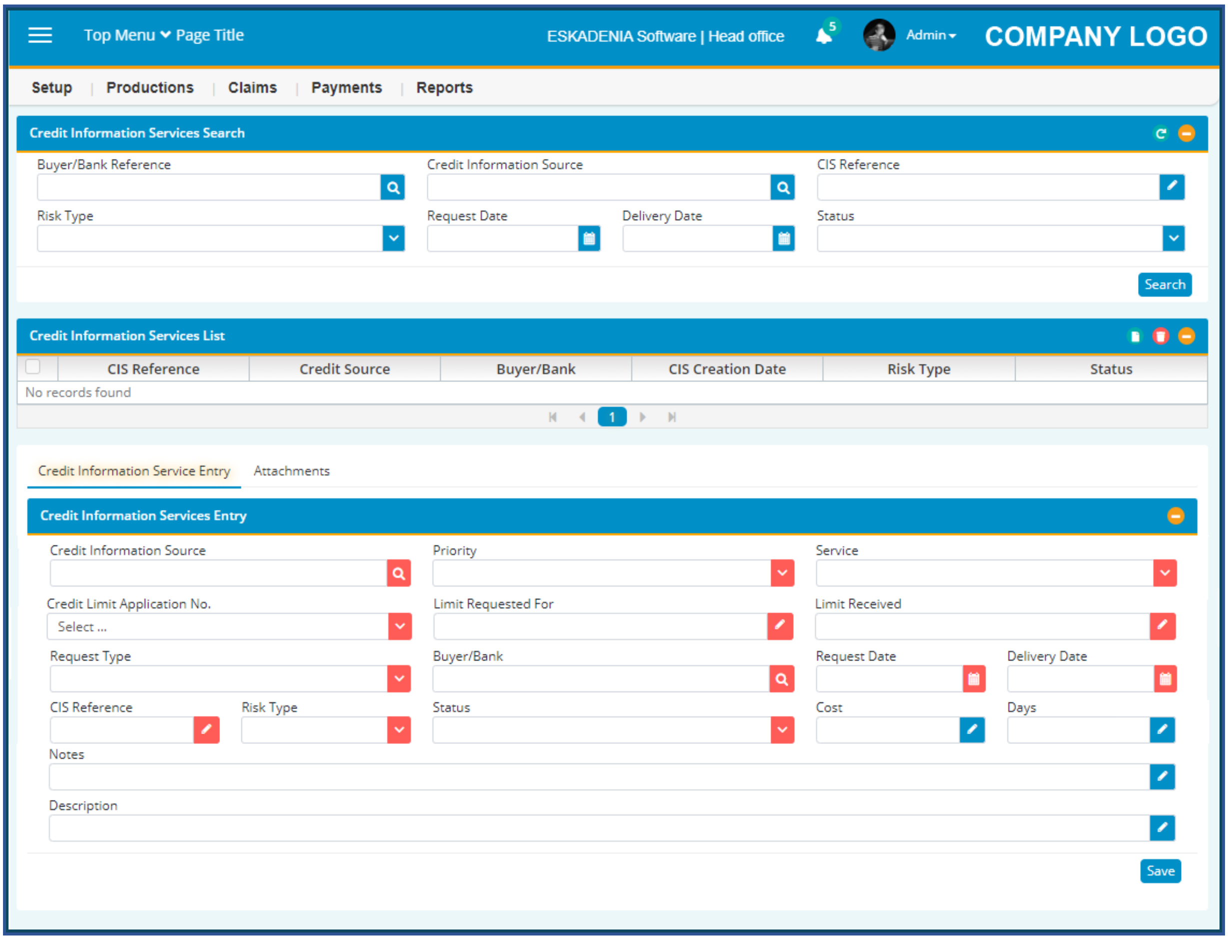

Figure 4-43 (Credit Information Sources)

4.23. Portfolio Assignment

Once documents (requests for offers, applications and policies) are submitted, designated employees are assigned and specified to further process the respective document, collect necessary information, perform UW assessment in order to conclude a final decision with either policy issuance or rejection.

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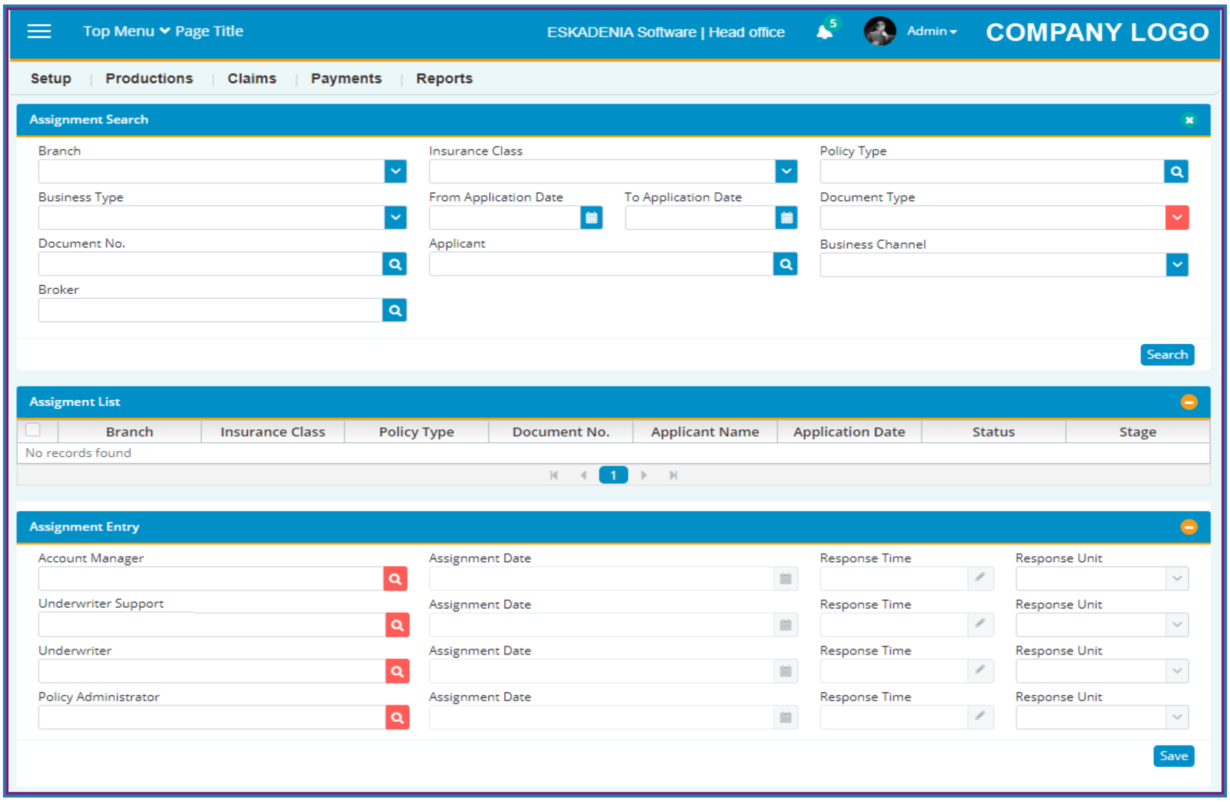

Figure 4-44 (Portfolio Assignment)

4.24. Relations

Having defined the various insurance classes and policy types', users can link and relate the respective and applicable endorsement types, currencies, business types and/or payment cycles. In other words, administrators can mix and match specifying what are the supported currencies for each insurance class and policy type combinations, along the applicable endorsement and business types.

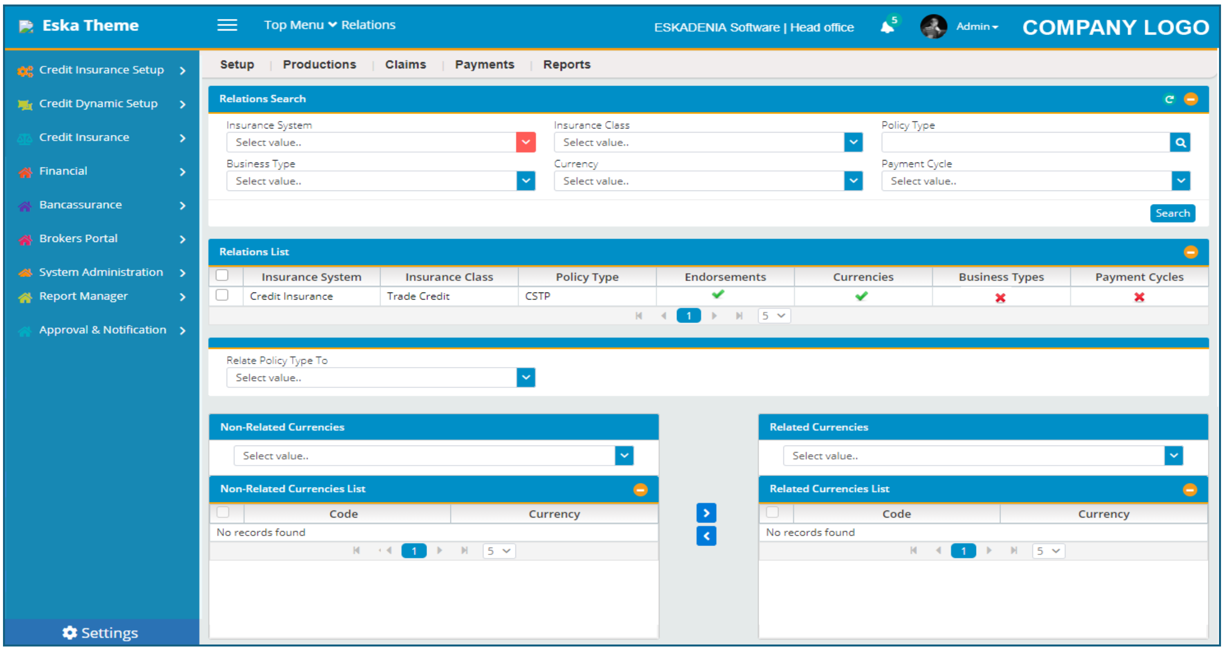

Figure 4-45 (Relations – Policy Types & Currencies)

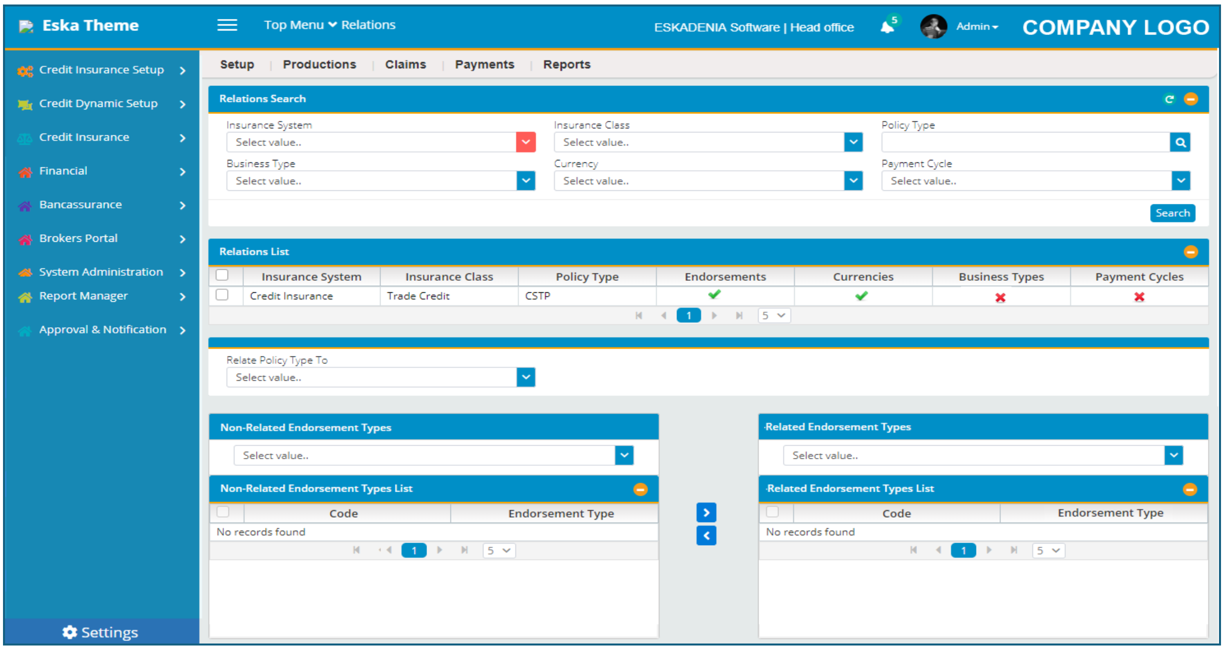

Figure 4-46 (Relations – Policy Types & Endorsement Types)

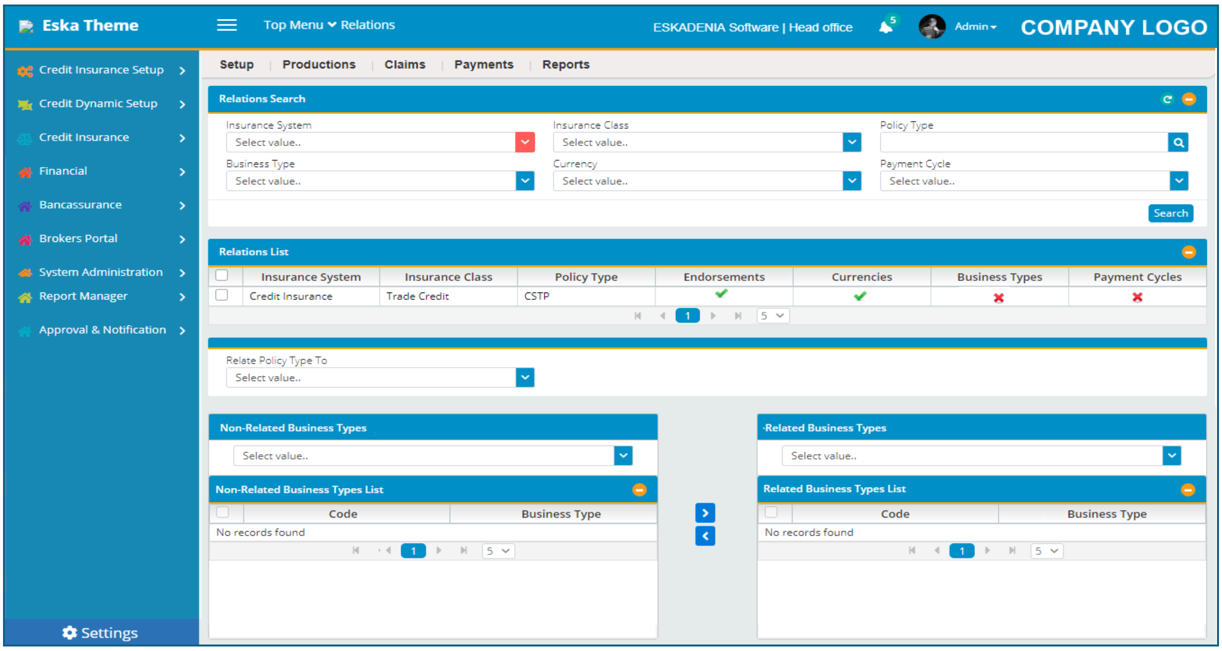

Figure 4-47 (Relations – Policy Types & Business Types)

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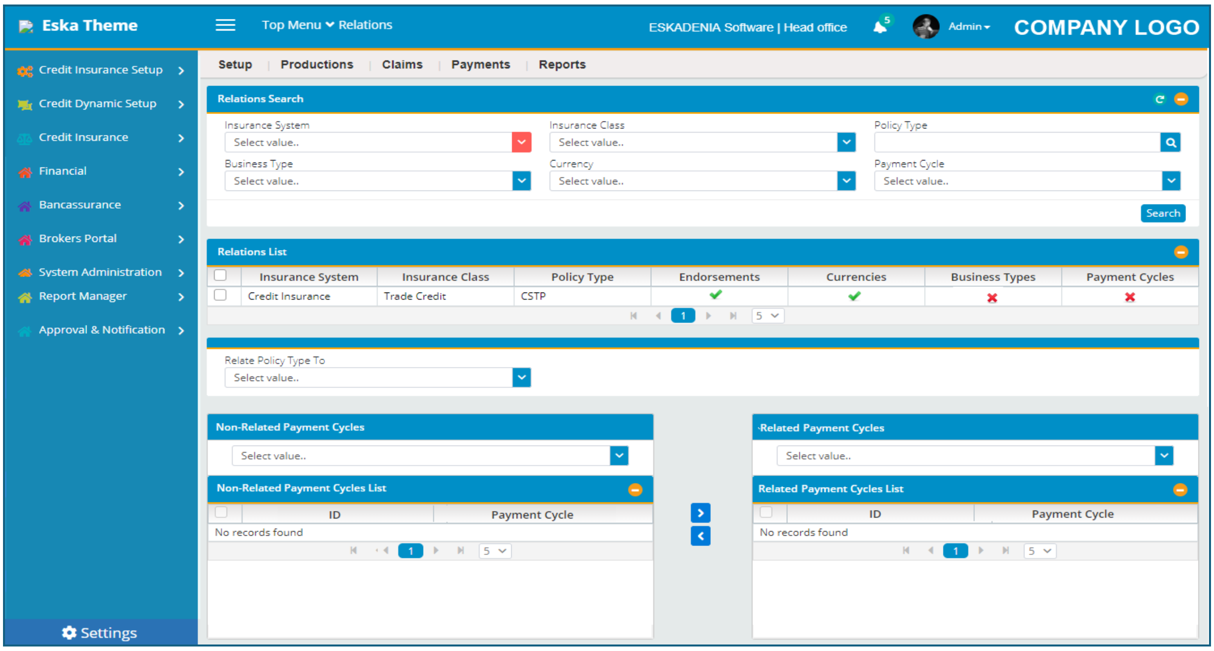

Figure 4-48 (Relations – Policy Types & Payment Cycles)

5 SALES NETWORK

The sales network module allows for intermediary management and supports the sales hierarchy structuring, administration and remuneration.

5.1. Business Channels

Distribution channels which an insurance company covers the market through, can be divided into two categories as following:

- Direct (Retail)
  - Branch Offices
    1. Dubai
    2. Istanbul
    3. Dakar etc.
  - Agents
  - eCommerce

- Indirect
  - Insurance Brokers
  - Reinsurance Brokers
  - Bancassurance
  - Coface
  - Credendo

Operating in a multi-layered sales network, the insurance company is required to register, monitor and optimize the performance of business across all channels to improve efficiency, enabling higher profitability and margins.

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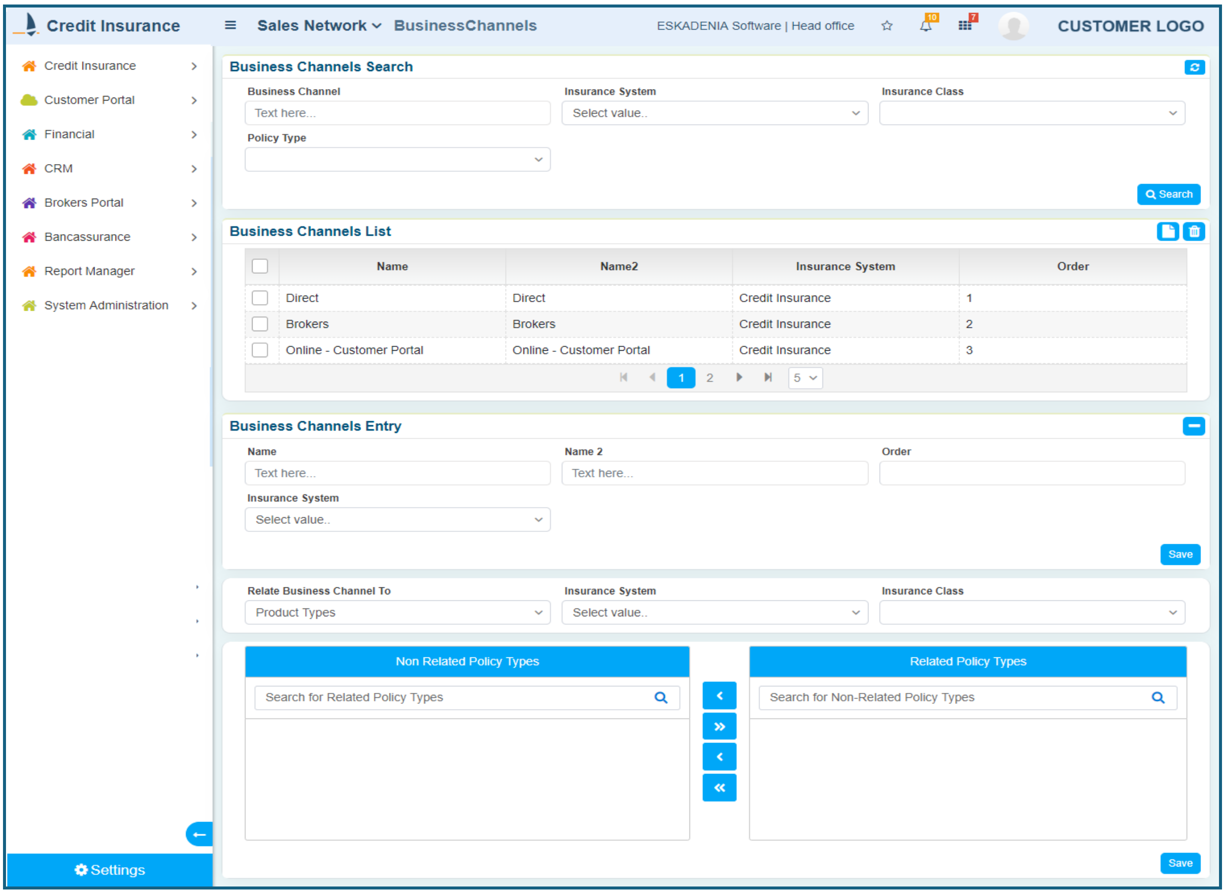

Figure 5-1 (Business Channels)

5.2. Hierarchy Structuring

Multi-level hierarchical sales structures can be defined, each with the relevant validity dates and levels.

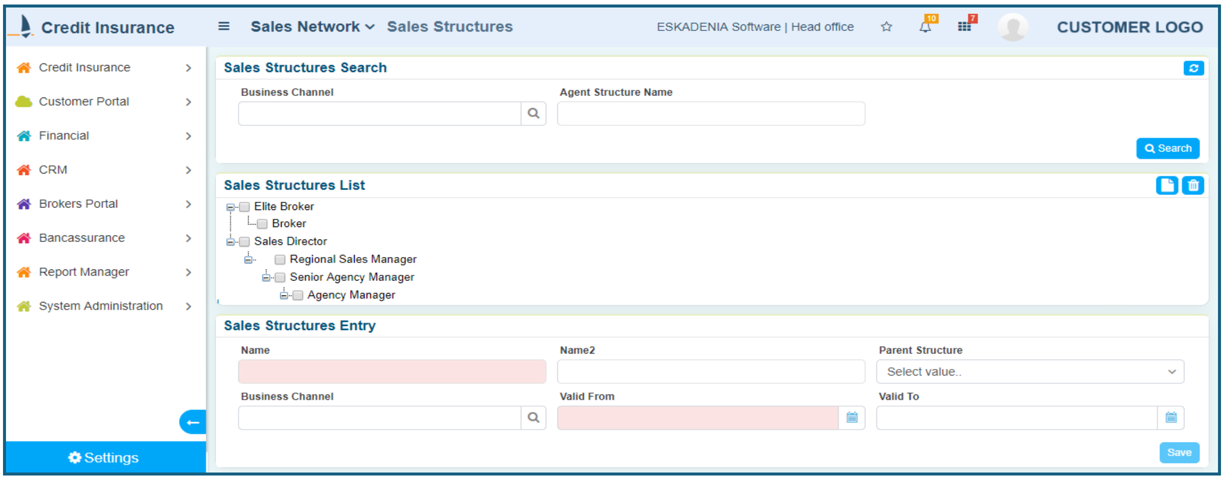

Figure 5-2 (Hierarchy Structuring)

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5.3. Commissions Setup

While the consideration of commissions can vary according to their type, dynamic definitions of both ‘normal’ and ‘target-related’ commissions are fully contained. Furthermore, whether based on a percentage or formula, the normal commissions can be calculated supporting the following parameters combination:

- Insurance Classes and Policy Types
- Business Types
- Occupied positions (qualification levels)
- Policy term and lapsed duration tiers of years
- Sum insured / premium limits

As for target-related commissions, based on an agent’s achievement during a specified term (month, quarter, etc.), he/she might be eligible for bonus incentives. Agents’ target achievements are defined with consideration of various criteria such as branch, insurance classes and policy types, occupied positions, target type and amount (intended contributions or number of policies) in addition to term.

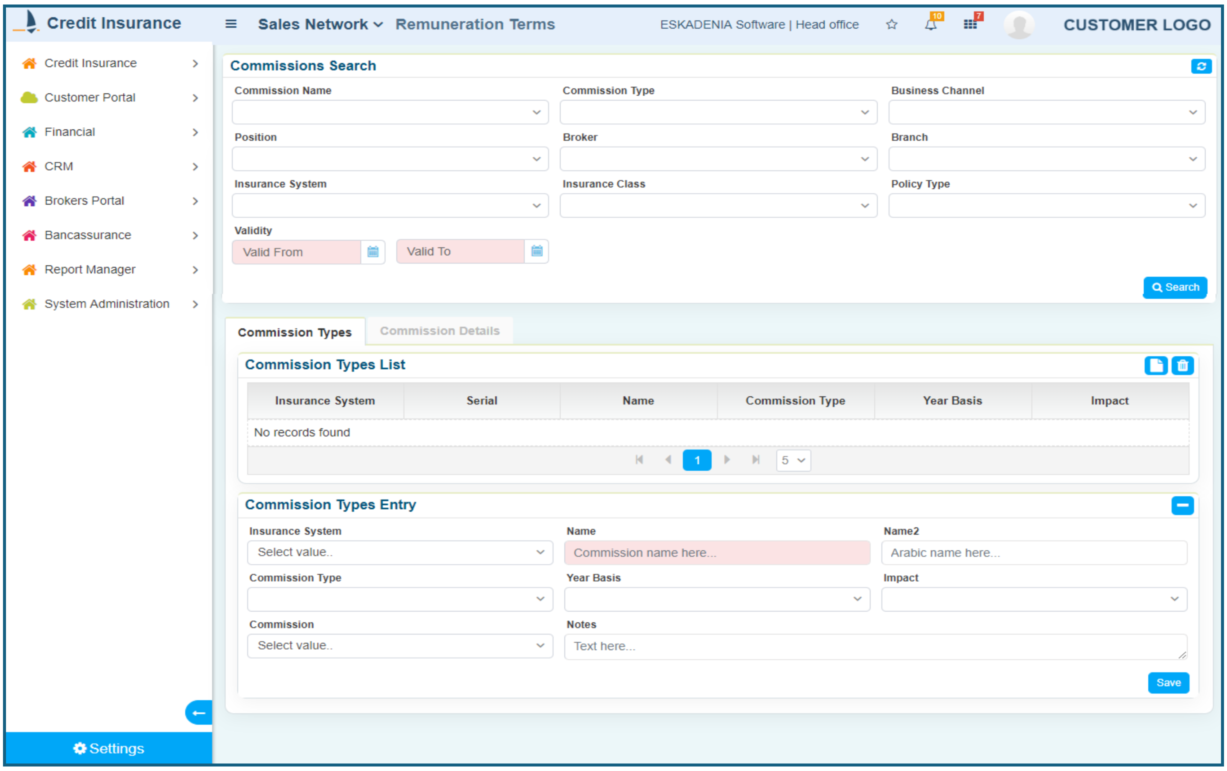

Figure 5-3 (Commission Types)

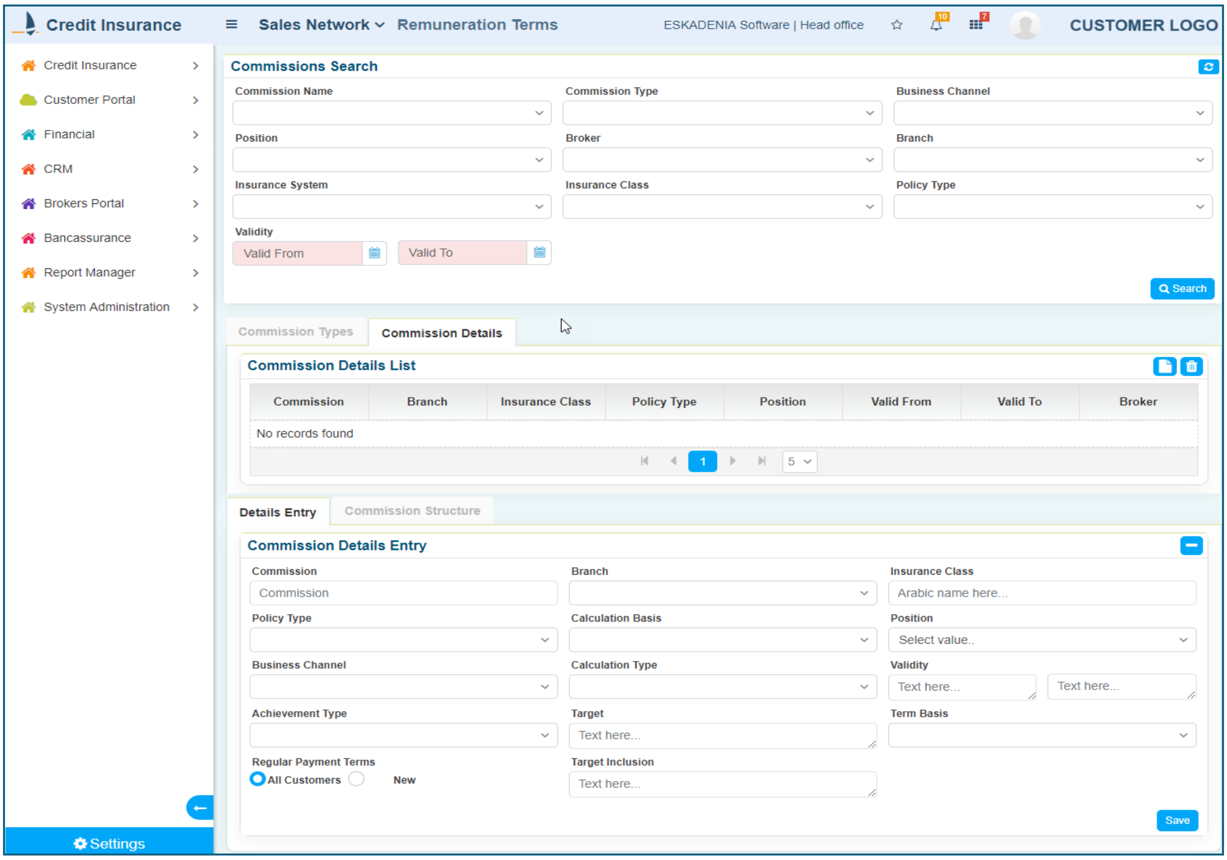

Figure 5-4 (Commission Details)

5.4. Agents/Brokers

Agents'/brokers' details including their names, contact and employment details (branch, hire and start dates, position, status and manager, if any) along with shares of the designated commission can all be defined, maintaining an archived history of the sales network movements for follow up and supervision purposes.

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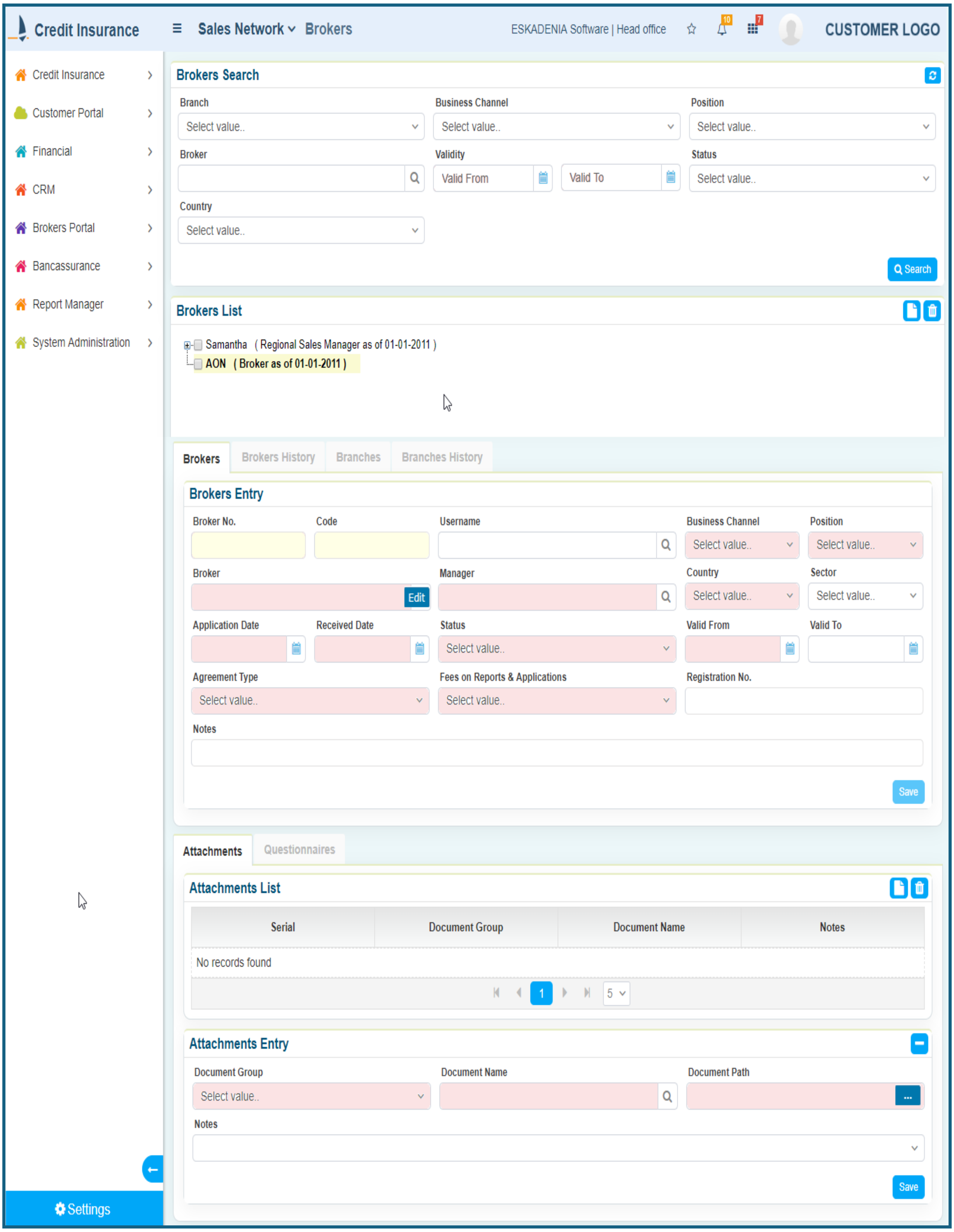

Figure 5-5 (Brokers)

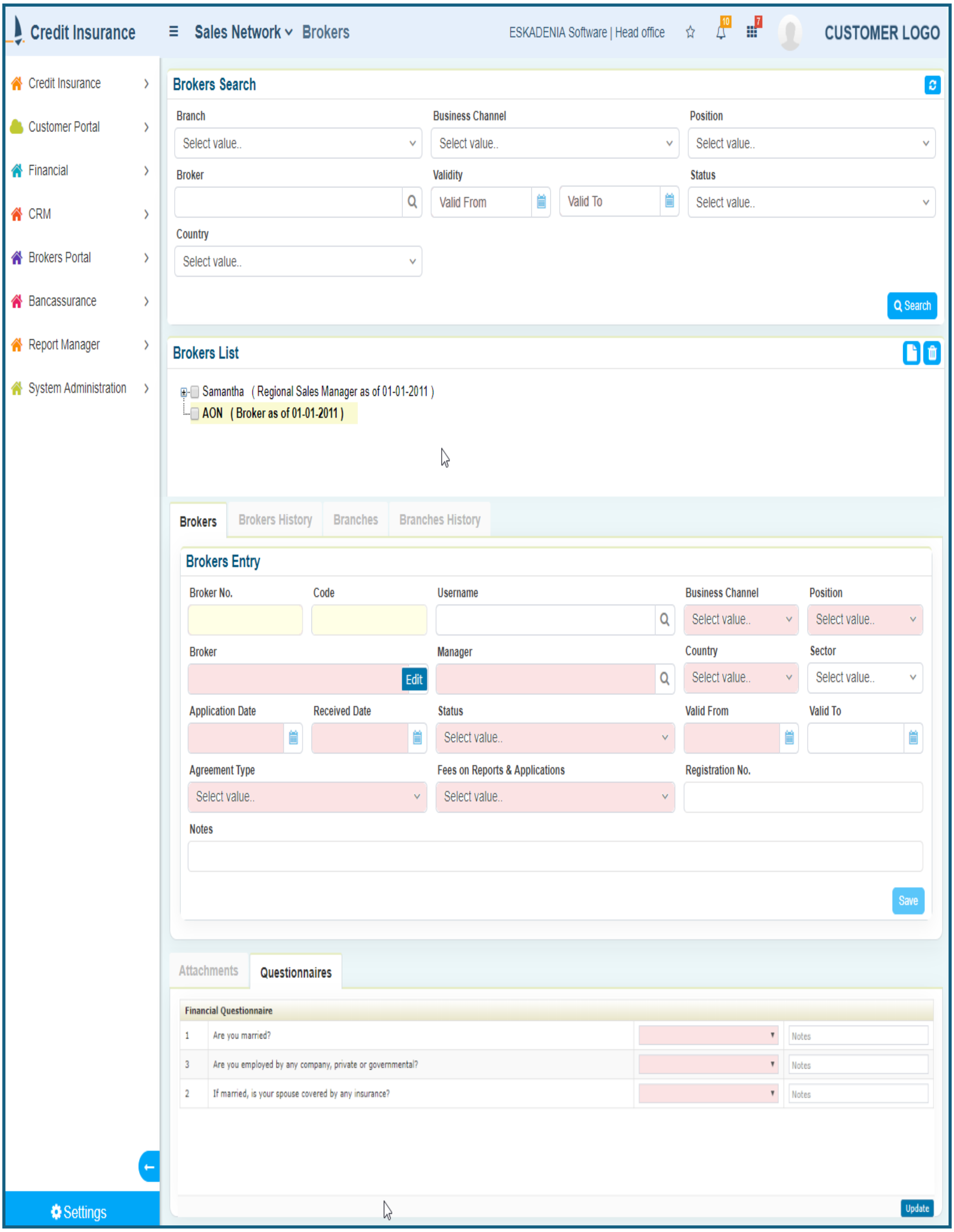

Figure 5-6 (Brokers Questionnaires)

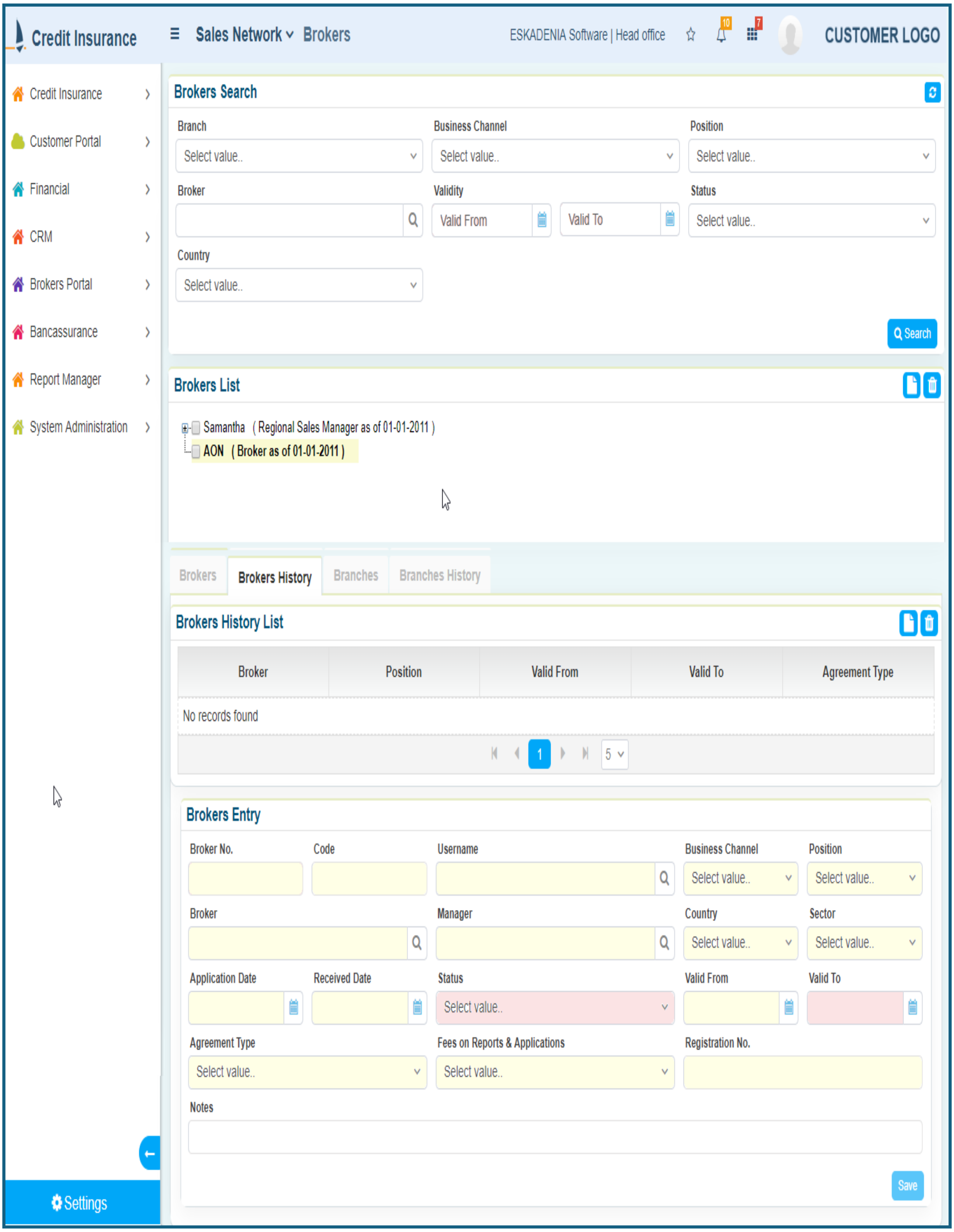

Figure 5-7 (Brokers History)

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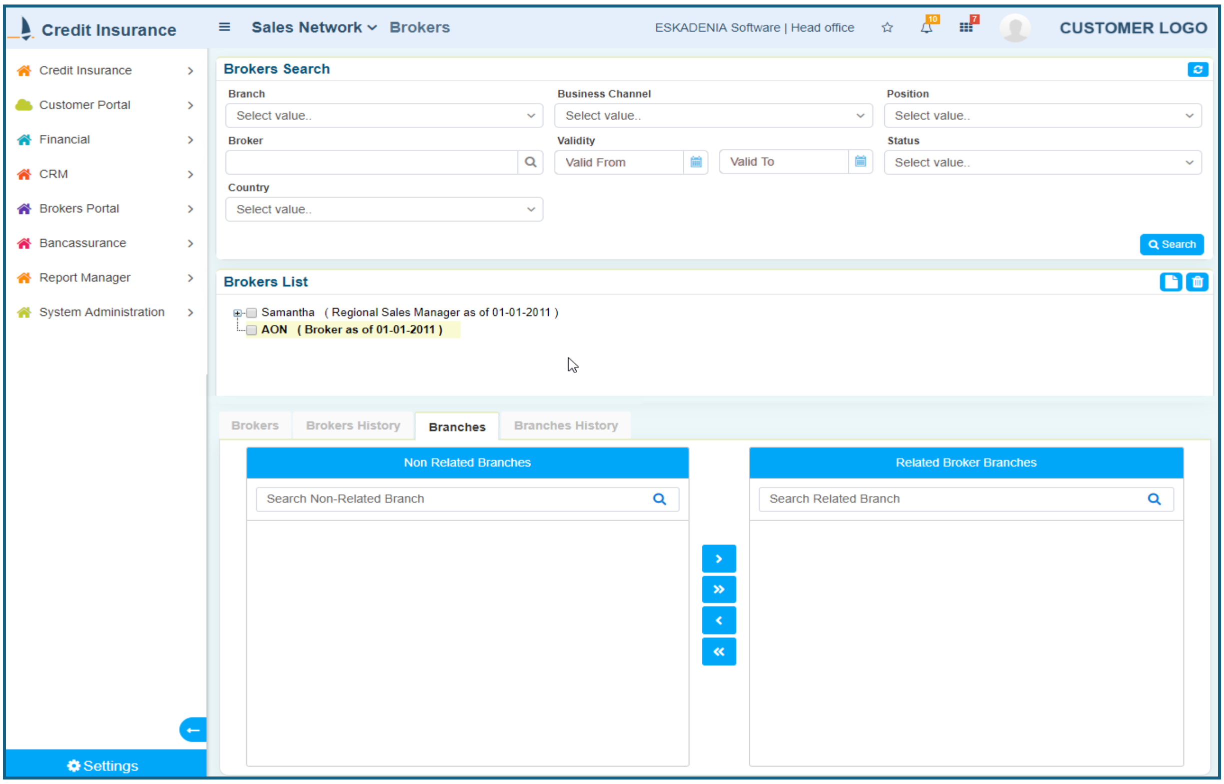

Figure 5-8 (Brokers Branches)

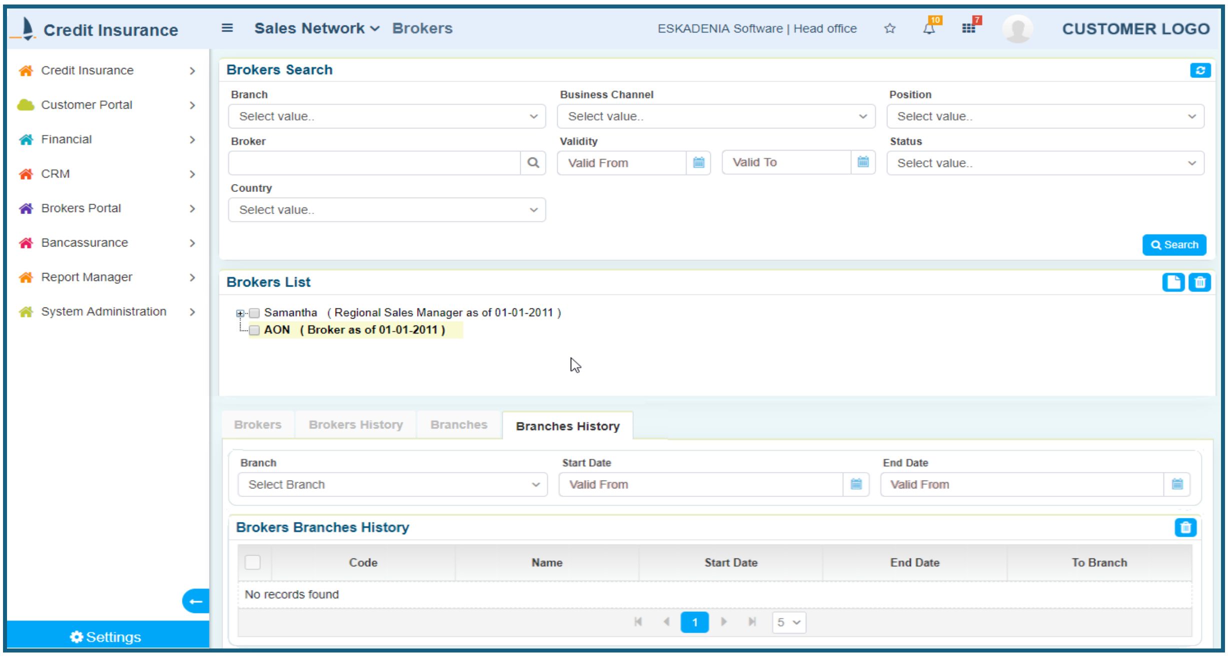

Figure 5-9 (Brokers Branches History)

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6 RISK MANAGEMENT

Country risk module is a customizable module designed to measure and compare credit and political risks across savings, region and global perspectives supporting the risk quantification of cross-border transactions such as bank loans, trade finance and investments.

Country risk module is an ideal tool for analysing country credit risk as part of the risk assessment process. It provides valuable information with cross-border treasury operations, the ability to set or review their country/sector/product etc. credit limits and portfolio. Country risk module utilizes two legs of knowledge capacity for both quantitative and qualitative data to generate scores through RMD internal rating model upload facility.

Country risk module covers credit and investment risk exposures including many variables on politics, economic policy, rating, economic structure, financing and liquidity.

6.1. Country Identification

Each country represents a different type of country risk whereby some having higher risks would not encourage any type of foreign investments. Country risk assessment is a thorough look at a country's information to identify specific details that may cause harm before any further analysis and evaluation is held therefore, basic details and information on a country shall be determined in addition to cover attitude for each country providing guidance for BDD and UW on ICIEC cover policy. It can further provide cover policy and pricing for both secured and unsecured risks.

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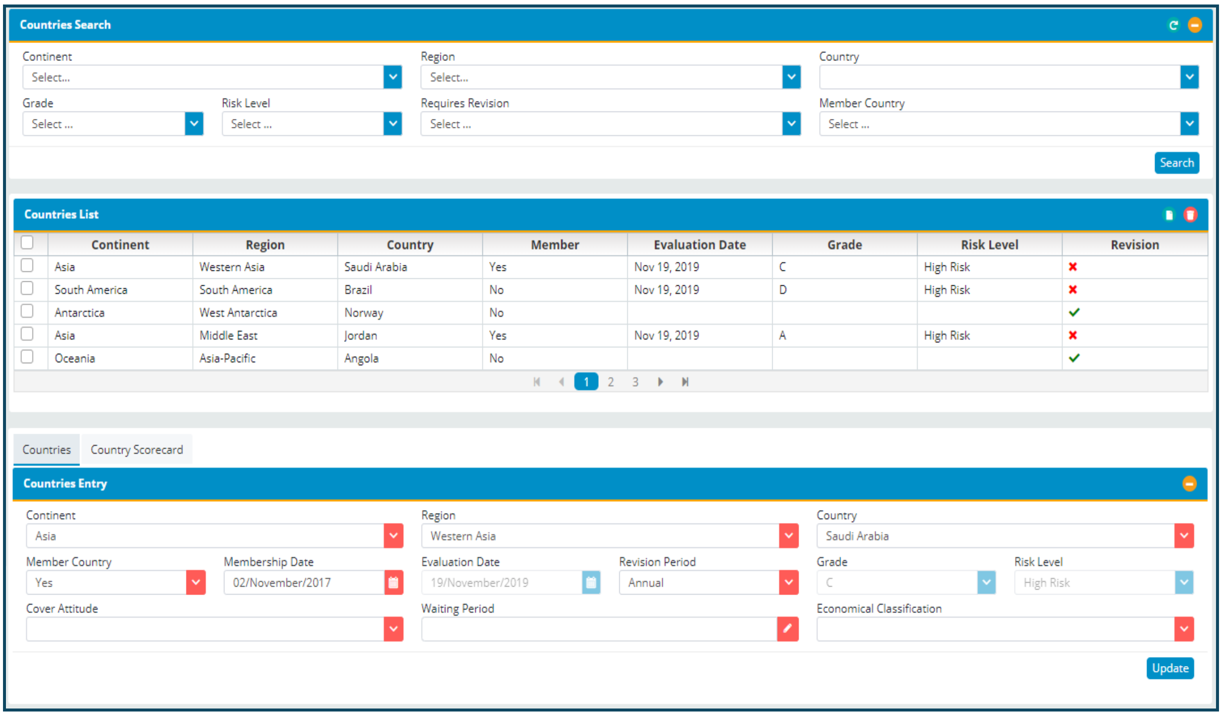

Figure 6-1 (Country Identification)

6.2. Country Scorecard (Rating)

Sovereign credit rating, is an evaluation made by international credit rating agencies and evaluates the credit worthiness of the issuer (country or government) of debt to determine the likelihood that will pay its debt obligations. In order to prepare and derive such rating reviews, a set of quantitative and qualitative data have to be defined whereby calculations will take place outside of the system based on CRAD and the results will be manually reflected into scorecard overview per country.

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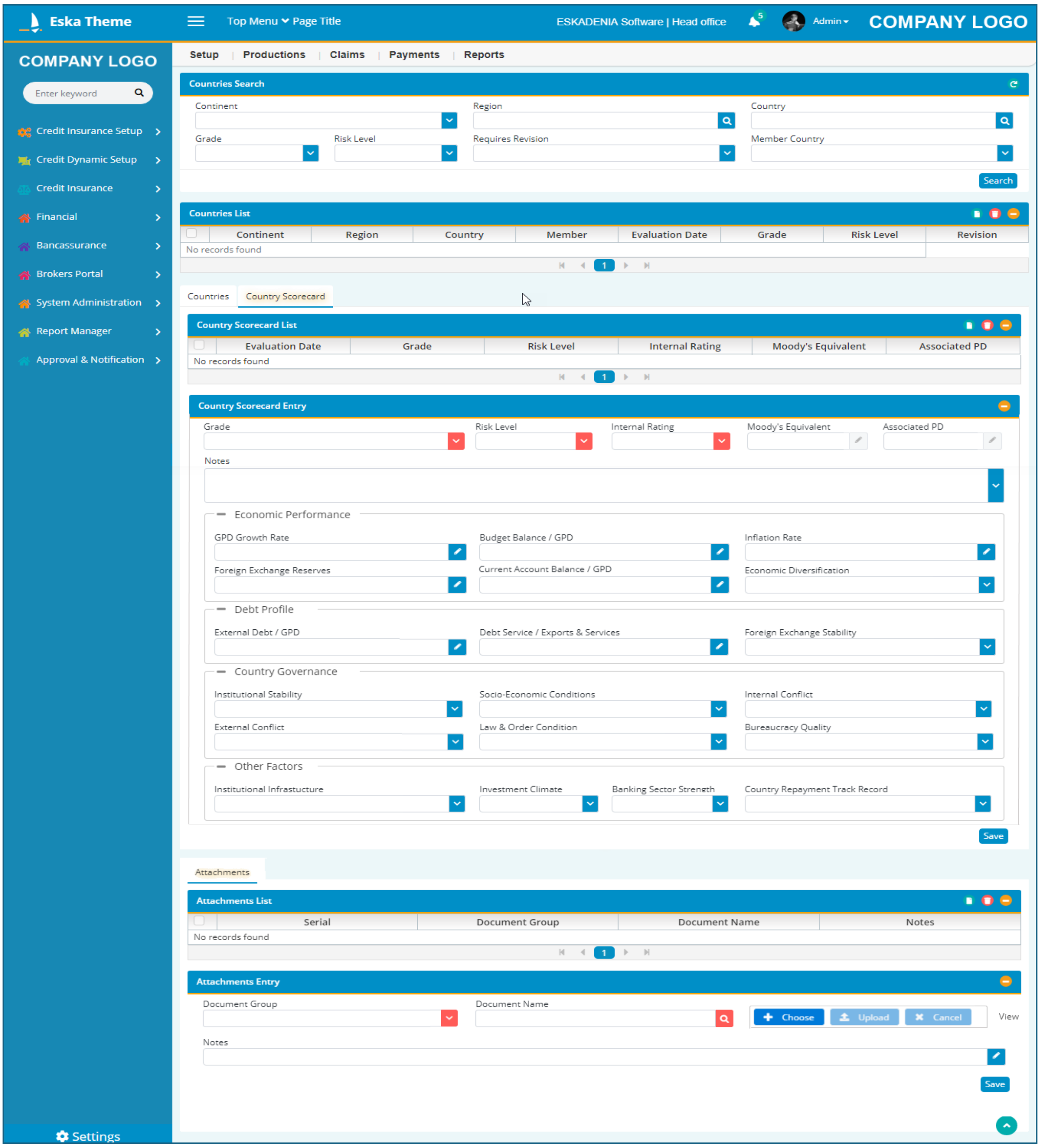

Figure 6-2 (Country Scorecard)

6.3. IBNR Calculation

IBNR reserves are a part of claims reserves estimated by the insurance company representing the amount owed by an insurer to all valid claimants who have had a covered loss but have not yet reported it. As current liability, IBNR has to be reported regularly on the insurer's financial statements and the accuracy of these claims reserves estimates is important to the insurer for a variety of reasons. **ESKA® Insures – Credit Insurance** provides a report including all the input data required for the calculation of IBNR on frequent basis.

7 COMMERCIAL PRODUCTION

Commercial production module is responsible for all the underwriting functions of Credit insurance business needs such as Trade Credit Local and Export Insurance. Trade credit insurance aka accounts receivable insurance, is a risk management product offered to business entities to empower trading decisions and protect their accounts receivable from loss due to credit risks such as protracted default, insolvency or bankruptcy, backed by a reimbursement guarantee should an unexpected customer non-payment occur. Commercial production module enables users to quickly and easily manage key policy functions through automation and management of the entire policy lifecycle from creation, risk underwriting, documents issuance and renewal to billing based on a configurable risk strategy considering buyers analysis, rating, country caps, exposure etc. bearing in mind that the same screens will be shared for initiator, reviewer, submission and decision maker but with different rights.

7.1. NBI

During the process of inquiry submission for new insurance policies provided by ICIEC, a non-binding indication letter is delivered to prospects. Clients are required to review it carefully and provide their approval as an acceptance of the indicative terms and conditions mentioned under which ICIEC would consider providing insurance coverage in respect. Upon clients' approval, ICIEC will perform the necessary internal analysis, risk assessment, profiling and underwriting with a full 360° view across all business areas in order to finalize the policy contract.

A set of details need to be captured in order to process the inquiries bearing in mind that they vary according to the business applied. Such details include yet are not limited to the following:

- Relevant information in respect of policy holder and subject matter including country, sector, industry etc. for profiling and segmentation purposes.
- Business channel and acquired broker (if any).

A list of supporting and required documents that may vary per insurance class, policy type and risk incidents will be automatically triggered shall be attached to the NBI. Below are examples of the basic documentation required with trade credit insurance:

- Applicant commercial registration certificate
- Applicant membership at the Chamber of Commerce
- Applicant latest annual reports or audited financial statements
- Company brochure and activities
- Copy / draft of contract.

Thus, an NBI’s supported process flow includes the below statuses and corresponding stages, bearing in mind that the below list can be amended, more items added or removed in accordance to business needs.

- Registration
  - Data Entry
- Under-Processing
  - Pending - Clearance
  - Pending - Additional Info.
  - Pending - Missing Documents
  - Pending - Data Adjustment
  - Pending - KYC Clearance
  - Pending - Reinsurance Referral (e.g. for ST, underwriters to ensure fully supported by treaty, for MT/FII, underwriters to ensure reinsurance has been notified for NBI indication, if required.)
- Approved
  - Approved
- Declined
  - Declined
- Cancelled
  - Cancelled
  - KYC Red Flag

An essential part of the NBI submission is the declaration section whereby the applicant must include respective contact and representative details, position, signature and date to confirm the precision of all of the provided information.

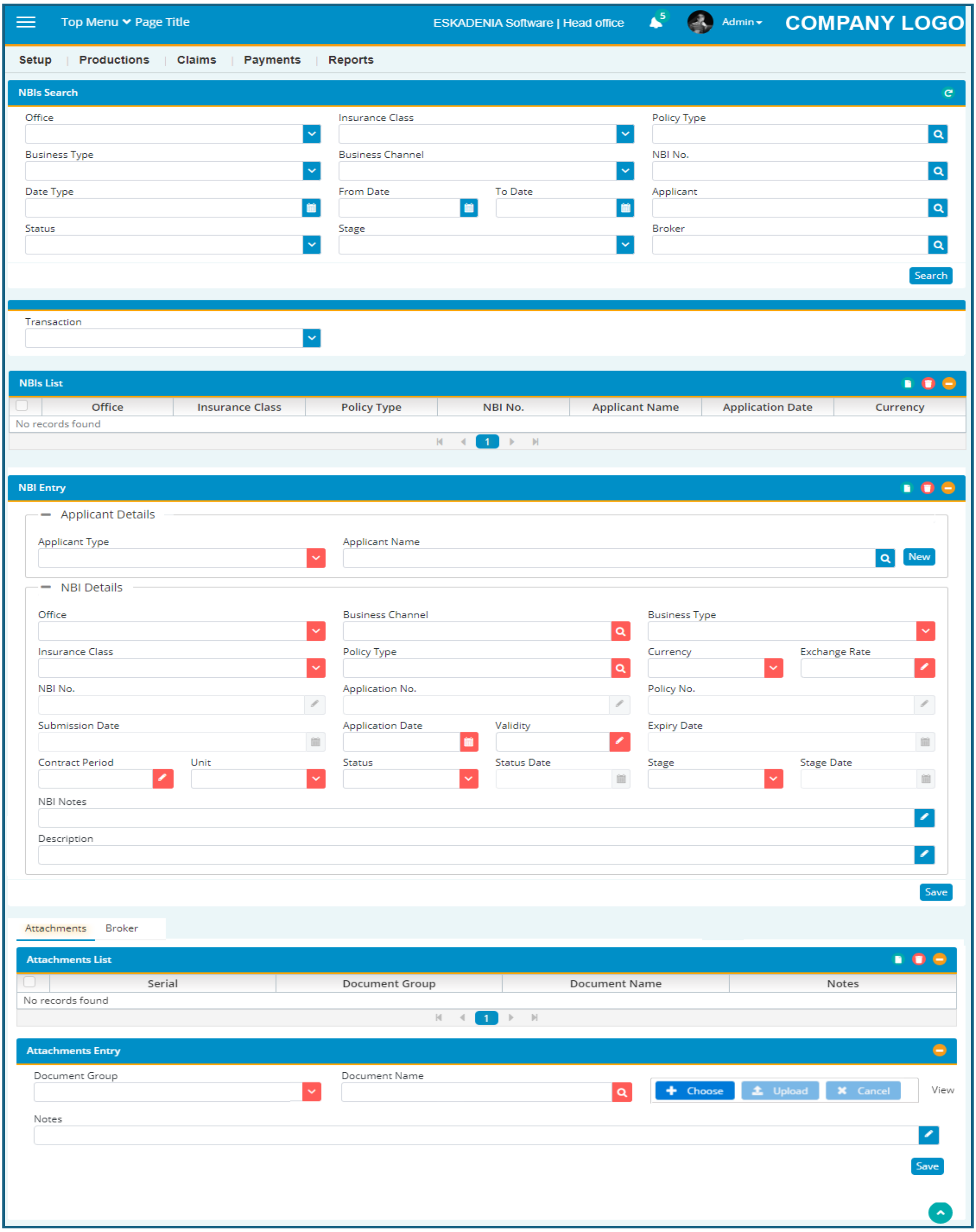

Figure 7-1 (NBI)

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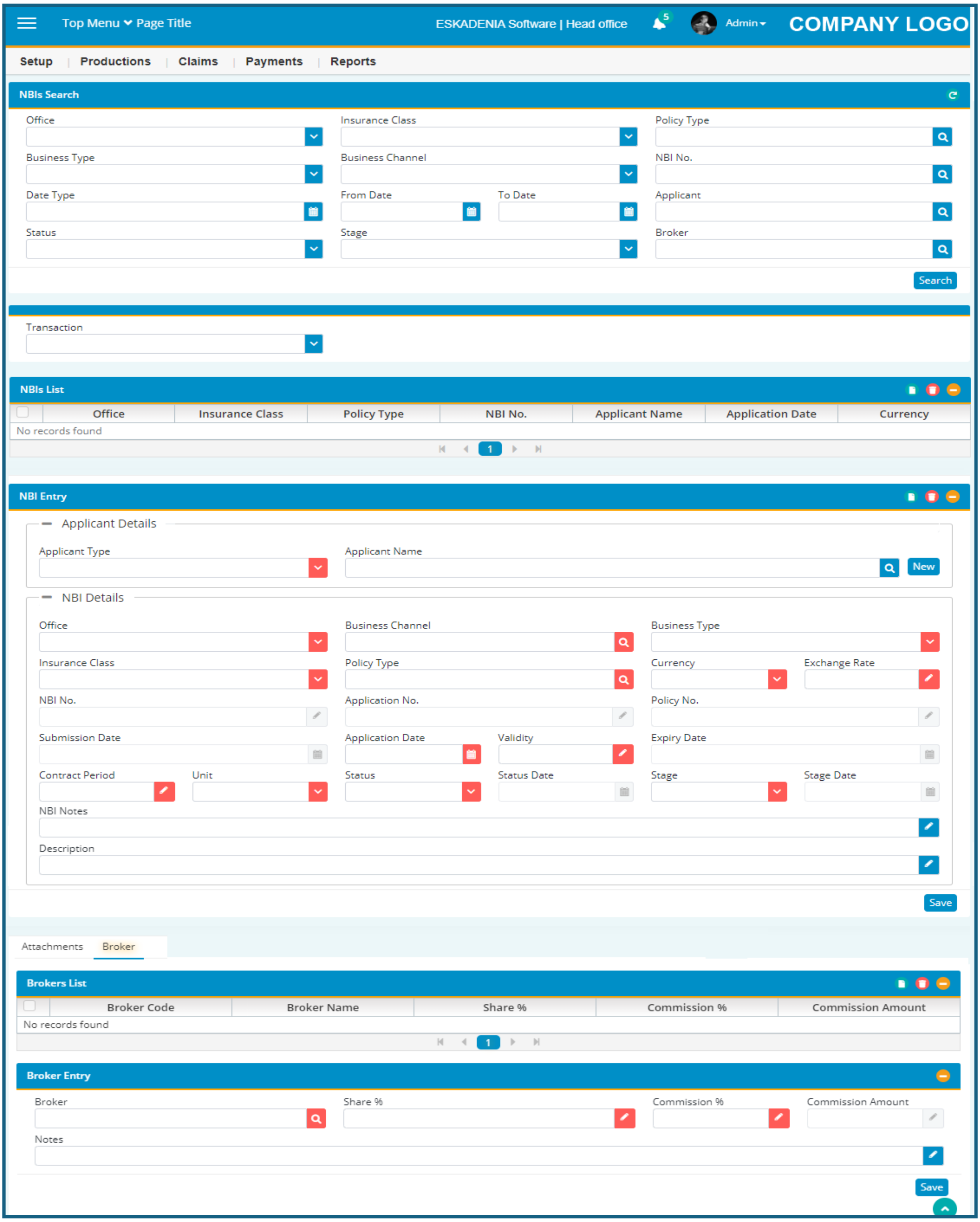

Figure 7-2 (NBI – Broker Details)

7.2. Underwriting

During the process of inquiry submission for new insurance policies provided by ICIEC, clients are required to provide details about their business operations, nature and details involved. According to the provided details, the inquiry's corresponding policyholder, designated buyers and business transactions shall be assessed, requiring a series of comprehensive assessment and screening procedures. Applicant's previous records with ICIEC, including existing insurance policy arrangements and financing facilities will become available providing a single hub of applicant information (e.g. application form, financial statements, credit information, market and industry data, etc.) to support and conduct risk underwriting whereby ICIEC will perform the necessary internal analysis, risk assessment, profiling and underwriting with a full 360° view across all business areas in order to finalize the policy contract.

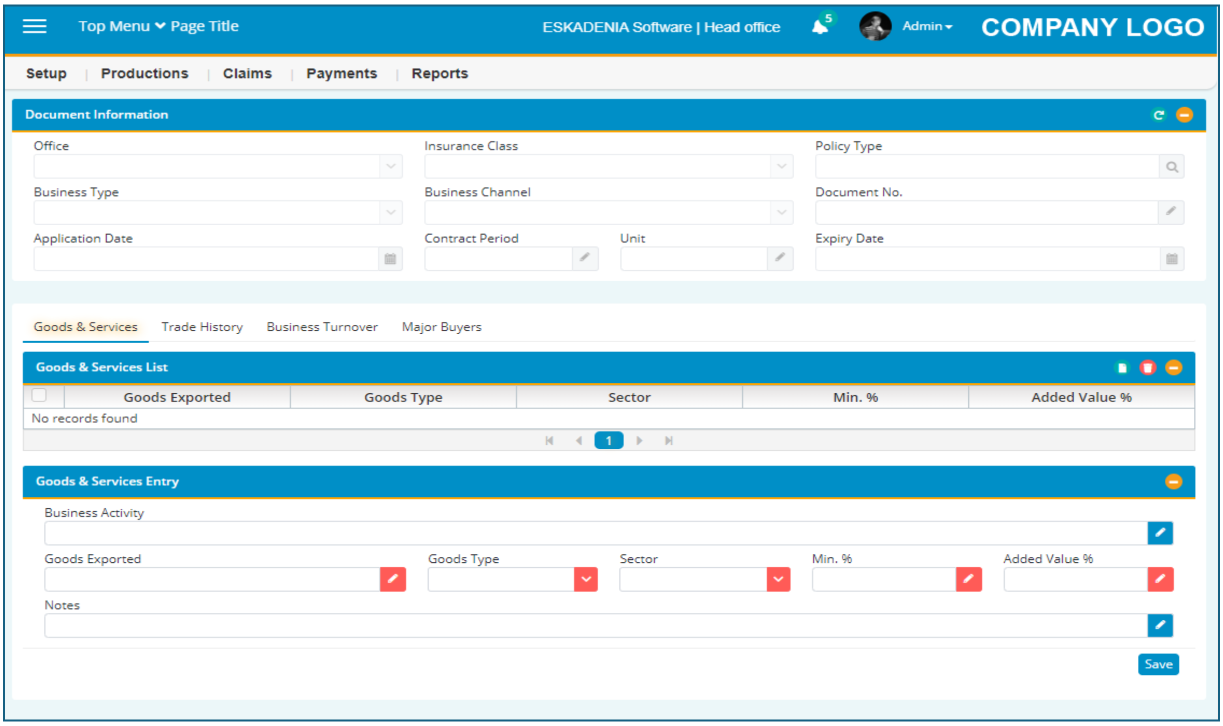

Figure 7-3 (NBI – Goods & Services)

The applicant shall provide details about any previous losses that incurred with associated buyers during the last three years such as buyer name, country, date of loss, loss amount and reason. Based on the requested credit insurance type and as part of the application, the applicant must include the history of the buyers' previous shipment details for a specific number of months. Such details include but are not limited to the date and amount shipments, terms of payment, payments due date, collection details (date and amount received) total current outstanding etc.

P.S. The below is a new requirement request by ICIEC on 27.01.2020

In addition to the above details, possibility to capture obligor exposure, commitment, trading and payment history details on group level, if the policyholder is a subsidiary of a group, is also possible.

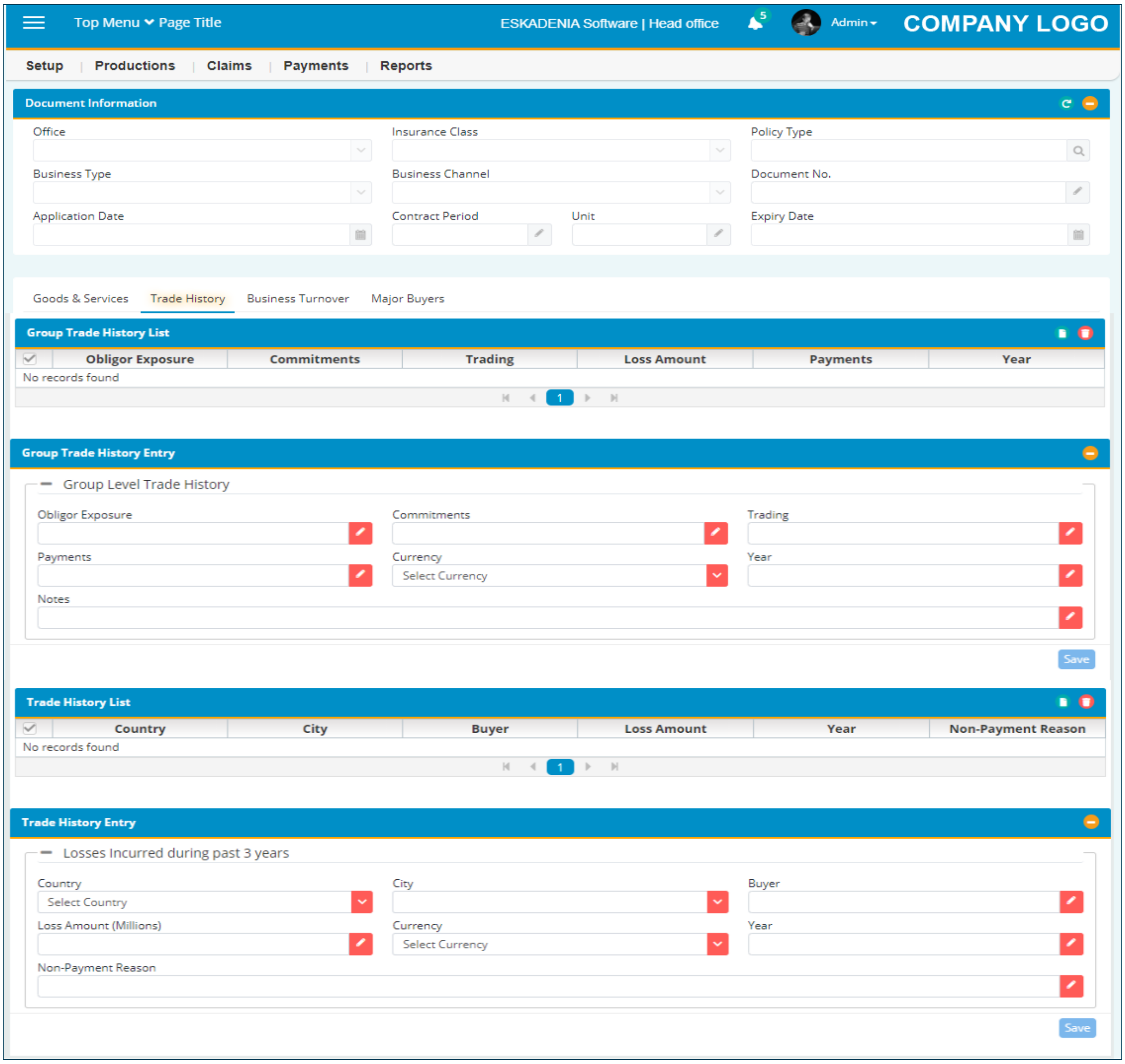

Figure 7-4 (NBI – Trade History)

The ability to capture a breakdown of estimated insurable turnover by country for the applicant during the coming year is offered. Financial details are described and presented such as estimated annual turnover for the next 12 months, number of active accounts, date of inception, legal status of the company, industries' sectors and sub-sectors, international trading countries, domestic trade transactions, estimated annual turnover of credit sales, export countries etc.

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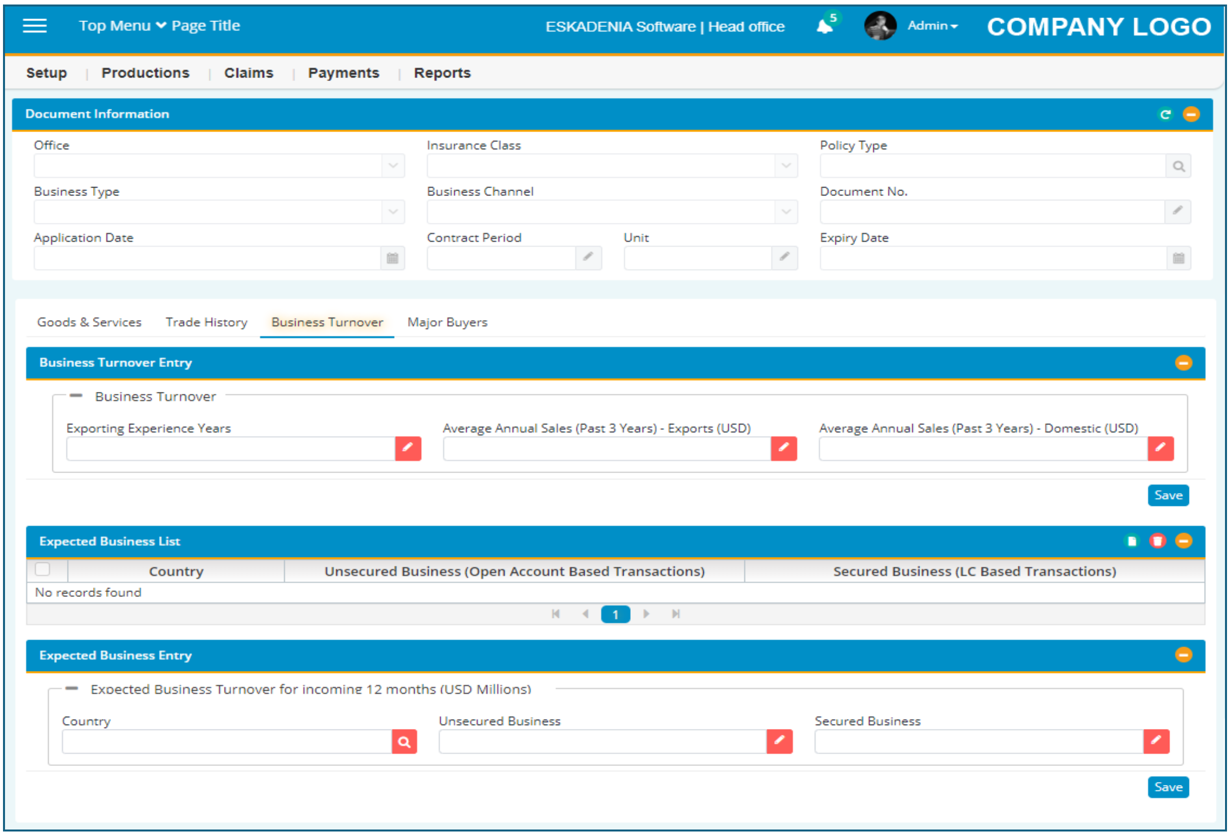

Figure 7-5 (NBI – Business Turnover)

For further and accurate assessment purposes, identification of buyers and submission of respective credit limits is required. The applicant shall enlist details of buyers' name, countries, credit limits, insurance required and the total of debtor balances along to a list of all the countries to which the exporter is selling goods and services. Single or multiple buyers can be registered and related details such as country, registration number, address and sales turnover for the last 12 months can also be captured. For time and effort-saving purposes, the system allows timely upload of multiple buyers' details using pre-formatted Excel templates. Eventually, users will individually analyse each buyer and assign them a specific credit limit.

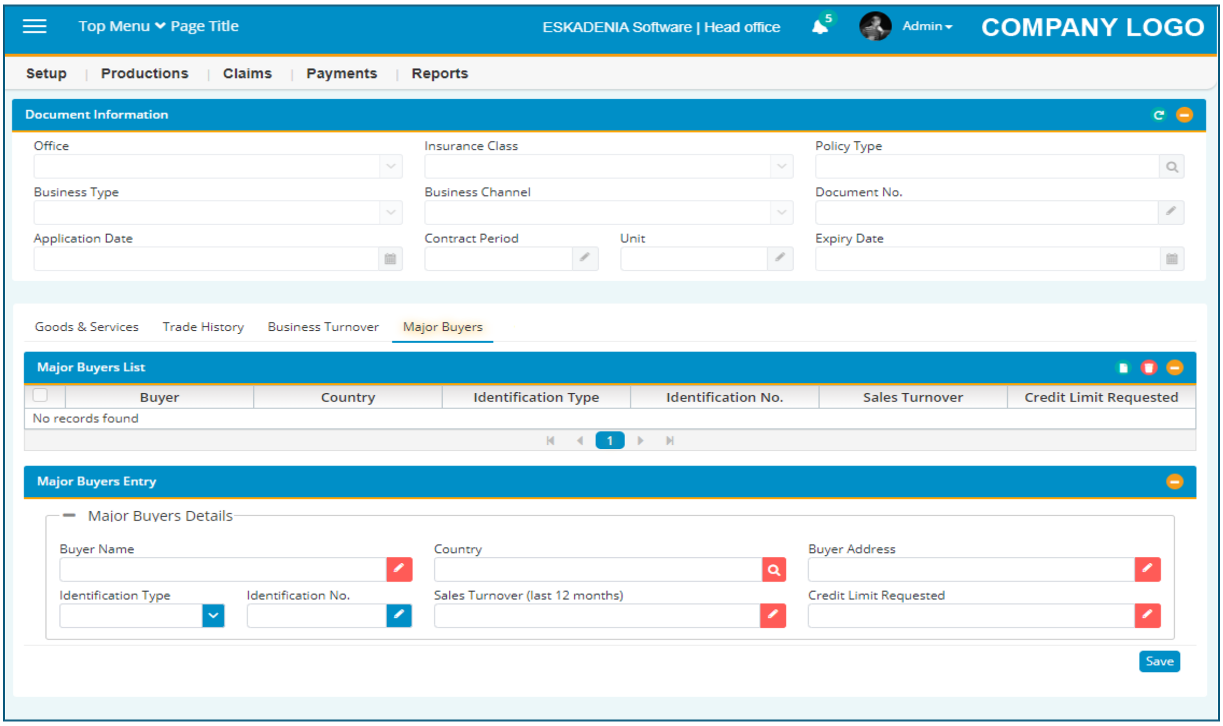

Figure 7-6 (NBI – Major Buyers)

7.3. Import Buyers

Based on pre-defined setup of questionnaires, a series of questions will be automatically retrieved. The listing and sequence of questions will vary based on the applied credit insurance class in addition to the provided to deliver more accurate data.

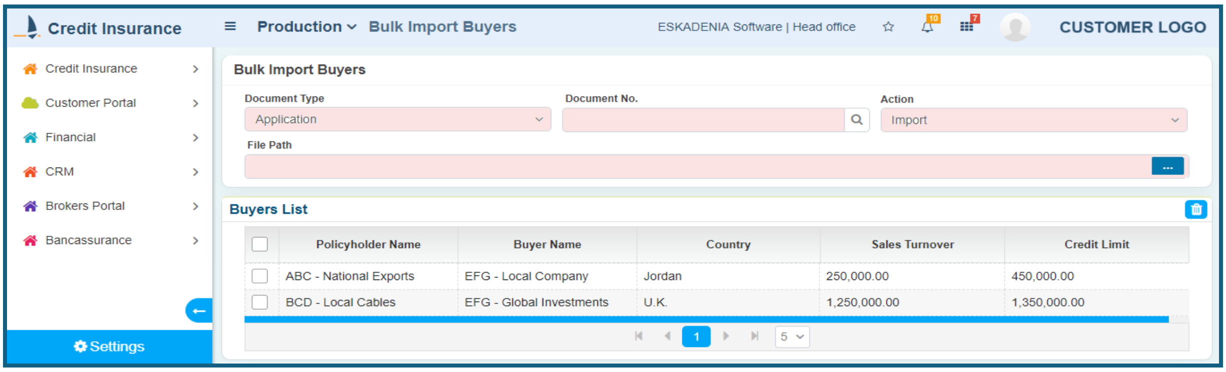

Figure 7-7 (Import Buyers)

7.4. Eligibility Questionnaires

Based on pre-defined setup of questionnaires, a series of questions will be automatically retrieved and included based on the risks to be covered. The listing and sequence of questions will vary based on the applied credit insurance class in addition to the provided to deliver more accurate data and properly assess the eligibility of the transaction. Sample questions that might be enlisted under the eligibility questionnaire but not limited to are some of the following:

- Is the applicant located in member country?

- If the Applicant is in Non-Member Country, percentage of shares owned by Individuals/Companies of Member Countries shall be provided in order to identify eligibility whereby the applicant would be eligible if more than 50% is owned by persons from Member Countries.

- Is the buyer located in member country?
- Are goods sharia compatible?
  - If the goods are Sharia Compatible and goods imported are strategic, then applicant is eligible for ICIEC cover.
- Are the goods imported strategic?
- What is the goods destination?
- What is the obligor's country?
- Goods' Type
- Value addition percentage in member country
- Is the buyer rated by any of 4 rating agencies (S&P, Moody's, Fitch and AM Best)?

Eligibility of goods exported provision is also possible specifying the minimum local content of the goods exported in order to determine the eligibility even if the goods are sharia compatible. Eventually, filled and answered questionnaires can be uploaded and saved in the system for future reference.

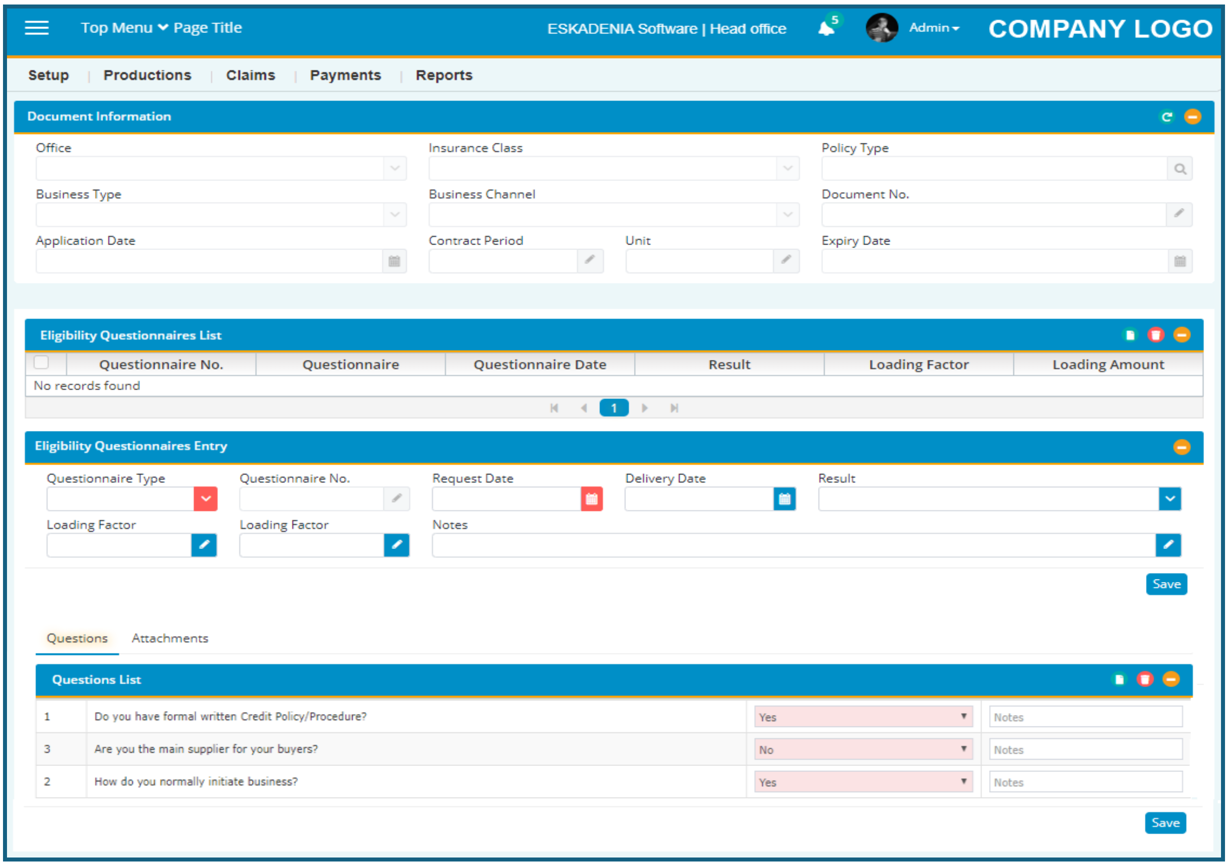

Figure 7-8 (Eligibility Criteria)

A variety of transactions can be performed on NBIs:

- NBI Status and Recommendation: underwriters can select the NBI's status out of the following statuses: (1. Registration 2. Under Processing 3. Approved 4. Declined 5. Cancelled) along with list of supportive reasons.
- New Version: based on the ongoing communication and negotiations between prospects and ICIEC, the facility to generate a new version (re-submission) of the original NBI with revised terms and conditions is available.
- Copy NBI: this functionality offers users the ability to copy NBIs and create duplicate records from existing documents, with the ability to apply amendments prior to any further processing.
- Convert to Application: upon NBI assessment, finalization and approval, conversion to application is facilitated through a single transaction.
- View Application: a click far away, users can preview accepted NBIs' corresponding applications' details.
- Close Case

7.5. Application

Once an NBI has been accepted and converted to application, users can still acquire additional details such as legal status of the entity/policyholder, contact details and shareholders, perform underwriting assessment, verification, identify insurance terms and pricing criteria in addition to any desired updates.

A variety of transactions can be performed on Applications:

- Application Status and Recommendation: underwriters can select the application's status out of the following statuses: (1. Registration 2. Under Processing 3. Approved 4. Declined 5. Cancelled) along with list of supportive reasons.
- New Version: based on the ongoing communication and negotiations between prospects and ICIEC, the facility to generate a new version (re-submission) of the original application with revised terms and conditions is available.
- Copy Application: this functionality offers users the ability to copy NBIs and create duplicate records from existing documents, with the ability to apply amendments prior to any further processing.
- Convert to Policy: upon application assessment, finalization and approval, conversion to policy is facilitated through a single transaction.
- View Policy: a click far away, users can preview accepted application's corresponding policies' details.
- Close Case

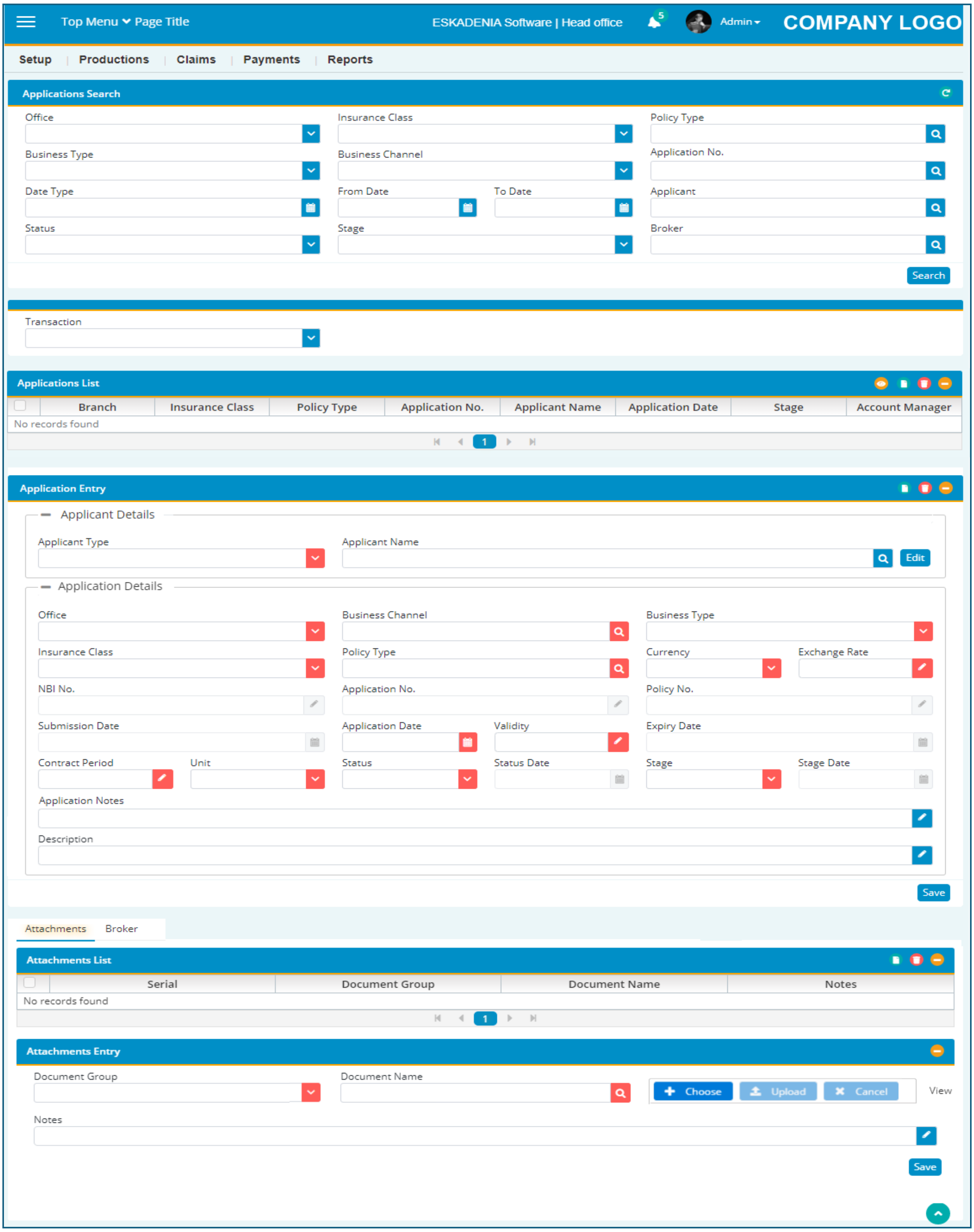

Figure 7-9 (Application)

Legal status of the company (e.g. simple partnership, general partnership, limited partnership, corporation, joint venture, sole proprietorship etc.). Moreover, company type can be identified either as a holding company, a subsidiary or none of them along with each respective type's details (e.g. holding company details or subsidiaries list).

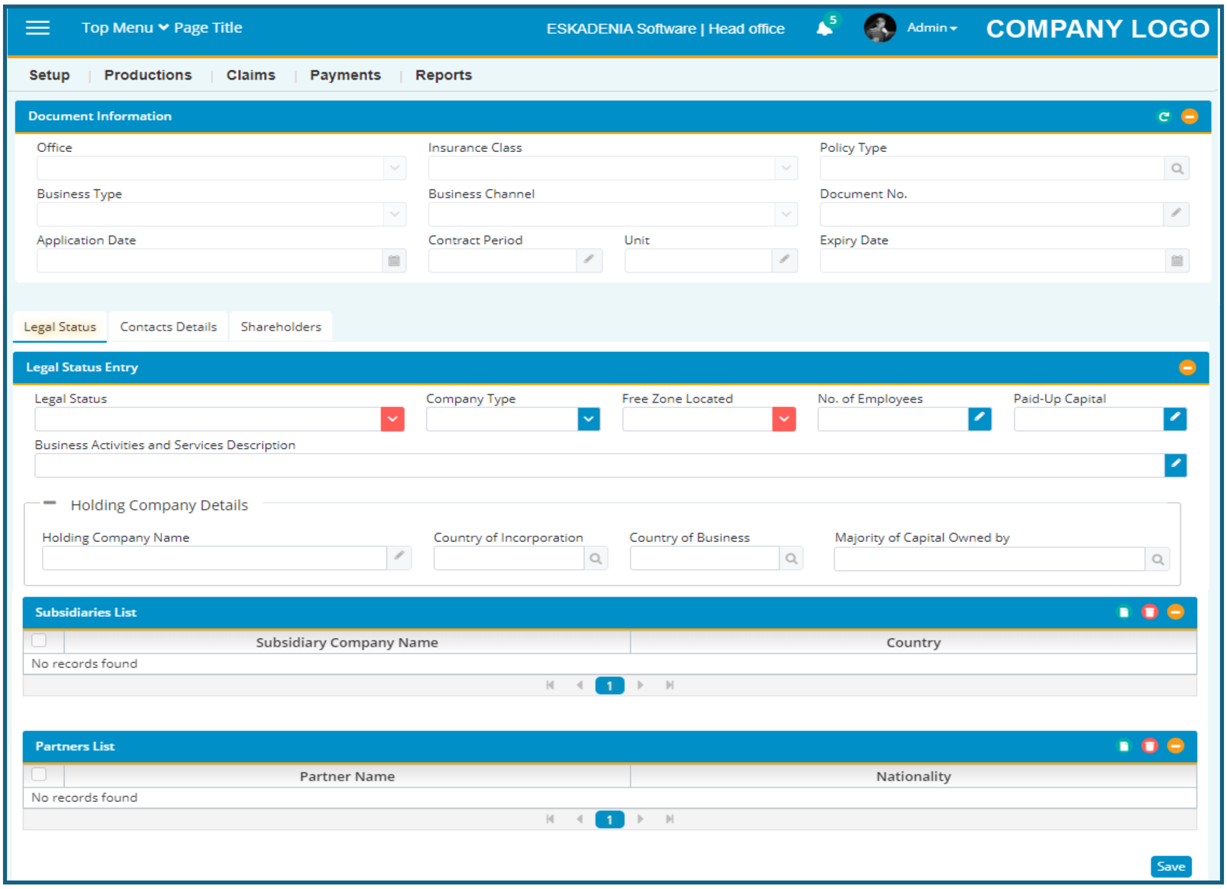

Figure 7-10 (Legal Status)

Policyholder's contacts personal details, name, position, contact priority, phone numbers, emails and addresses can also be defined for communication and exchange purposes.

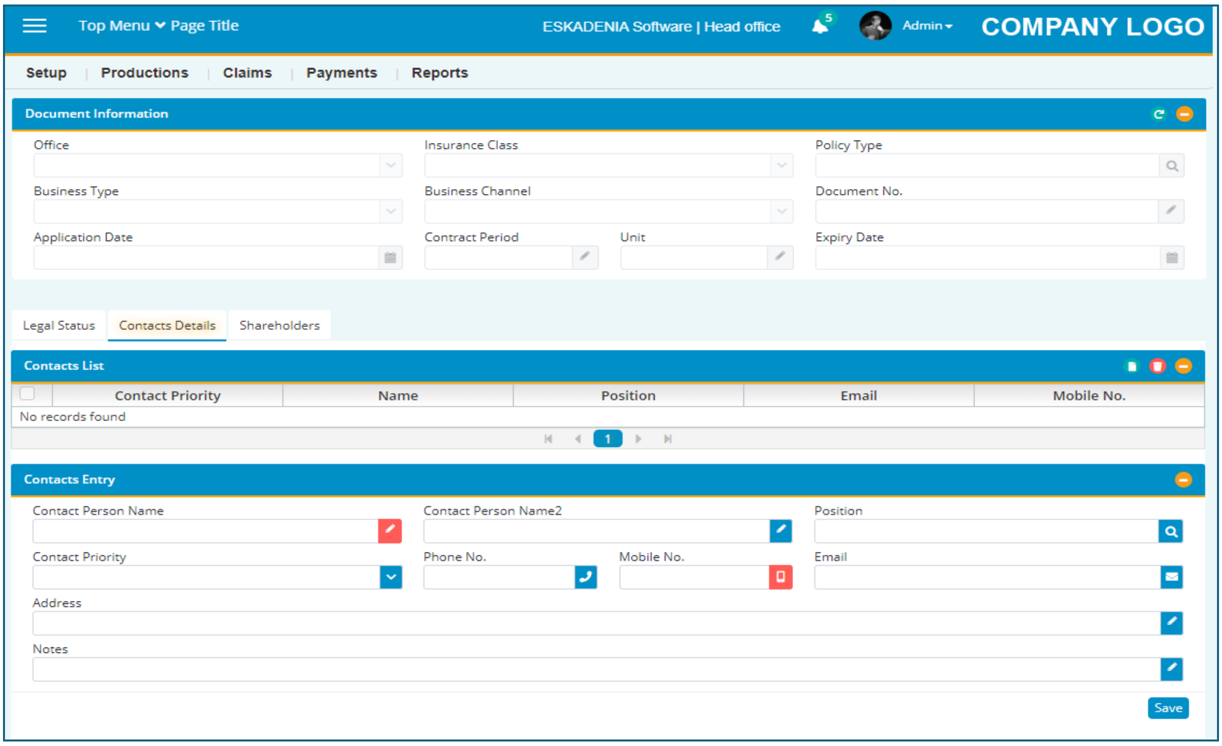

Figure 7-11 (Contacts Details)

Shareholders details can also be captured and considered during the eligibility assessment of the policyholder to identify the percentages owned per each.

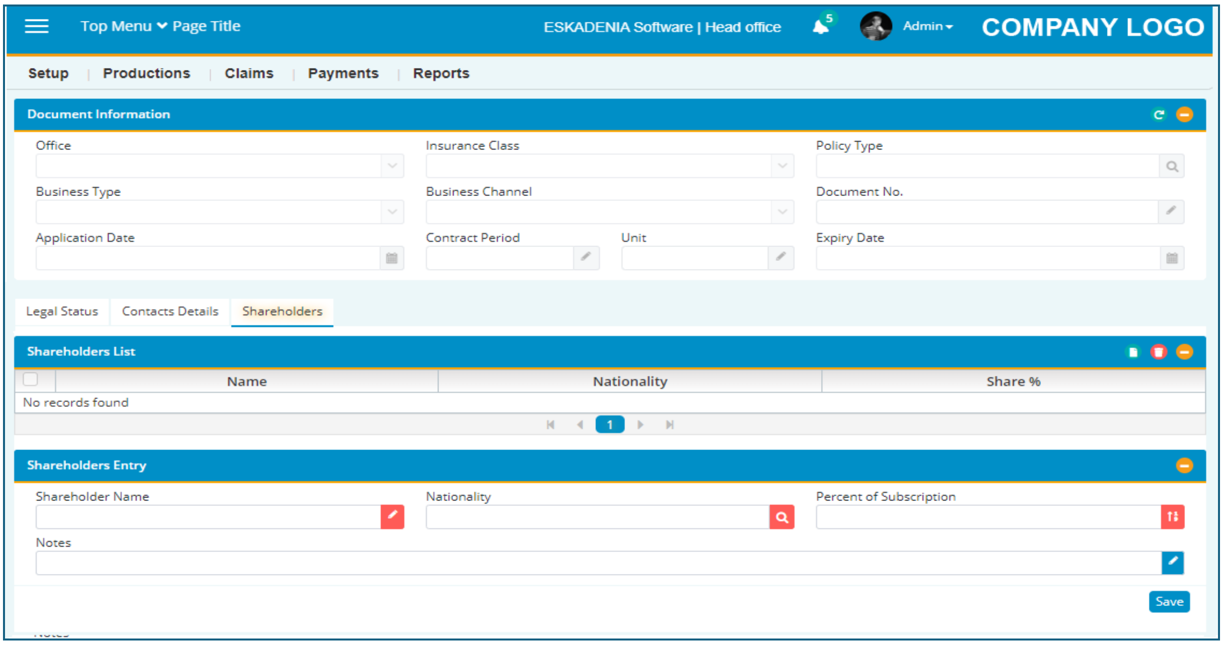

Figure 7-12 (Shareholders)

7.6. Insurance Terms

As with any insurance policy, there are reciprocal rights and obligations that have to be clearly stated and expressed within the policy details outlining the rights afforded to the insurer and the policyholder respectively.

Below details shall appear for commercial insurance classes and policy types with sub-line of business either “Trade Credit Domestic” or “Trade Credit Export”.

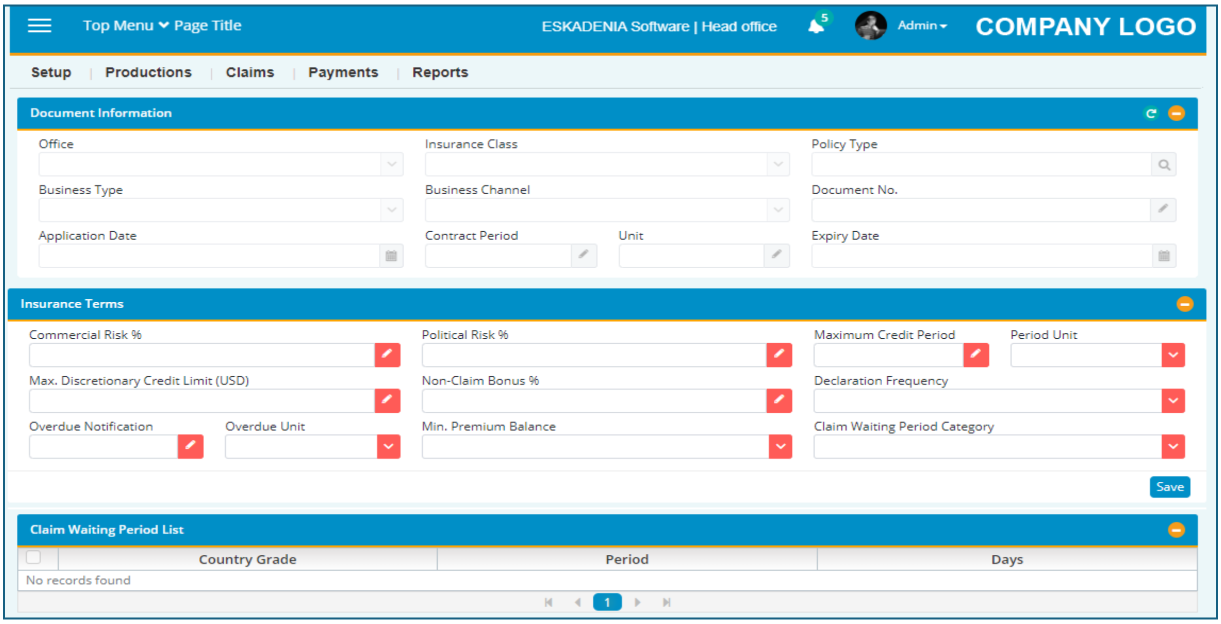

Figure 7-13 (Insurance Terms – Trade Credit)

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Below details shall appear for commercial insurance classes and policy types with sub-line of business “Bank Export Financing”.

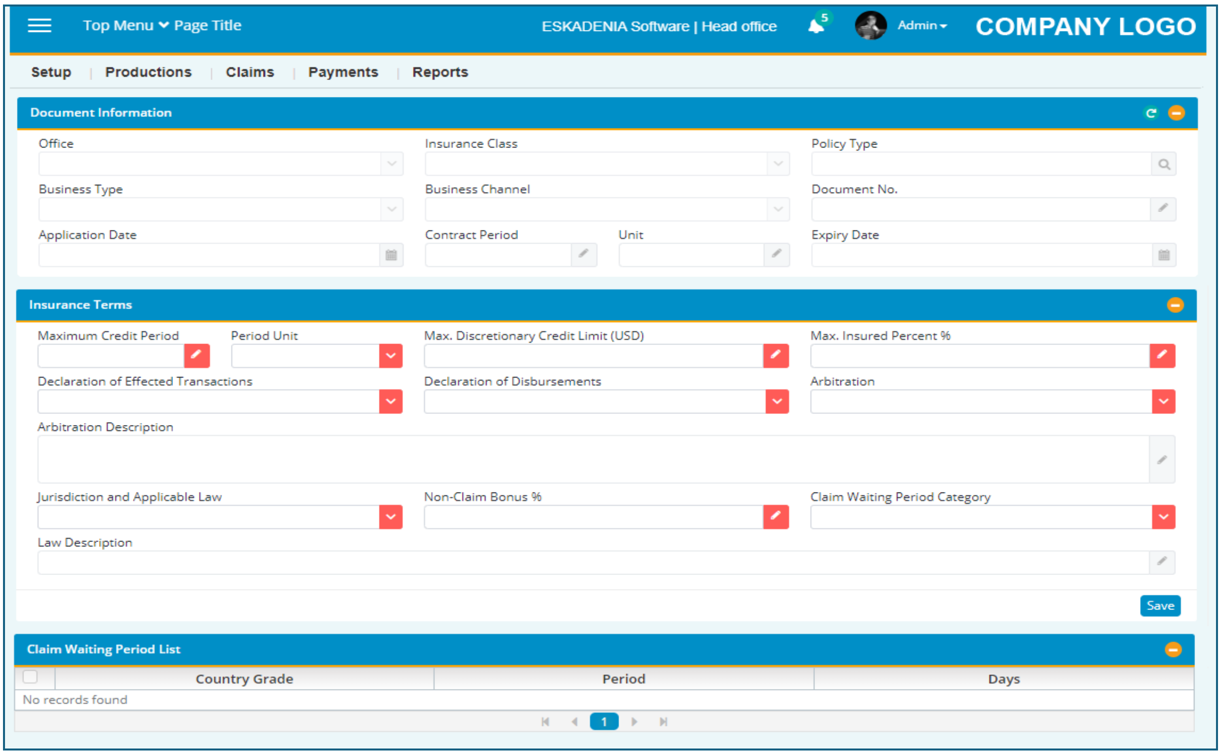

Figure 7-14 (Insurance Terms – Bank Financing)

Below details shall appear for commercial insurance classes and policy types with sub-line of business “Bank Confirmation of LCs”.

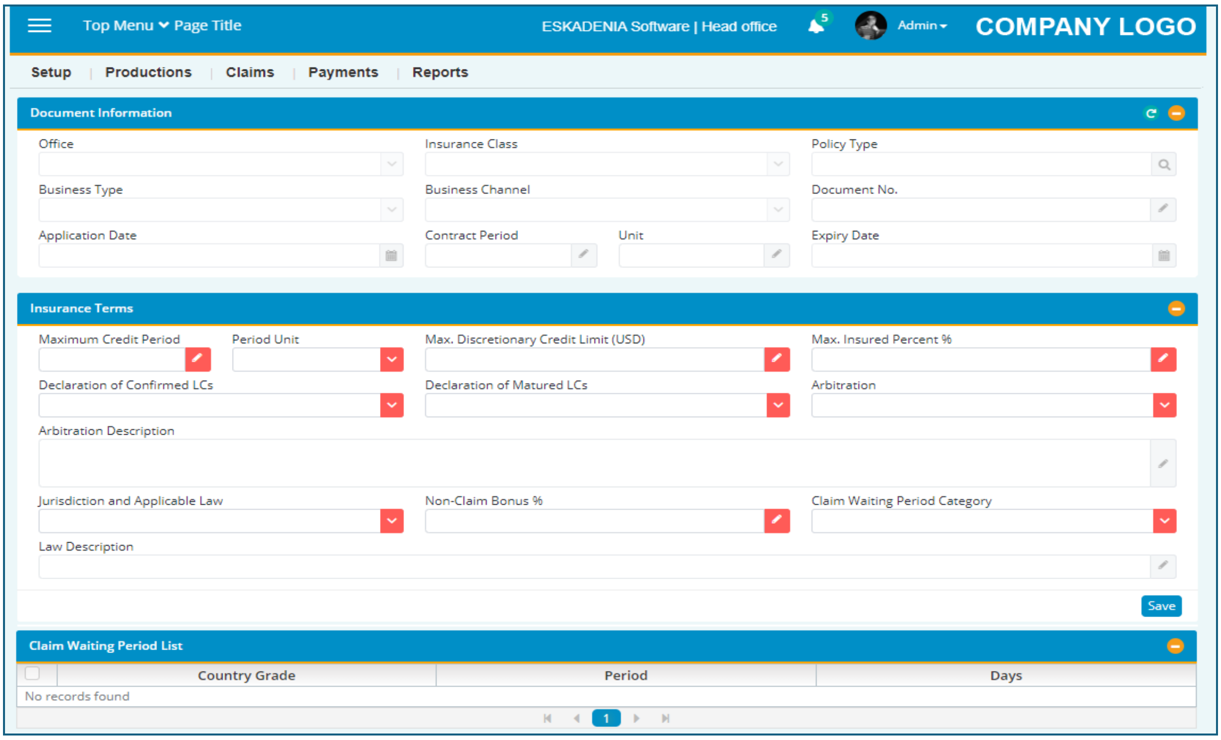

Figure 7-15 (Insurance Terms – Bank Confirmation of LCs)

"Arbitration Description" content differs according to "Arbitration":

- “Standard” will reflect the following text: "Any dispute between us that cannot be resolved by mutual agreement will be referred to arbitration in accordance with our rules at the dates of referral.".
- "Non-standard" will reflect the following text: "Any dispute between us that cannot be resolved by mutual agreement shall be referred for settlement by the court of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the Rules of Arbitration of the International Chamber of Commerce. The place of arbitration shall be London.".

" Law Description " content differs according to " Jurisdiction & Applicable Law ":

- "Standard" will reflect the following text: "This policy to be governed by the principles of Shariah in all respects.".
- "Non-standard" will reflect the following text: "This policy is governed by English law provided that the rules of Shariah prohibiting interest, sale of prohibited goods and other principles of Shariah governing validity of contracts shall be observed in all respects.".

Section "Claim Waiting Period List" will not appear unless "Claim Waiting Period Category" is set to "Non-standard", otherwise it will be hidden and details nullified (emptied). These details shall be repeated according to the expected business countries' grades (i.e. check expected business entity for the selected document and group the details as per country grade defined).

7.7. Eligibility

The process of obtaining the insurance eligibility verification of a policyholder is necessary to ensure that they fulfil certain criteria according to services being provided. Eligibility of goods exported provision is also possible specifying the minimum local content of the goods exported in order to determine the eligibility even if the goods are sharia compatible; accordingly, risk exposure and appeals can be minimized and payments are expedited at the appropriate rates.

Sample questions that might be enlisted under the eligibility questionnaire but not limited to are some of the following:

- Is the applicant located in member country?
    - If the Applicant is in Non-Member Country, percentage of shares owned by Individuals/Companies of Member Countries shall be provided in order to identify eligibility whereby the applicant would be eligible if more than 50% is owned by persons from Member Countries.
- Is the buyer located in member country?
- Are goods sharia compatible?
    - If the goods are Sharia Compatible and goods imported are strategic, then applicant is eligible for ICIEC cover.
- Are the goods imported strategic?
- What is the goods destination?
- What is the obligor’s country?

- Goods' Type
- Value addition percentage in member country
- Is the buyer rated by any of 4 rating agencies (S&P, Moody's, Fitch and AM Best)?

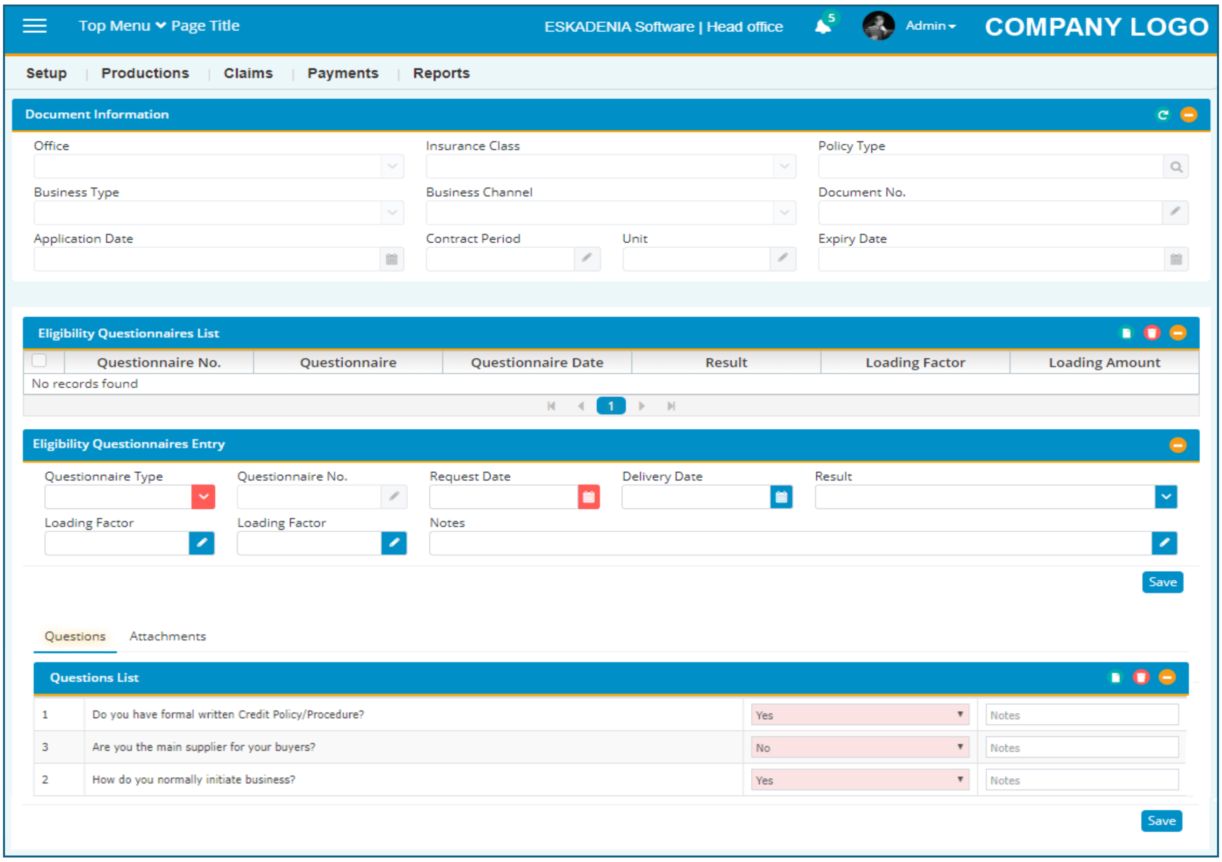

Figure 7-16 (Eligibility)

7.8. Conditions and Terms

Different policy wordings including covers, conditions, exclusions, correspondence, clauses and schedules can also be retrieved and linked to the particular policy providing the ability to amend them via an advanced text editor tool.

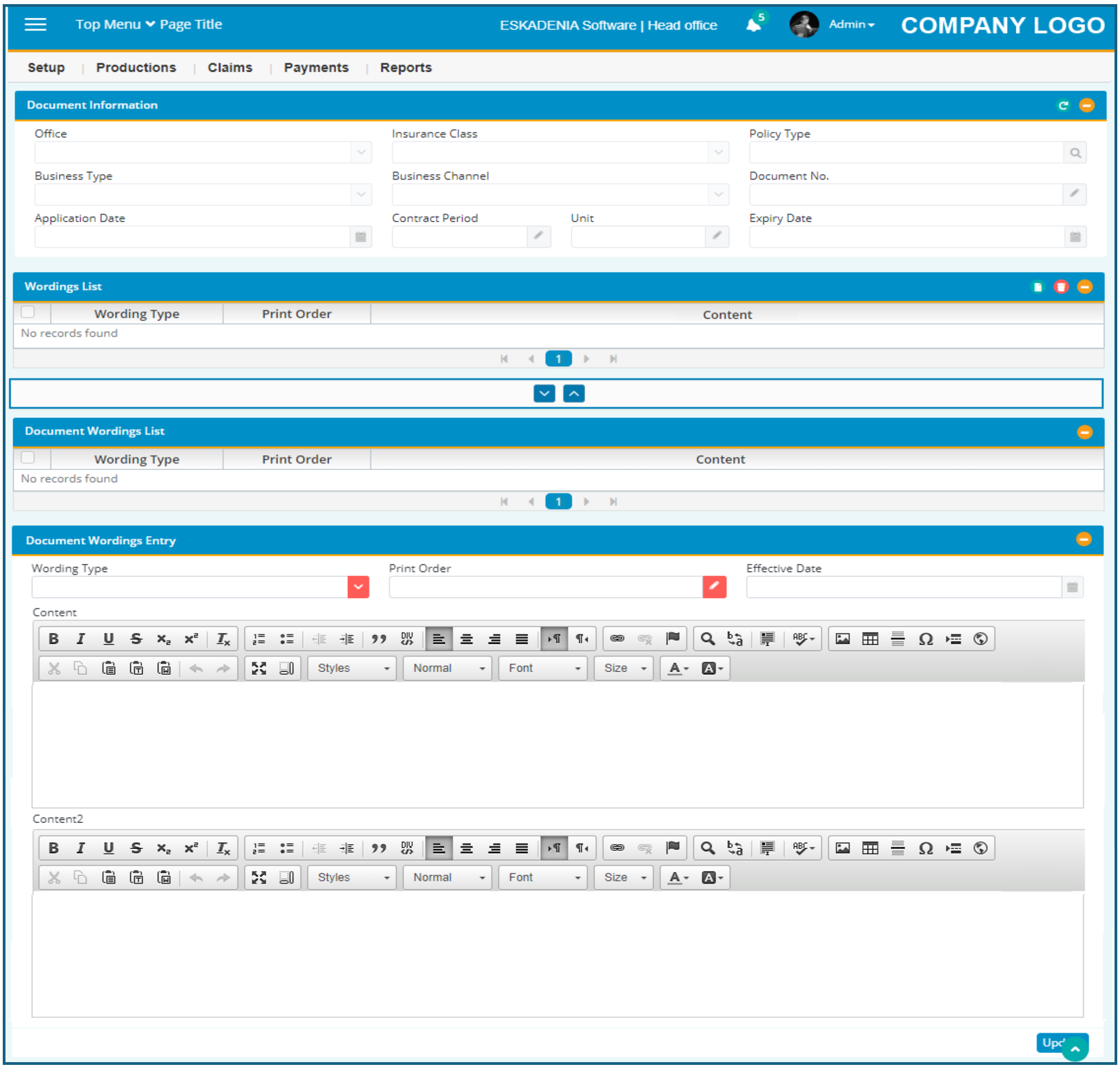

Figure 7-17 (Conditions and Terms)

7.9. Pricing

Having processed all the available application details and underwriting requirements met, the documents' resulting premium and details differ based on certain parameters and formulae, along with requested cover types (risks), applicable fees, loading, discounts and respective commission amounts can be calculated and adjusted based on the recorded turnovers amount with equivalent rates and expenses, if any. However, derived rates can still be overridden manually reference to the defined DoA and levels of authority.

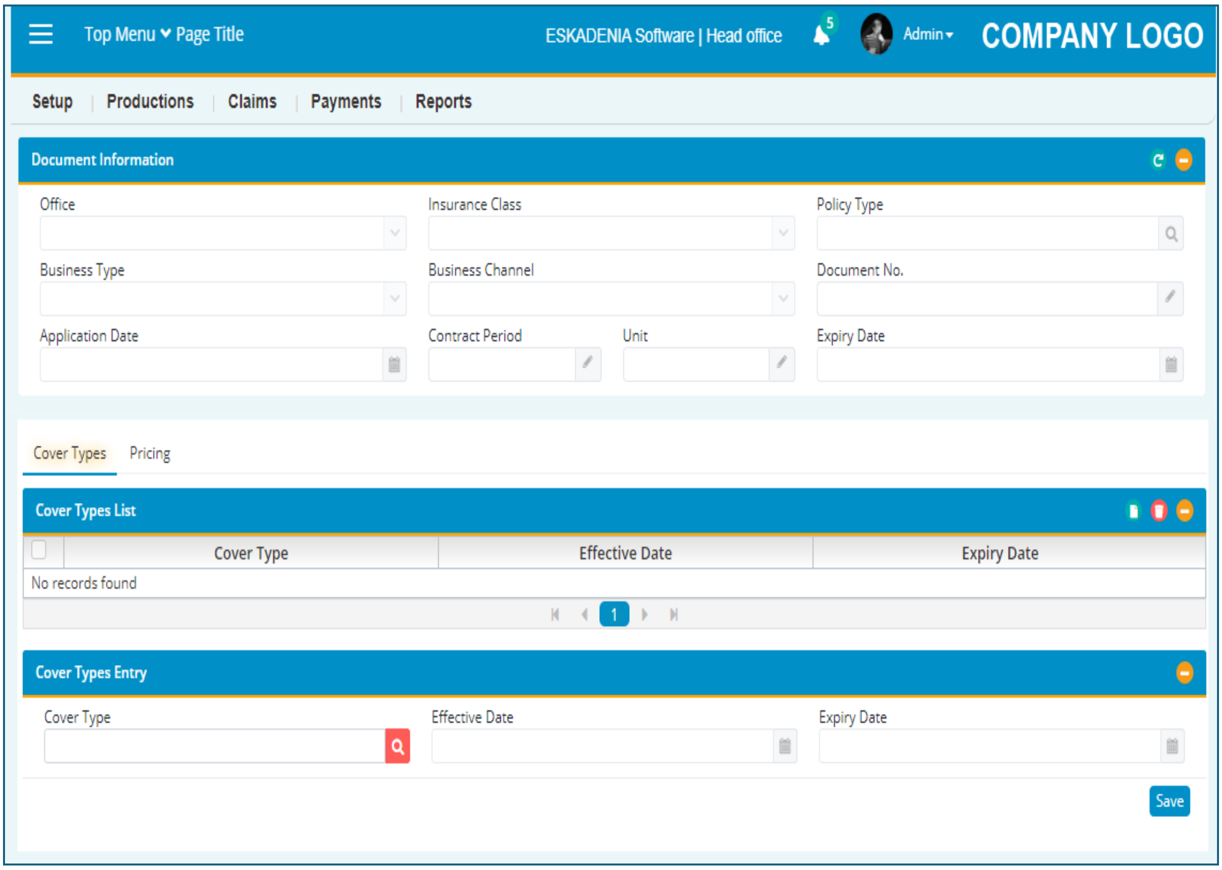

Figure 7-18 (Cover Types/Risks)

The below section and details shall be taken into consideration for commercial insurance classes and policy types either "Bank Export Financing" or "Bank Confirmation of LCs" where by "Confirmation Rate" shall not become enabled, unless "Premium Charging Type" is "Non-standard" otherwise shall always be disabled and its value nullified.

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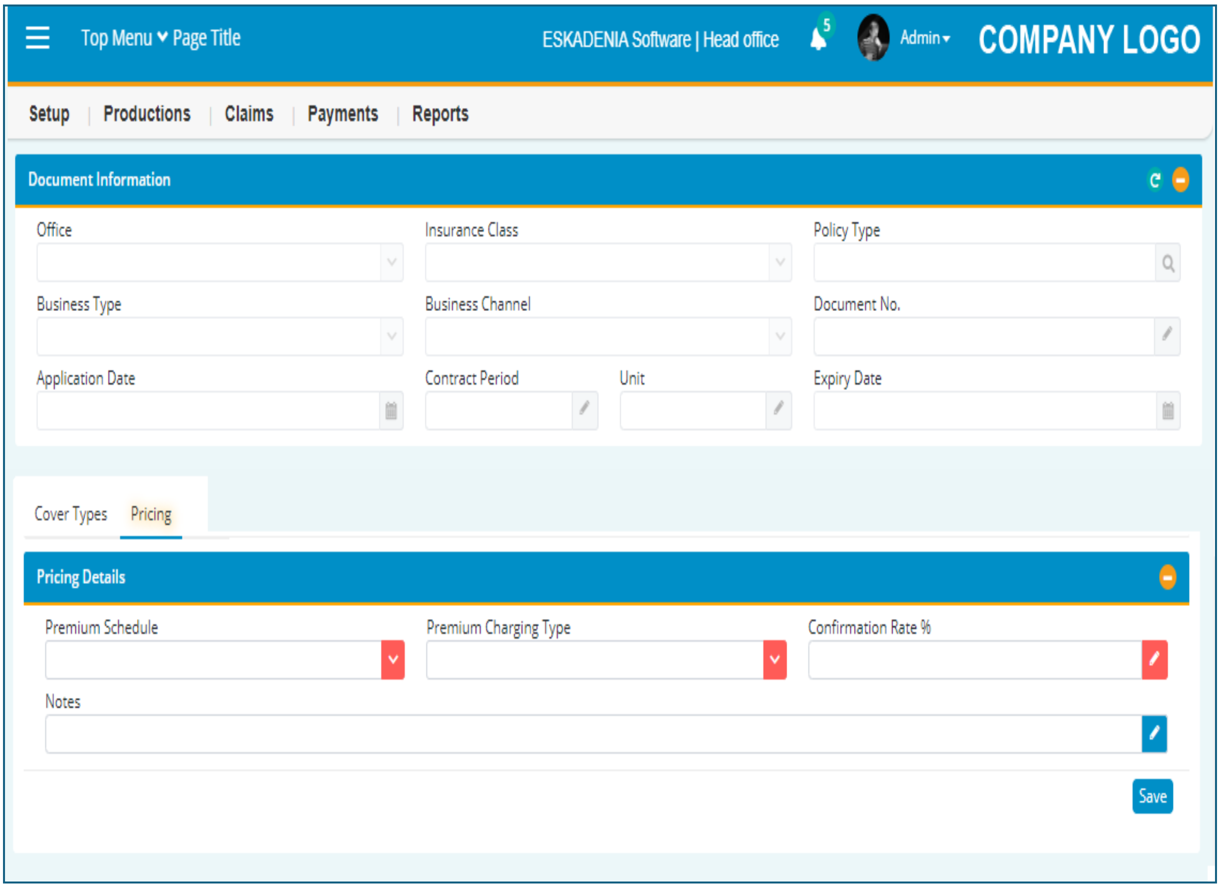

Figure 7-19 (Pricing)

The below section and details shall be taken into consideration for commercial insurance classes and policy types either " Trade Credit Domestic" or "Trade Credit Export" whereby "Offer Type" could be differentiated to either "Whole Portfolio" or "Zones" where for the latter, number of zones classification should fall under one of the following options (Whole Portfolio, Two Zones, Three Zones, Four Zones and Five Zones). Moreover, user can also specify whether minimum of premium and maximum liability amount specifications is applicable or not.

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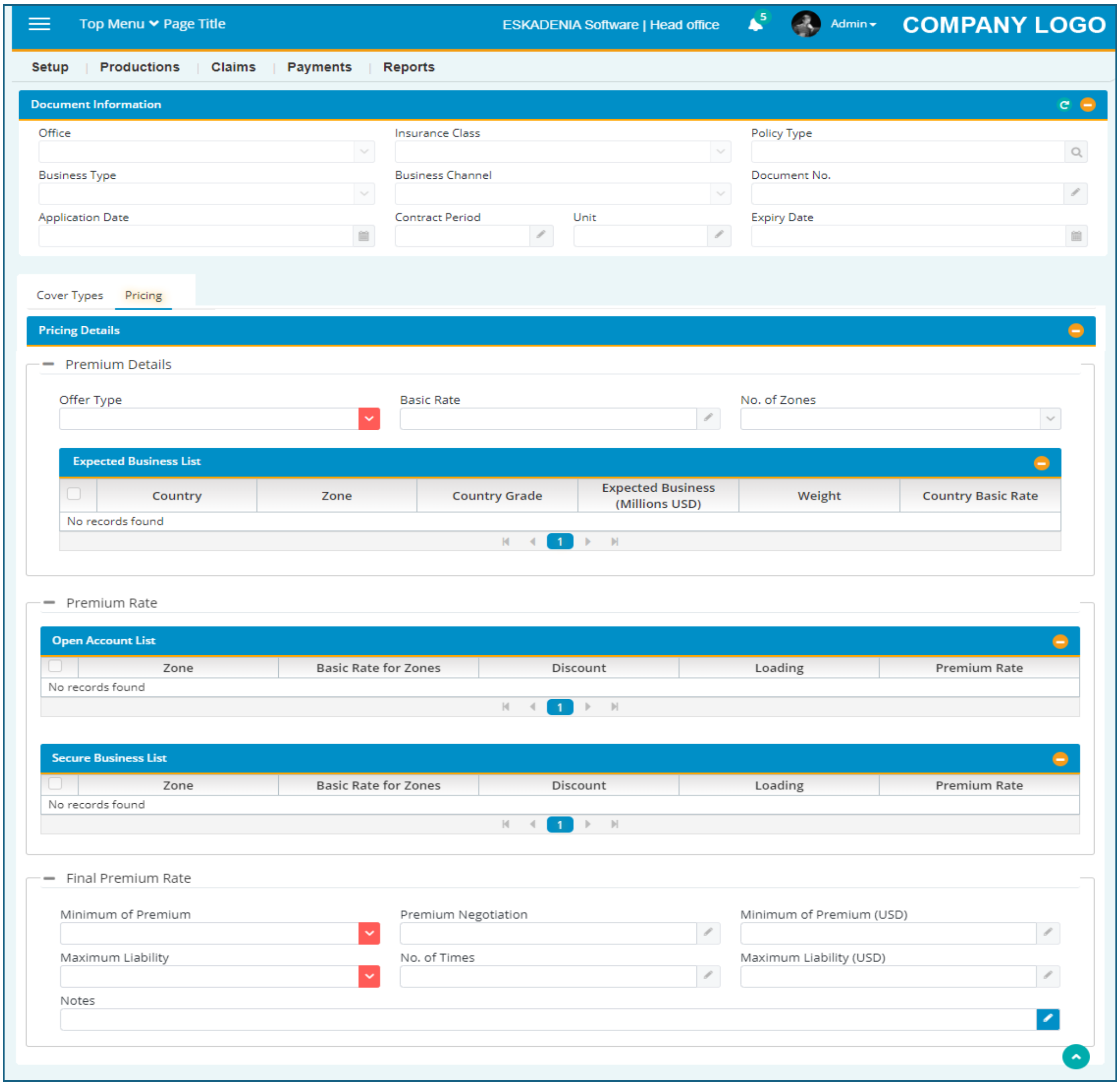

Figure 7-20 (Pricing)

The below section and details shall be taken into consideration for commercial insurance classes and policy type " Single Transaction Trade Credit" whereby rate type could be calculated and generated either as a flat Rate or rate per annum and “Premium Invoicing Procedure” consists of the following options:

- Once on the Full Amount
- On Declaration of Shipment/Execution and the Relevant Credit Period
- Once on the Maximum Exposure Amount
- Monthly Declaration of Maximum Exposure
- Quarterly Exposure of Maximum Exposure

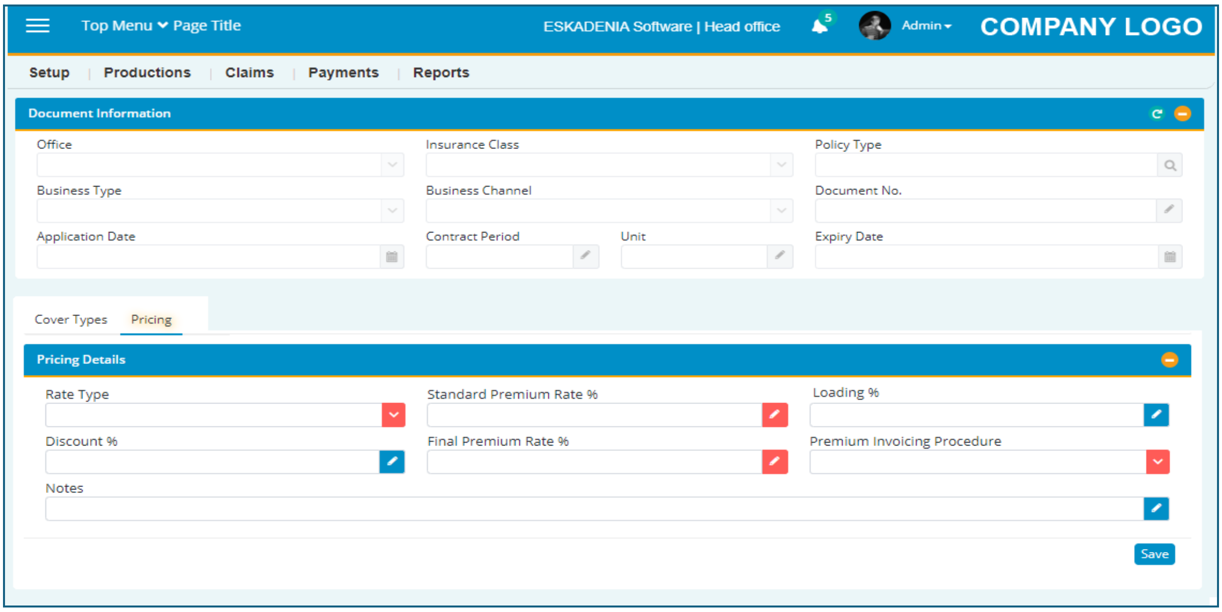

Figure 7-21 (Pricing)

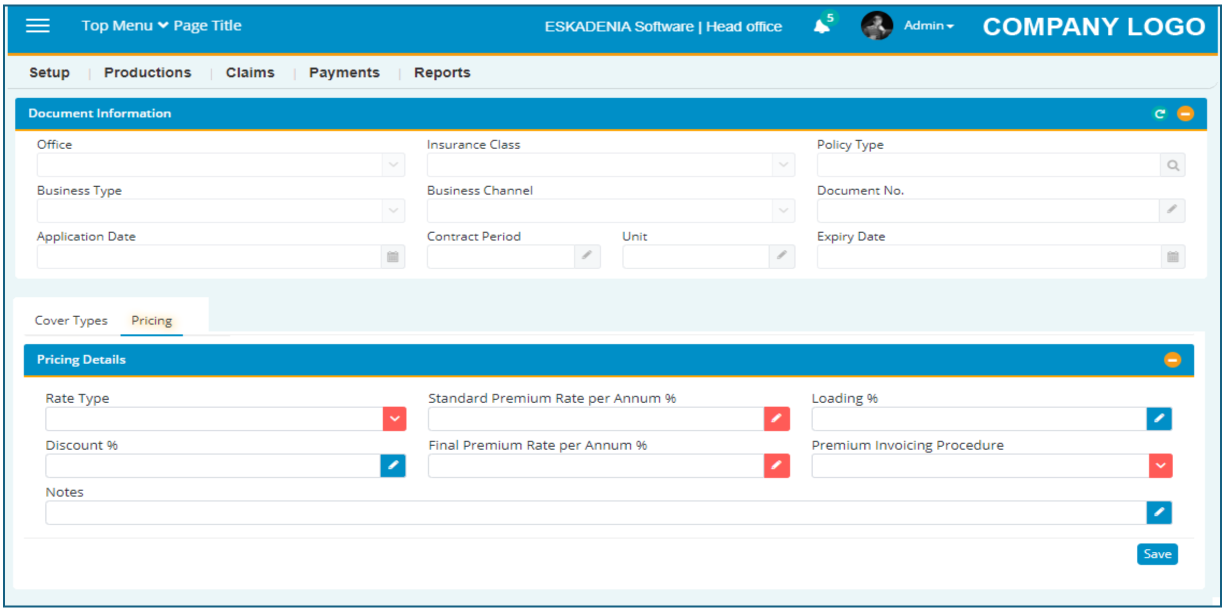

Figure 7-22 (Pricing)

7.10. Shipment and Repayment Schedule

Possibility of shipment (execution) and repayment schedule details specification for applications of commercial insurance classes and policy type "Single Transaction Trade Credit" is facilitated as below whereby “Repayment Method” can be identified and specified (Bullet Payment, Equal Instalments & Equal Interval Period or Unequal Instalments/Progress Payment) along with “Shipment/Execution Details” and “Repayment Details” to calculate premium payable based on maximum exposure.

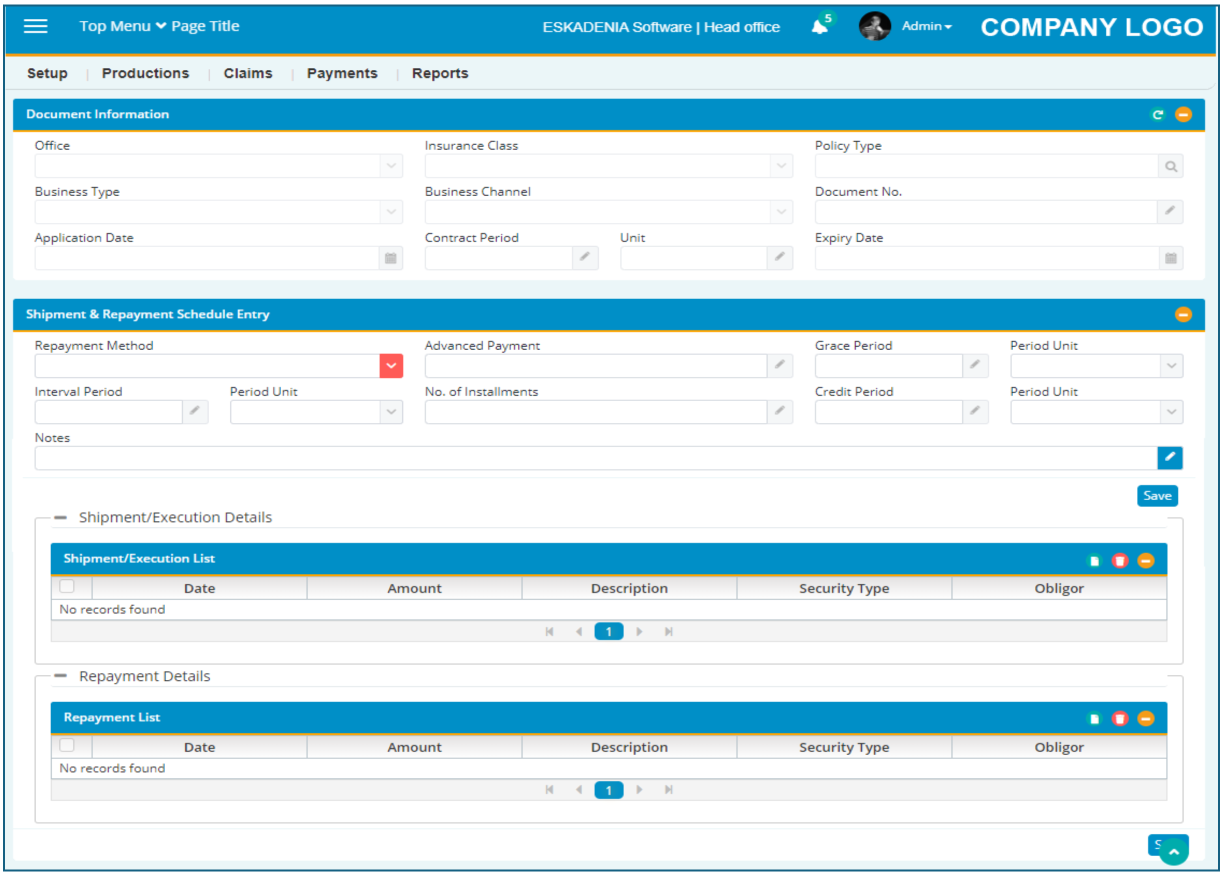

Figure 7-23 (Shipment and Repayment Schedule)

7.11. Policy

Upon clients' approval, providing that necessary assessment and internal approvals have been provided and accomplished, application will be converted to policy whereby all details shall be carried forward without the need to re-enter them. Once Director's approval is confirmed, policy will be issued, policy schedules will be generated and printed, signed and delivered to policyholder whereby a signed copy will be returned back to ICIEC to be kept for future reference.

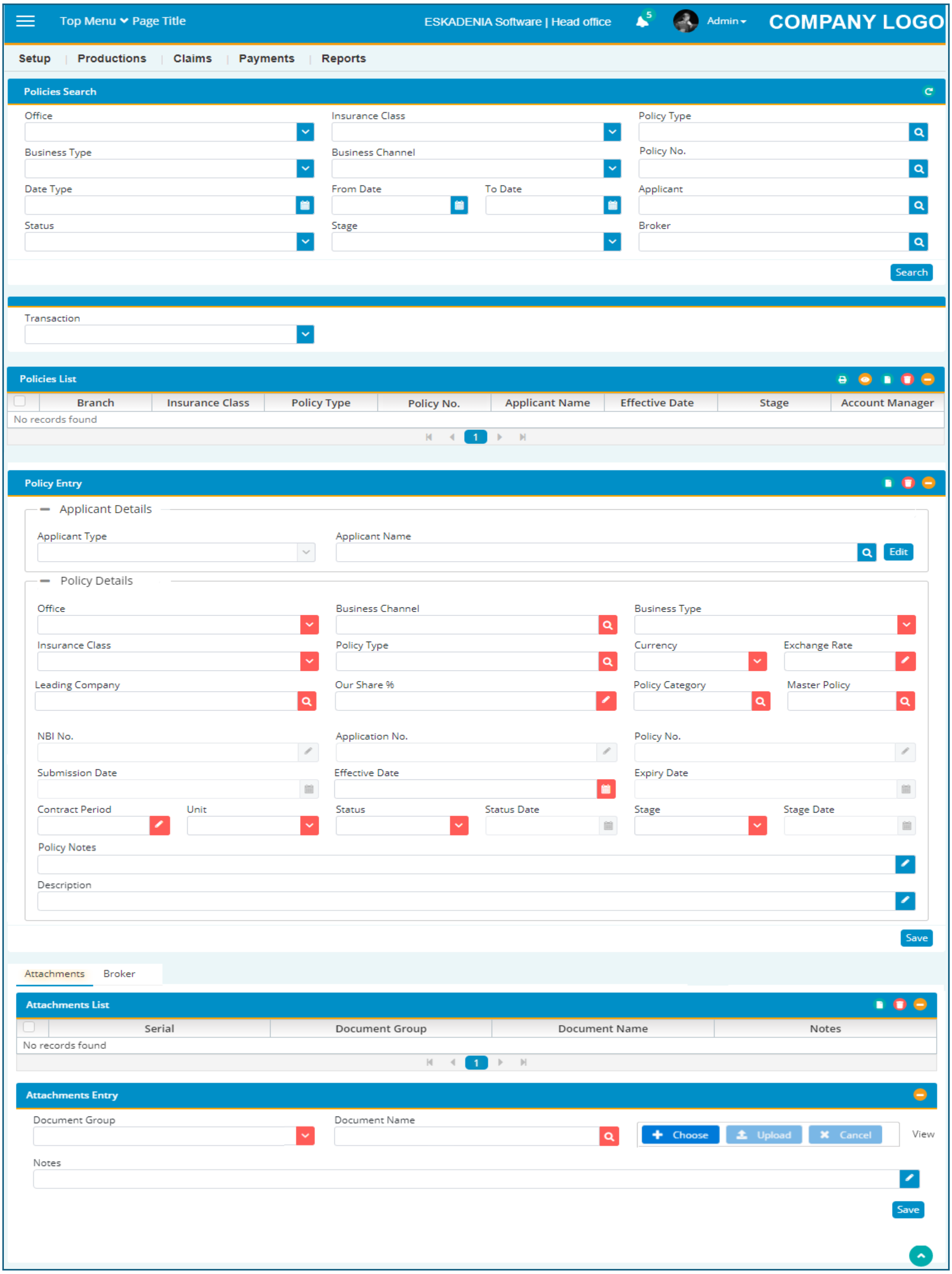

Figure 7-24 (Policy)

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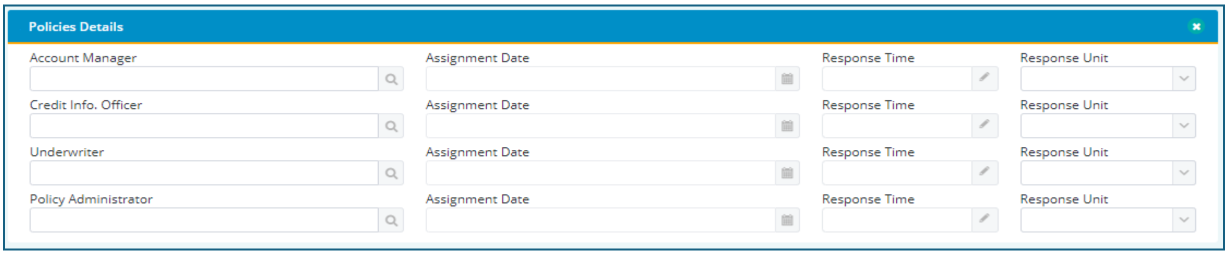

Figure 7-25 (Policy Details)

7.12. Administration Matrix

During the policy period, the policyholder may request additional modifications on active policies. Any change on the policy information during policy period should go through an endorsement transaction process in order to keep and maintain full history of requested and applied amendments according to the Delegation of Authority Matrix. The supported policy administration transaction can be classified to technical transactions that affect premium and require UW or non-technical ones that neither have a financial impact nor require UW such as:

- Cover Modification - Addition: a new cover addition during the policy period affecting the policy premium.
- Cover Modification - Cancelation: cancellation of a specific cover during policy period.
- Policy Cancellation: permanently cancel the policy and all interest matters insured in the policy; the user will not be able to apply any additional transaction to the policy after the cancellation date.
- Subsidiaries Addition
- Term Modification - Extension: policy period extension.
- Term Modification - Reduction: policy period reduction.
- Policyholder Personal Details Modification: policyholder’s personal details, phone number, addresses etc. modification.
- Loss Payee Assignment
- Loss Payee Modification
- Terms and Conditions Modification

Underwriters shall further investigate and asses the risk of the requested technical amendments and may either approve or decline it with a written explanation. A list of supporting documents is required to be attached to the endorsement for future reference.

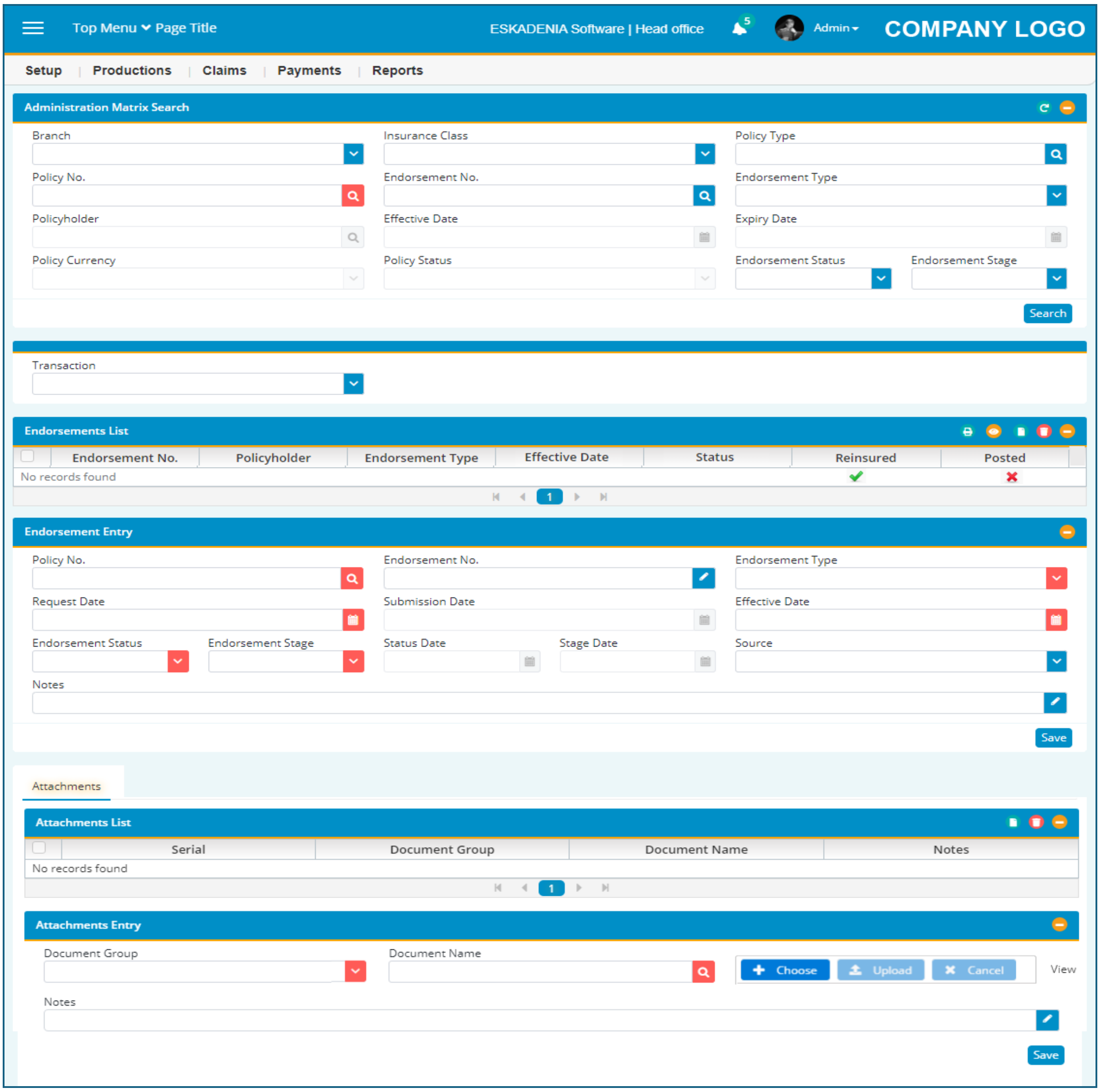

Figure 7-26 (Administration Matrix)

ESK/INS-19:0149 Uen

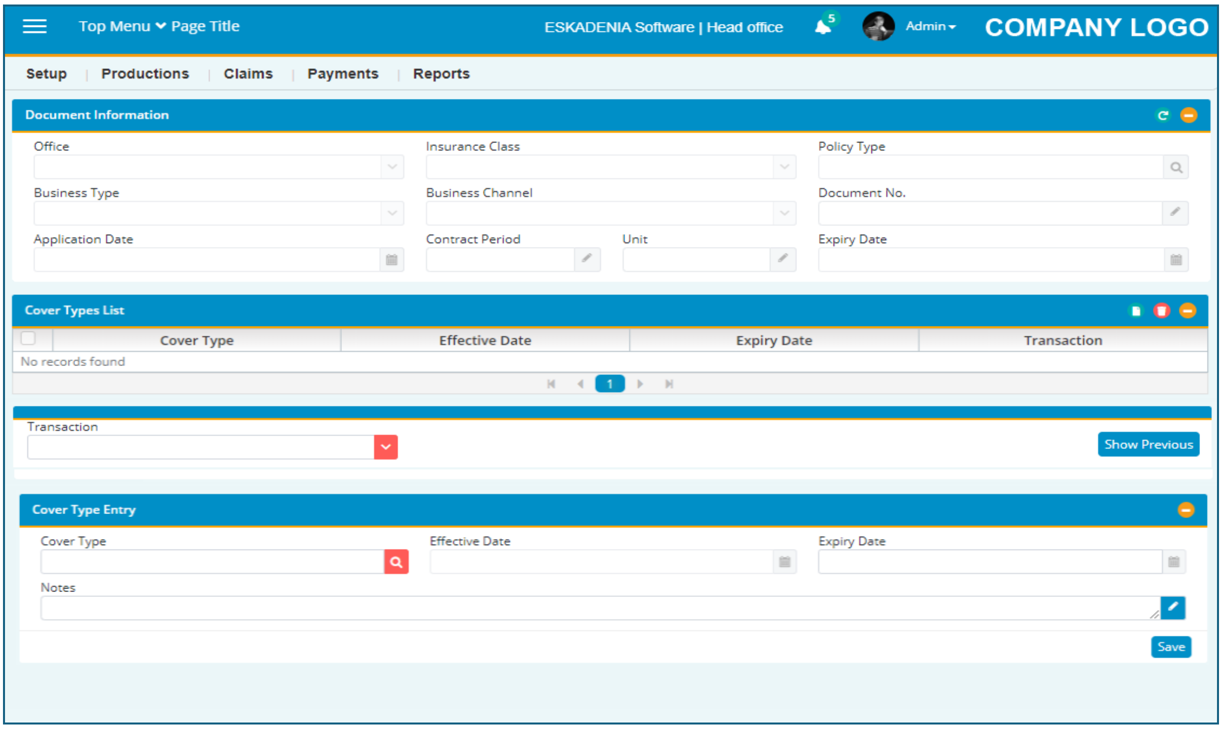

Figure 7-27 (Cover Types Modification)

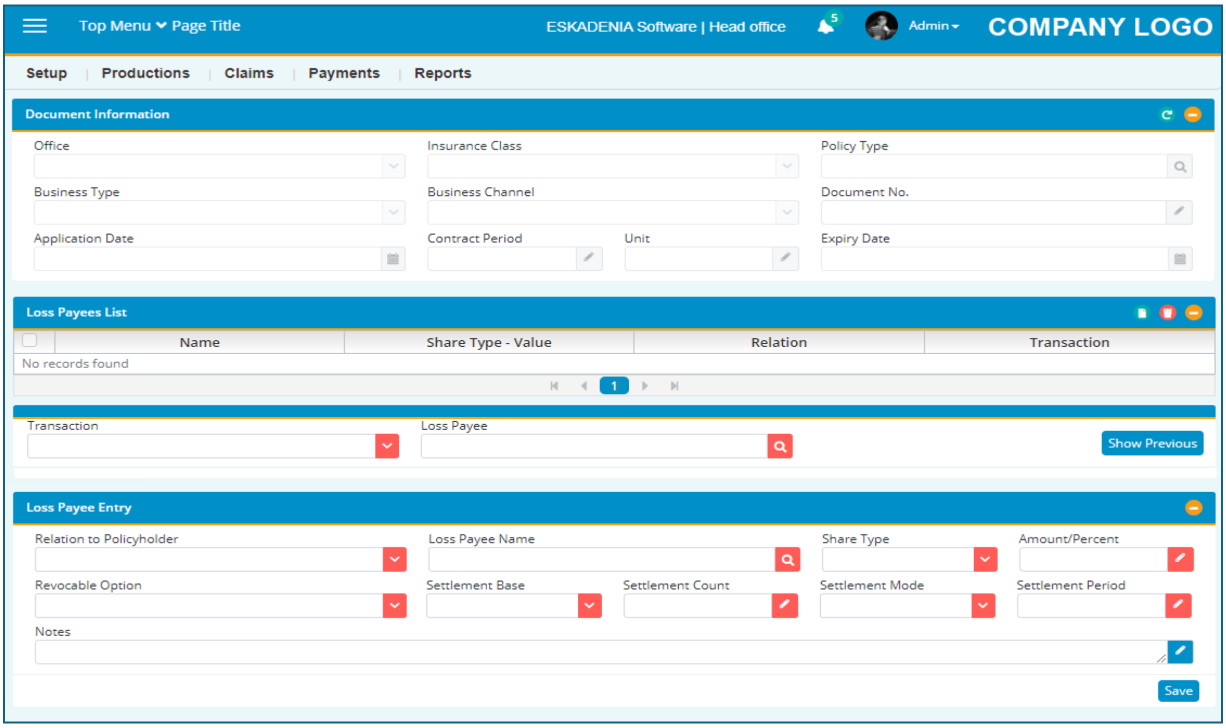

Figure 7-28 (Loss Payee Assignment)

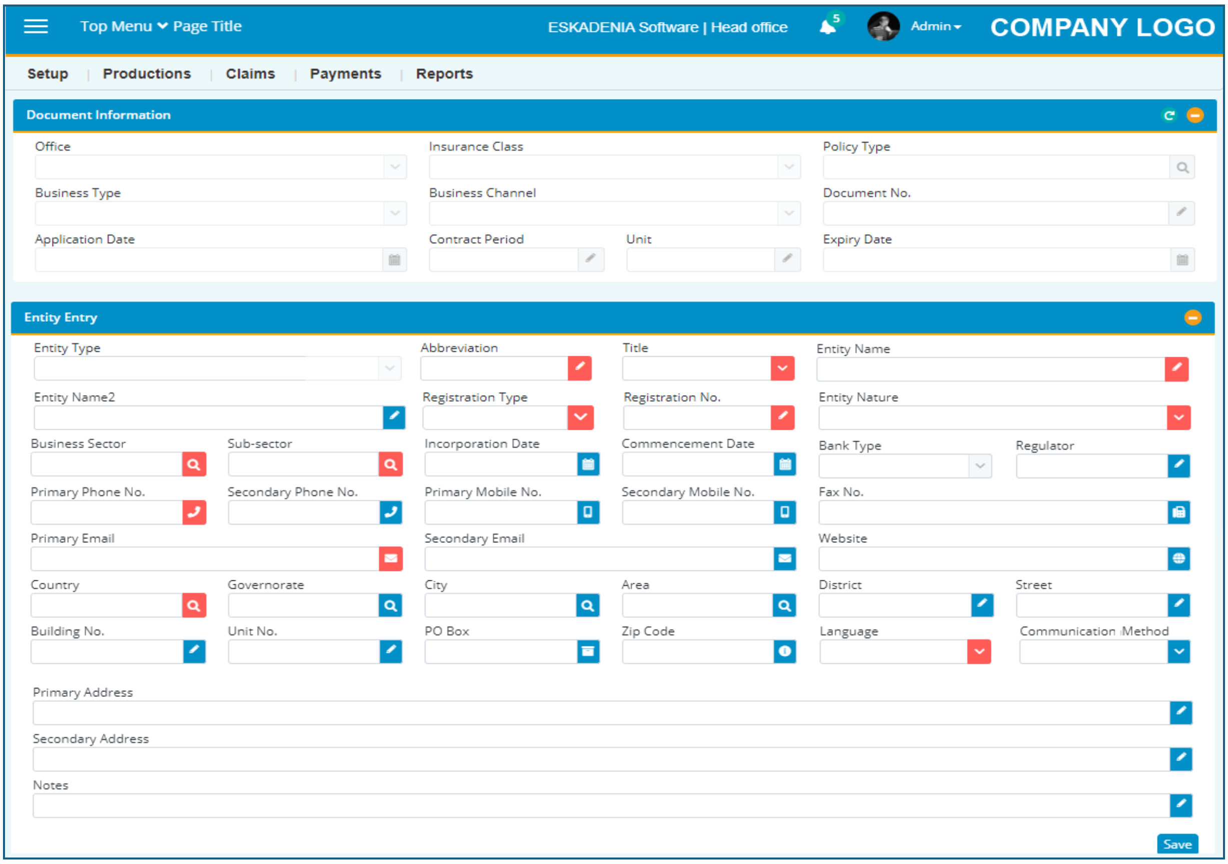

Figure 7-29 (Policyholder Personal Details Modification)

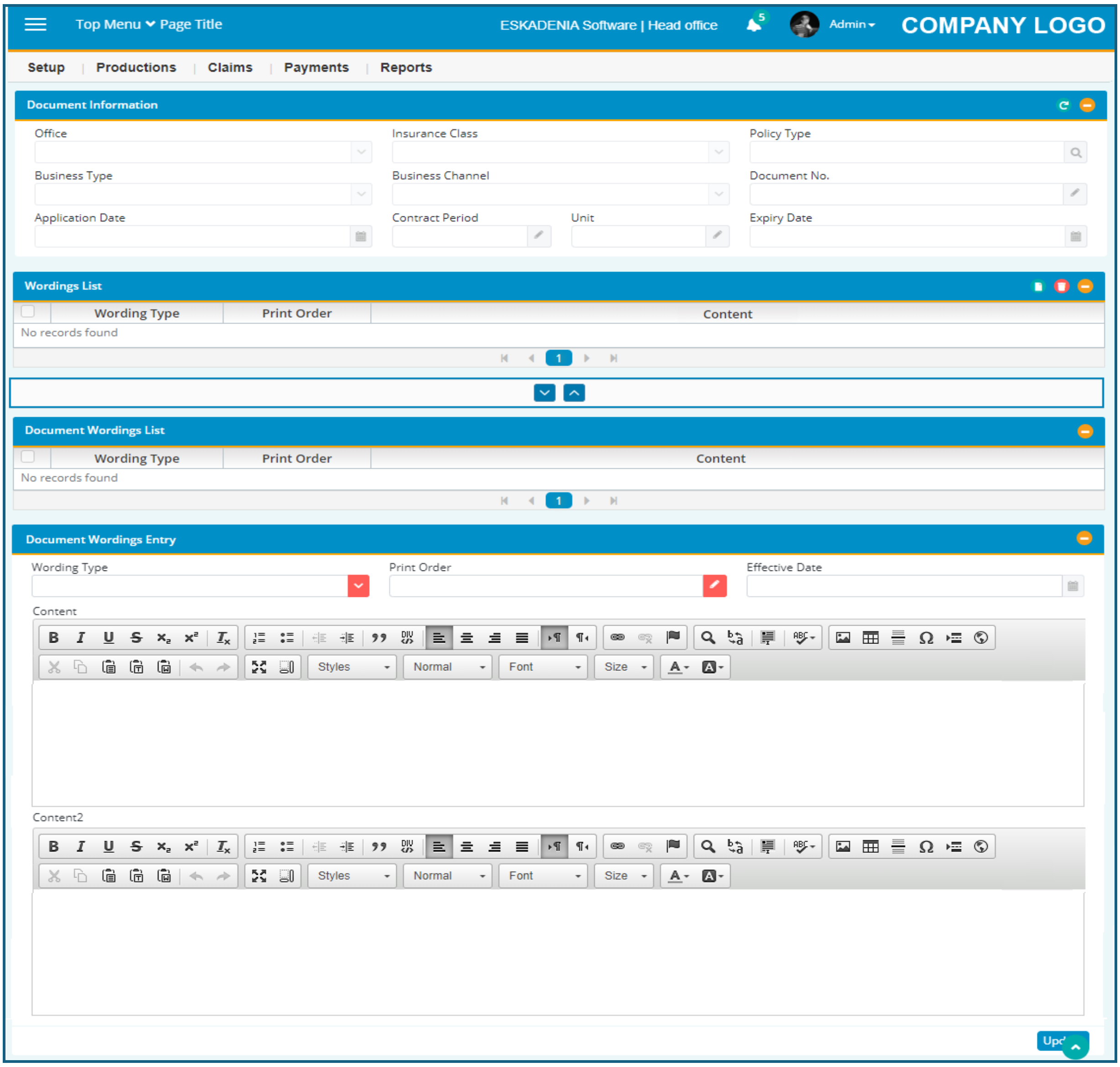

Figure 7-30 (Conditions and Terms Modification)

Premiums for technical endorsements are automatically calculated for each insured risk based on the amended criteria and factors. After the approval of the endorsement and premium calculation, a debit or credit note is generated according to the premium transaction type (addition/refund) in the AR module of **ESKA® Business Manager**. These invoices are automatically scheduled according to the customer payment terms specified in the policy & endorsement levels.

7.13. Policy Renewal

At the commencement and thereafter on each annual renewal date, with the premiums being calculated on the insured supplier's annual turnover and its historic loss ratio. In addition to renewal to new policies and based on a mutual agreement, these policies can also be renewed to applications, which are underwritten to allow certain changes, such as variations in terms and conditions, premiums, buyers, etc. to be registered before the renewed application is converted to a policy.

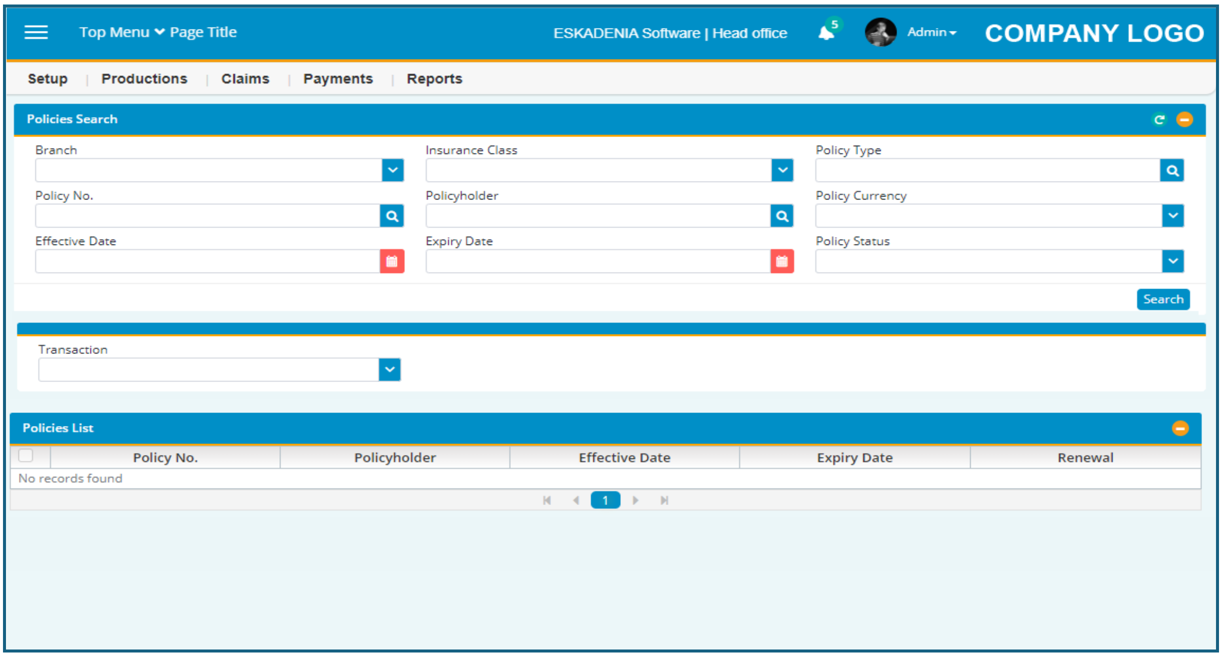

Figure 7-31 (Policies Renewal)

P.S. The below is a new requirement request by ICIEC on 27.01.2020

At the time of renewal of an expired policy, confirmation message will appear providing the option to restore all ICLs cancelled due to the expiry of the policy (i.e. latest active approvals prior to the expiry of the policy).

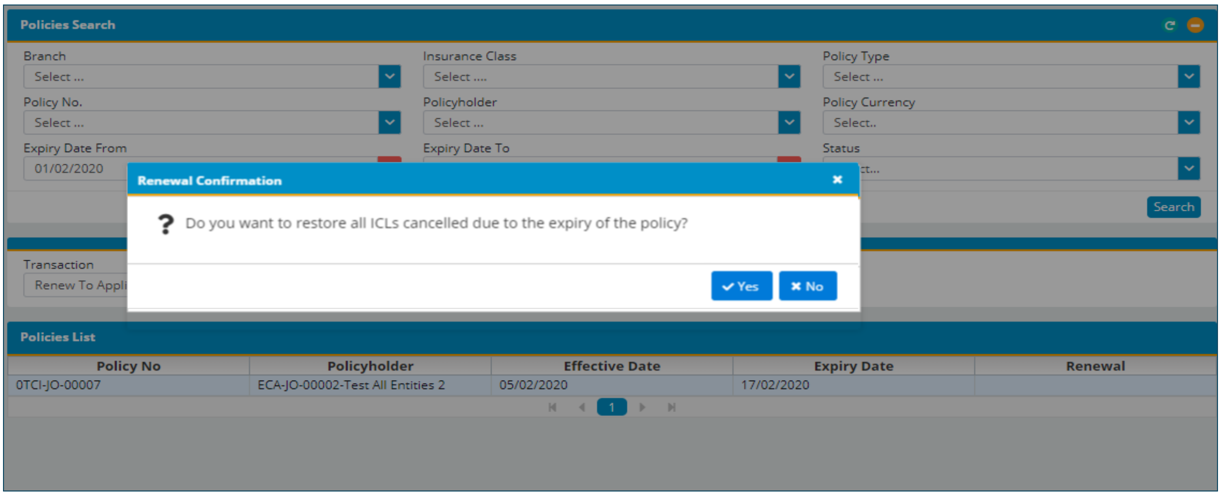

Figure 7-32 (Policies Renewal)

7.14. Overall Credit Limits

Using credit control management techniques and internal credit management processes, a credit limit is specified and granted representing the maximum insured credit line for a specific buyer/bank. Policyholders are bound to it and can trade on an insured basis within the approved credit limit throughout the policy period bearing in mind that annual OCL monitoring is necessary and sufficient. However, in extraordinary situations like rating deterioration or on other negative information an “ad-hoc monitoring” should also be performed.

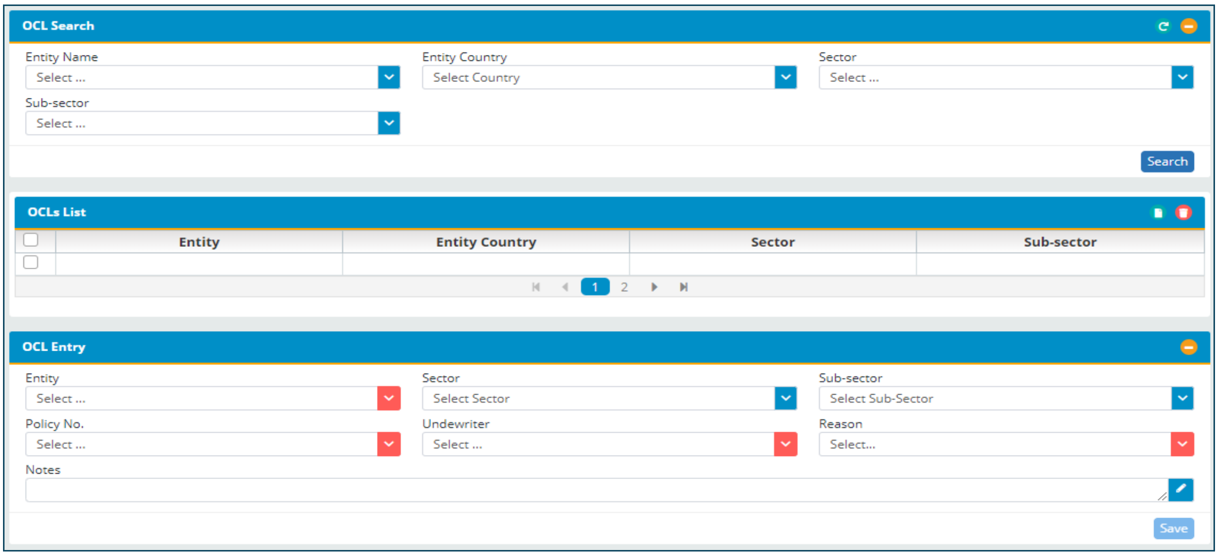

Figure 7-33 (Overall Credit Limit)

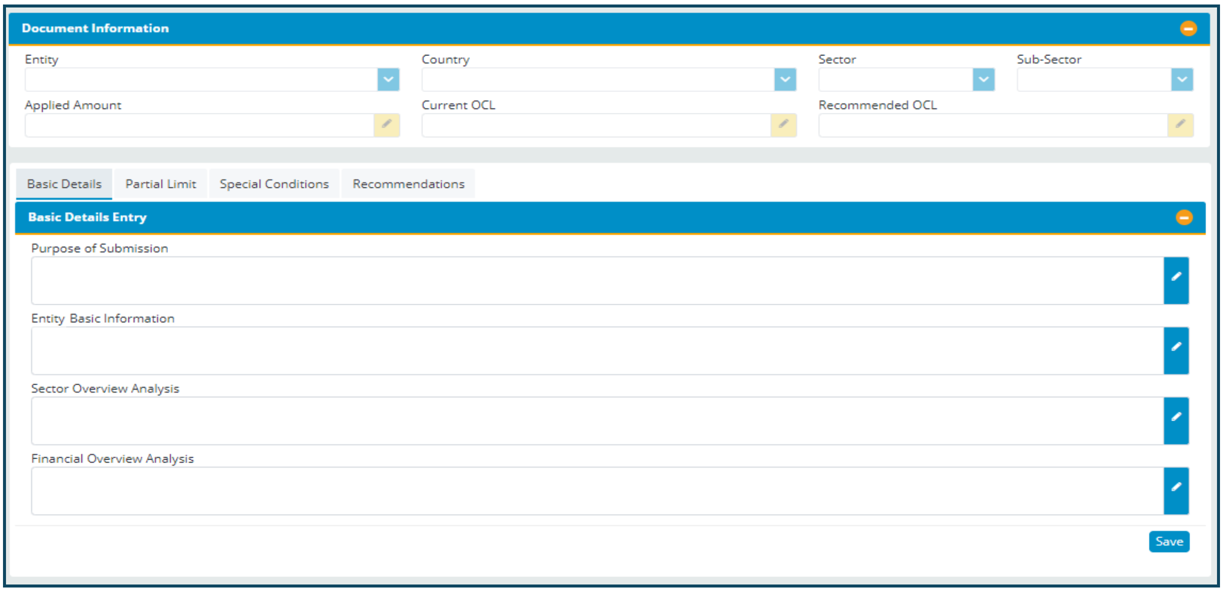

Figure 7-334 (Overall Credit Limit - Details)

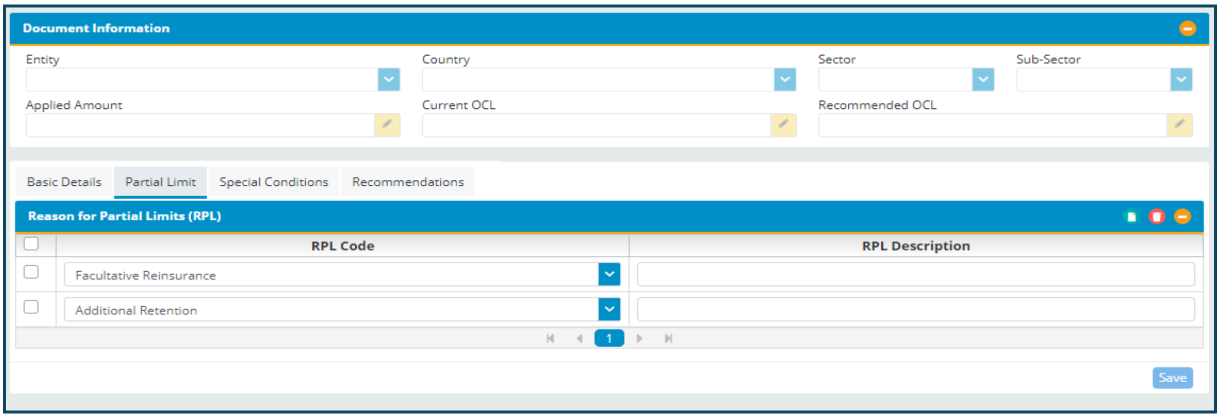

Figure 7-345 (Overall Credit Limit – Partial Limits)

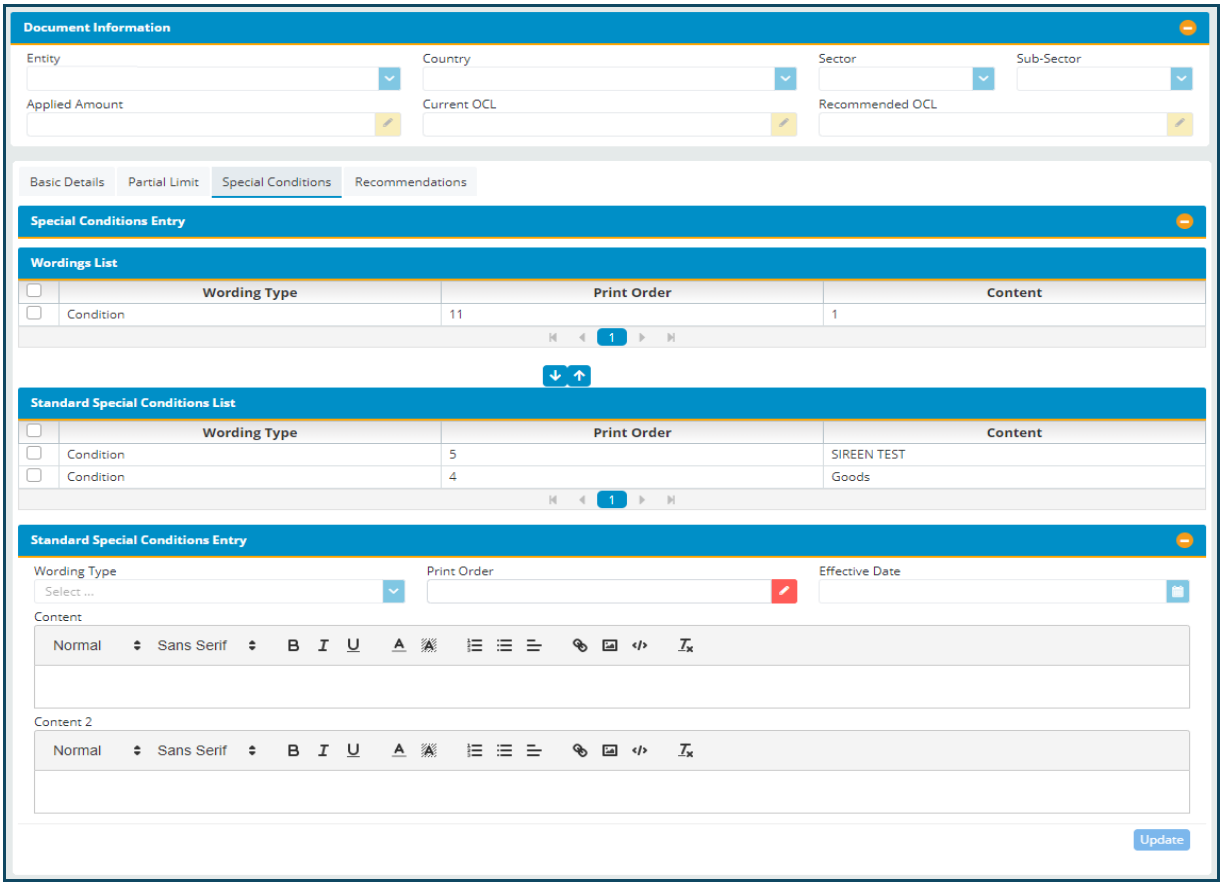

Figure 7-356 (Overall Credit Limit – Special Conditions)

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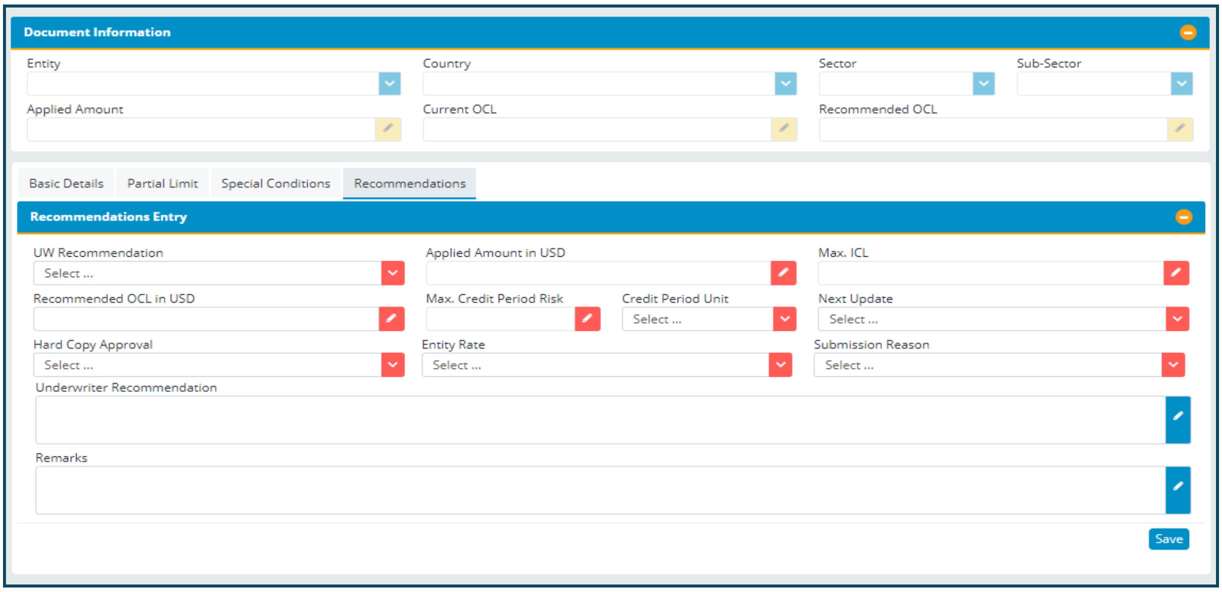

Figure 7-367 (Overall Credit Limit - Recommendations)

P.S. The below is a new requirement request by ICIEC on 27.01.2020

In case of reduction of OCL with more than one ICL available, capability to define how the reduction will take place (either equally, pro-rata or individually identify each ICL amount) is possible. On the other hand, in the case of increasing the OCL, then option will be provided to facilitate the provision of specification to which ICLs the increase should be reflected.

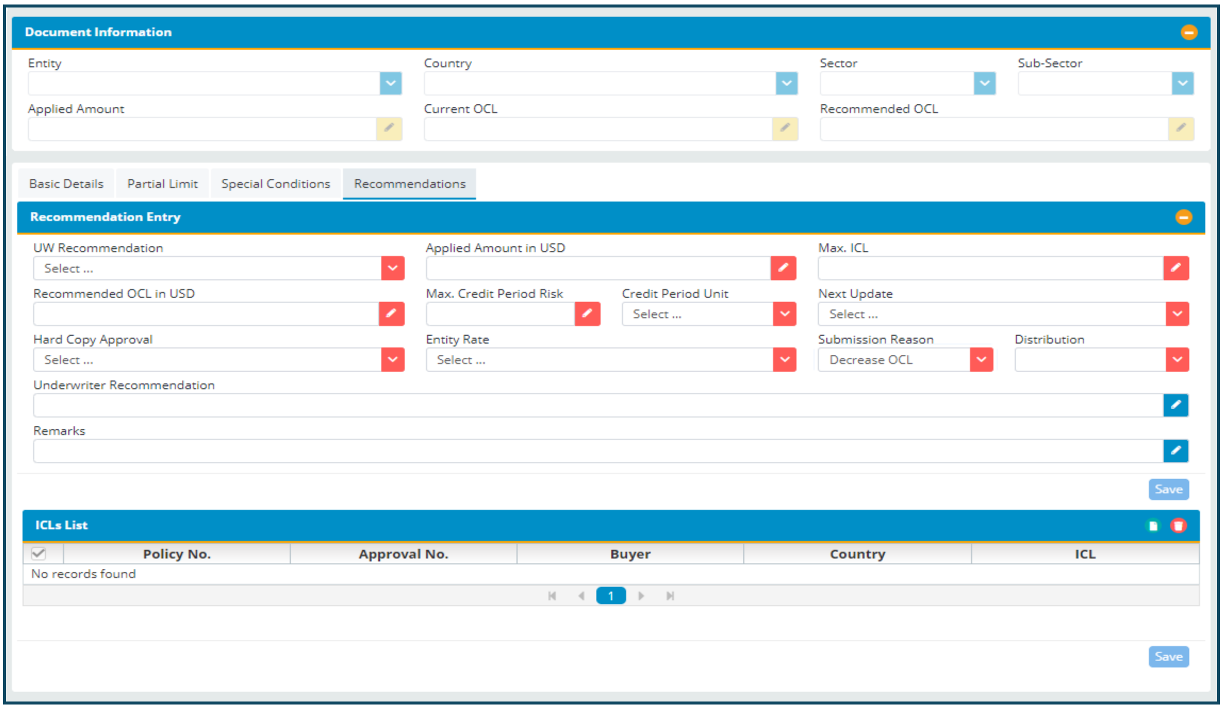

Figure 7-378 (Overall Credit Limit - Recommendations)

7.15. Application Approvals (ICL)

Submission of application approvals can be created manually upon user request or automatically for annual revisions or from OCL when limit is changed for particular ICL which needs revision. If limit on buyer or UR is increased or reduced on customer portal then a re-submission is created for CLA. Some of the mandatory details that have to be provided with consideration to the various characteristics of policy types (products) are as following:

- Application Date
- Amount Applied
- Exchange Rate
- Ultimate Risk
- Scope of Cover
- Supplier Reference
- Goods/Sector description
- Terms of Payment
  - Open Account
  - Bank Draft
  - Sight Irrevocable Letter of Credit
  - Deferred Irrevocable Letter of Credit
  - Deferred Cheque
  - Cash against Documents
  - Letter of Guarantee
- Applicant Indicative Rate
- Credit Period etc.

Validation check is applied to ensure that not more than one application on same buyer and policyholder are allowed. Having finalized assessment of the request, underwriter can apply recommendation (either as Nil Approval, Approve ICL, maintain ICL, Increase ICL, Reduce ICL, Restore Cover, Cancel Application or Cancel Existing ICL); if there is no limit on UR or other conditions user will be prompted for OCL revision.

P.S. The below is a new requirement request by ICIEC on 27.01.2020

Sector and sub-sector details already available at entity level have been added at transaction level as well.

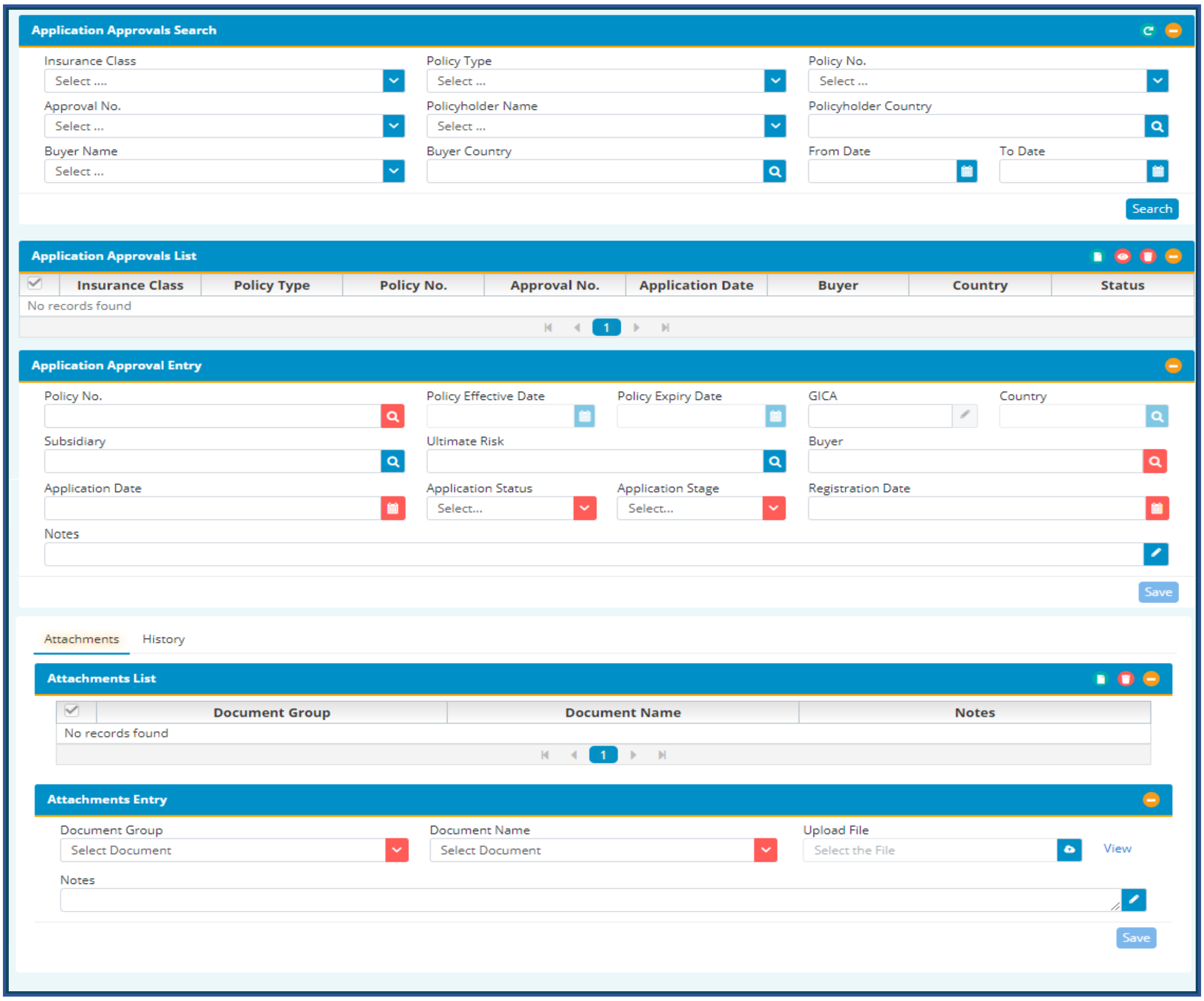

Figure 7-39 (Application Approvals)

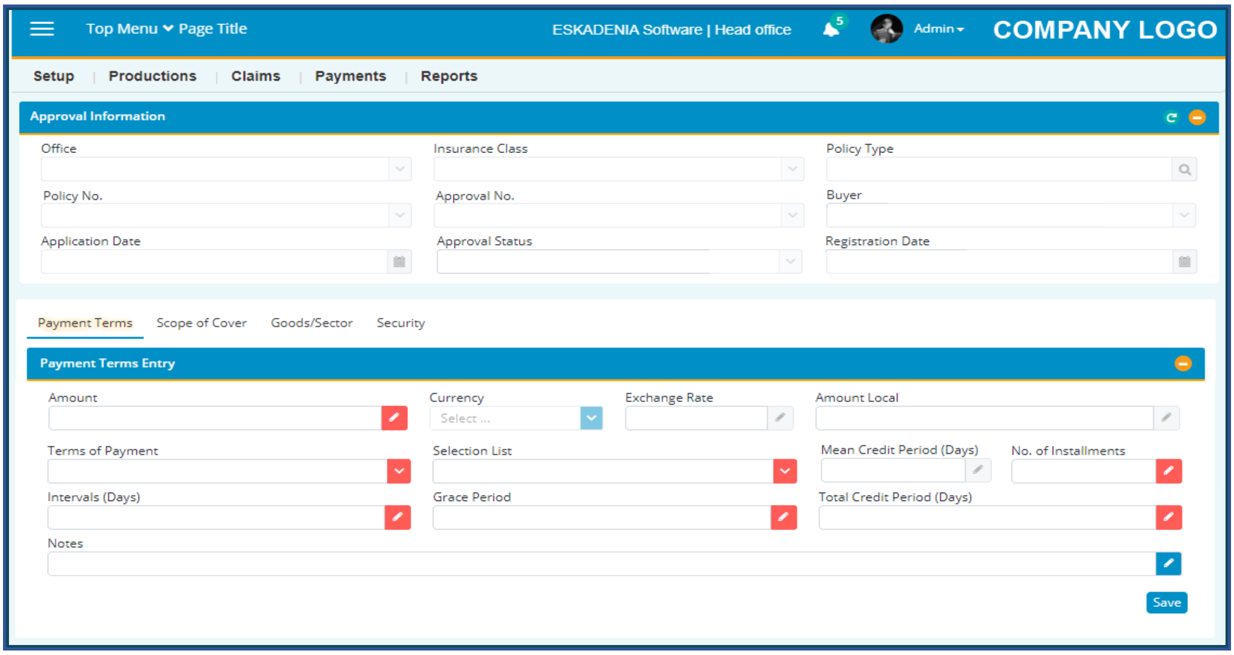

Figure 7-40 (Application Approvals – Payment Terms)

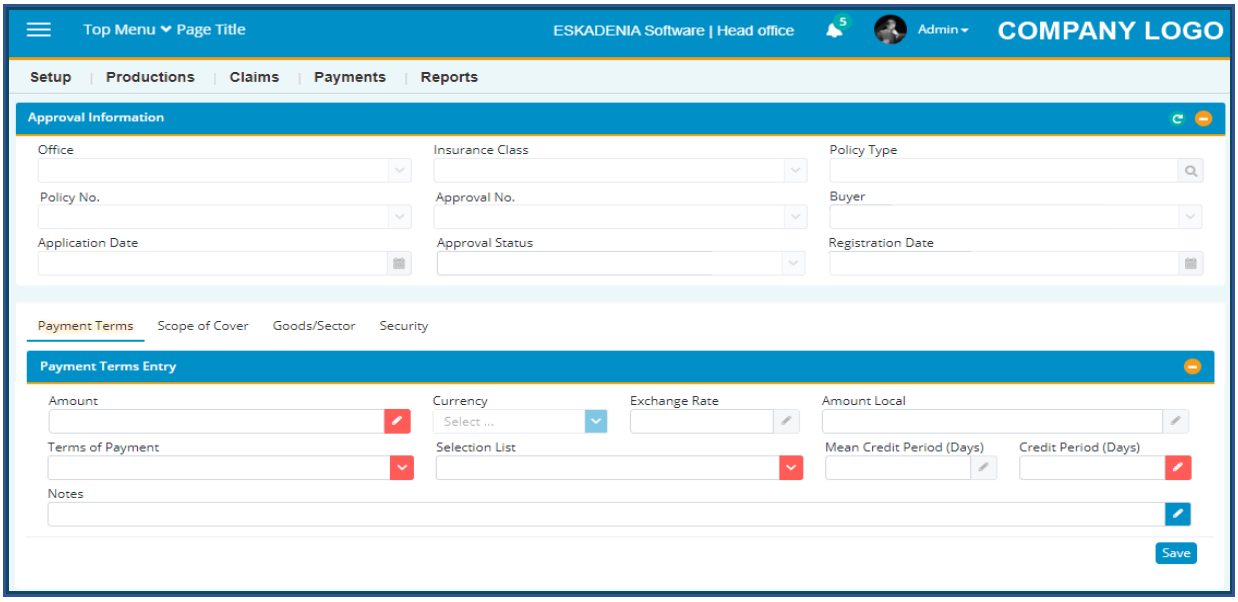

Figure 7-41 (Application Approvals - Payment Terms)

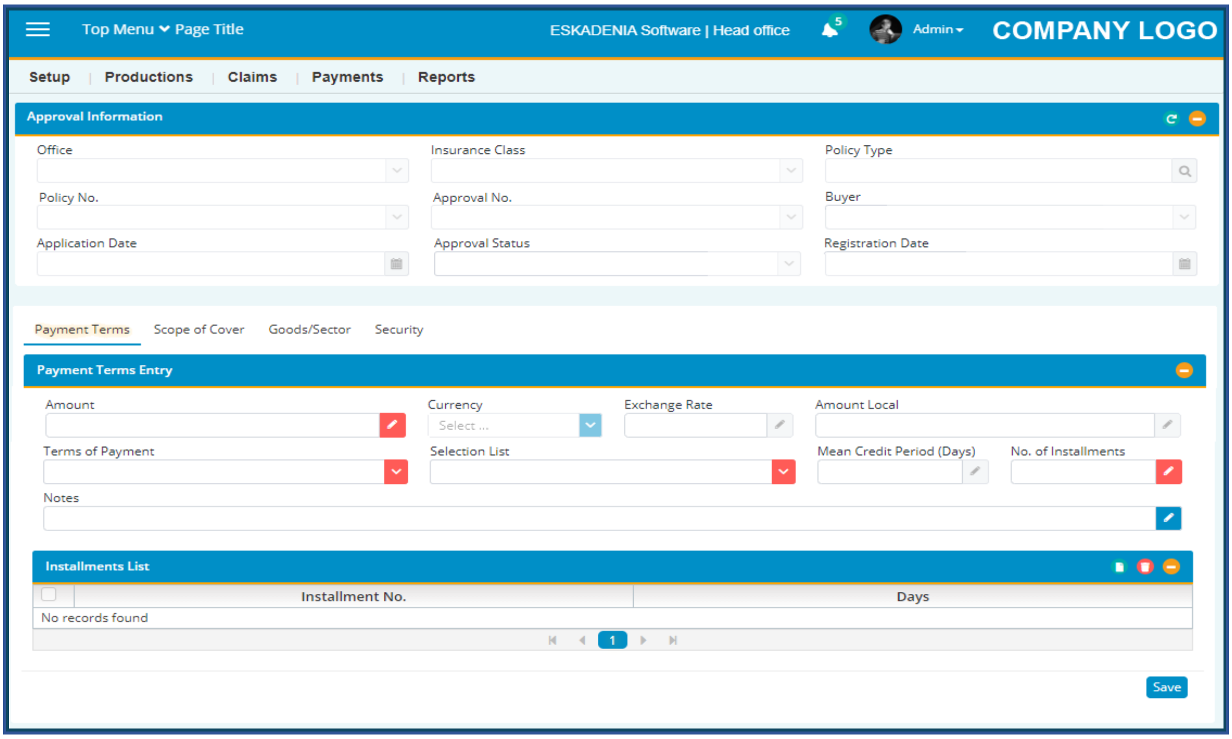

Figure 7-42 (Application Approvals - Payment Terms)

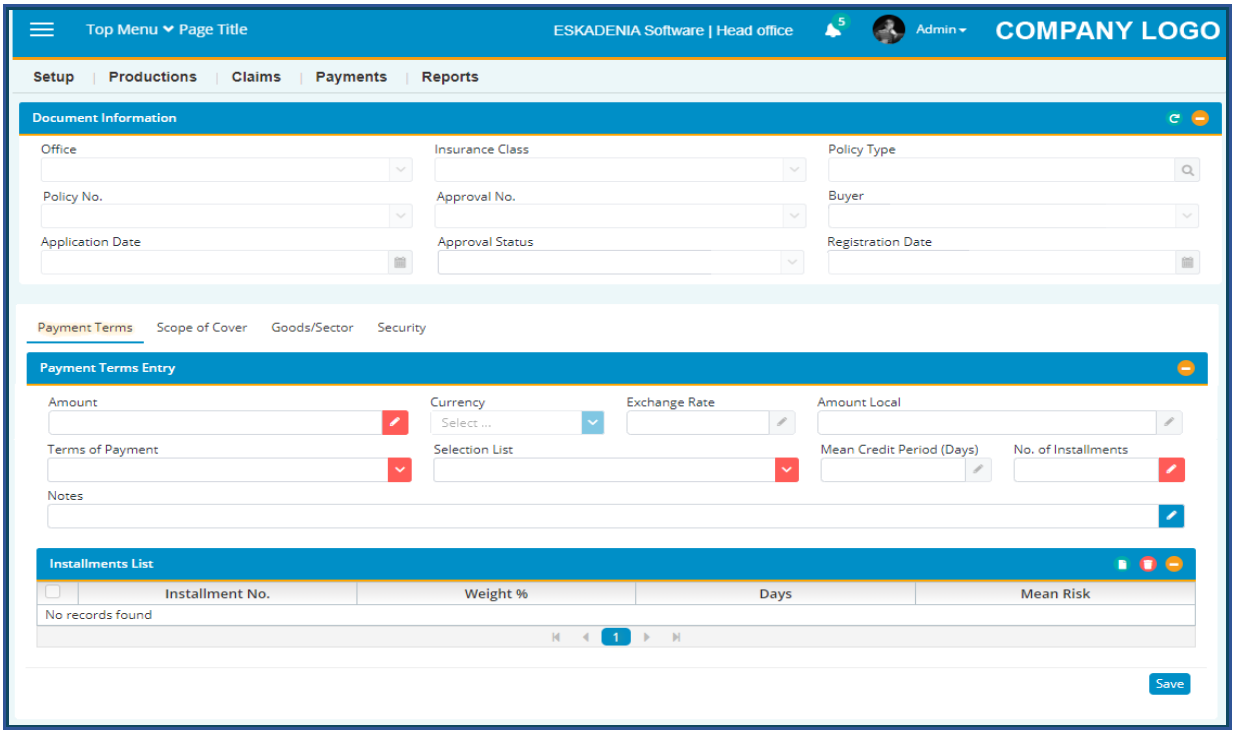

Figure 7-43 (Application Approvals - Payment Terms)

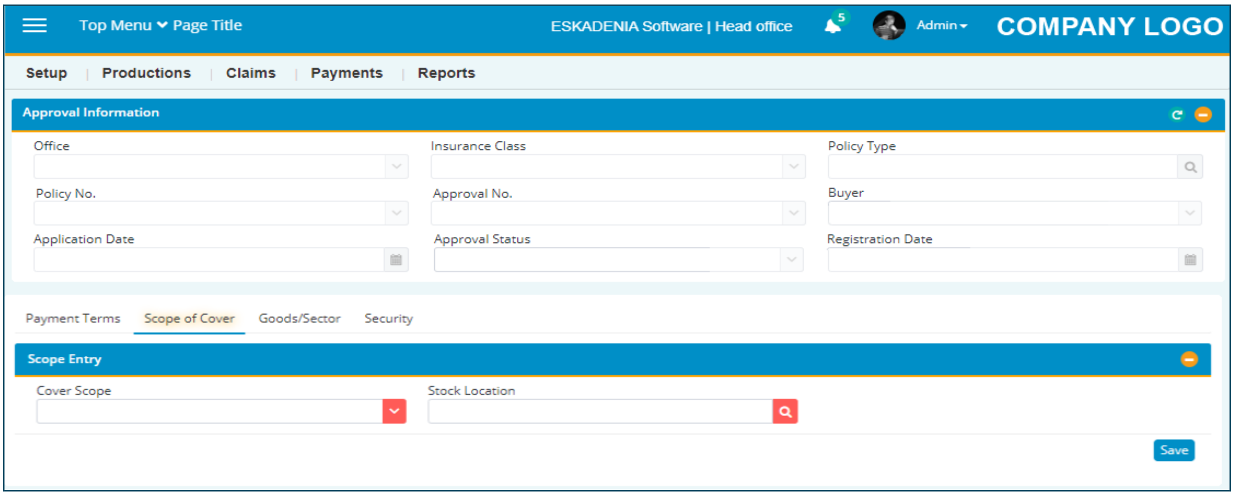

Figure 7-44 (Application Approvals – Scope of Cover)

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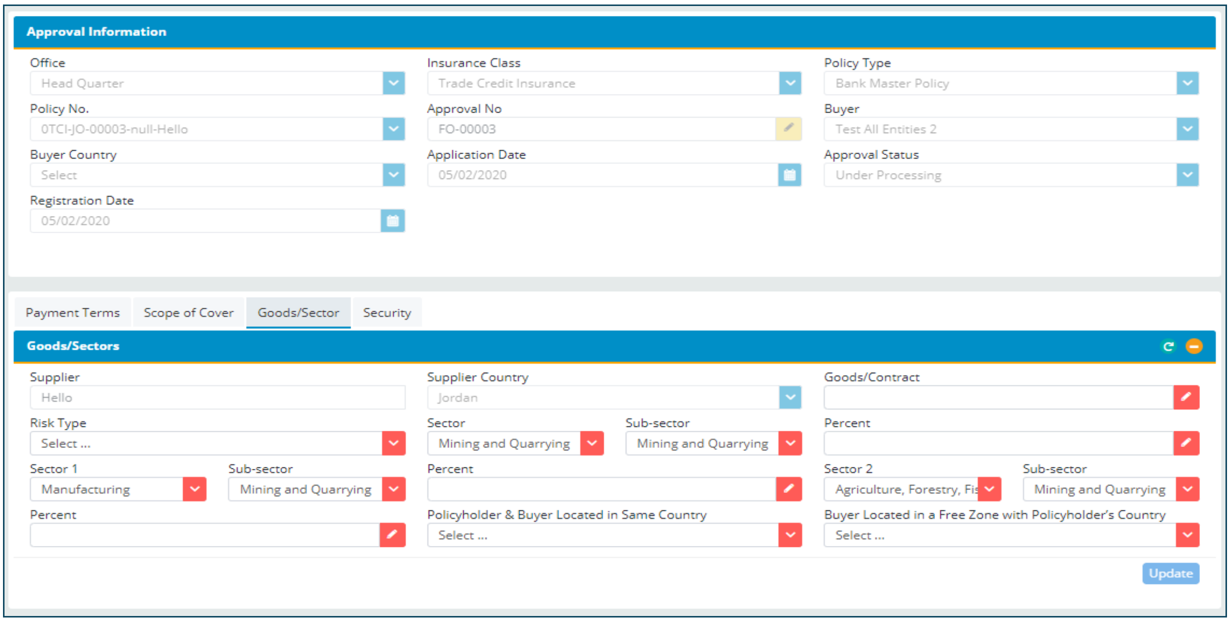

Figure 7-45 (Application Approvals – Goods/Sector)

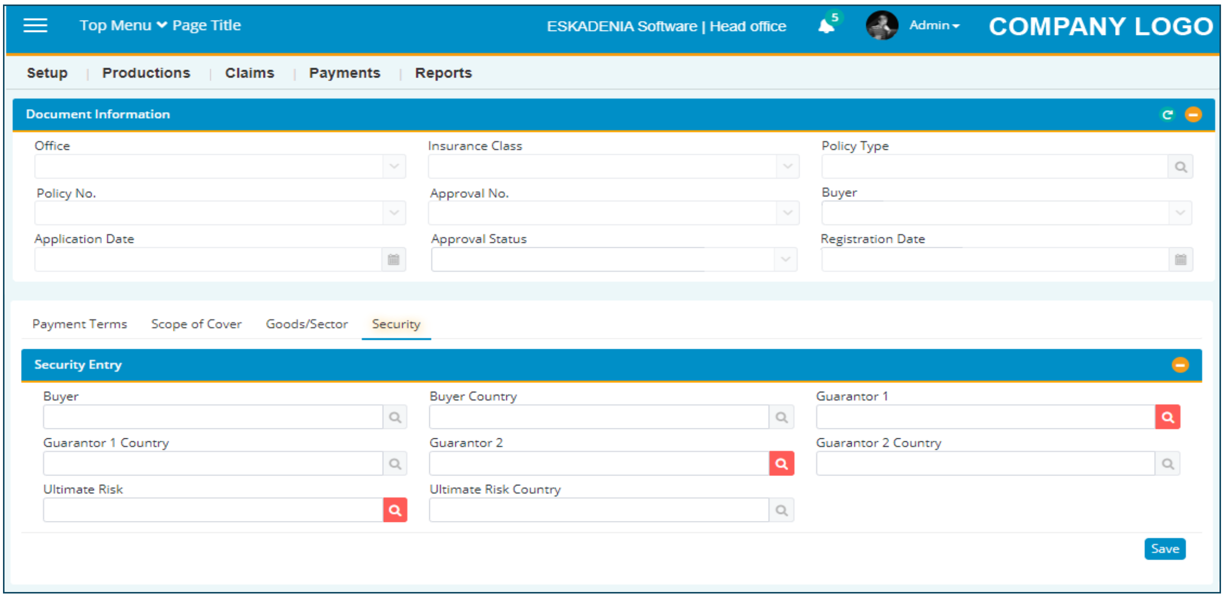

Figure 7-46 (Application Approvals – Security)

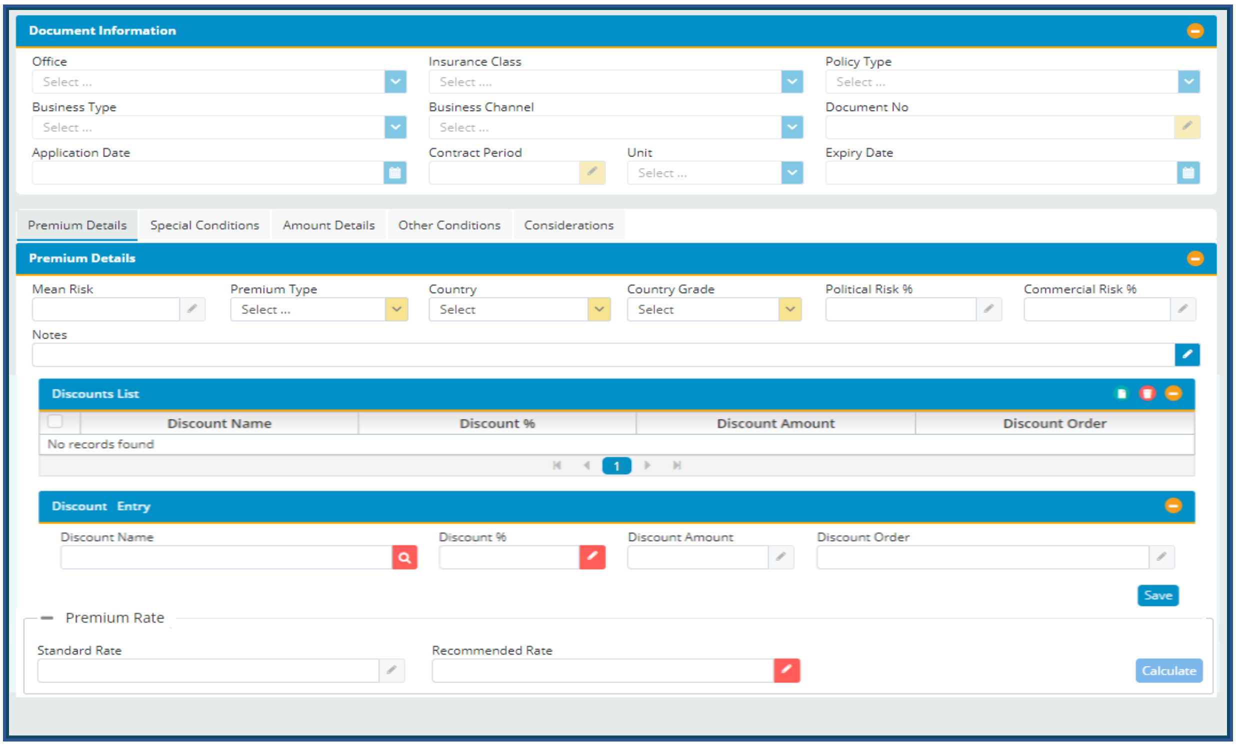

Figure 7-47 (Application Approvals - Details)

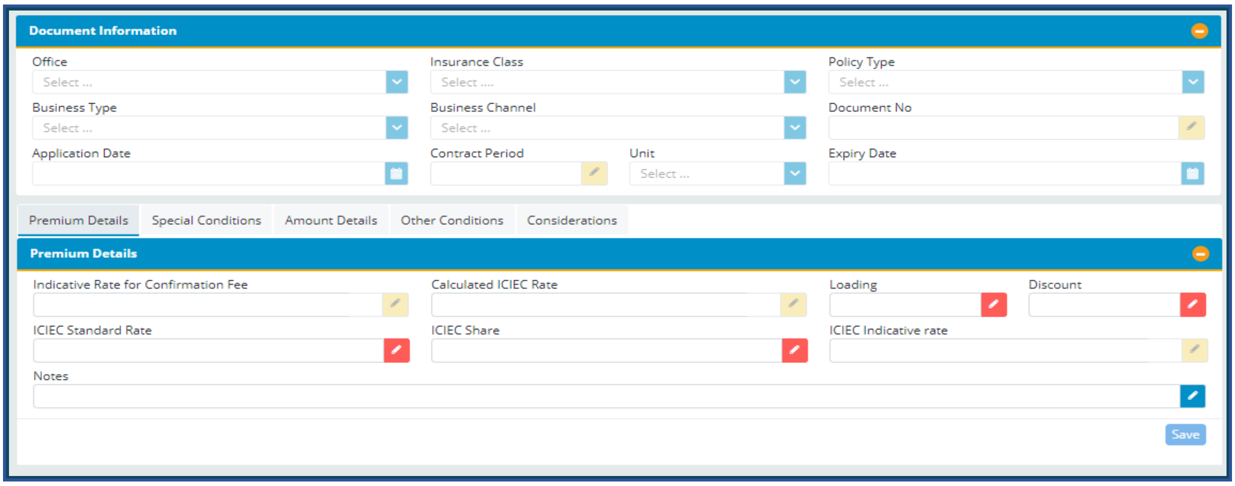

Figure 7-48 (Application Approvals - Details)

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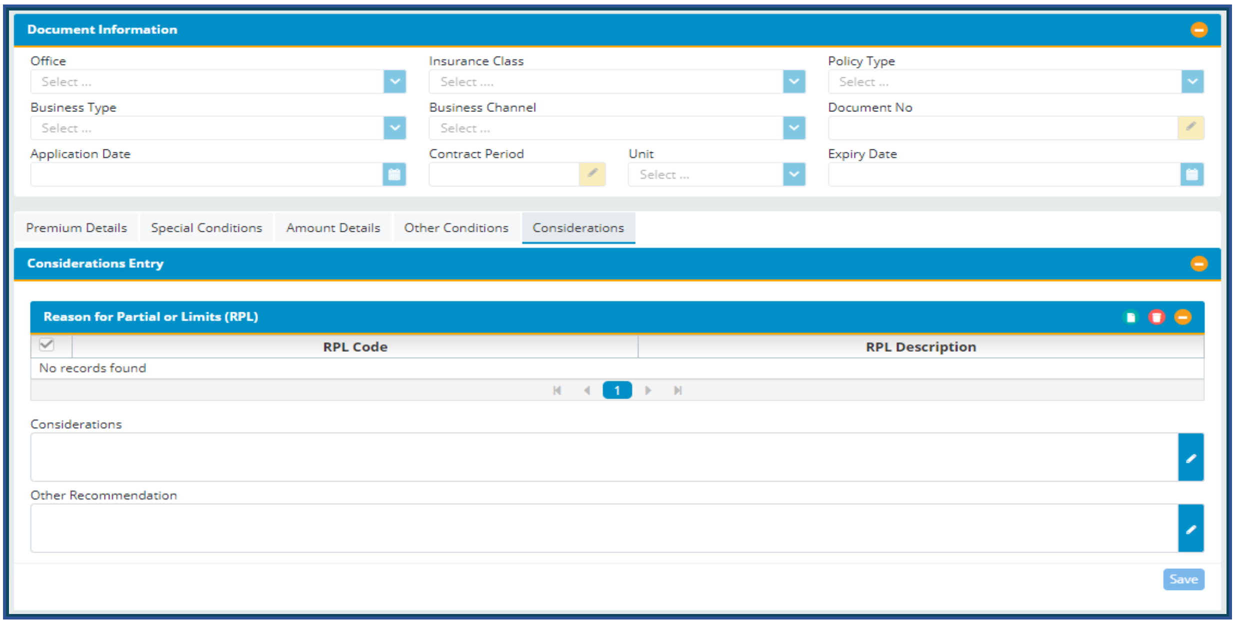

Figure 7-49 (Application Approvals - Details)

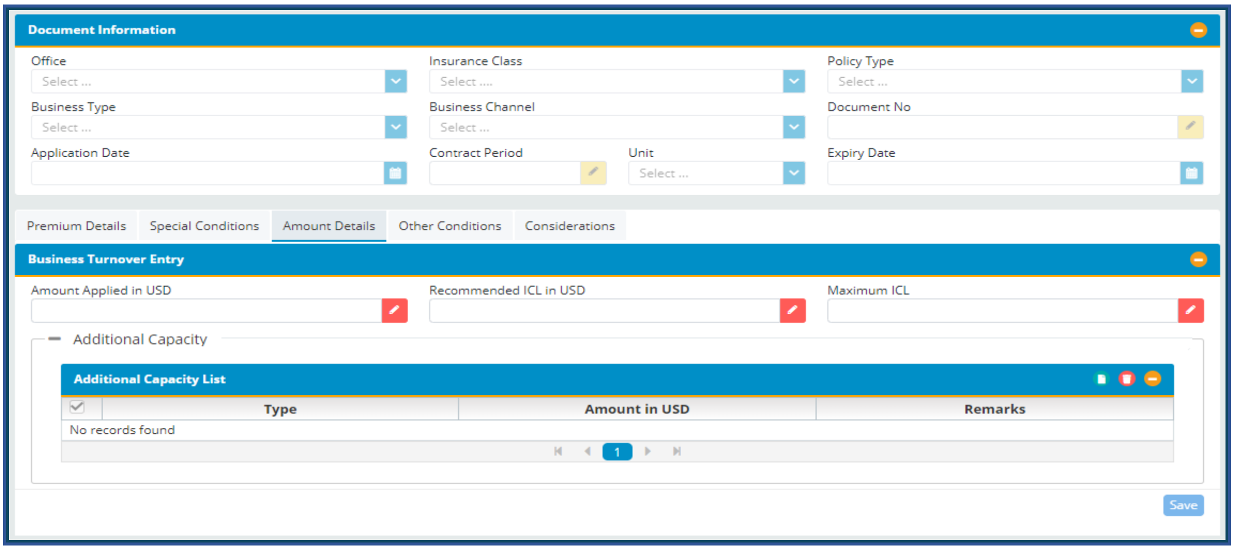

Figure 7-50 (Application Approvals - Details)

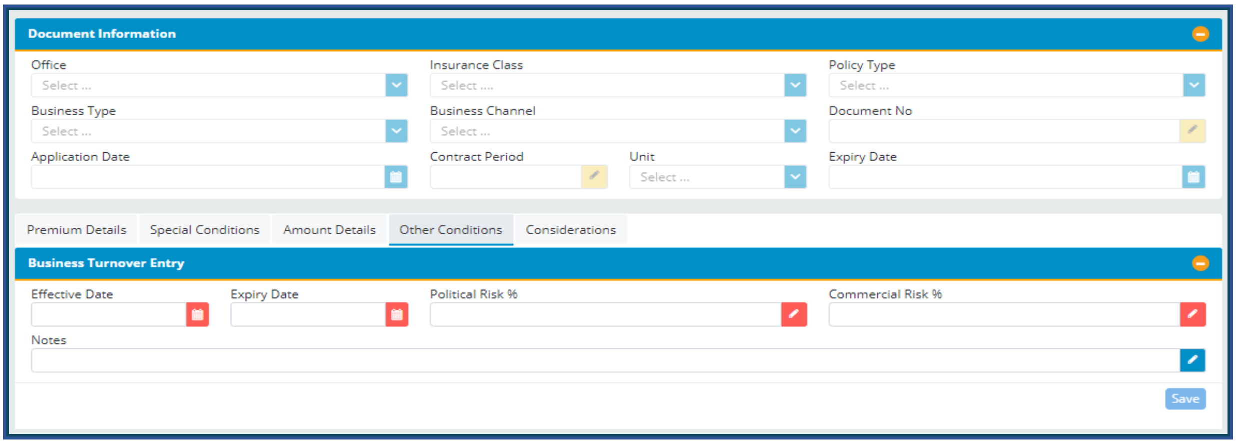

Figure 7-51 (Application Approvals - Details)

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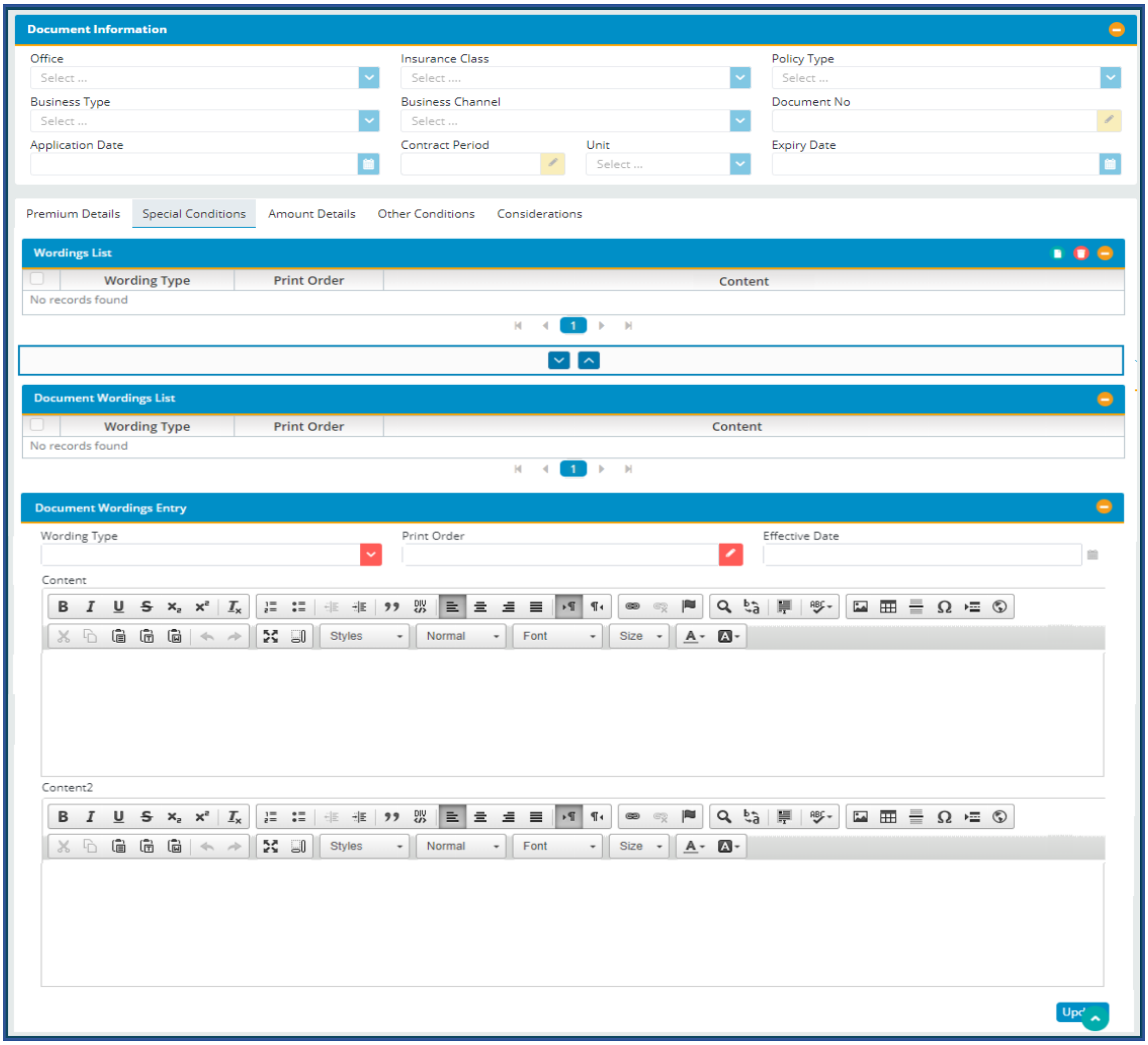

Figure 7-52 (Application Approvals - Details)

7.16. 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 (including premium rate, credit period, declaration month etc.). This will be considered in the policy premium calculation at the end of the month or policy period bearing in mind that the resulting premium invoice (declaration of the particular month) issued to the client by ICIEC will contain and consist of multiple approvals (buyers) with respective details (amounts declared, amounts due, approval reference, premium rate etc.) bearing in mind that a facility is provided to have register declarations in currencies different than the policy currency.

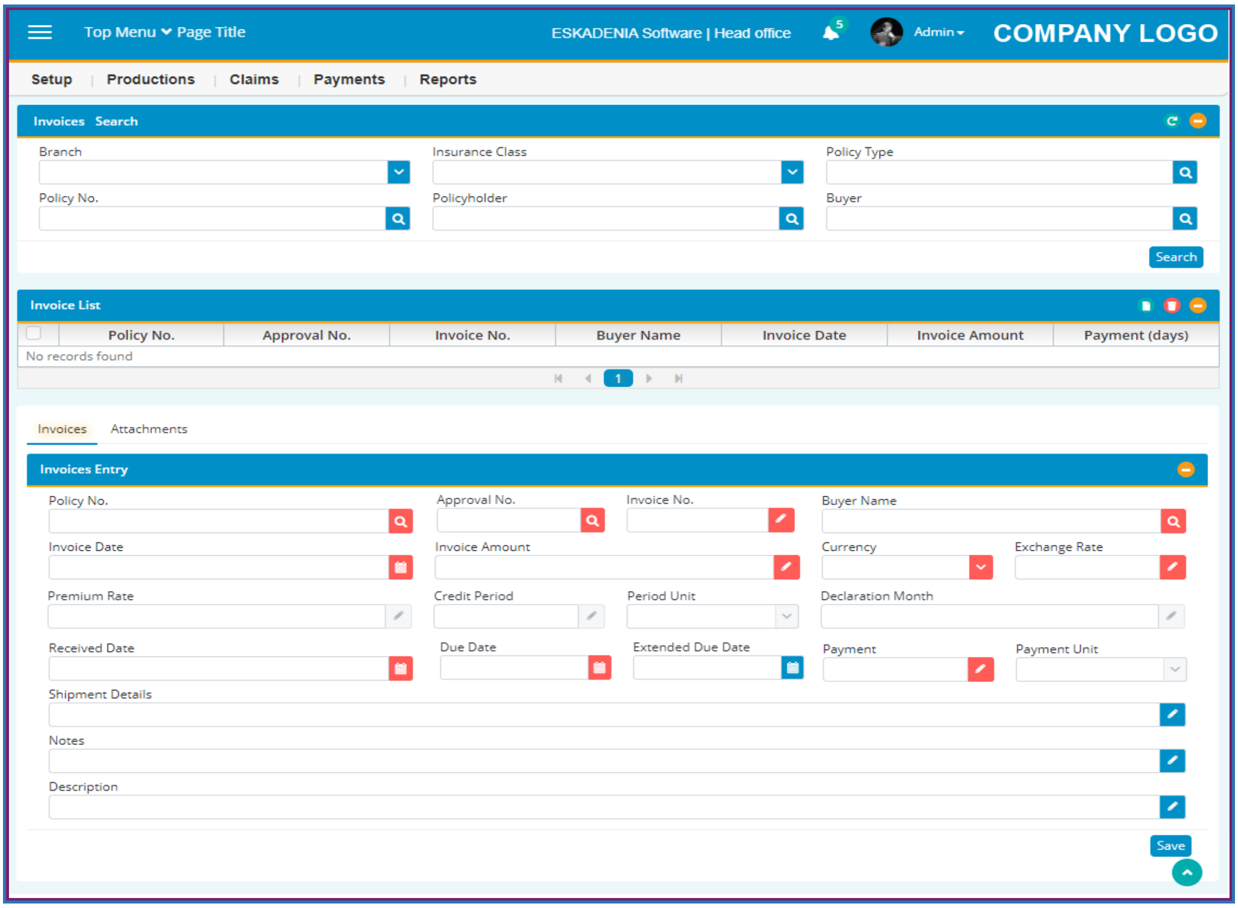

Figure 7-53 (Declarations)

7.17. Policy Reconciliation

Reconciling customers' statements requires matching the expected business versus the declared transactions to make sure there are no mistakes or inaccuracies. Typically, businesses reconcile the invoices as shipments arrive, so any difference should be reflected as adjustment in the premium with proper financial impact.

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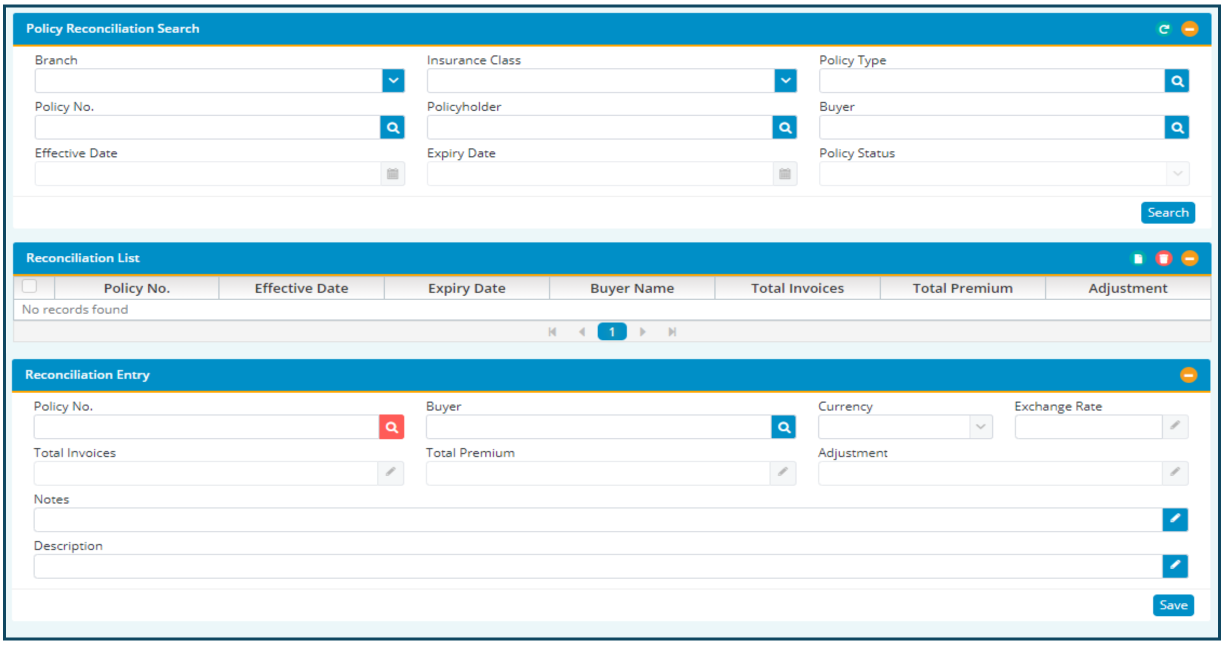

Figure 7-54 (Policy Reconciliation)

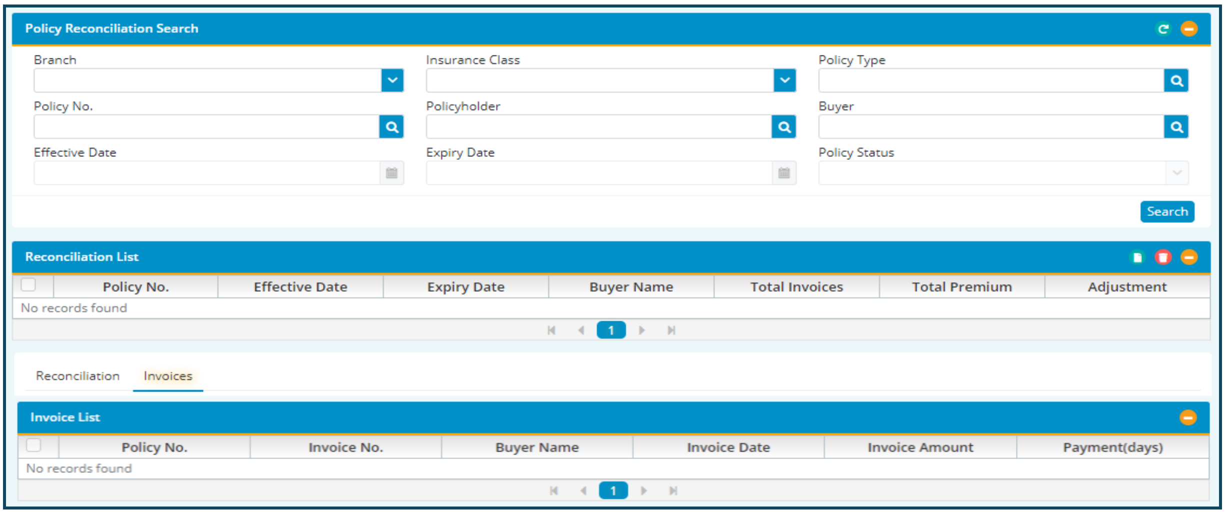

Figure 7-55 (Policy Reconciliation - Invoices)

7.18. Financial Integration

Through direct and real time integration with the financial entity, transactions are directed to **ESKA® Business Manager** as below but not limited to:

- A Debit Note per instalment is created in the Accounts Receivable module for the policyholder. The invoice is scheduled according to the customer payment terms specified in the policy.
- A Credit Note is created in the Accounts Payable module for each broker etc.

- A Credit Note is created in the Accounts Payable module for the policyholder for encashment transactions.

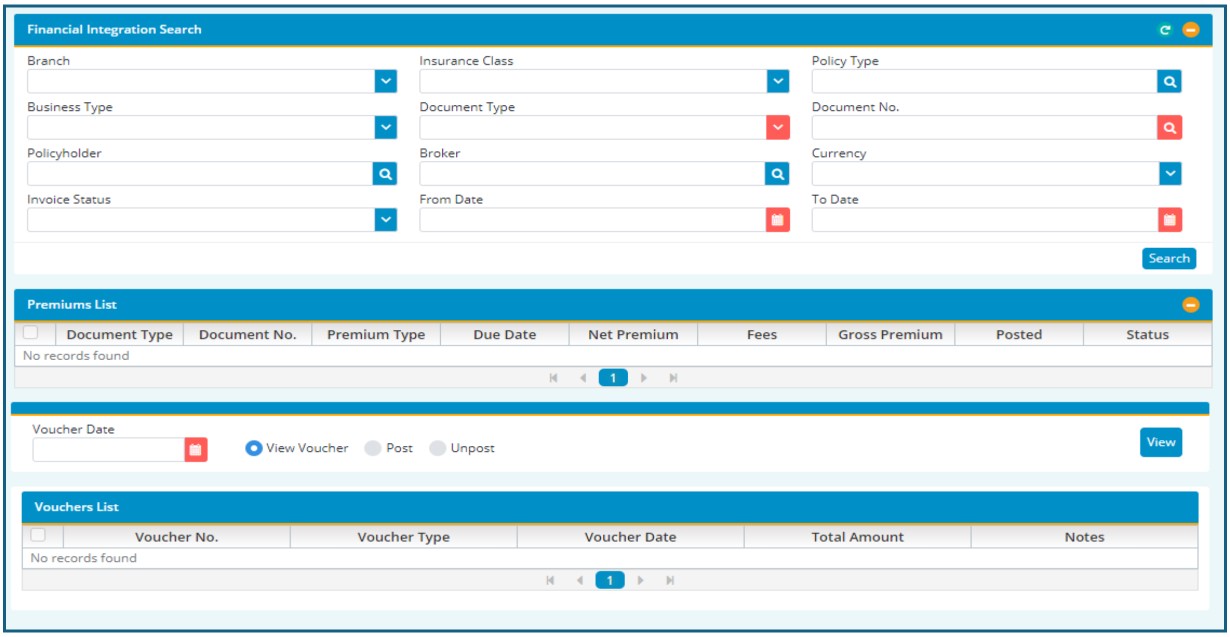

Figure 7-56 (Financial Integration)

8 SOVEREIGN PRODUCTION

Sovereign production module is responsible for all the underwriting functions of Credit insurance business needs such as Sovereign Investment Insurance. Sovereign investment insurance is a risk management product offered to business entities to support the flow of capital and foreign direct investments from the world to member countries and protects investors or financiers against the loss of equity against the political risks of inconvertibility, expropriation, and political violence. Sovereign production module enables users to quickly and easily manage key policy functions through automation and management of the entire policy lifecycle from creation, risk underwriting, documents issuance and renewal to billing based on a configurable risk strategy considering investors and countries analysis, rating, country caps, exposure etc.

8.1. Enquiry

During the process of enquiry submission for new insurance policies provided by ICIEC, an NBI is delivered to prospects. Clients are required to review it carefully and provide their approval as an acceptance of the indicative terms and conditions mentioned under which ICIEC would considerr providing insurance coverage in respect. Upon clients' approval, ICIEC will perform the necessary internal analysis, risk assessment, profiling and underwriting with a full 360° view across all business areas in order to finalize the policy contract.

A set of details need to be captured in order to process the inquiries bearing in mind that they vary according to the business applied. Such details include yet are not limited to the following:

- Relevant information in respect of financier/investor and subject matter including country, sector, industry etc. for profiling and segmentation purposes.
- Business channel and acquired broker (if any).

A list of supporting and required documents that may vary per insurance class, policy type and risk incidents will be automatically triggered shall be attached to the enquiry. Below are examples of the basic documentation required with trade credit insurance:

- Enquiry Form
- All other required documents submitted by client with the application form.

Thus, an enquiry's supported process flow includes the below statuses and corresponding stages, bearing in mind that the below list can be amended, more items added or removed in accordance to business needs.

- Registration
  - Data Entry
- Under-Processing
  - Pending - Clearance

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    - Pending - Additional Info.
    - Pending - Missing Documents
    - Pending - Data Adjustment
    - Pending - KYC Clearance
    - Pending - Reinsurance Referral
- Approved
    - Approved
- Declined
    - Declined
- Cancelled
    - Cancelled
    - KYC Red Flag

A variety of transactions can be performed on Enquiries:

- Enquiry Status and Recommendation: underwriters can select the enquiry's status out of the following statuses: (1. Registration 2. Under Processing 3. Approved 4. Declined 5. Cancelled) along with list of supportive reasons.
- New Version: based on the ongoing communication and negotiations between prospects and ICIEC, the facility to generate a new version (re-submission) of the original enquiry with revised terms and conditions is available.
- Copy Enquiry: this functionality offers users the ability to copy enquiries and create duplicate records from existing documents, with the ability to apply amendments prior to any further processing.
- Convert to IIPG: upon Enquiry assessment, finalization and approval, conversion to IIPG Group Submission is facilitated through a single transaction.
- Convert to Application: upon Enquiry assessment, finalization and approval, conversion to application is facilitated through a single transaction bearing in mind that IIPG meeting will be held and documented through manually upload of MoM therefore conversion has to be manually controlled (this will be done through integration with Workflow and DMS)
- View Preliminary Application: a click far away, users can preview accepted enquiries' corresponding preliminary applications' details.

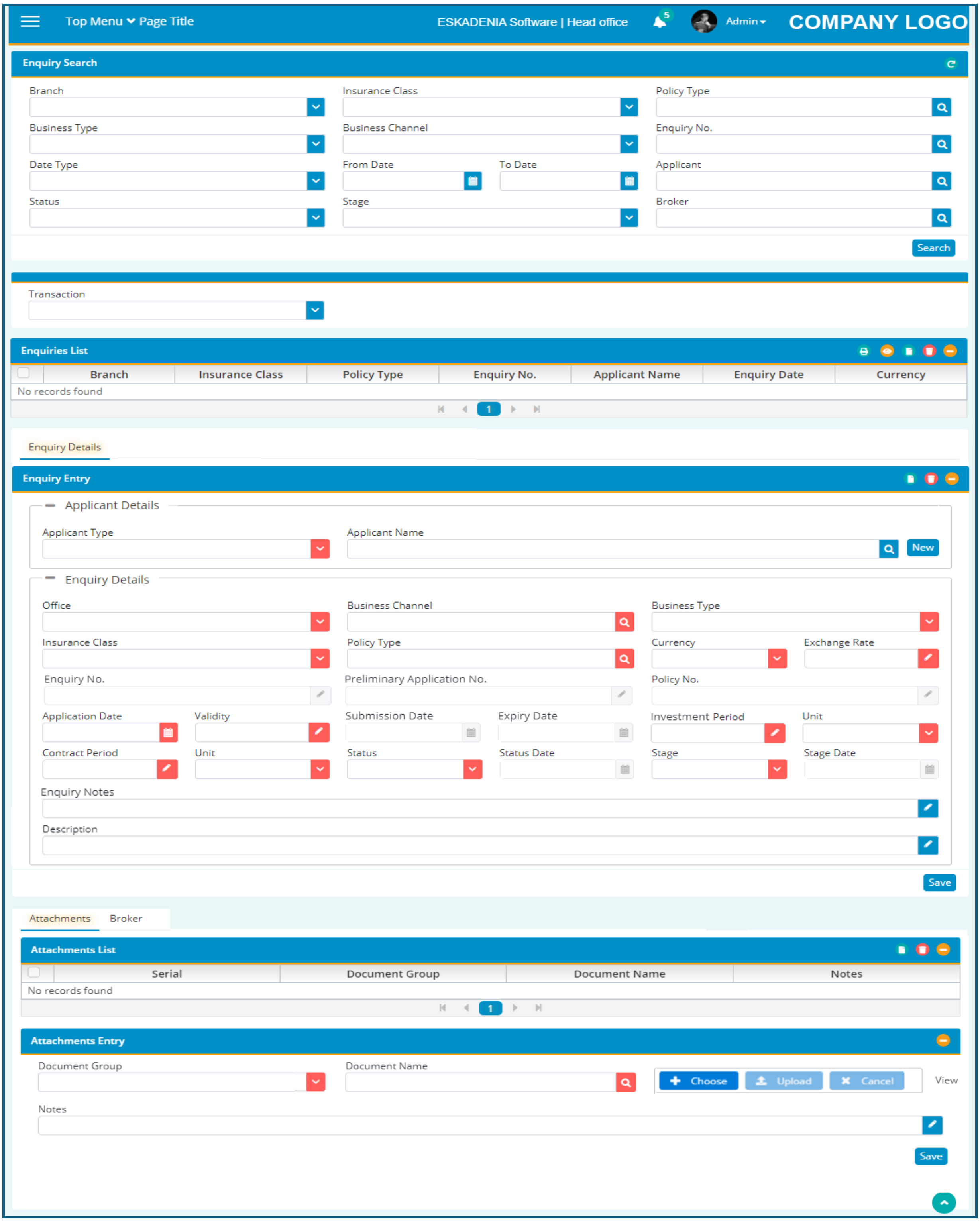

Figure 8-1 (Enquiry)

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The below investment details will become available to capture and fill in addition to project cost, investment type (Finance / Equity), amount of cover, cover period, percentage of cover, terms and conditions.

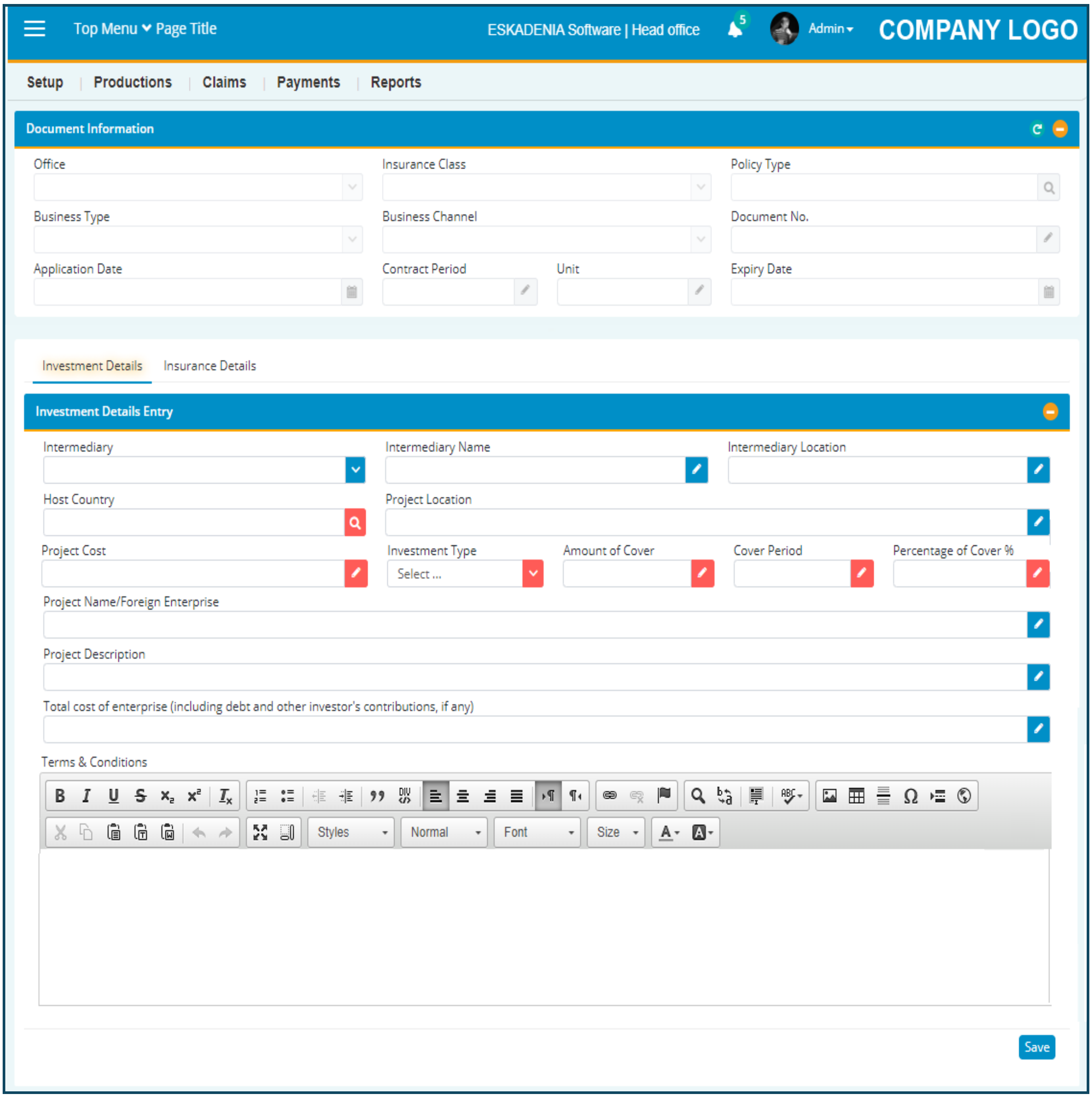

Figure 8-2 (Enquiry – Investment Details)

If "Non - Honouring of Sovereign Financial Obligation" policy type is requested, then no other risks can be selected.

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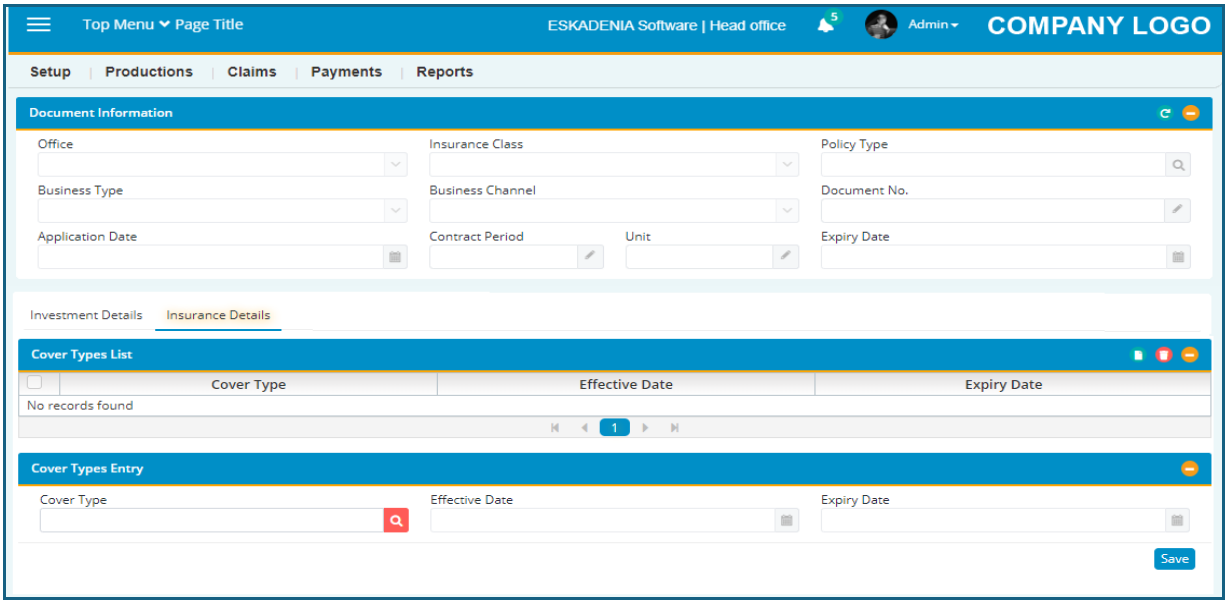

Figure 8-3 (Enquiry – Insurance Details)

8.2. Preliminary Application

Once the provided enquiry's corresponding financier/investor, project details, designated sponsors and other stakeholders in addition to business transactions and additional details have been assessed through a series of comprehensive assessment and screening procedures, decision is taken according to DoA. Upon approval, enquiry will be converted to Preliminary Application stage whereby Risk Management and Reinsurance TUC submission will be requested and followed by NOL generation and signature to further proceed.

A variety of transactions can be performed on Preliminary Applications:

- Preliminary Application Status and Recommendation: underwriters can select the preliminary application's status out of the following statuses: (1. Registration 2. Under Processing 3. Approved 4. Declined 5. Cancelled) along with list of supportive reasons.
- New Version: based on the ongoing communication and negotiations between prospects and ICIEC, the facility to generate a new version (re-submission) of the original preliminary application with revised terms and conditions is available.
- Copy Preliminary Application: this functionality offers users the ability to copy preliminary applications and create duplicate records from existing documents, with the ability to apply amendments prior to any further processing.
- Convert to Main Application: upon preliminary application assessment, finalization and approval, conversion to main application is facilitated through a single transaction.
- View Main Application: a click far away, users can preview accepted preliminary applications' corresponding main applications' details.

As agreed, IIPG meeting schedule and comments will be held and documented outside of the system; eventually resulting minutes of meeting document will be uploaded and kept for future reference through the attachments functionality (this will be done through integration with Workflow & DMS).

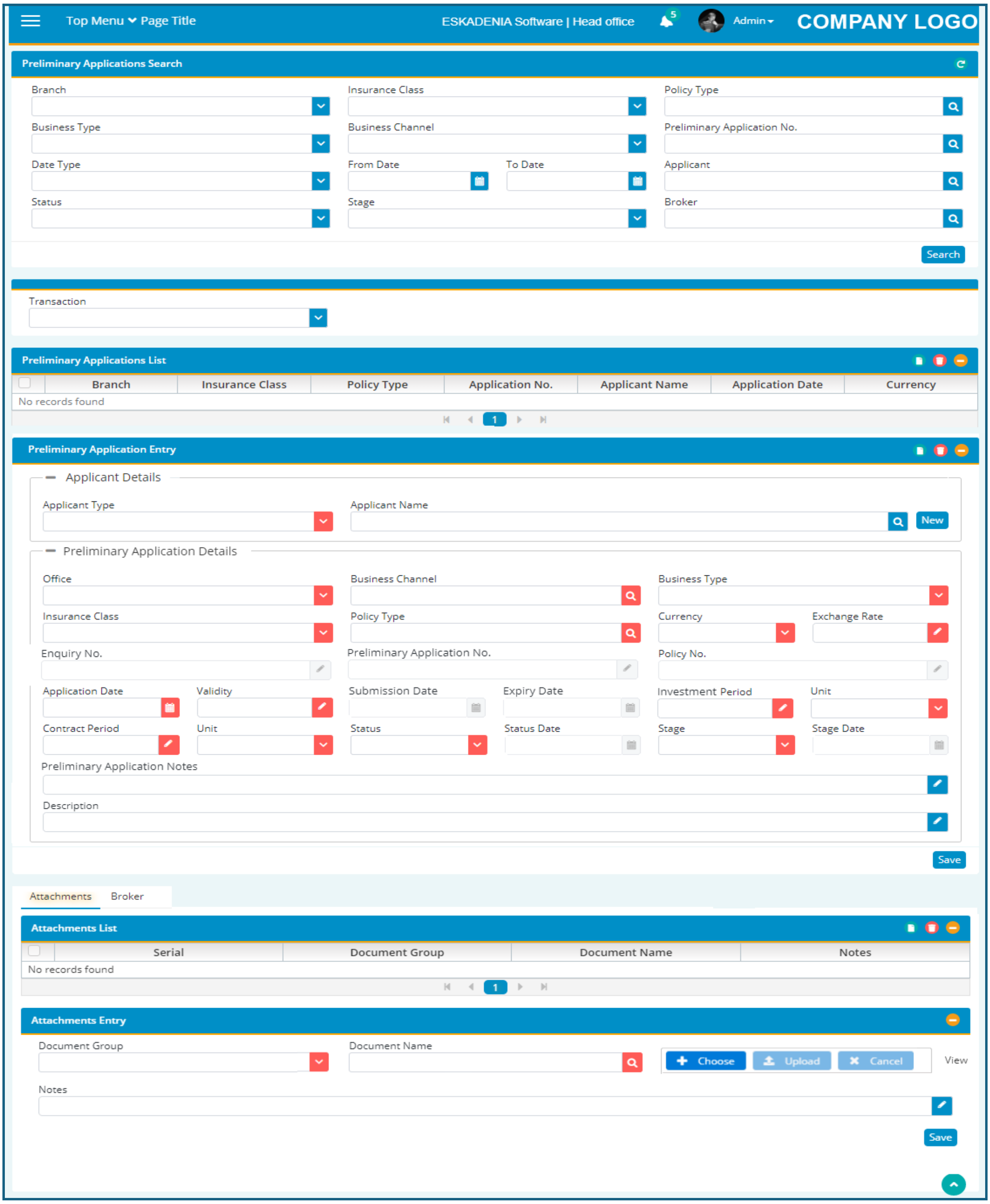

Figure 8-4 (Preliminary Application)

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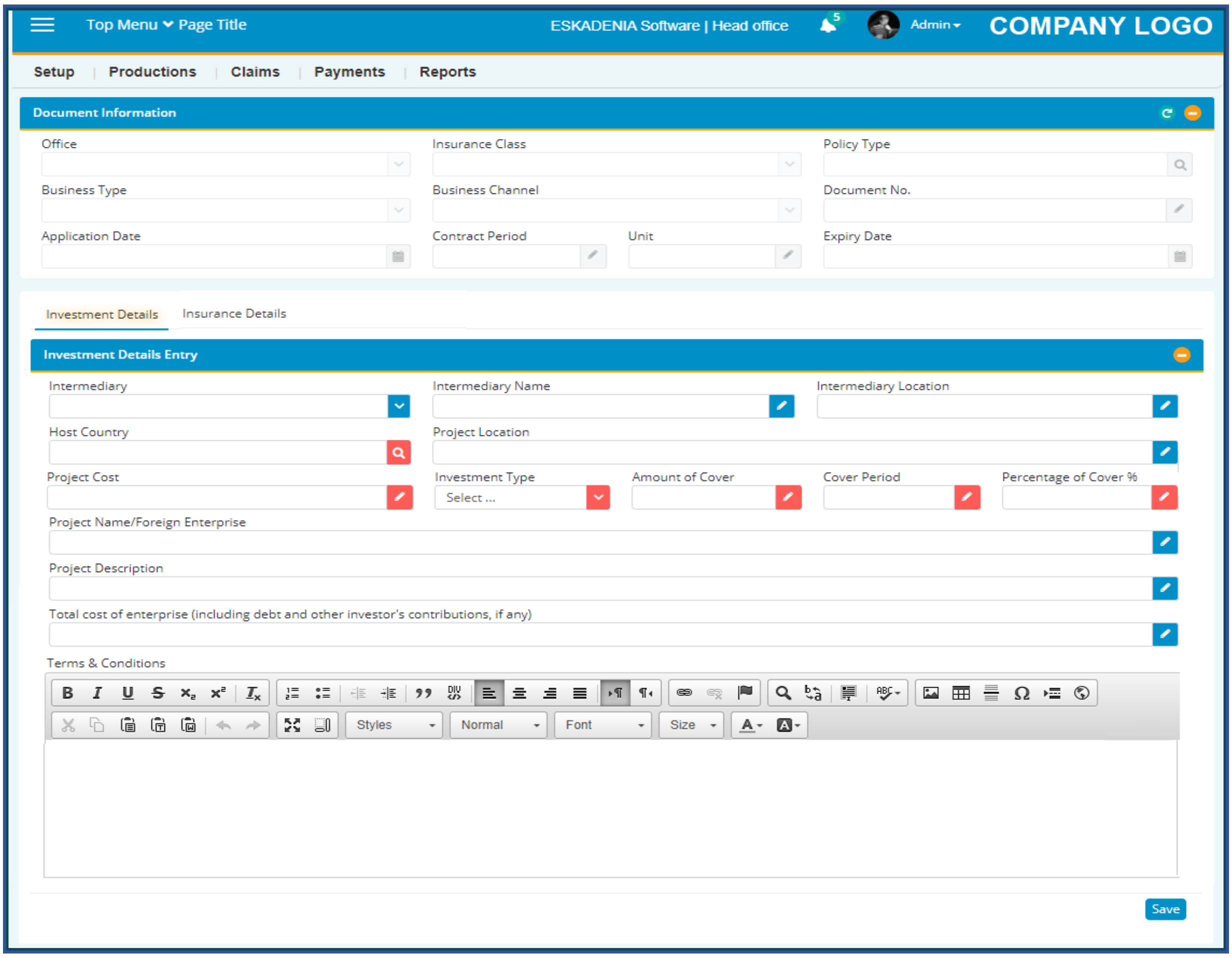

Figure 8-5 (Preliminary Application – Investment Details)

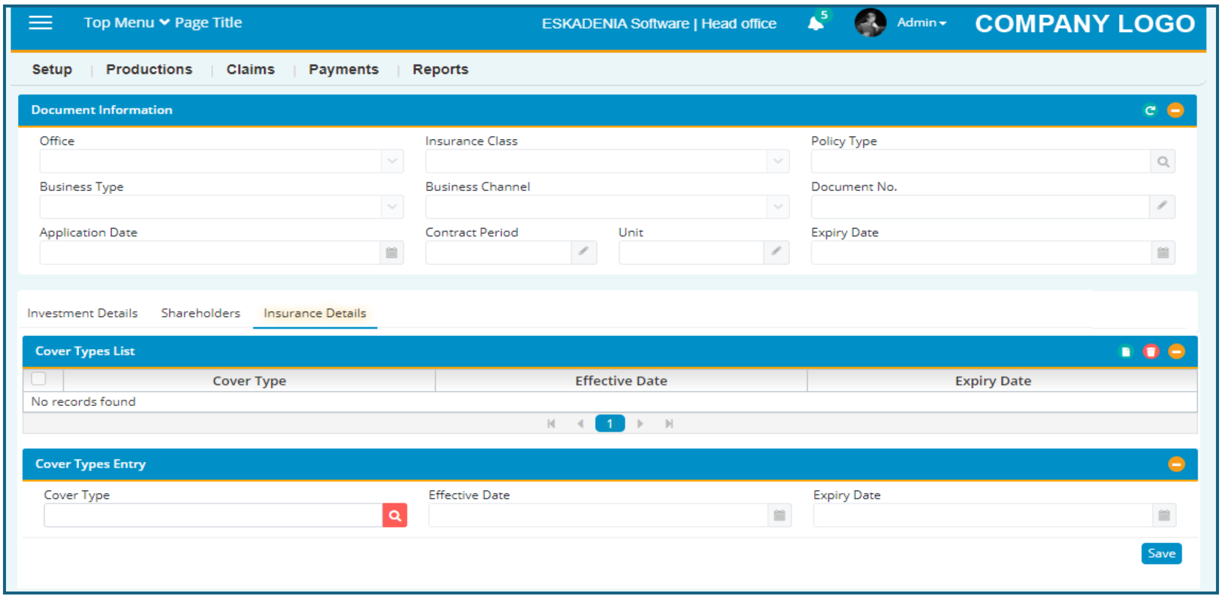

Figure 8-6 (Preliminary Application – Insurance Details)

8.3. Underwriting

During the process of enquiry submission for new insurance policies provided by ICIEC, clients are required to provide details about the project, nature and details

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involved. According to the provided details, the preliminary application's corresponding financier/investor, risks to be insured, designated sponsors and other stakeholders in addition to business transactions shall be assessed, requiring a series of comprehensive assessment and screening procedures in order to finalize the policy contract. Major details on the type of investment and investor contribution are considered as a main factor to this type of insurance. Investor's contribution such as foreign exchange, local currency, retained earnings, machinery and equipment, stock, patent and technology are certain details that must be determined along with purchased shares or other securities and equities such as class, amount and number of purchased shares, cost, grand total etc.

Possibility to perform and implement proper project, economic and transfer risk assessment for the coverage requested, in addition to other risk types. Investment expected profit is expressed by the estimate of revenues to the host government that will result from the particular project. Taxes, royalties and duties to be paid, dividends payable to the government, duties foregone and impact on the host country by the proposed investment insurance is captured to be analysed later by the underwriter for insurance approval purposes.

Moreover, risk rating details can also be identified such as (Rating, CRAD Rating, Underwriting Rating and Composite Rating) both for NHSO and Overall Risk. Mitigants can also be defined along with their respective significance.

8.4. Eligibility

Based on pre-defined setup of questionnaires, a series of questions will be automatically retrieved. The listing and sequence of questions will vary based on the applied credit insurance class and policy type to deliver more accurate data and properly assess the eligibility of the transaction bearing in mind that preliminary application can be registered only when the transaction is eligible while for multilateral entities, eligibility check for same country is bypassed.

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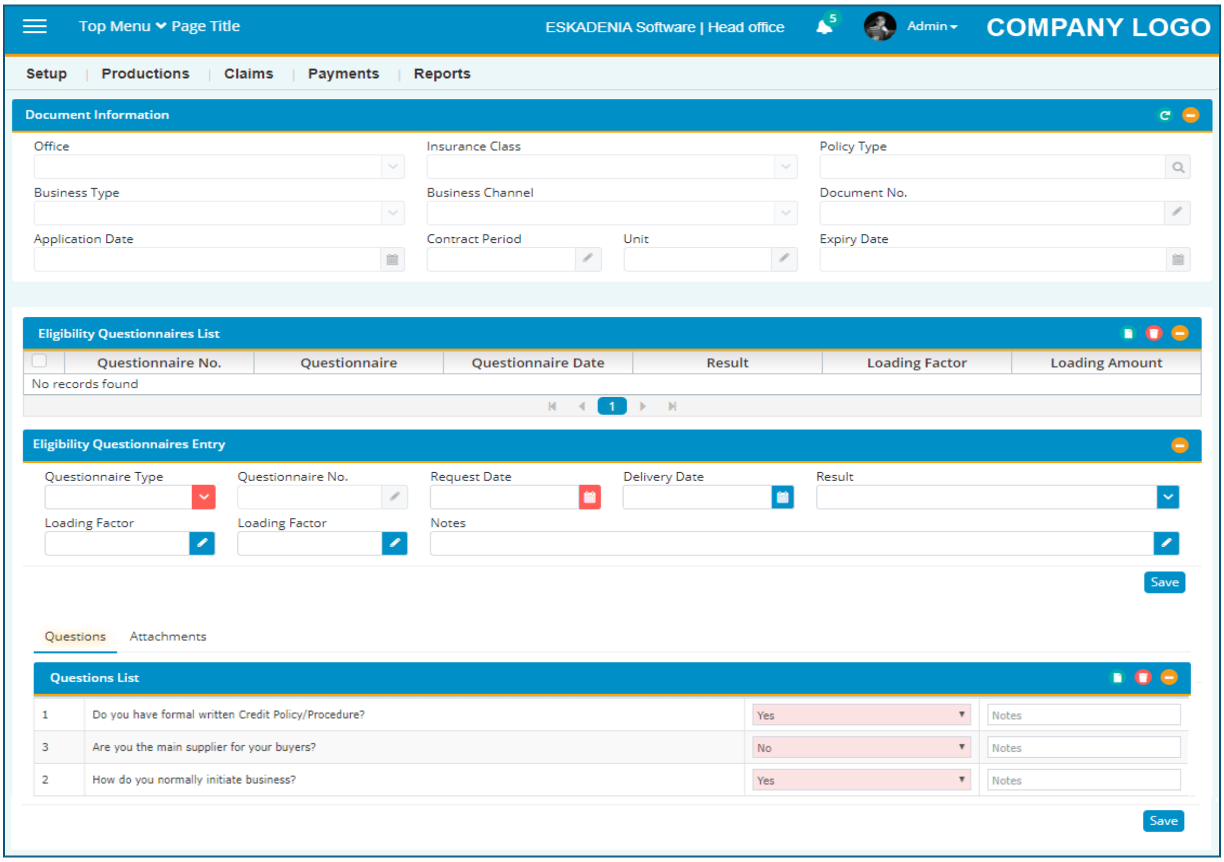

Figure 8-7 (Eligibility Criteria)

8.5. Main Application

In a similar manner, once the provided preliminary application's corresponding financier/investor, project details, location and nature, designated sponsors and other stakeholders in addition to business transactions and additional details have been assessed through a series of comprehensive assessment and screening procedures, decision is taken according to DoA. Upon approval, preliminary application will be converted to Main Application stage whereby all of the details will be carried forward.

A variety of transactions can be performed on Main Applications:

- Main Application Status and Recommendation: underwriters can select the main application's status out of the following statuses: (1. Registration 2. Under Processing 3. Approved 4. Declined 5. Cancelled) along with list of supportive reasons.
- New Version: based on the ongoing communication and negotiations between prospects and ICIEC, the facility to generate a new version (re-submission) of the original main application with revised terms and conditions is available.
- Copy Main Application: this functionality offers users the ability to copy main applications and create duplicate records from existing documents, with the ability to apply amendments prior to any further processing.
- Convert to Policy: upon application assessment, finalization and approval, conversion to policy is facilitated through a single transaction.

- View Policy: a click far away, users can preview accepted main application's corresponding policies' details.
- Close Case

Legal status of the enterprise (e.g. simple partnership, general partnership, limited partnership, corporation, joint venture, sole proprietorship etc.). Moreover, enterprise can be identified either as a holding company, a subsidiary or none of them along with each respective type's details (e.g. holding company details or subsidiaries list).

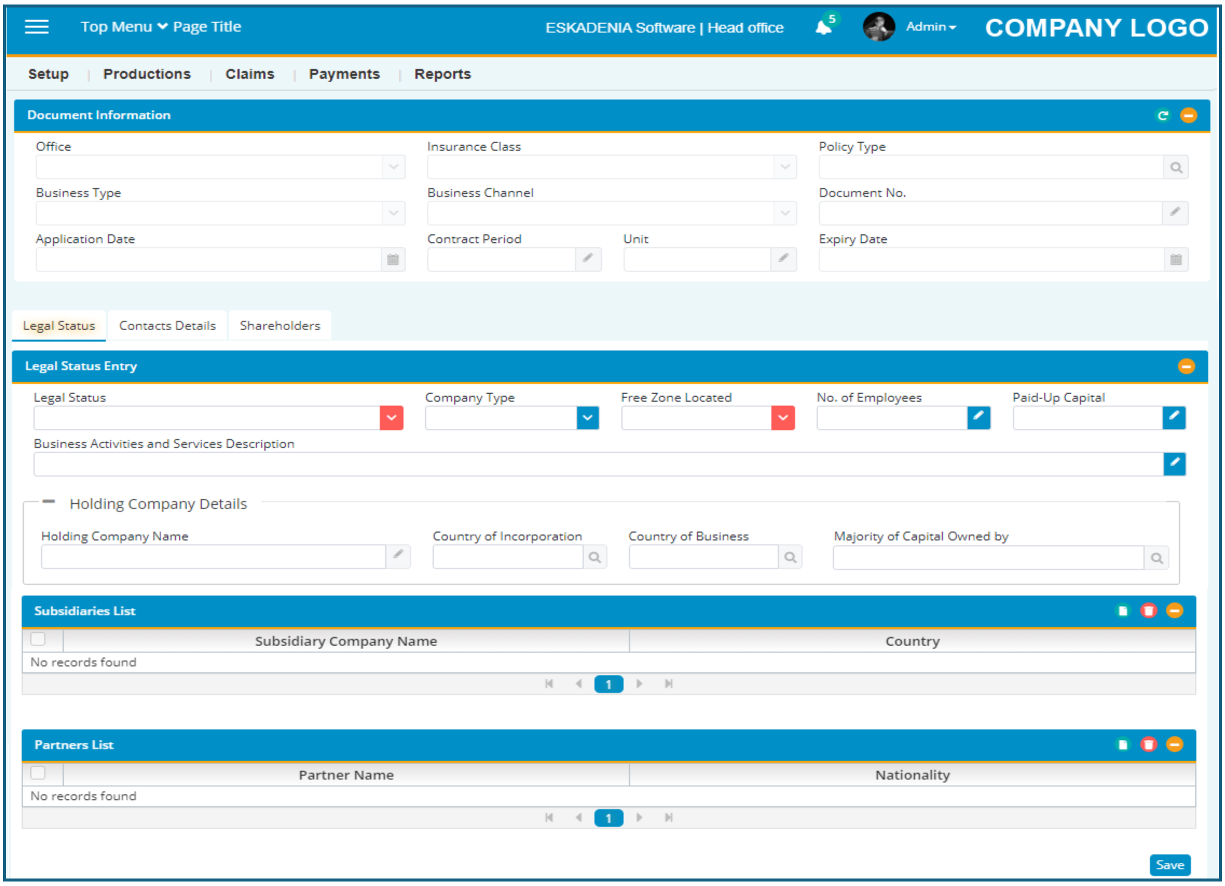

Figure 8-8 (Legal Status)

Policyholder's contacts personal details, name, position, contact priority, phone numbers, emails and addresses can also be defined for communication and exchange purposes.

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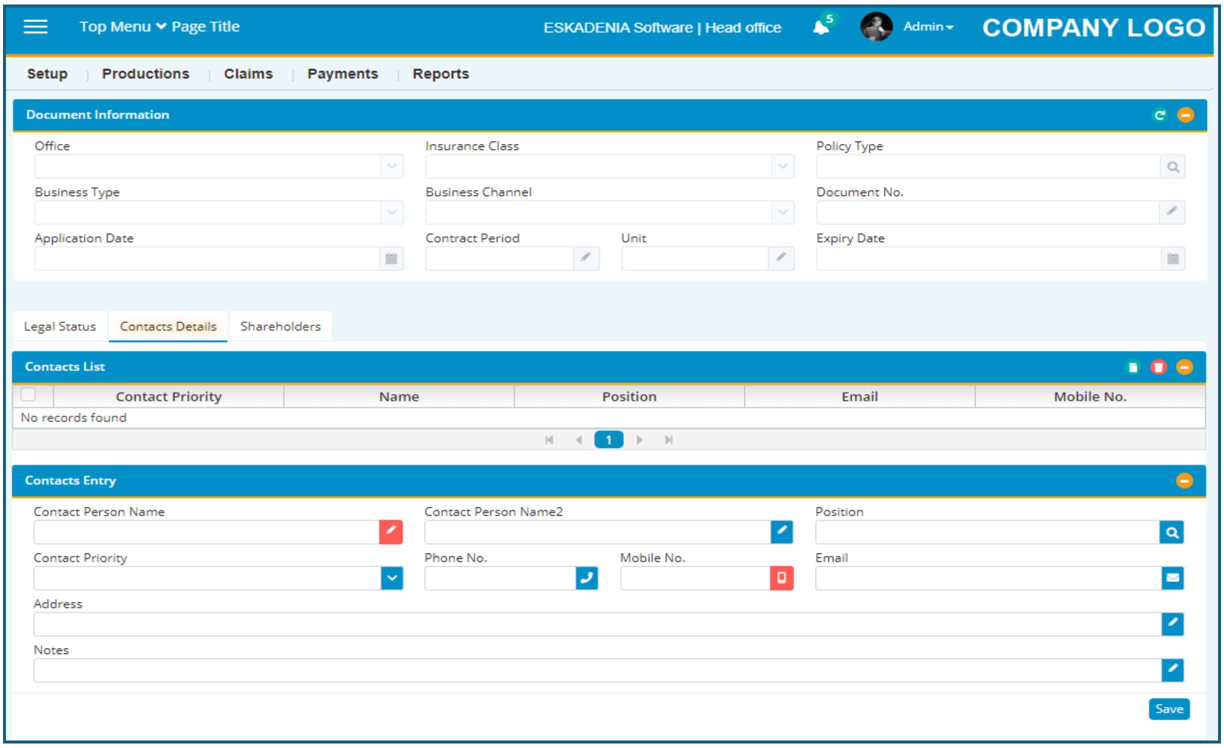

Figure 8-9 (Contacts Details)

Shareholders details can also be captured and considered during the eligibility assessment of the policyholder to identify the percentages owned by the IDB or by a member country.

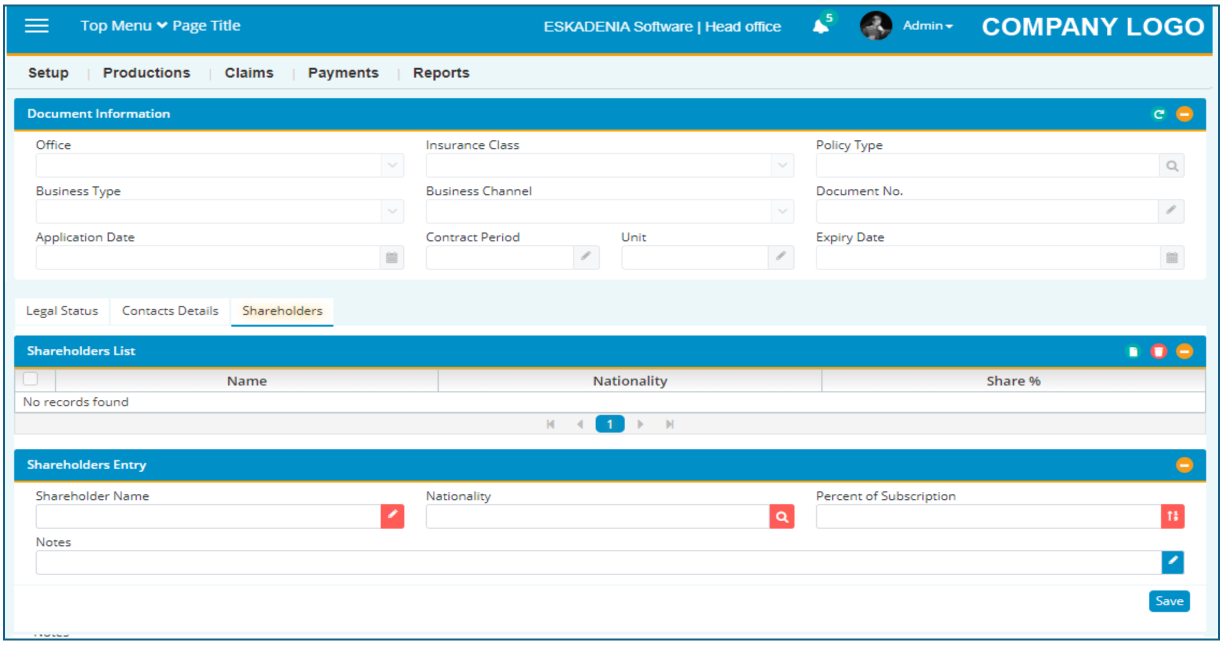

Figure 8-10 (Shareholders)

8.6. Conditions and Terms

Different policy wordings including covers, conditions, terms, exclusions, correspondence, clauses and schedules can also be retrieved and linked to the particular policy with the ability to amend and customize them via an advanced text editor tool.

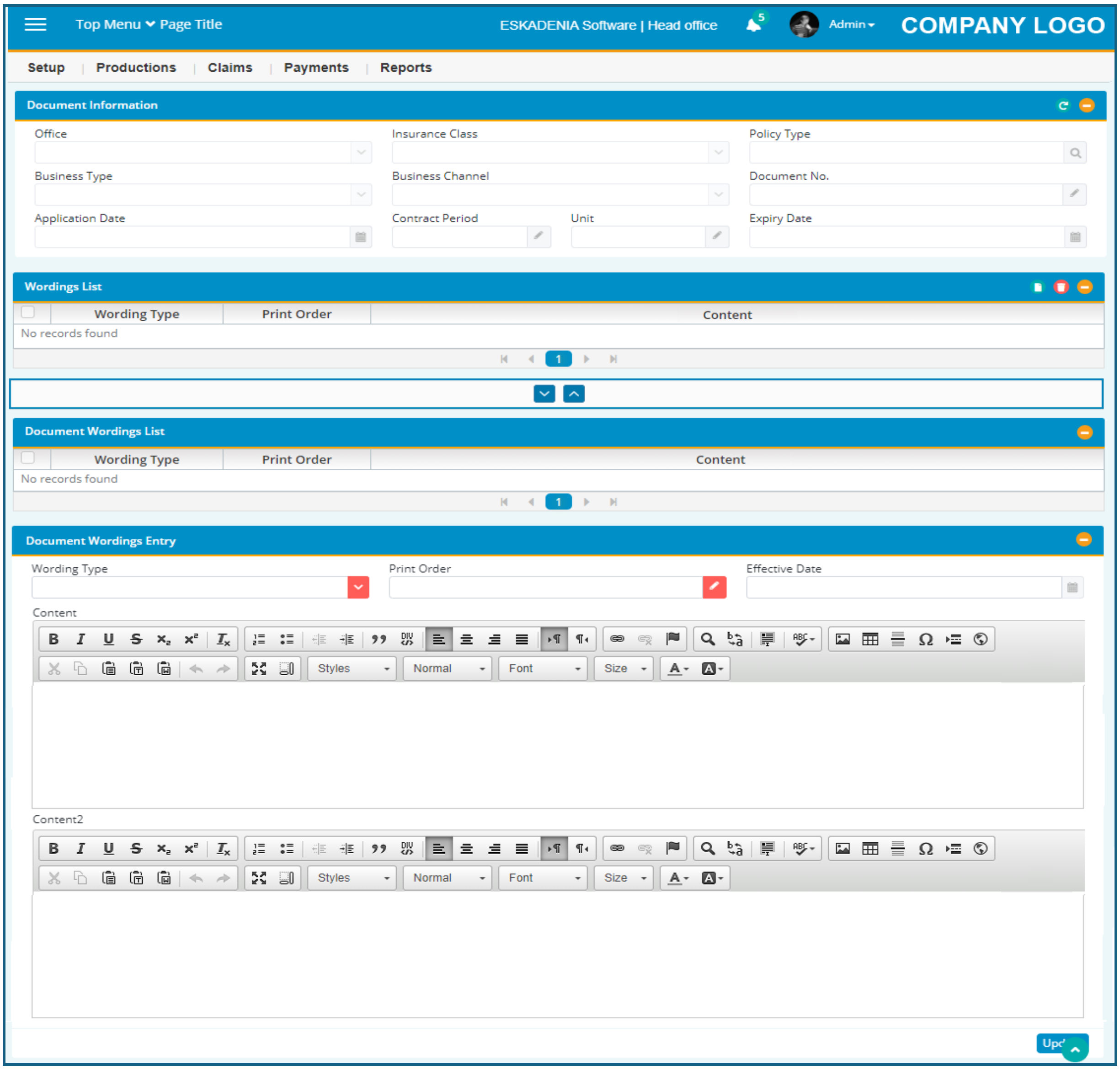

Figure 8-11 (Conditions and Terms)

8.7. Pricing

Having processed all the available main application details and underwriting requirements met, the documents' resulting premium and details differ based on certain parameters and formulae, along with requested cover types (risks), applicable fees, loading, discounts and respective commission amounts can be calculated and adjusted based on the recorded insured investment details with disbursement and repayment schedules identification as per the insured and standby amounts. However, derived rates can still be overridden manually.

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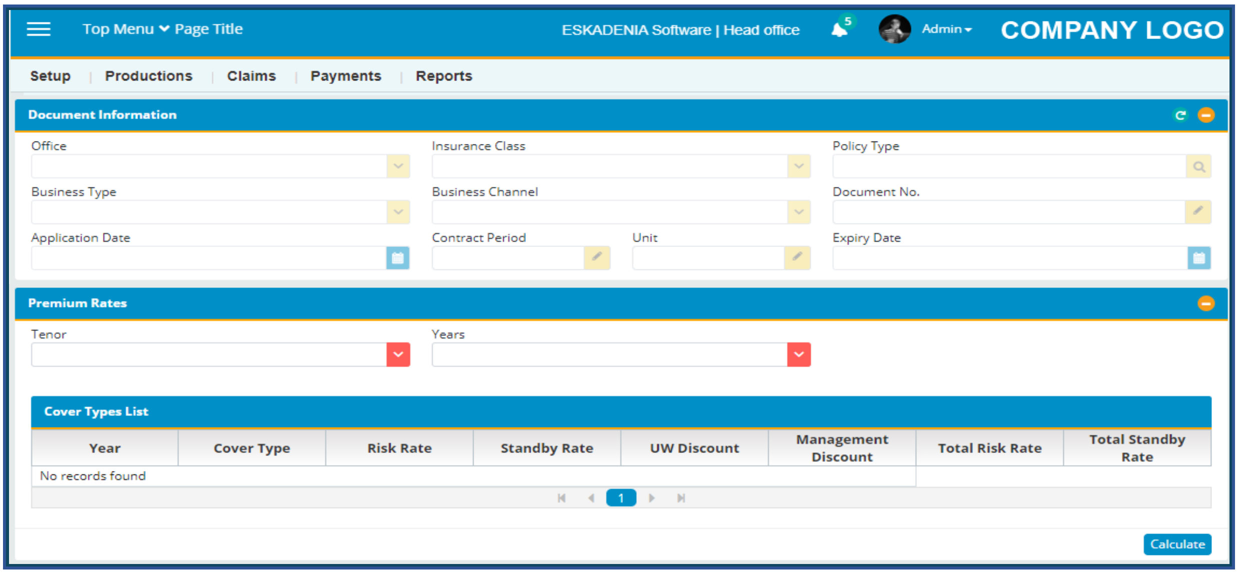

Figure 8-12 (Pricing)

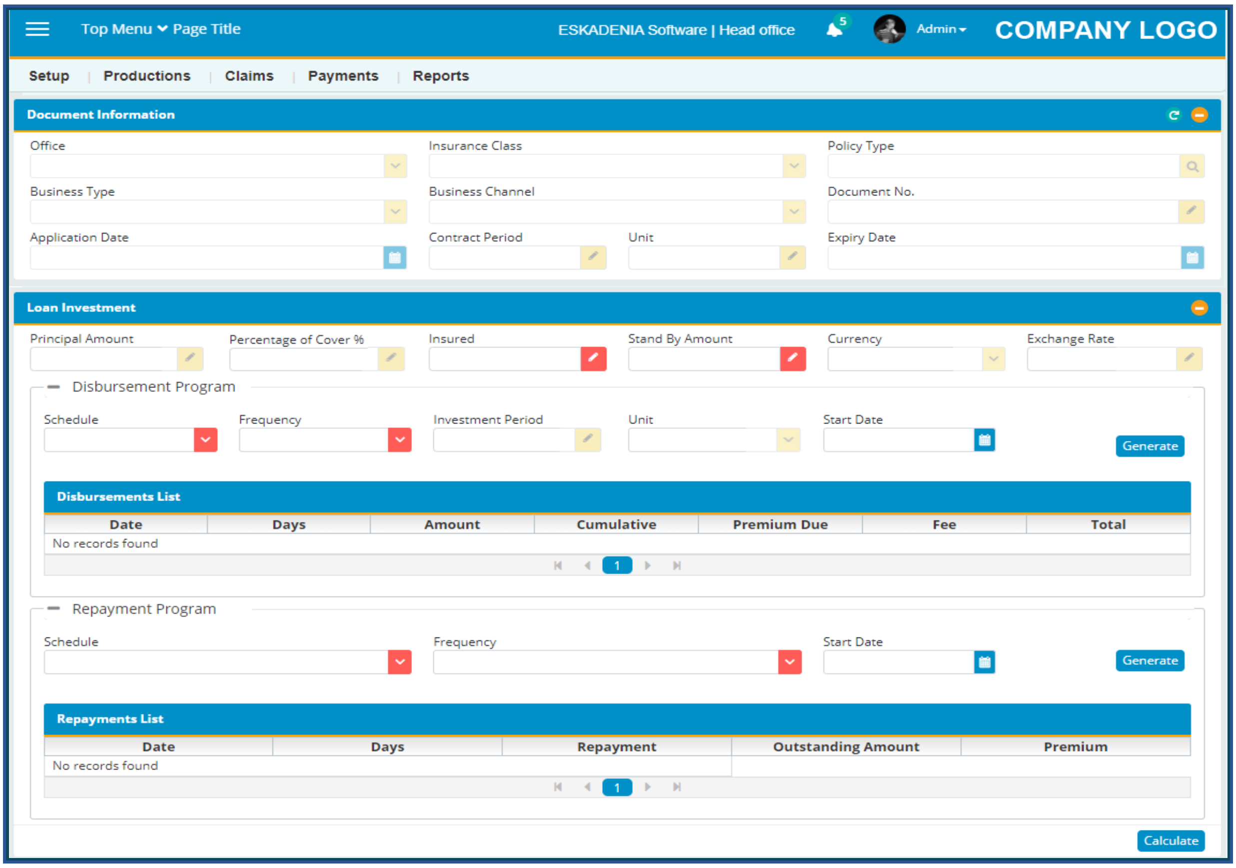

Figure 8-13 (Pricing)

8.8. Policy

Upon clients' approval, providing that necessary assessment and internal approvals have been provided and accomplished according to DoA along with full assurance that required RI placements are bound, main application will be converted to policy whereby all details shall be carried forward without the need to re-enter them. Once Insurance Operations manager's approval is confirmed and GLC has finalized negotiation of policy wordings, policy will be issued, policy schedules will be generated and printed, signed and delivered to policyholder whereby a signed copy will be returned back to ICIEC to be kept for future reference.

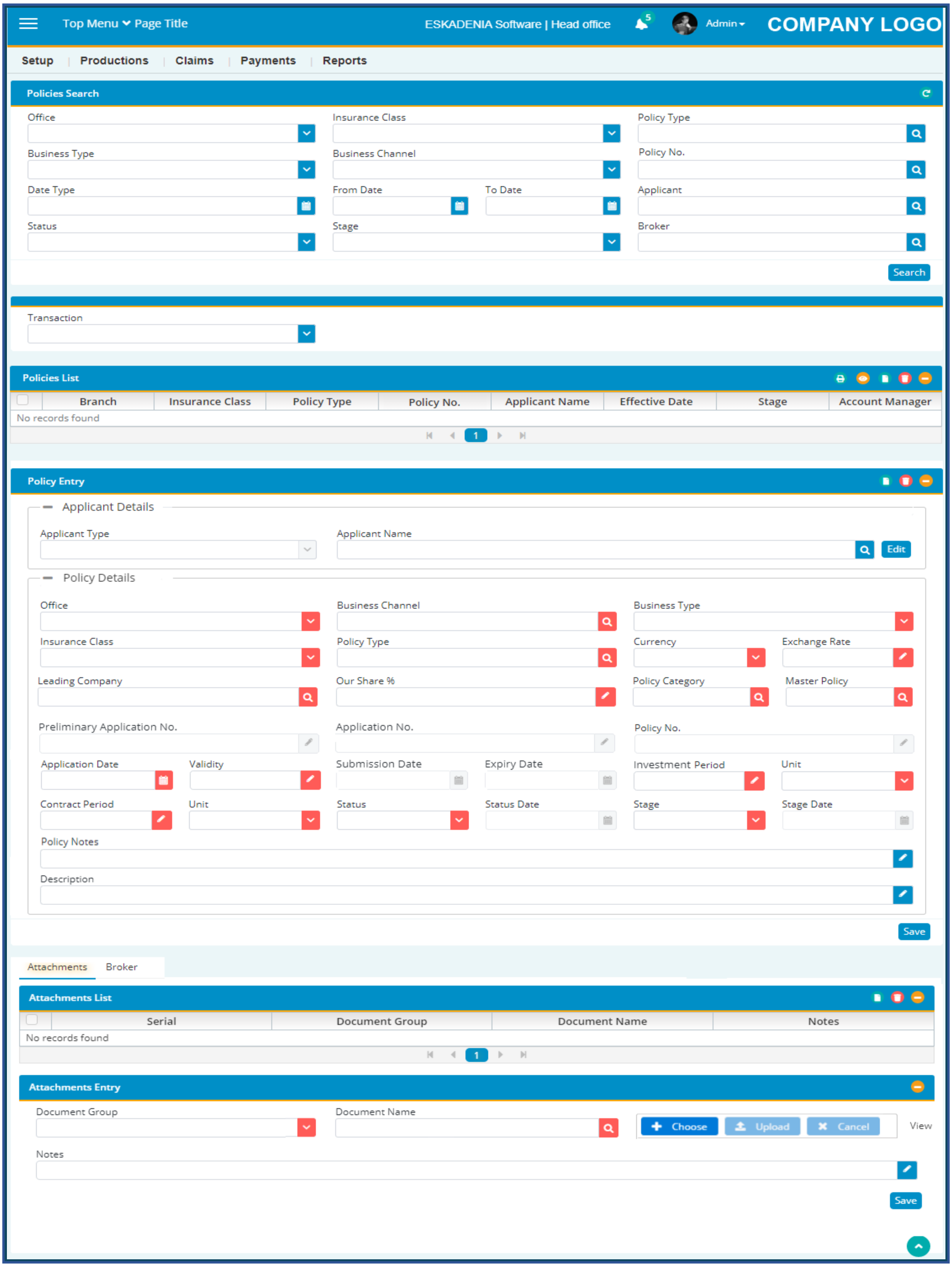

Figure 8-14 (Policy)

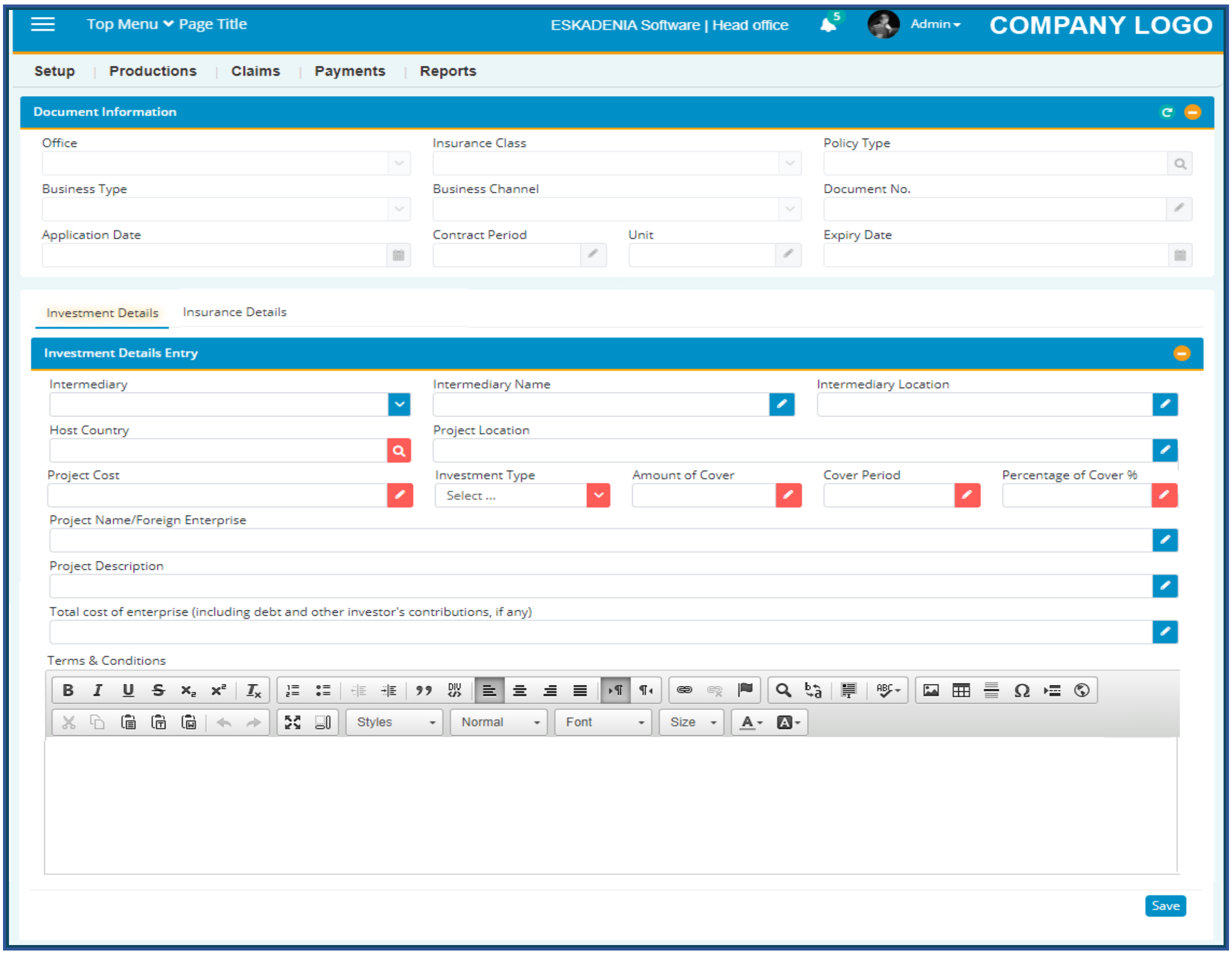

Figure 8-15 (Investment Details)

8.9. Administration Matrix

During the policy period, the policyholder may request additional modifications on active policies. Any change on the policy information during policy period should go through an endorsement transaction process in order to keep and maintain full history of requested and applied amendments. The supported policy administration transaction can be classified to technical transactions that affect premium and require UW or non-technical ones that neither have a financial impact nor require UW such as:

- Policy Cancellation: permanently cancel the policy and all interest matters insured in the policy; the user will not be able to apply any additional transaction to the policy after the cancellation date.
- Term Modification - Extension: policy period extension.
- Term Modification - Reduction: policy period reduction.
- Policyholder Personal Details Modification: policyholder's personal details, phone number, addresses etc. modification.
- Loss Payee Assignment
- Loss Payee Modification

- Terms and Conditions Modification

Underwriters shall further investigate and asses the risk of the requested technical amendments and may either approve or decline it with a written explanation. A list of supporting documents is required to be attached to the endorsement for future reference.

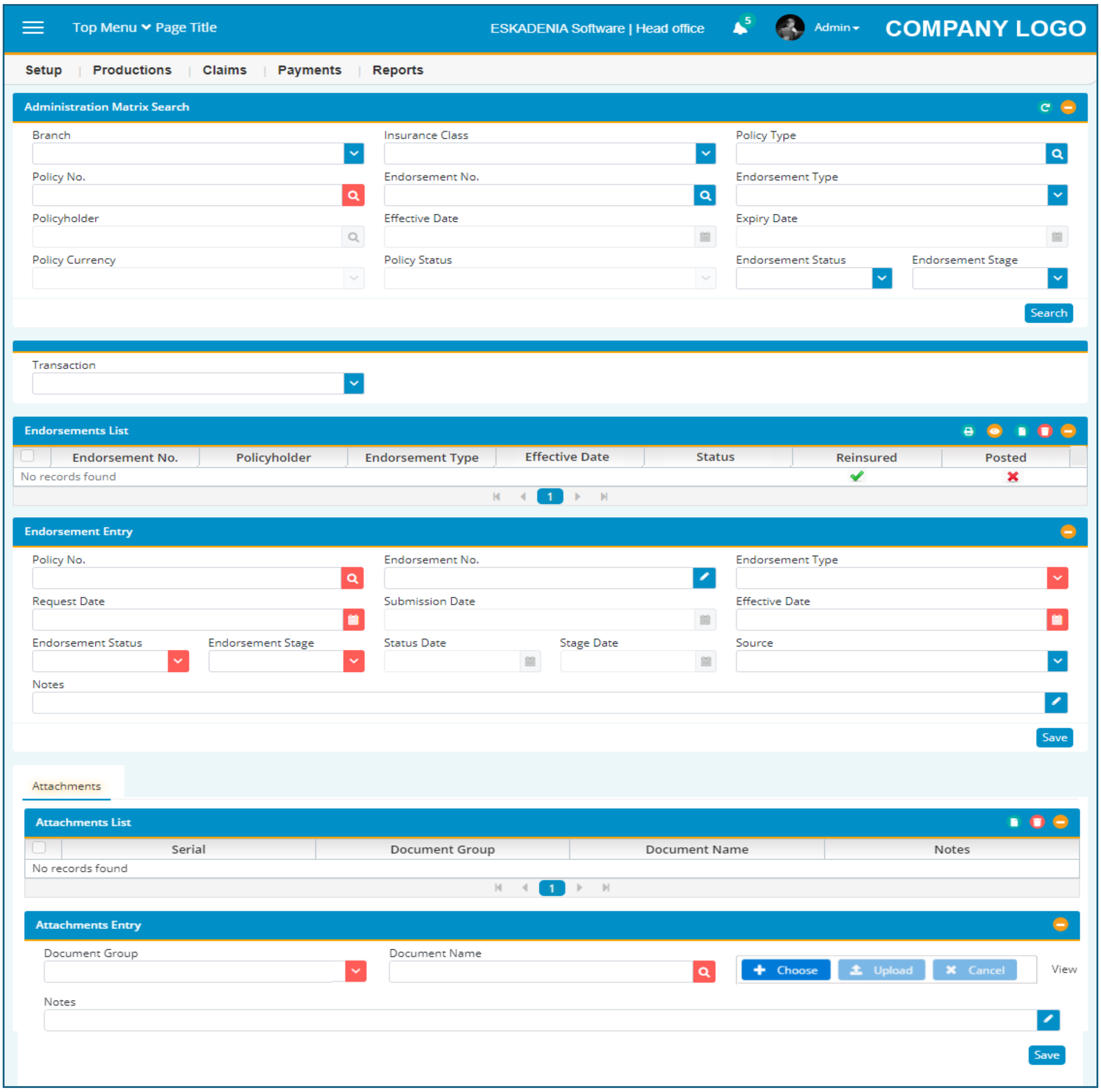

Figure 8-16 (Administration Matrix)

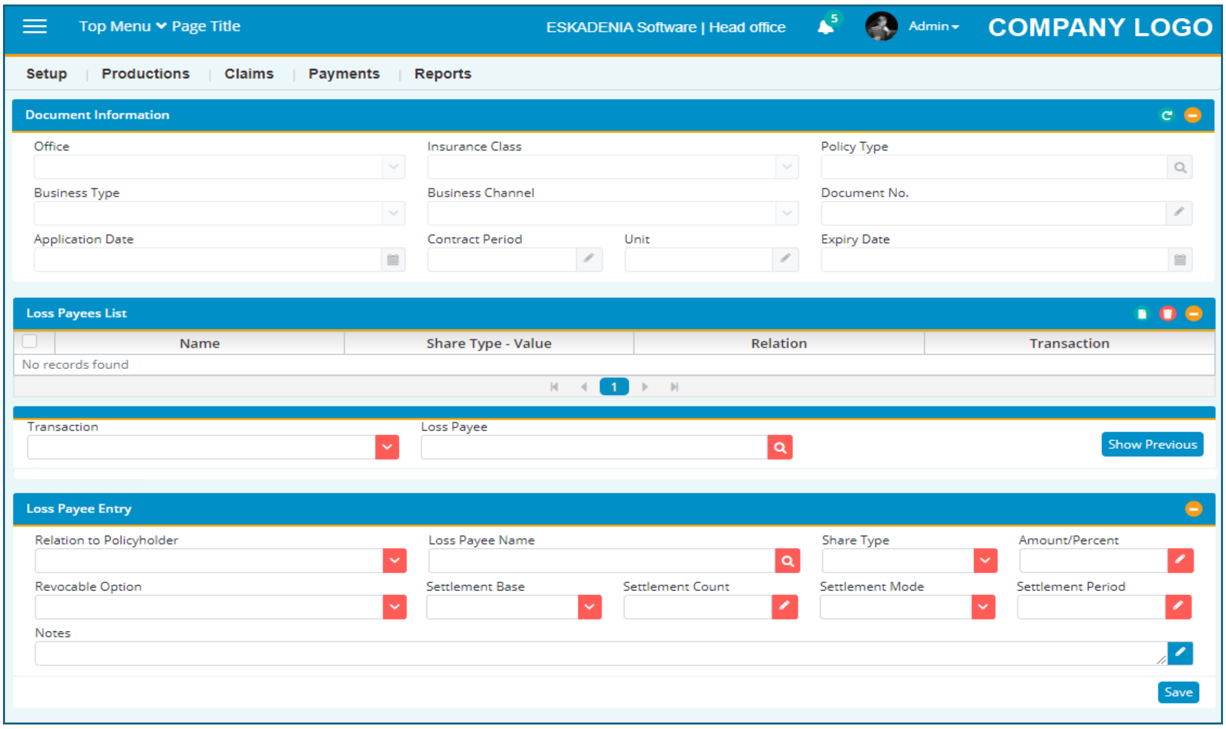

Figure 8-17 (Loss Payee Assignment)

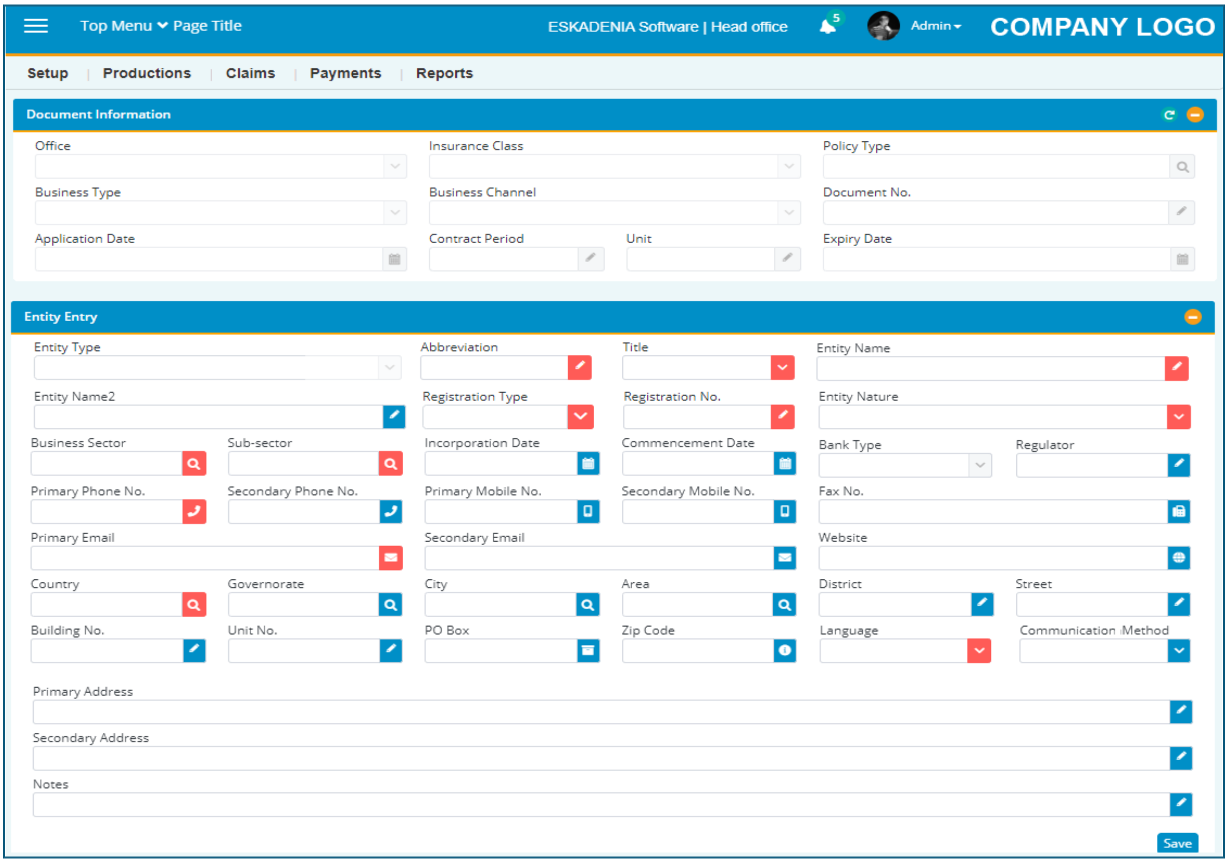

Figure 8-18 (Personal Details Modification)

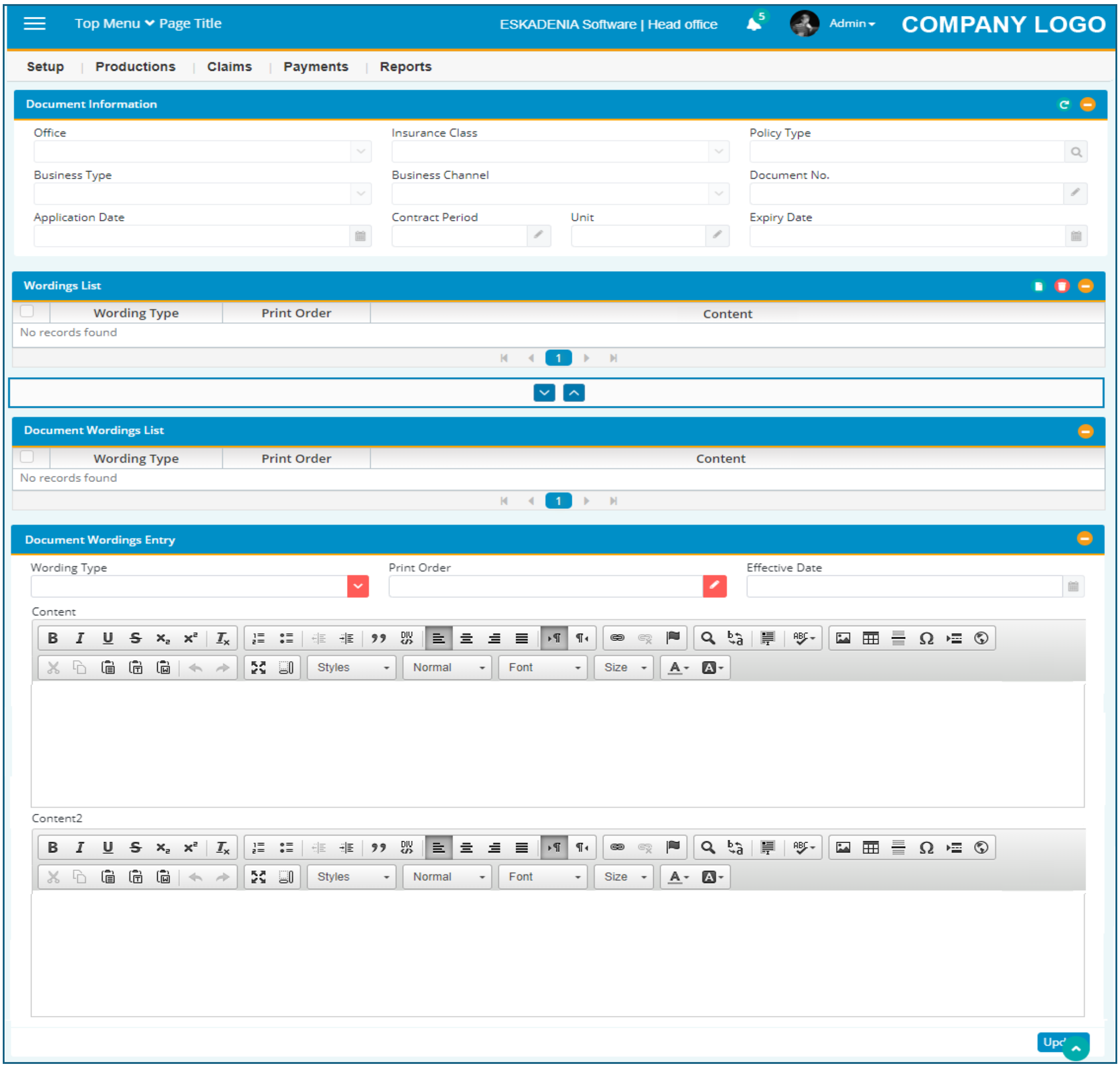

Figure 8-19 (Conditions and Terms Modification)

Premiums for technical endorsements are automatically calculated for each insured risk based on the amended criteria and factors. After the approval of the endorsement and premium calculation, a debit or credit note is generated according to the premium transaction type (addition/refund) in the AR module of **ESKA® Business Manager**. These invoices are automatically scheduled according to the customer payment terms specified in the policy & endorsement levels.

8.10. Policy Renewal

Prior to policies expiry, several periodical automatic notifications will be directed to the policyholders in order to take necessary action in addition to UW, UWS and Manager UW. For cases supported by facultative reinsurance, a notification to reinsurance department shall also be sent for a new issuance of premium renewal invoice. At the commencement and thereafter on each annual renewal date, with the premiums being calculated on the insured adjustments as per the disbursement schedules, these policies can also be renewed to main applications, which are underwritten to allow certain changes, such as variations in terms and conditions, premiums, etc. to be registered before the renewed main application is converted to a policy.

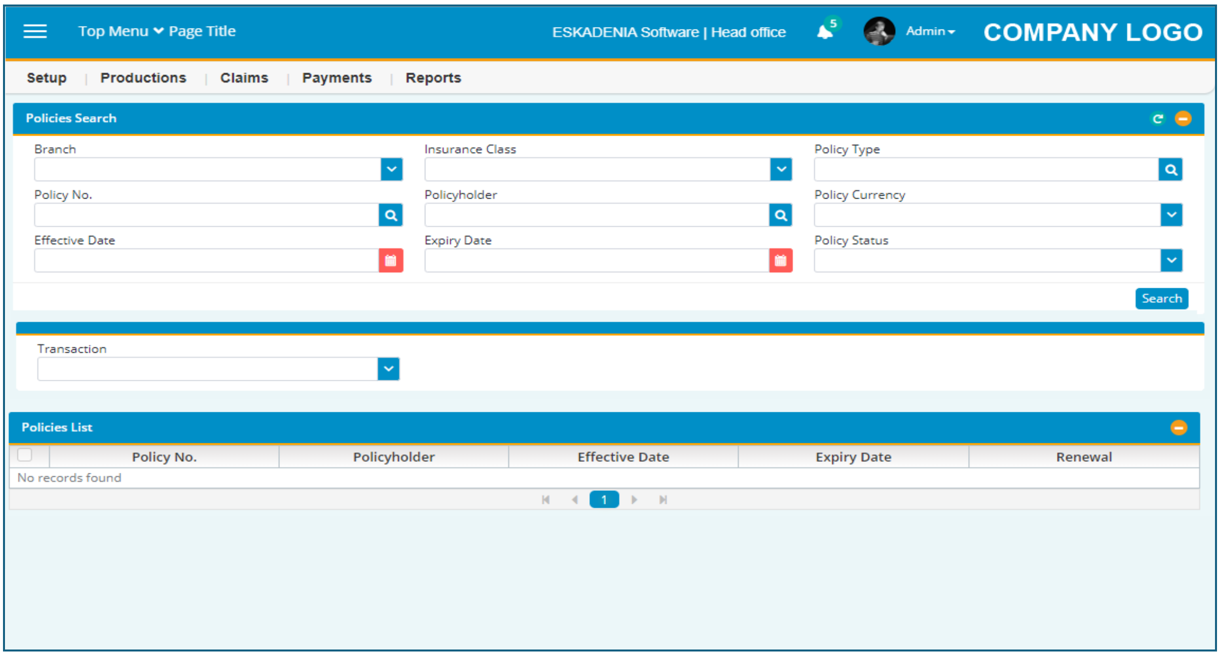

Figure 8-20 (Policies Renewal)

8.11. Financial Integration

Through direct and real time integration with the financial entity, transactions are directed to **ESKA® Business Manager** as below but not limited to:

- A Debit Note per instalment is created in the Accounts Receivable module for the policyholder. The invoice is scheduled according to the customer payment terms specified in the policy.
- A Credit Note is created in the Accounts Payable module for each broker etc.
- A Credit Note is created in the Accounts Payable module for the policyholder for encashment transactions.

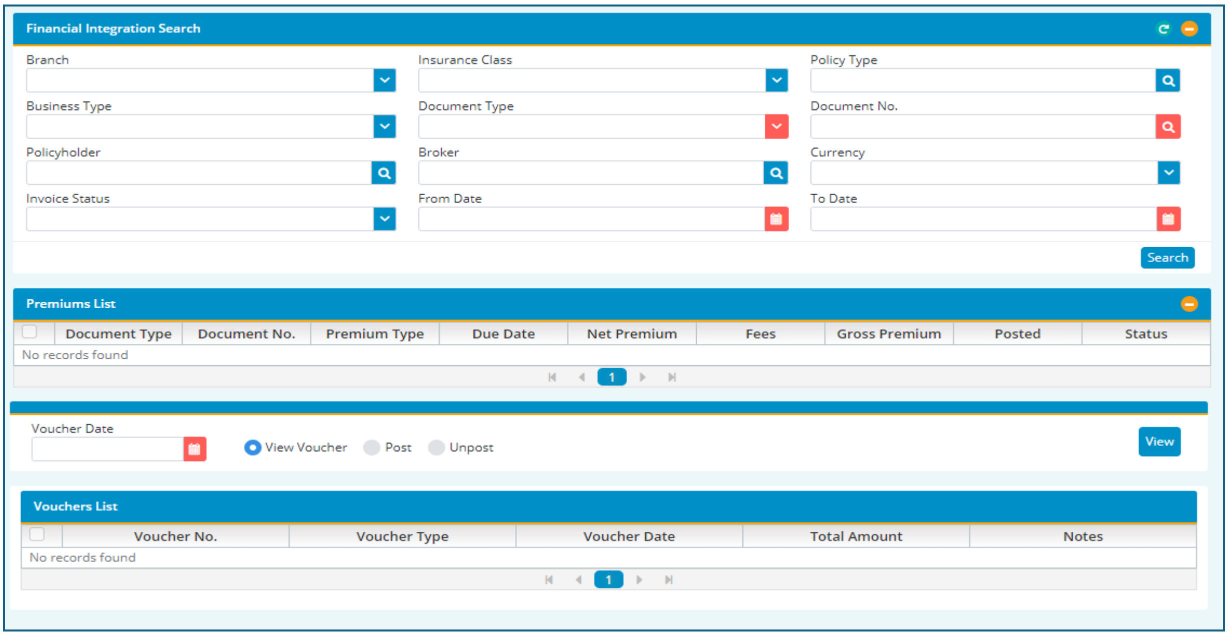

Figure 8-21 (Financial Integration)

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9 CLAIMS

The **Claims** module contains a breadth of functionality, maximizing the effectiveness for day-to-day claims processing, enabling users to register submitted claims on the insured policies in a streamlined manner and protect business from significant disruption, whether a claim is driven by a single default or a market crisis.

The module maintains the claims information and the transactions applied on these claims, such as reserve, payment, expected recovery and recovery transactions. Thus, all financial information about the claim evaluation, examination and processing is saved, allowing users to properly and timely manage claims. As policyholders count on a rapid response, technical claim specialists are deployed to ensure claims handling instructions are consistent within market protocols in order to help obtain the best possible claim outcome.

Main features:

- Full, on-line history for all claim payments and access to policy and UW information.
- Automatic linkage to related policy and retrieval of relevant details.
- Documentation management.
- Authorization and security controls through claims approval levels.
- Full capture of claims information and details.
- Real time integration with the Financial entity for all claim transactions (e.g. reserves, payments, recoveries etc.).
- Client position insights in respect of claims, premium payments and OS amounts.
- Once claims have been reported and recorded, claims' respective reinsurance portions are allocated in addition to loss advice and letters of debit issuance.

Claims Setup

9.1. Eligibility Parameters

The goal of claim reasons and exclusions identification and specification to the related insurance classes and policy types is so that the insurance company can set standard procedures and rules for claims' management protecting themselves against risks.

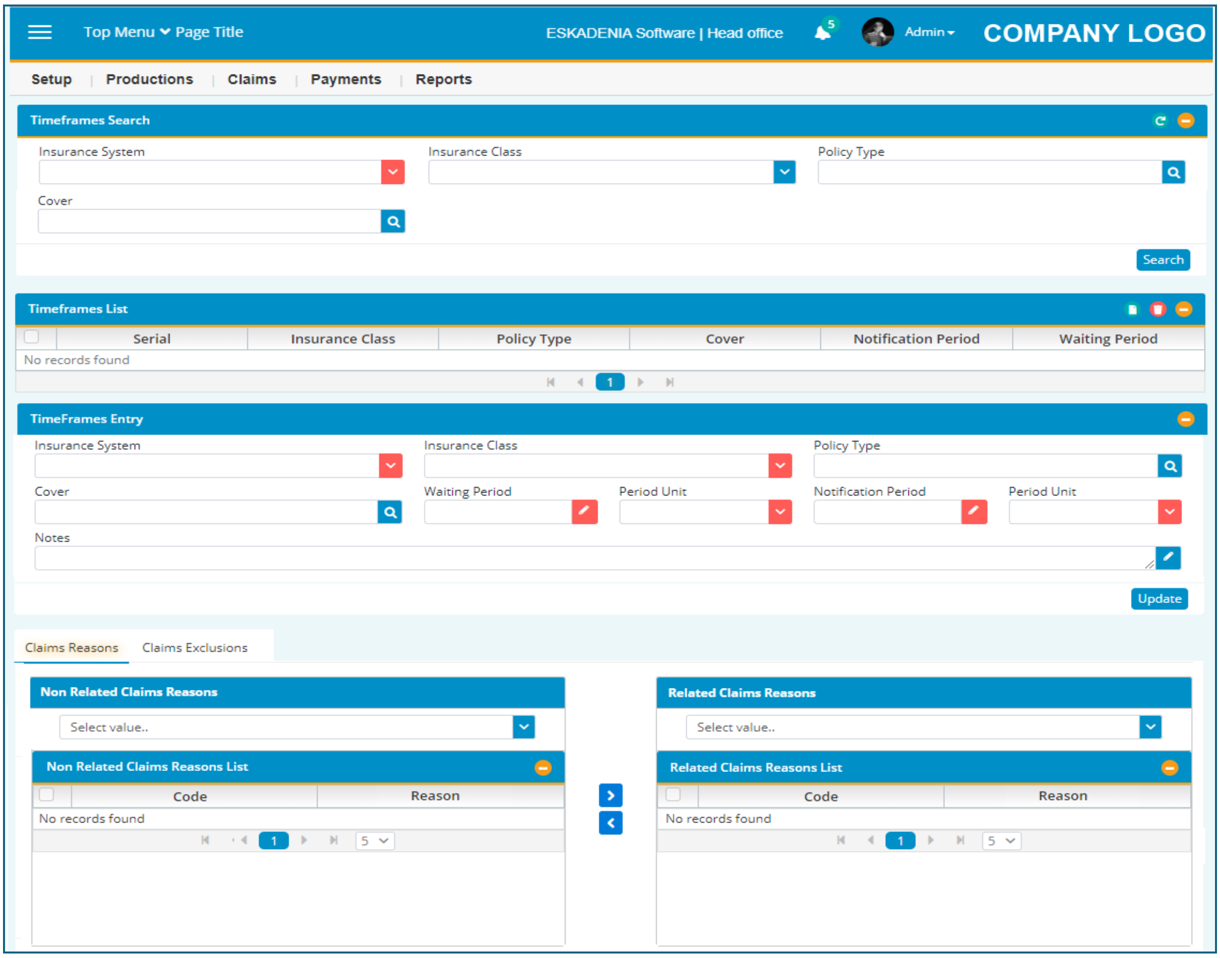

Figure 9-1 (Eligibility Parameters – Claims Reasons)

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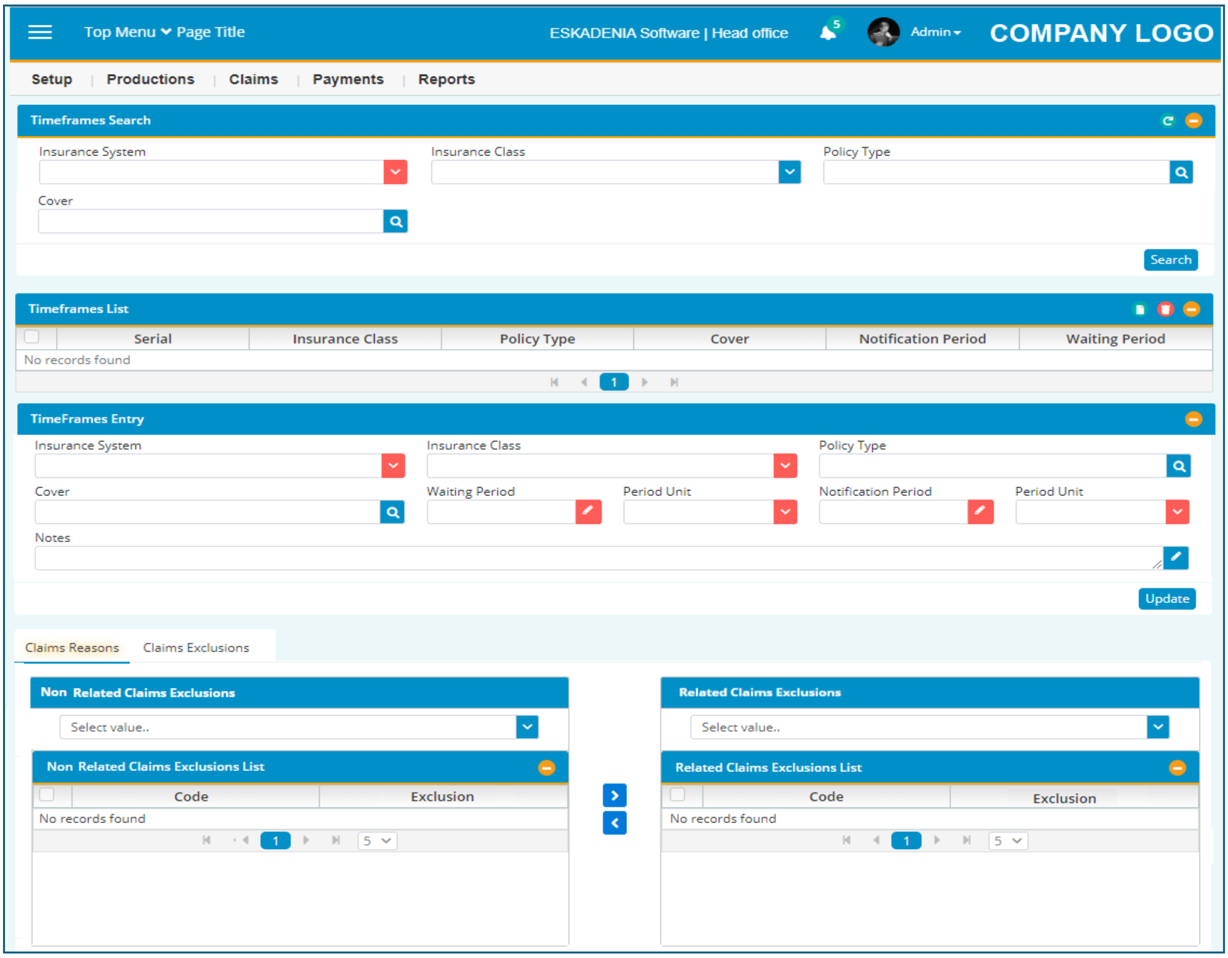

Figure 9-2 (Eligibility Parameters – Claims Exclusions)

9.2. Claims Authority Matrix

Claims' payments and compensations might be approved by eligible users according to their authorized limits as per the claims' authority matrix, each user according to his/her respective allowed and permissible limit.

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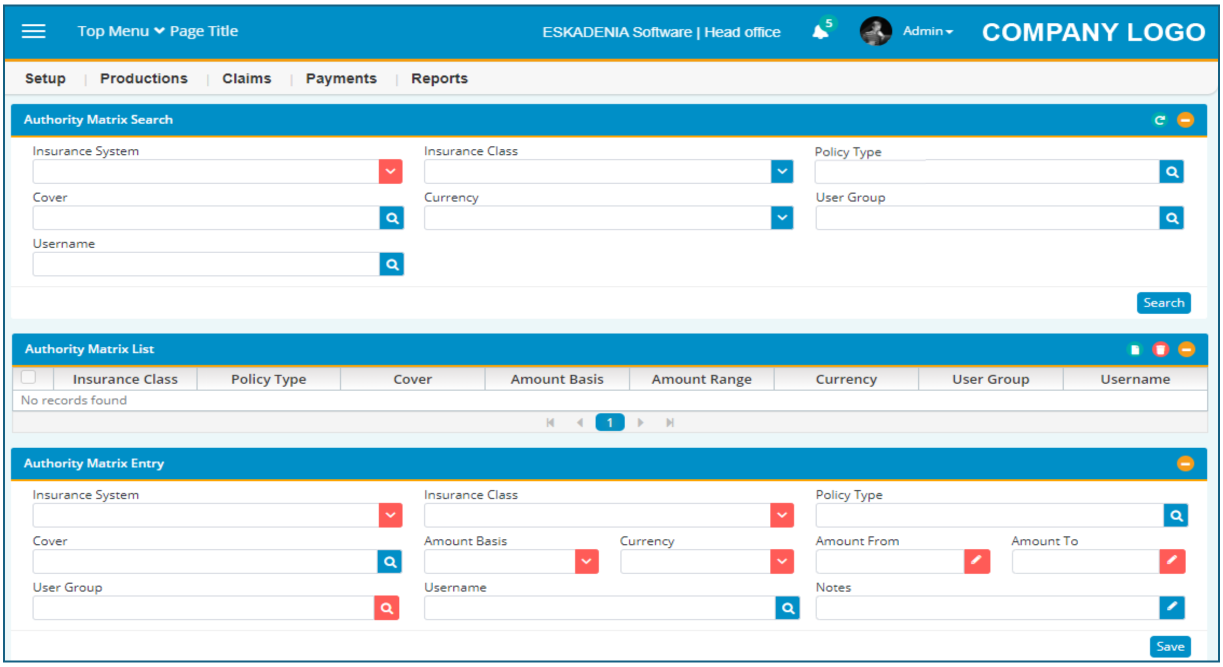

Figure 9-3 (Claims Authority Matrix)

9.3. Notification of Probable Loss

Credit insurance policies have high demands in relation to claims notification, requiring immediate notice or at best notification as soon as possible. Claims notification is the process of informing the insurance company that a loss is highly probable to occur and that the policyholder intends to ask for money as a result. In that case, the policyholder will fill up an online NPL Form 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.

All NPL relevant details of the debit loss are captured including invoice number, invoice date, due date, net amount, currency and the OS amount along with description of goods/services, and payment terms, in addition to gross amount of all invoices bearing in mind that provision is provided to link multiple approvals under the same NPL as following:

- Addition of the possibility to attach and specify one or more approvals at NPL and Claims pages whereby each approval's status will be determined separately.
- Claims' loss estimates (reserves), payments, expected recoveries and collected recoveries will be adjusted providing the ability to specify the figures/amounts per approval in details rather than the whole amount.

Through the introduction of NPL's status and stage, according to which NPL can be kept pending or forwarded to claims' officers and differentiation between serious and administrative delay can also be captured and specified. Furthermore, NPL can be also flagged as "Underwing Review", "Loss Minimization Review", Extension of Due Dates", Claim Meetings" etc. bearing in mind that identification of the NPLs' status and stages is dynamically controlled through the setup lookup configuration (claim meetings will be held outside of the system and MoM will be uploaded for future reference through integration with DMS).

P.S. The below is a new requirement request by ICIEC on 27.01.2020

For NPL loss reserving calculations on a monthly basis, additional informative NPL fields have also been implemented as following (i) % Probability of becoming a claim, (ii) maximum estimated loss amount if becomes a claim, (iii) % Probability of recovery if becomes a claim, and (iv) maximum estimated recovery amount if becomes a claim.

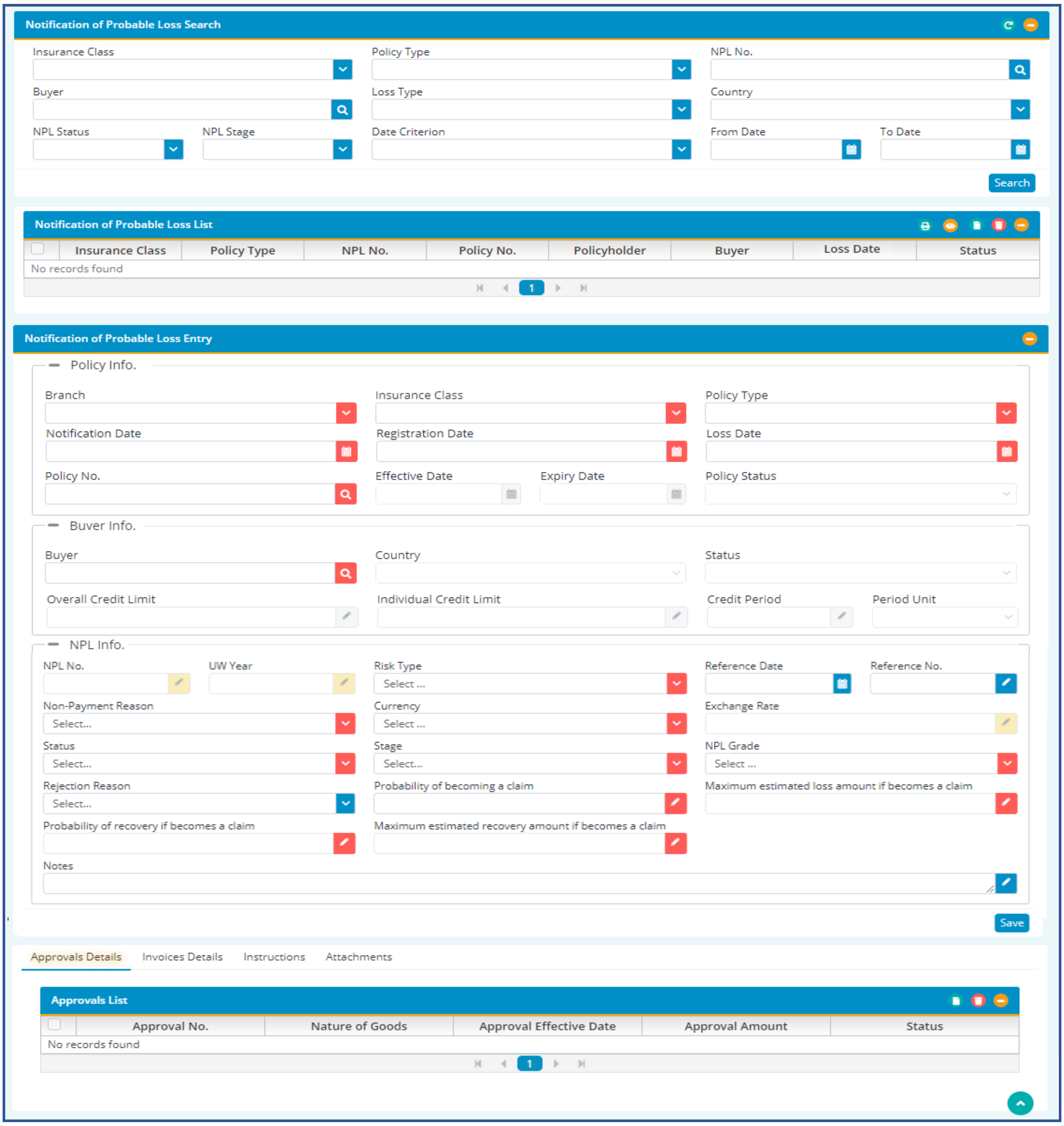

Figure 9-4 (Notification of Probable Loss)

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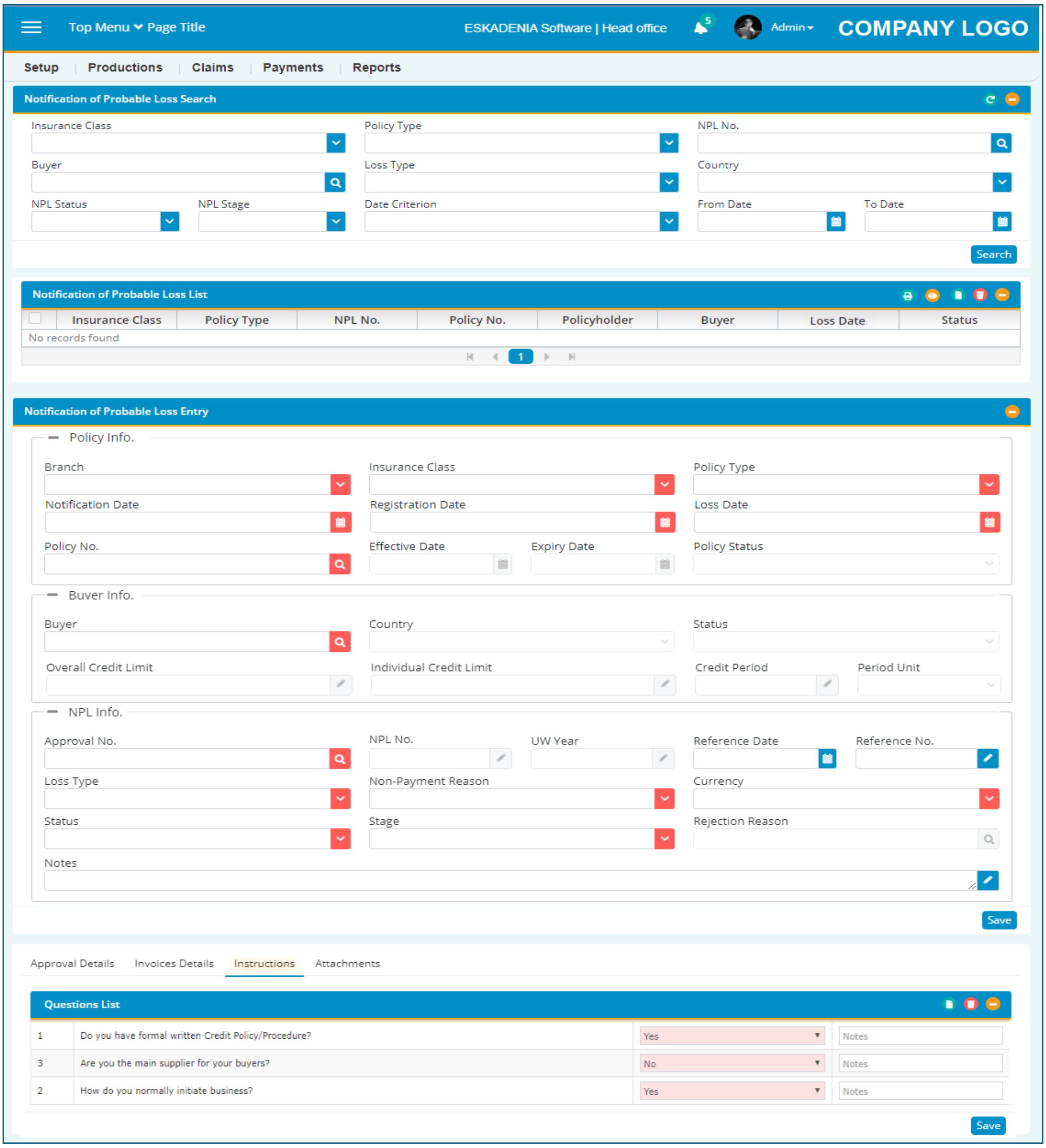

Figure 9-5 (Notification of Probable Loss – Instructions)

In the below section, relevant shipment amount and loss amount details can be captured and identified for proper assessment, follow-up and tracing of the NPL.

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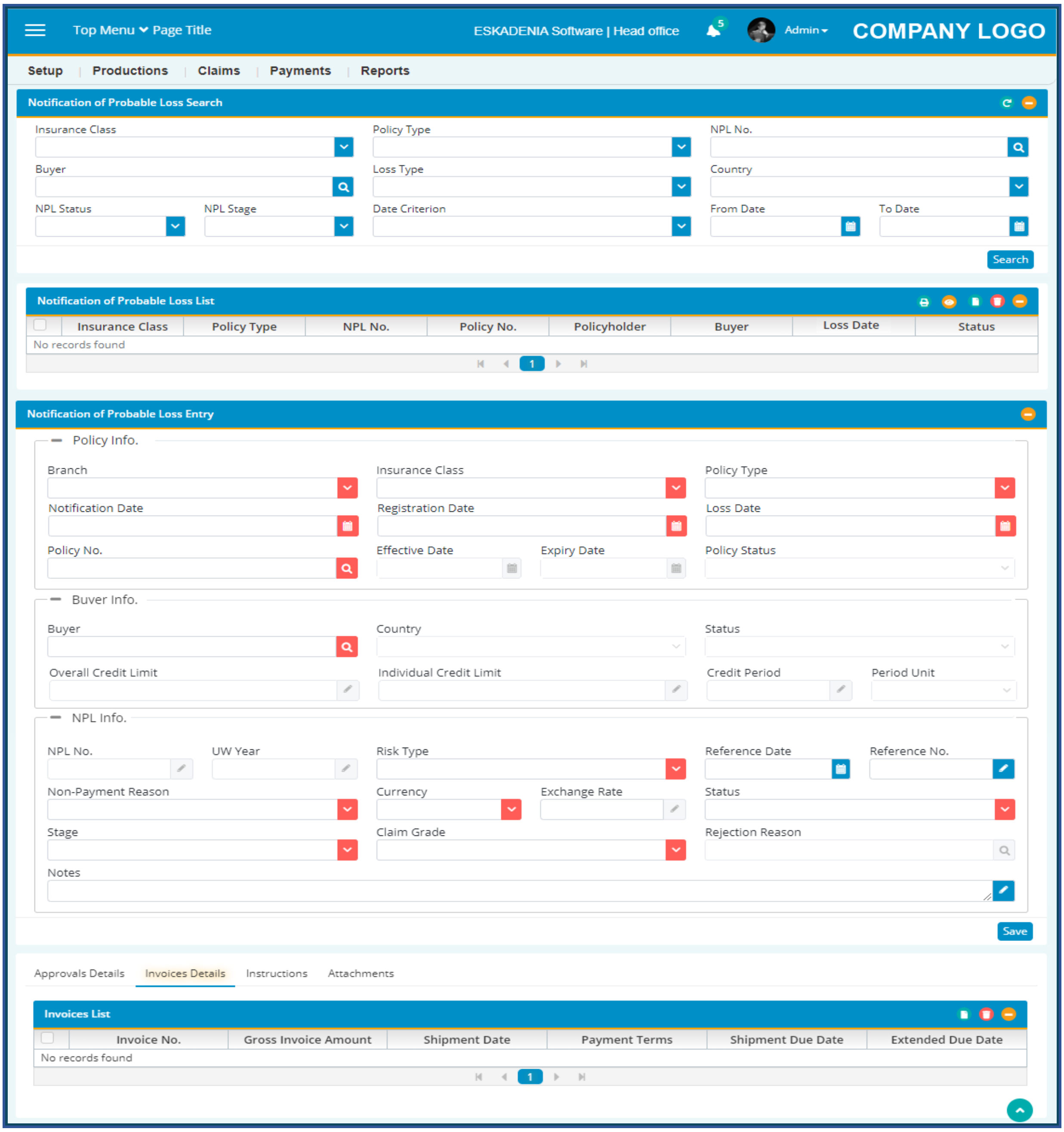

Figure 9-6 (Notification of Probable Loss – Invoice Details)

9.4. Claim Entry

Upon notification of an incident's occurrence, submission and registration into the system should take place, providing the following claim details but not limited to:

- Registration, notification and loss dates
- Buyer's name and related policy number
- Loss (Risk) Type
- Approval/s No.

Once the claim has been submitted, automatic check will take place to validate whether the claim falls within the permissible grace period (usually within a

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specific number of days from the invoice due date) bearing in mind that grace periods and deadlines applied vary with the type of loss incurred. Maximum liability amount is also derived in order to limit the maximum loss that can be sustained under a single policy, irrespective of the number of claims. Additional information inquired in the form of questionnaires to loss reasons and identification of measurements taken to mitigate risk of loss can also be captured and store for assessment purposes.

All claim's relevant details of the debit loss are captured including invoice number, invoice date, due date, net amount, currency and the OS amount along with description of goods/services, and payment terms, in addition to gross amount of all invoices.

Details of current and previous claim incidents shall be captured and displayed representing accurate information providing assistance in the claim management and decision making.

Through the introduction of claim's status and stage, underwriter recommendations related to claim's assessment and decision such as freeze, approve and payment of the claim can be captured and identified.

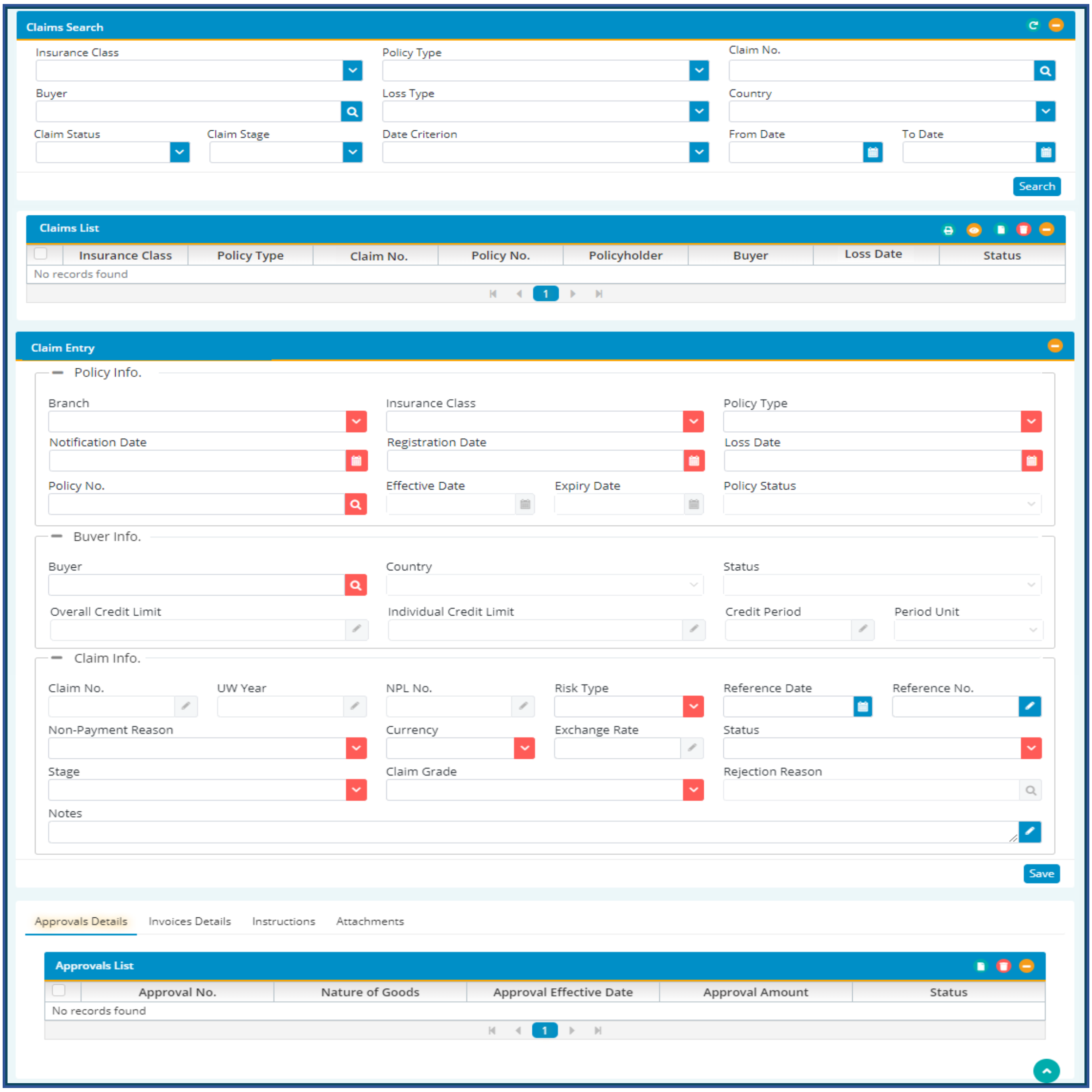

Figure 9-7 (Claim Entry)

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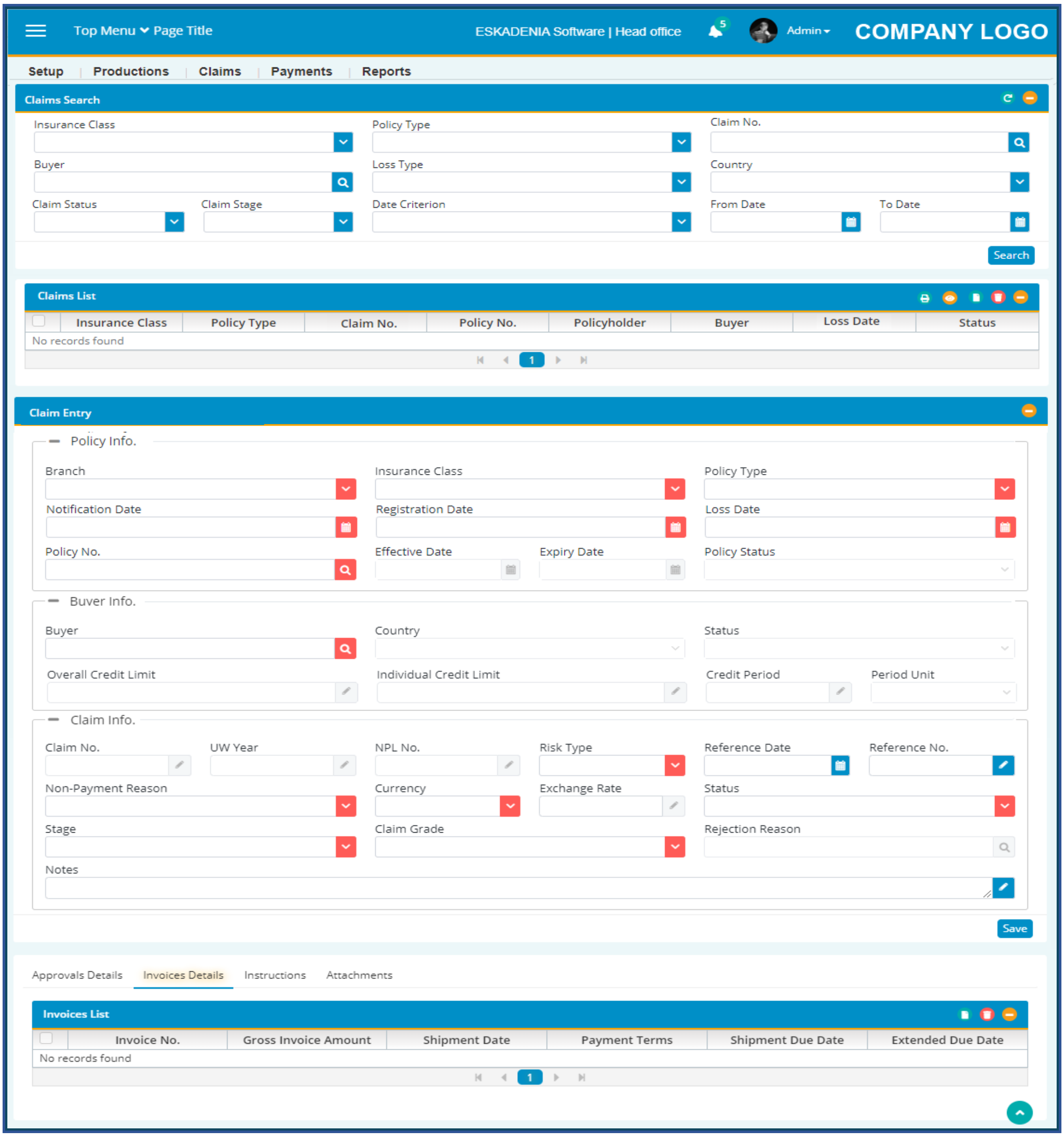

Figure 9-8 (Claim Entry – Invoices Details)

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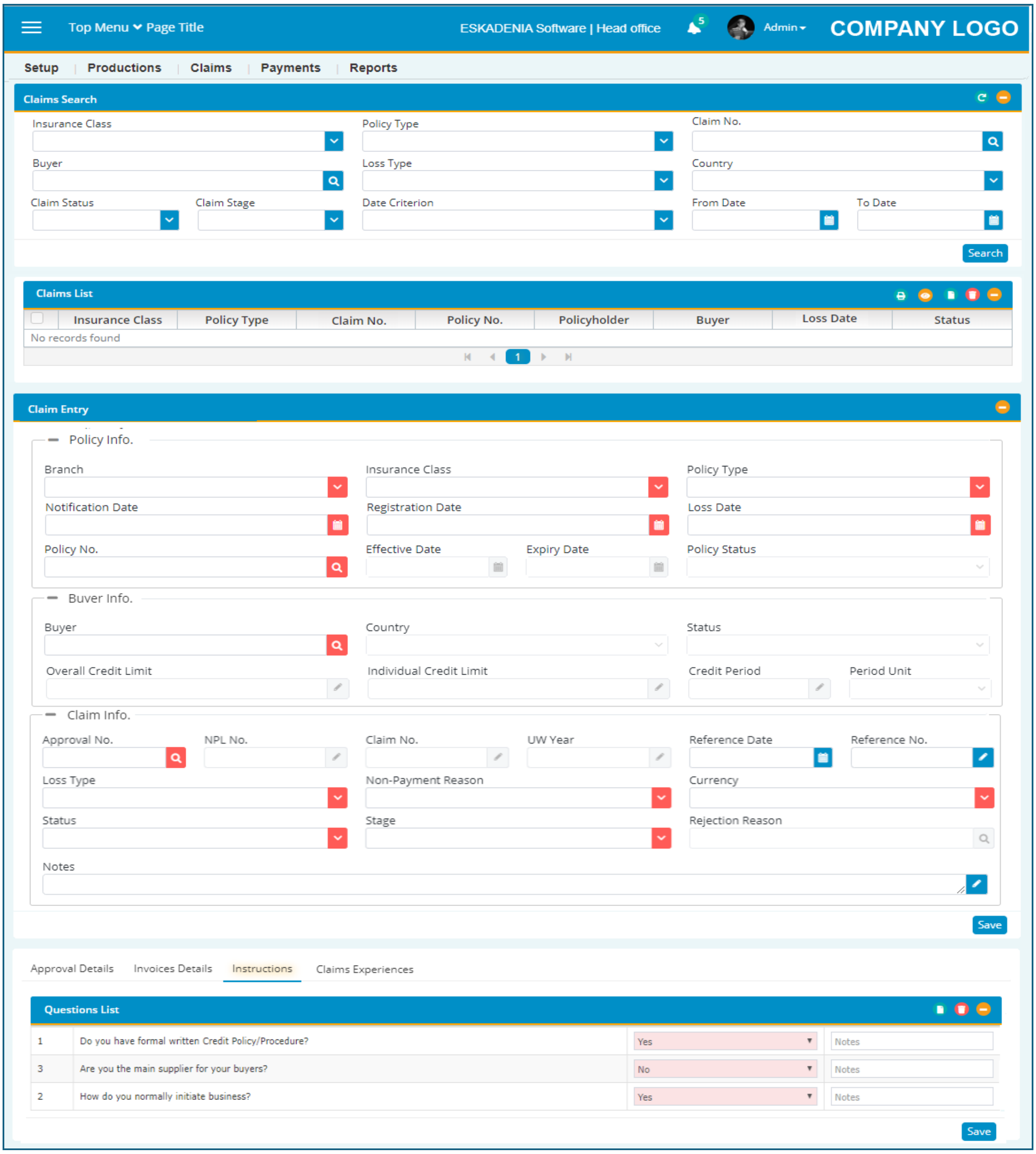

Figure 9-9 (Claim Entry – Instructions)

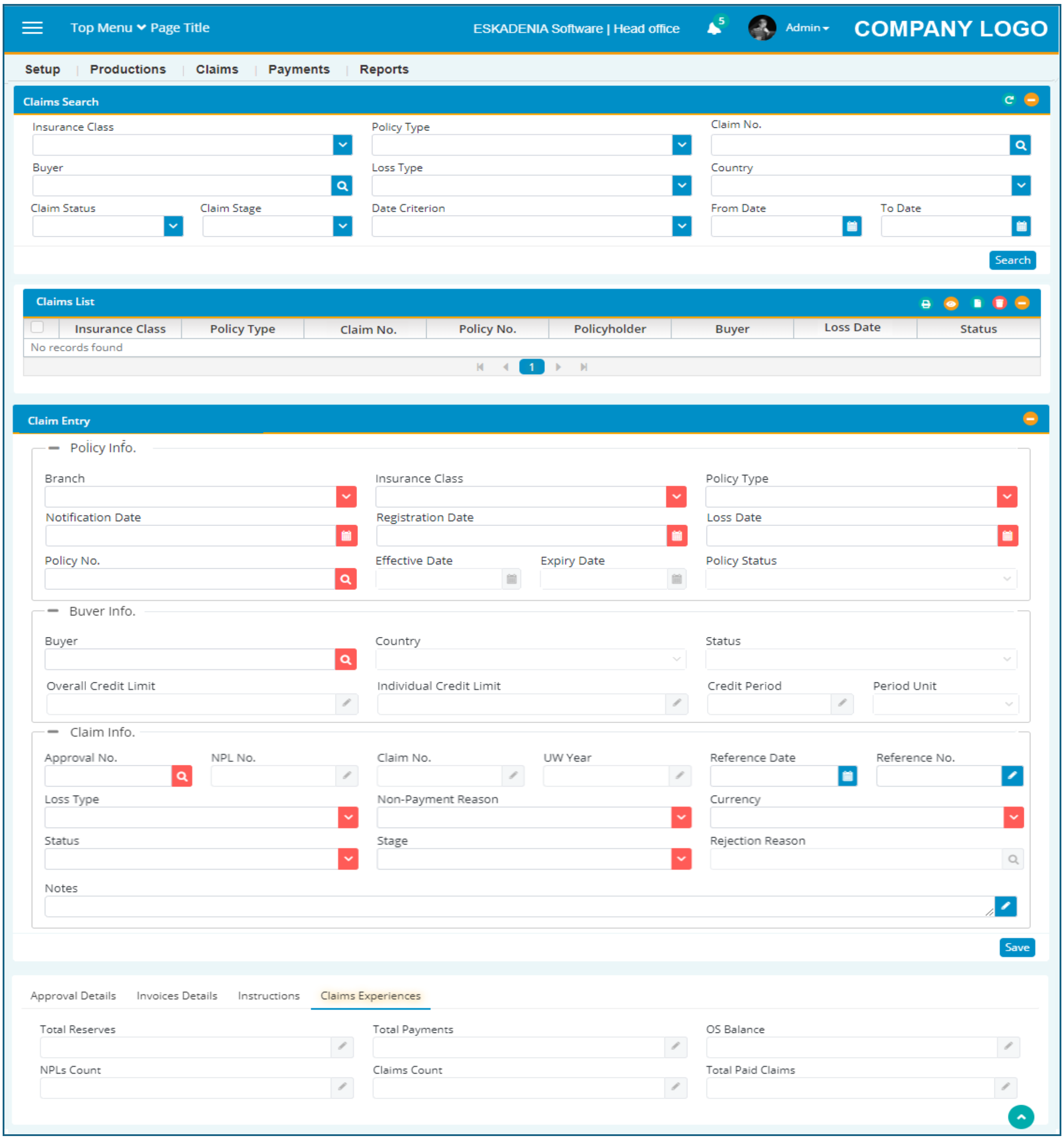

Figure 9-10 (Claim Entry – Claims Experiences)

9.5. Claim Documents

All the required documents can be easily attached to a claim as an evidence of incident and further claim processing shall be prohibited unless provided. Claims' required documents list can be determined at "Document Groups" (setup module) and will be automatically retrieved upon claim processing; such documents can be as following:

- Copies of all unpaid invoices
- Proof of delivery
- Evidence of acceptance of invoices
- Copy written orders
- Evidence or notice of insolvency

- Evidence of actions taken to mitigate the loss
- Copy of contract or financing agreement for banks
- Confirmation of debt from insolvency practitioner
- Any notices from policyholder's bank advising that payments due have been dishonoured
- All relevant correspondence

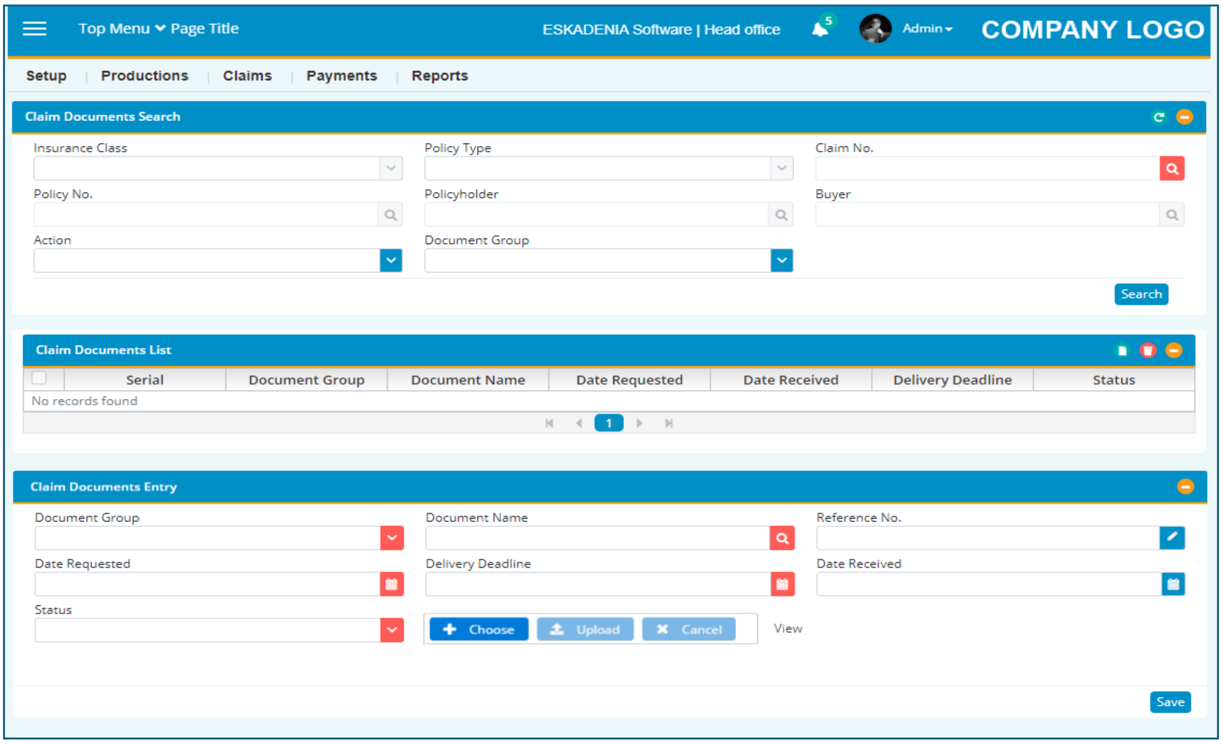

Figure 9-11 (Claim Documents)

9.6. Loss Payees

Party/s to be compensated, mainly the named loss payees of the claimed policy, the policyholder or even third parties need to be declared, each with a stated share percentage or amount, where such definitions can automatically take place, provided that the related setup rules are configured.

Each loss payee has a specific nature of loss which could be:

- Dispute Invoices
- Goods
- Securities
- Fees (in case of loss adjuster or lawyer claimant).

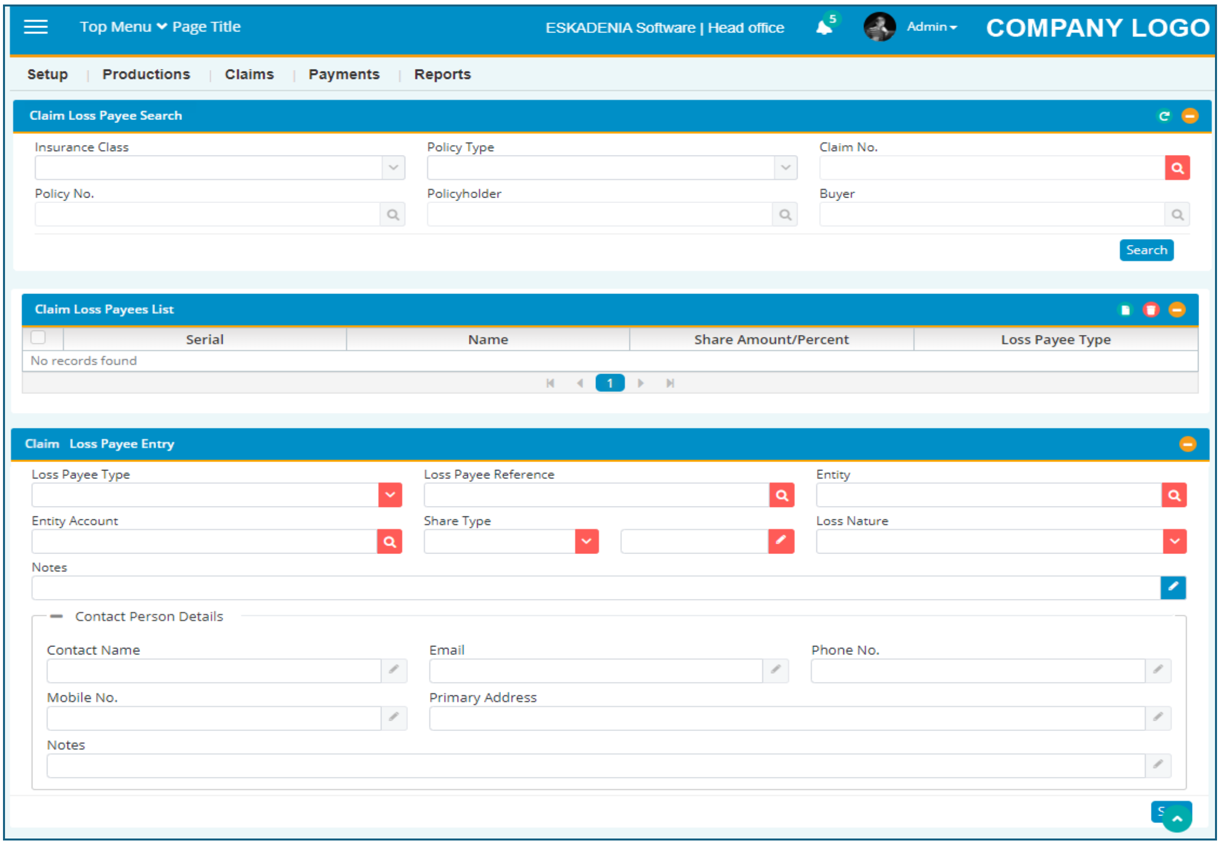

Figure 9-12 (Loss Payee)

9.7. Loss Reserve (Estimates)

The loss reserve estimates sub-module allows the loss adjuster to individually investigate each claim and accordingly estimate its reasonable monetary value based on credit limit and due invoices. Moreover, re-evaluations of the reserved amount and accordingly, re-estimates can be made, maintaining a full audit trail of the reserve/s history.

The reserve transaction records the following information for each loss payee and reason of loss:

- Reserve date, which should not be greater than the loss date.
- Reserve currency, which should be the same as the currency of the transaction.
- Pre-shipment losses (costs incurred, commitments and additional expenses).
- Deductions (interest, offset amount, disputed amount, amount received from other sources, saved expenses and other deductions).
- Reserve amount.

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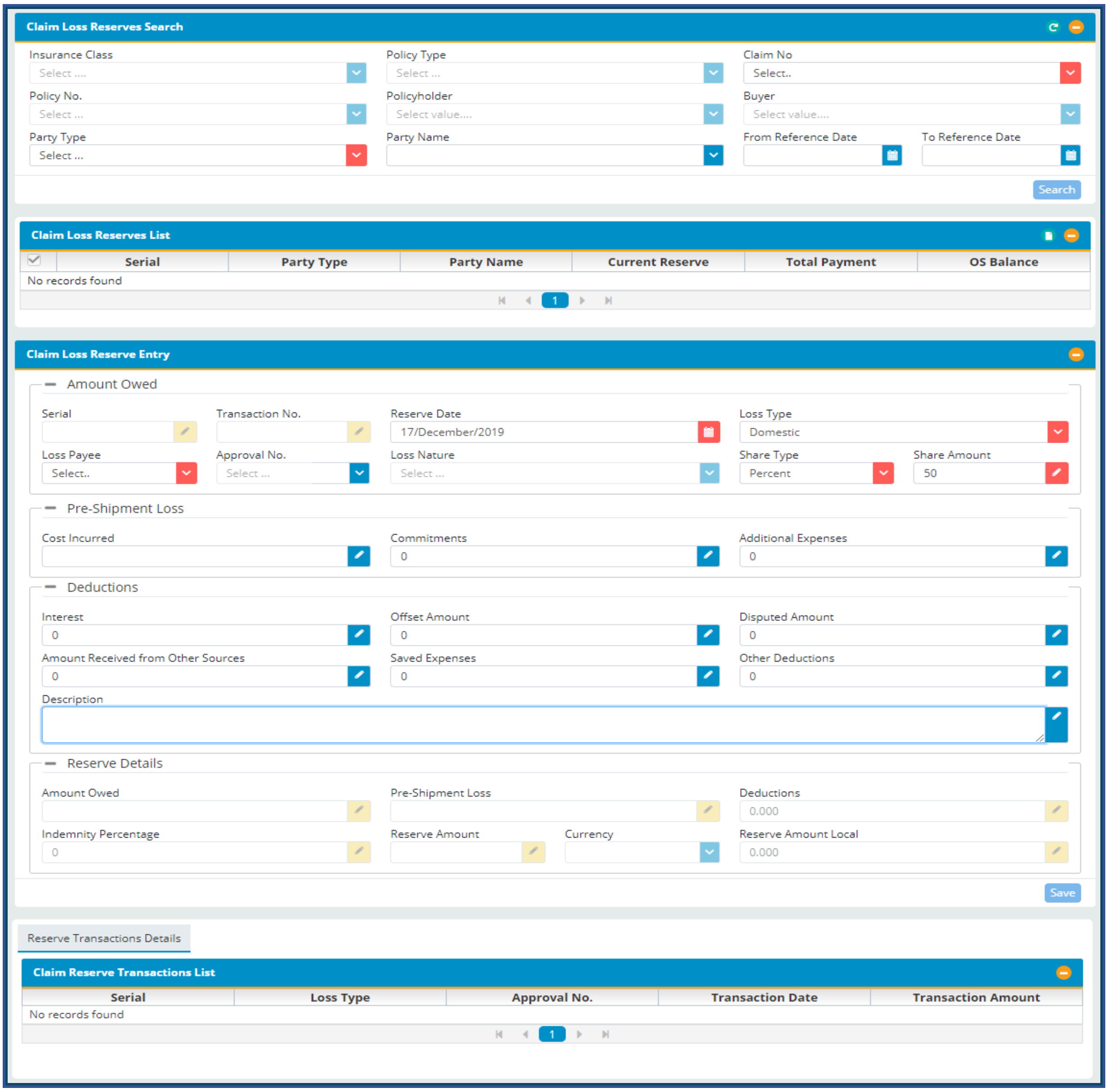

Figure 9-13 (Loss Reserve - Estimates)

9.8. Payment

Upon assessment and approval of the reserved claim amount, payment is authorized. Adding payment, the following details should be declared:

- Loss type and loss payee
- Payment amount
- Settlement base (stated number of settlements or period)
- Settlement mode (full payment or payment cycle)
- Currency
- Payment method (cash, cheque or account transfer)

Depending on the claim's payment details, a schedule of the settlements to be received by each of the entitled parties, with consideration of the related defined fees, is automatically generated.

Due to its full integration with **ESKA® Business Manager,** payments are easily managed.

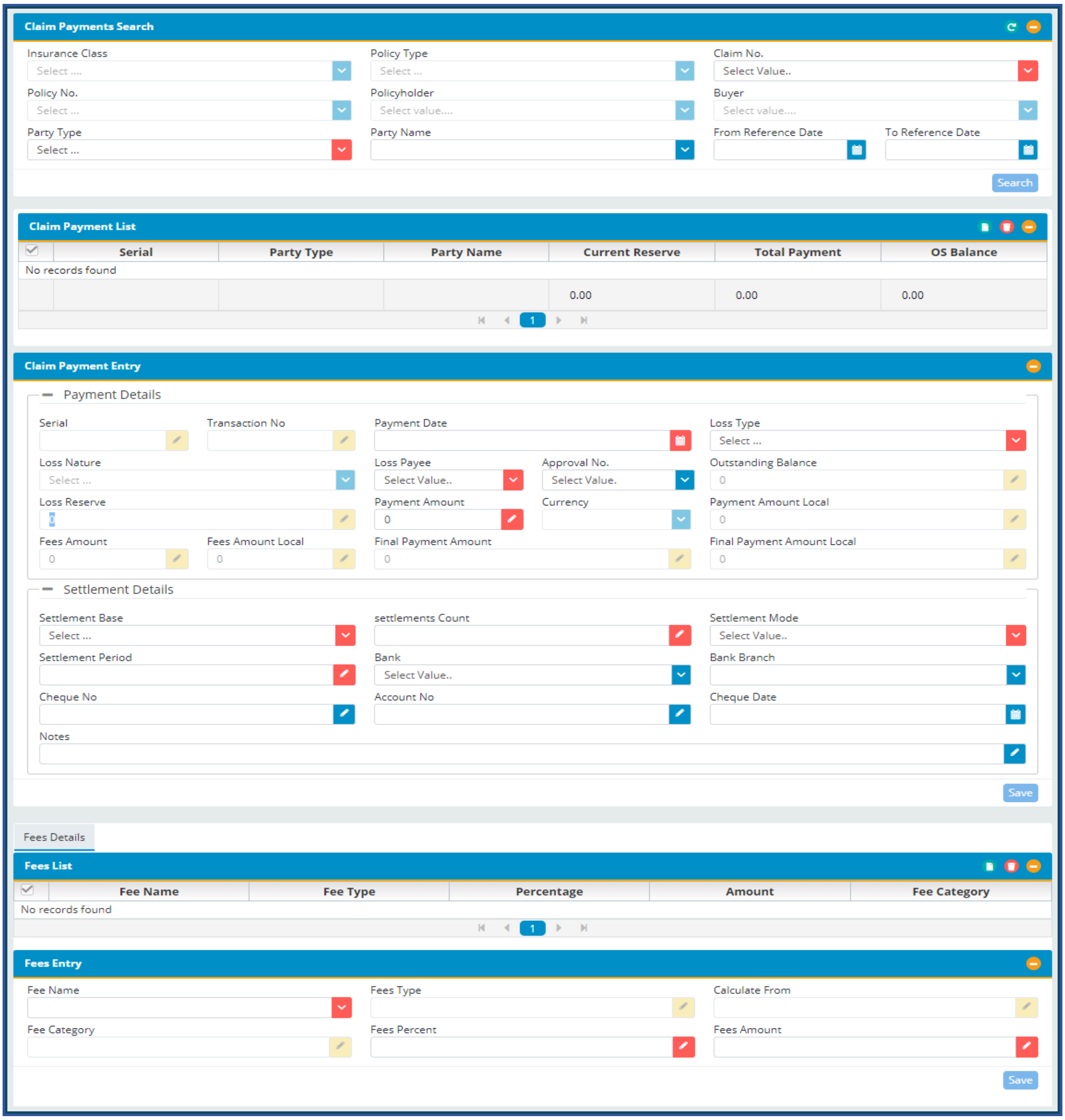

Figure 9-14 (Claim Payments)

9.9. Claim Payments Scheduling

All claim payment transactions are easily managed and followed-up through claim payments scheduling page whereby users can check out details of payments, respective payment date, status and outstanding balance.

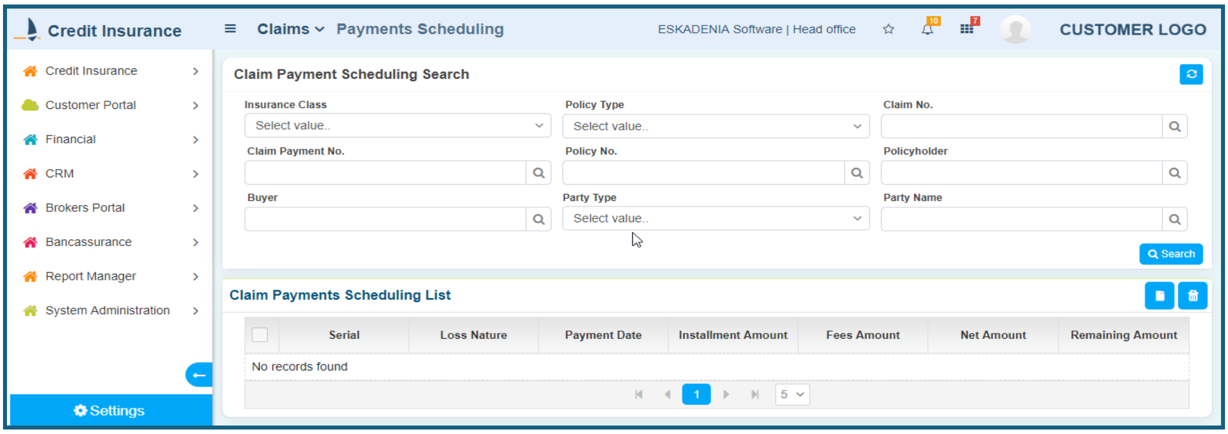

Figure 9-15 (Claim Payments Scheduling)

9.10. Claim Recovery

In case a full or partial recovery of a previously paid claim is valid, expected recovery transactions can be registered and processed accordingly with the possibility to capture and identify relevant details in terms of claim number, recovery type, expected recovery percentage and amount.

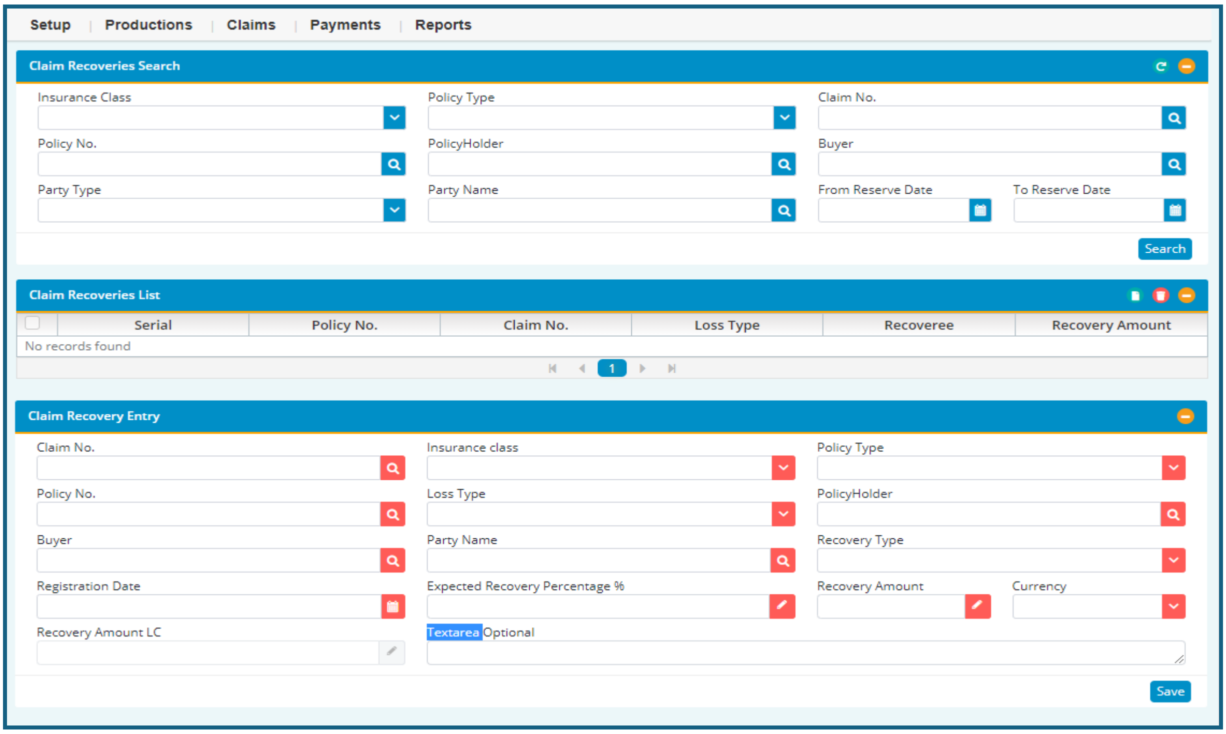

Figure 9-16 (Claim Expected Recoveries)

9.11. Claim Recovery Collection

In case a full or partial recovery of a previously paid claim is valid, actual recovery transactions can be registered and processed accordingly.

Due to its full integration with **ESKA® Business Manager**, all claim transactions (estimates, payments and recoveries) are easily managed and transferred to the

Financial entity as receivable/payable invoices in the AP/AR modules, based on the nature of transaction. If amount recovered exceeds the actual claim payment amount, excess can still be returned back to the policyholder after claim charges and fees deduction.

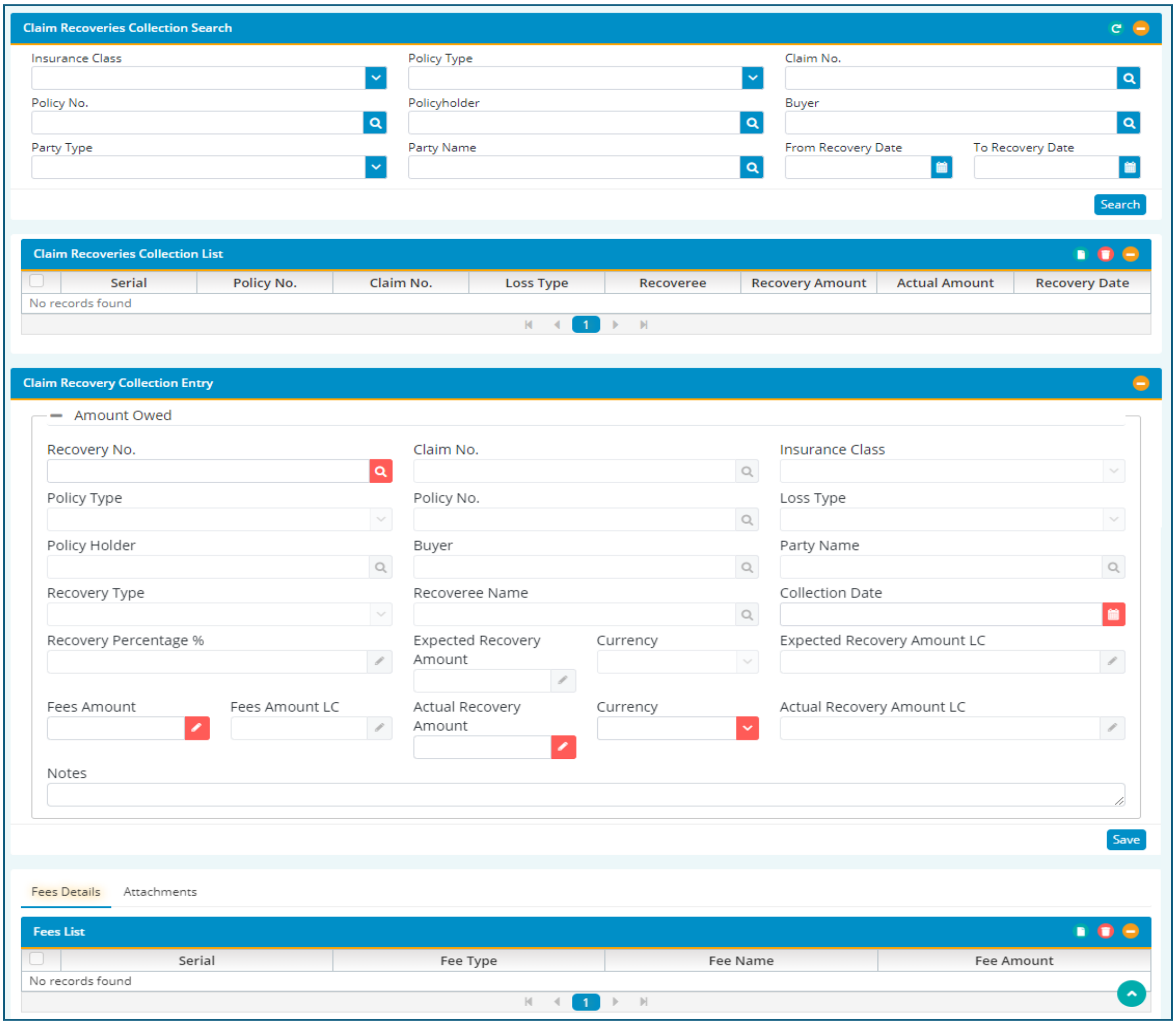

Figure 9-17 (Claim Recovery Collection)

9.12. Claims Financial Integration

Due to its full integration with **ESKA® Business Manager**, all claim transactions (estimates, payments and recoveries) are easily managed and transferred to the Financial entity as receivable/payable invoices in the AP/AR modules, based on the nature of transaction.

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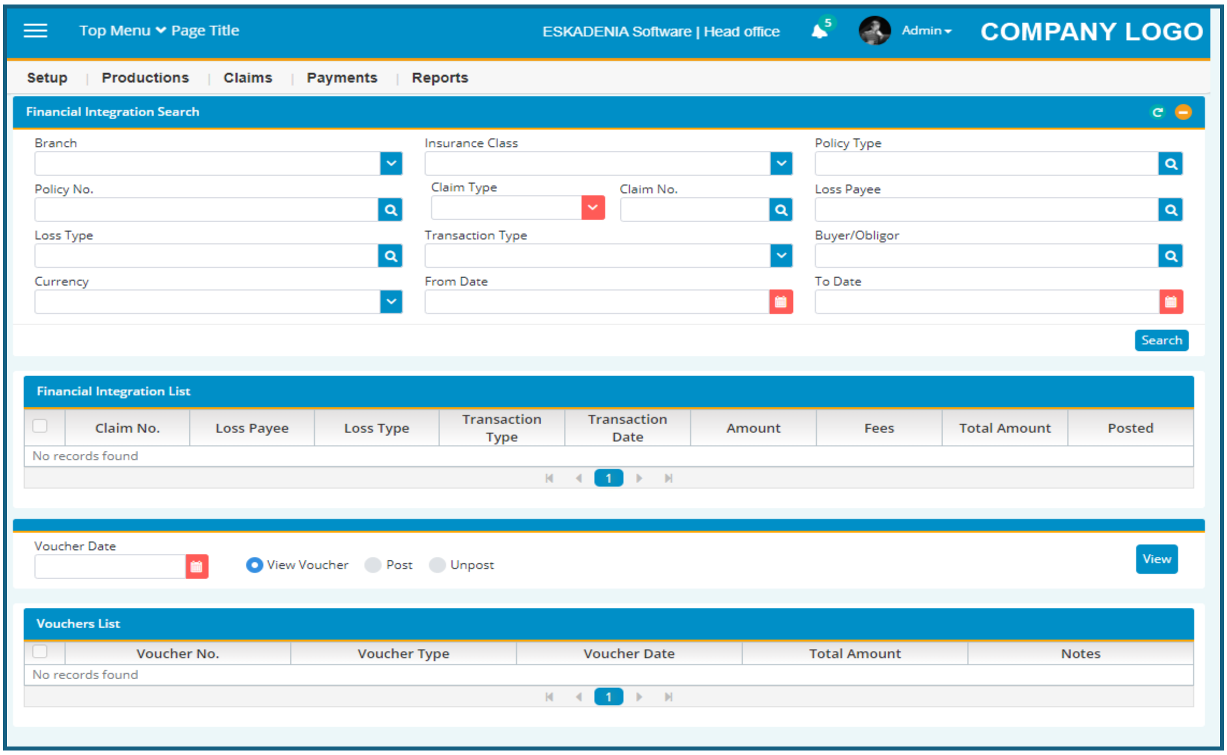

Figure 9-18 (Claim Expected Recoveries)

9.13. Claims History

Searching for a specific claim, all the decisions, history and related details including claim parties, loss estimates, attachments, payments, in addition to the recoveries and collection can be viewed.

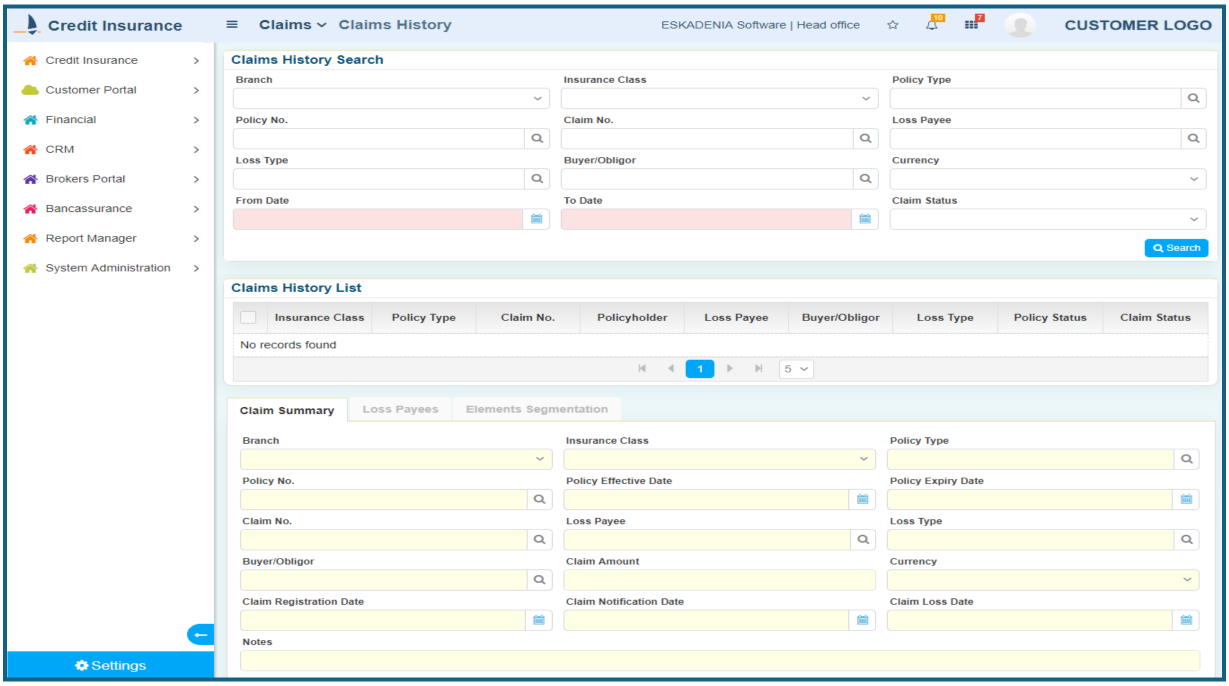

Figure 9-19 (Claims History – Claim Summary)

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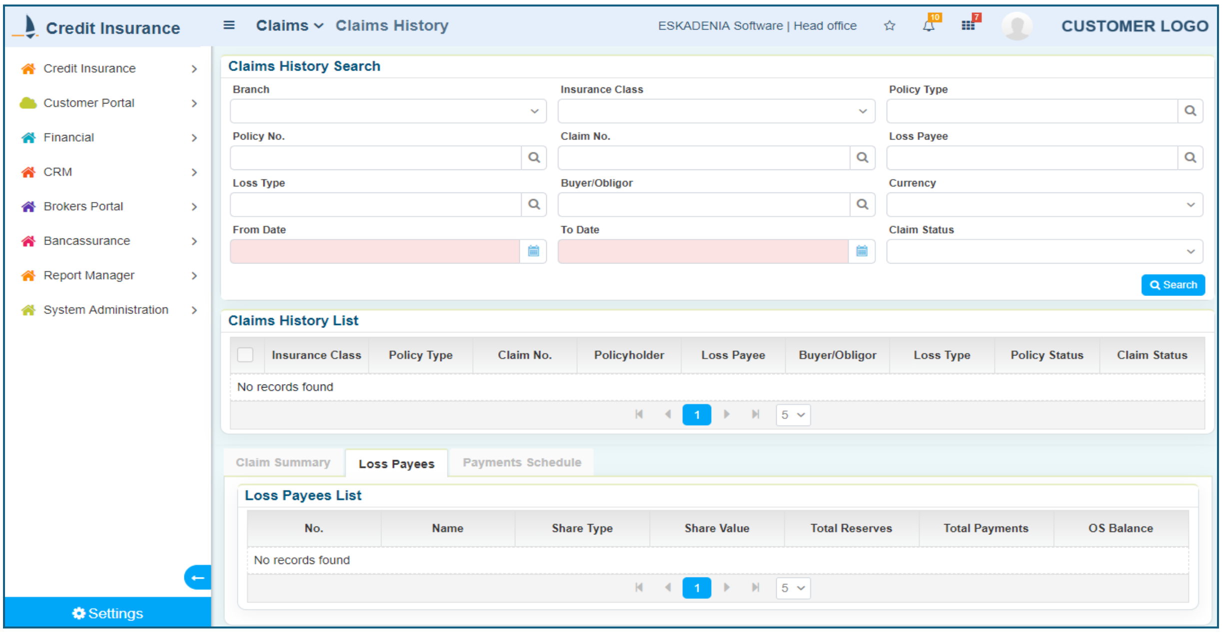

Figure 9-20 (Claims History – Loss Payees)

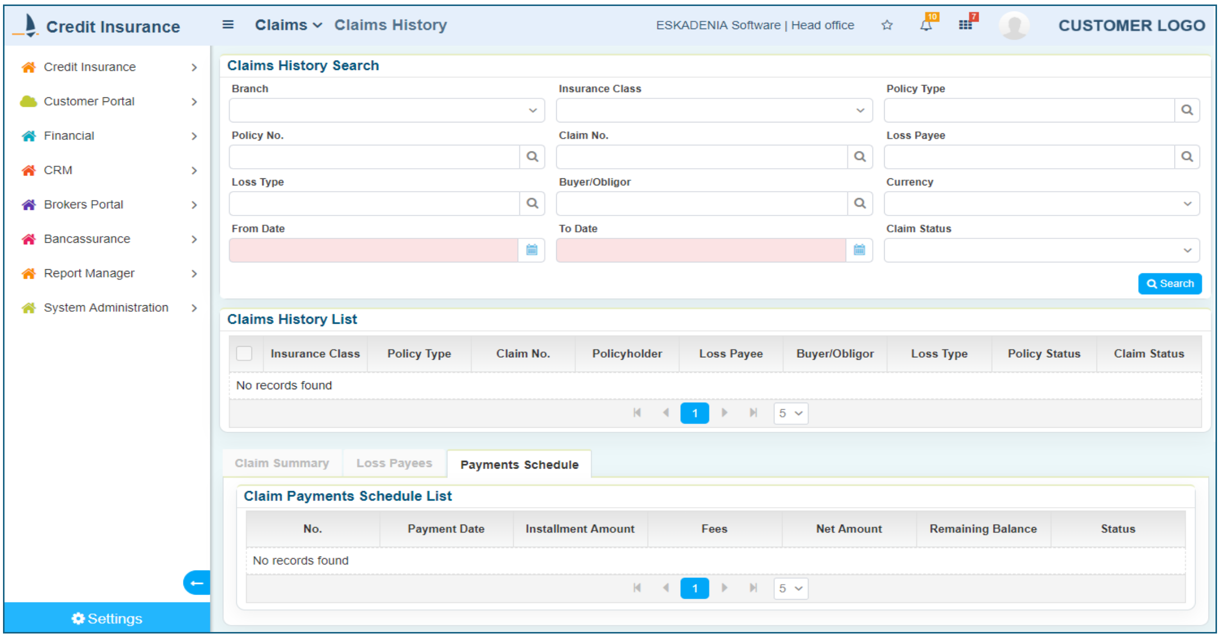

Figure 9-21 (Claims History – Payments Schedule)

10 REINSURANCE\ RETAKAFUL

The Reinsurance module allows users to define the various types of arrangements governing the terms of risk sharing or transfer between insurers and reinsurers.

Running automatic reinsurance of documents and claim transactions, leveraged by timely yet comprehensive reporting techniques, the system is meant to break away the reinsurers' routine paradigms. Through direct integration with commercial and sovereign production modules, automatic notifications that shall be received by the reinsurance function can also be dynamically configured and defined to properly follow-up on new business invoices issued and transactions processed bearing in mind that either inward reinsurance business is covered in the production module.

10.1. Reinsurance Proportional Treaties

The reinsurance module supports treaty and facultative reinsurance concepts administered on proportional and non-proportional basis.

Coinsurance ceding, where a group of insurance and reinsurance companies share a risk without facultative commissions, is also supported.

As for proportional treaties, quota share and surplus, along with different retention-base and premium calculation considerations can be defined.

To define a treaty, details including basic parameters (for example, treaty name, inception and expiry dates, rates consideration option, credit period, limits, excluded countries, released profit percentages, minimum and maximum policy periods etc.), layers or cessions, the covered risks underneath, treaty limit for treaty leader, in addition to the reinsurers, their ratings, allowable maximum exposure and respective commissions, need all to be provided.

Moreover, for timely definitions to be carried out, the following treaty-specific operations can be performed:

- Renewal – expired treaties or those about to expire can be renewed, providing the ability to handle any desired updates afterwards dynamically.
- Versioning – multiple versions of a treaty can be generated with different characteristics each.

In order to calculate the ceding commission that varies inversely with the loss ratio under the reinsurance agreement/s, slides will be generated automatically and the sliding scale results can be reviewed through corresponding reports.

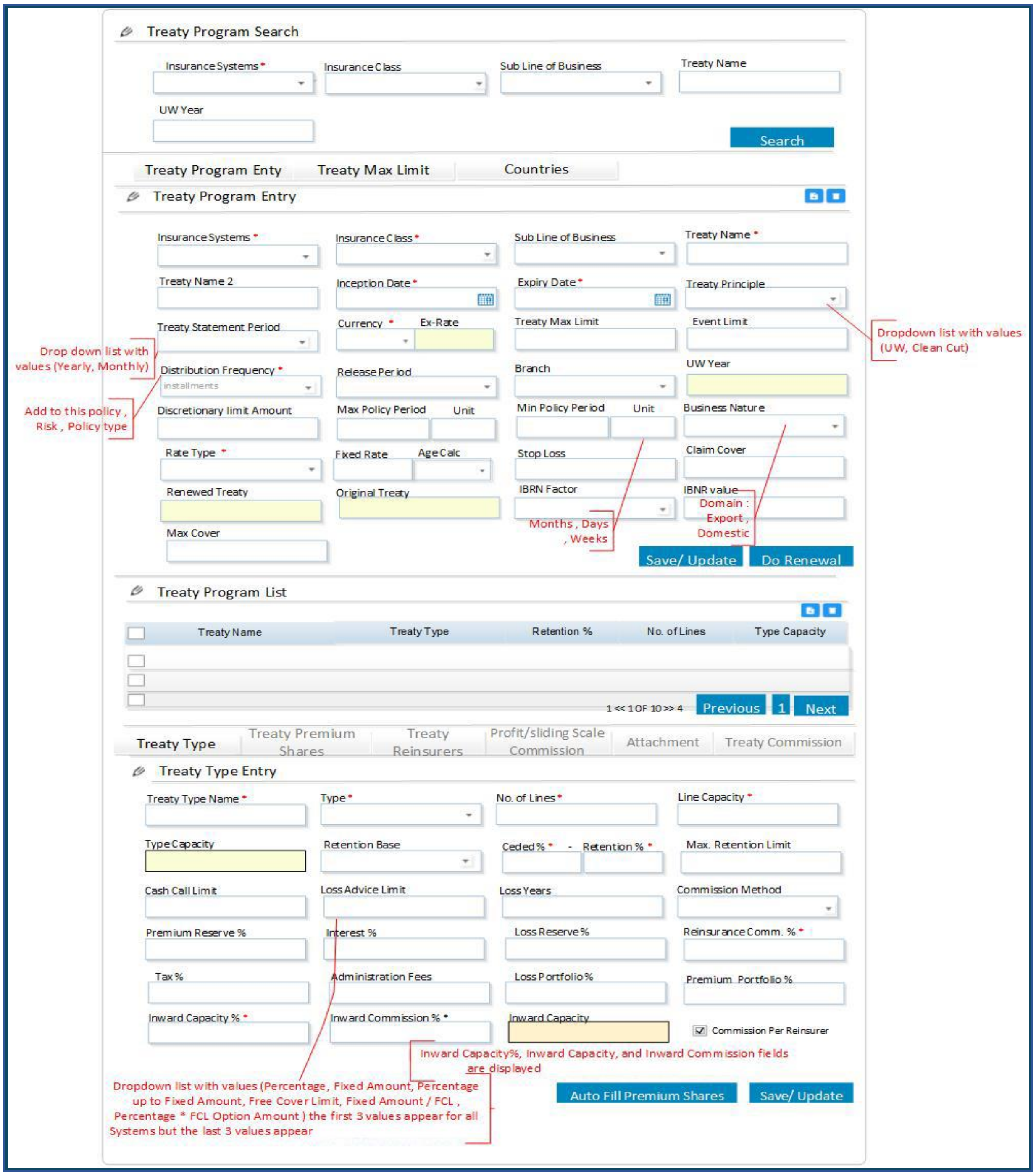

Figure 10-1 (Treaty Program)

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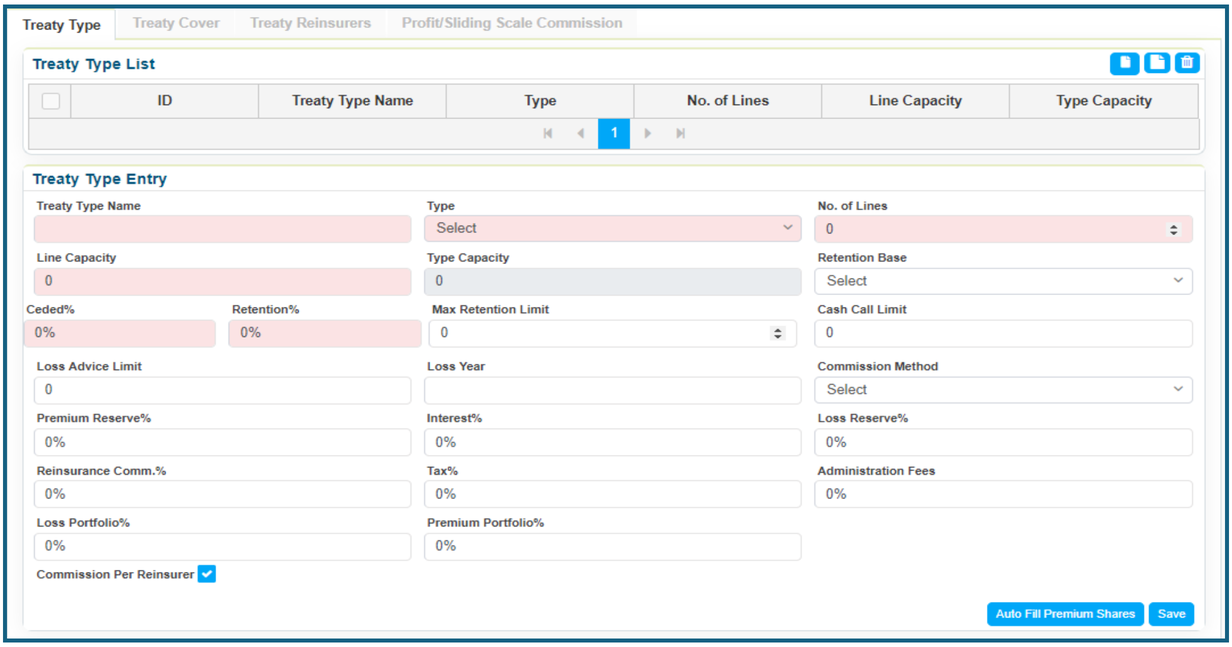

Figure 10-2 (Treaty Type)

In the below section, attachments functionality is supported to upload and store any type of documents related to the reinsurance arrangement and contract between ICIEC and the reinsurance company can be store in any format such as (PDF, MS Word, image etc.).

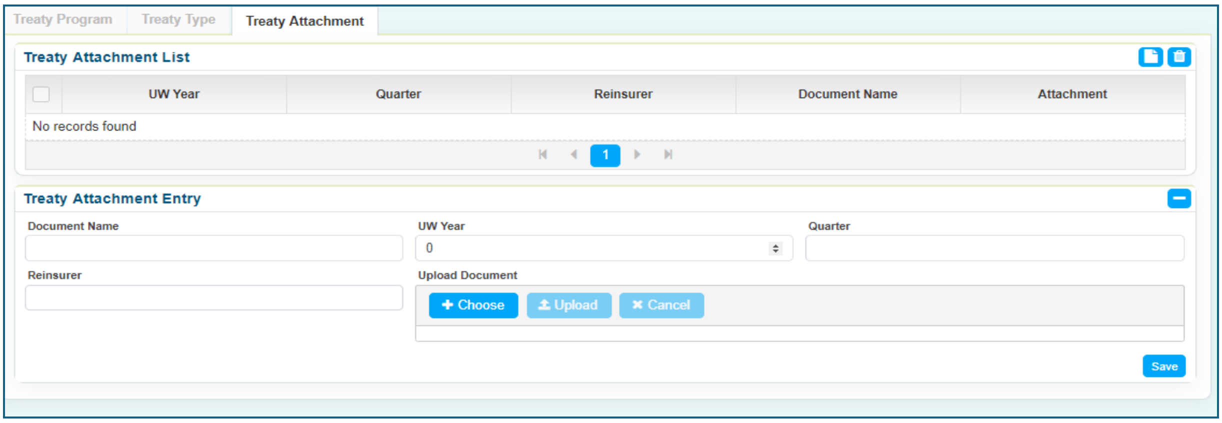

Figure 10-3 (Treaty Attachments)

In the below sections, rules to identify insurance classes, policy types (products), cover types (risks), country limits covered and country exclusions enlisted in each treaty is possible in order to categorize and classify the domestic and export business as ICIEC's retention differs between the domestic and export business.

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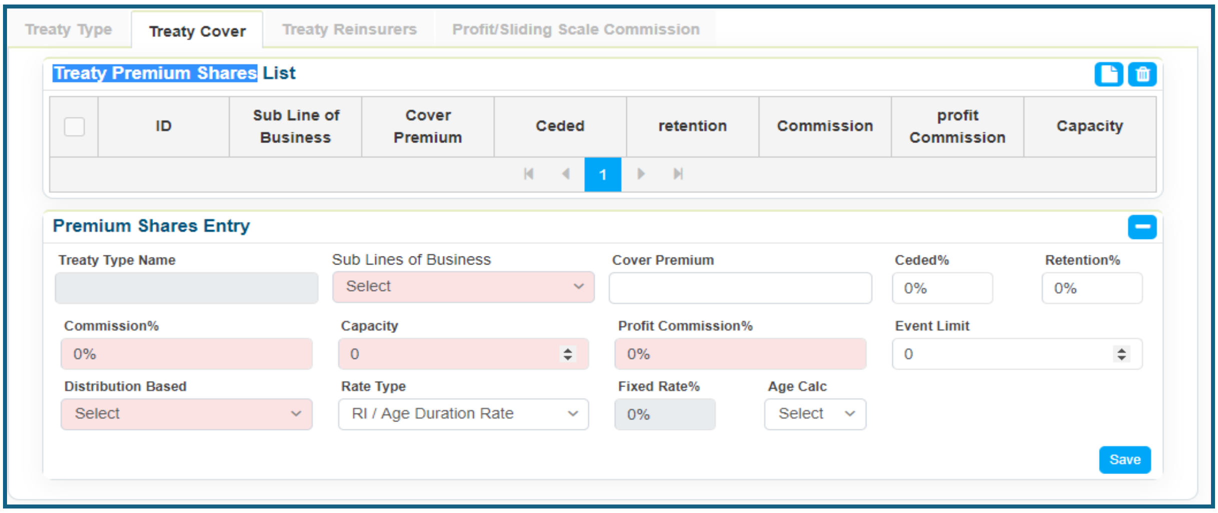

Figure 10-4 (Treaty Cover)

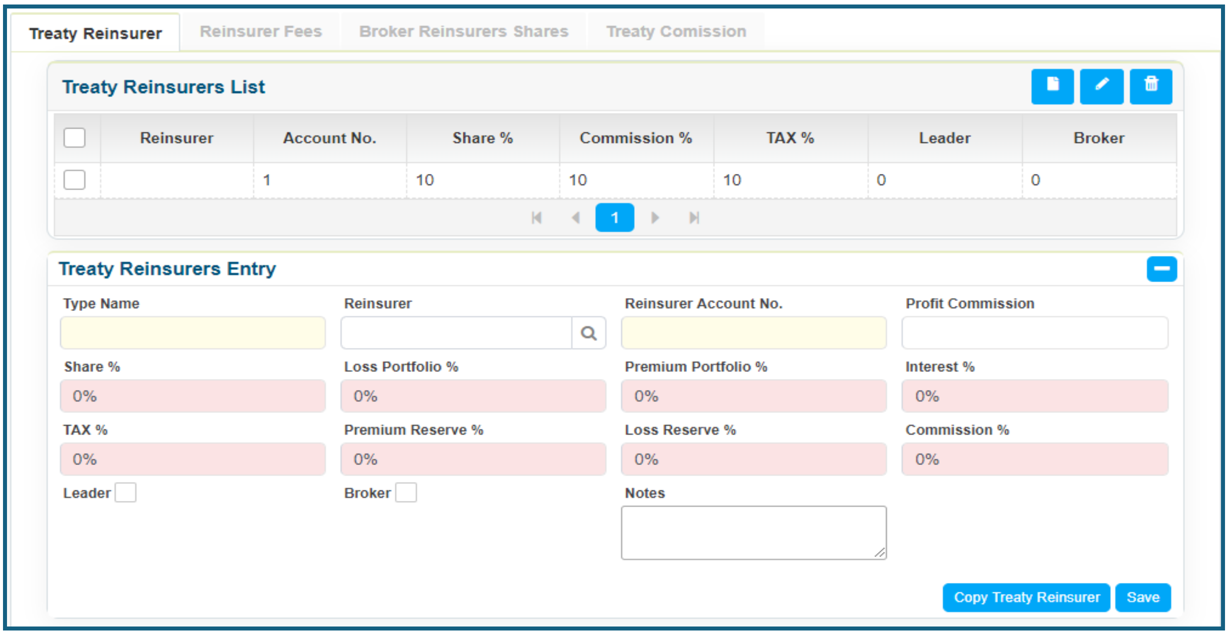

Figure 10-5 (Treaty Reinsurer)

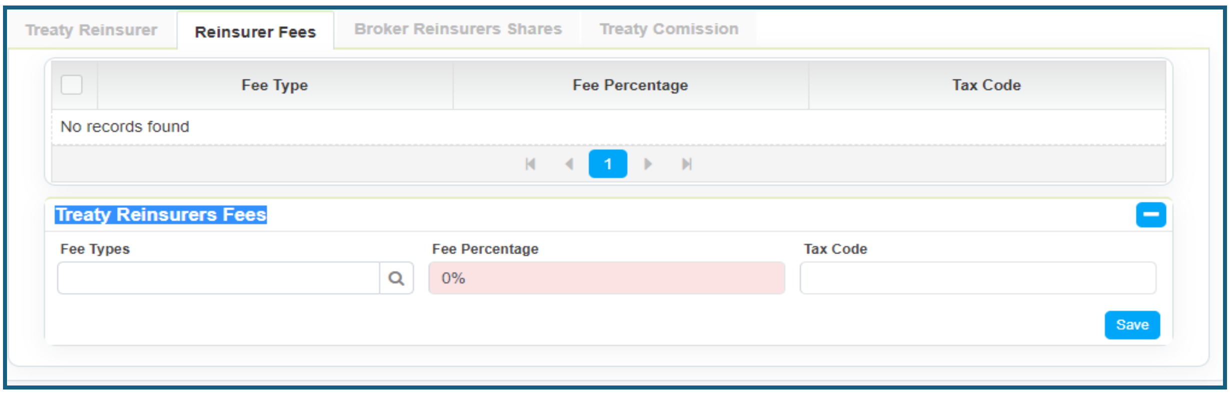

Figure 10-6 (Treaty Reinsurer Fees)

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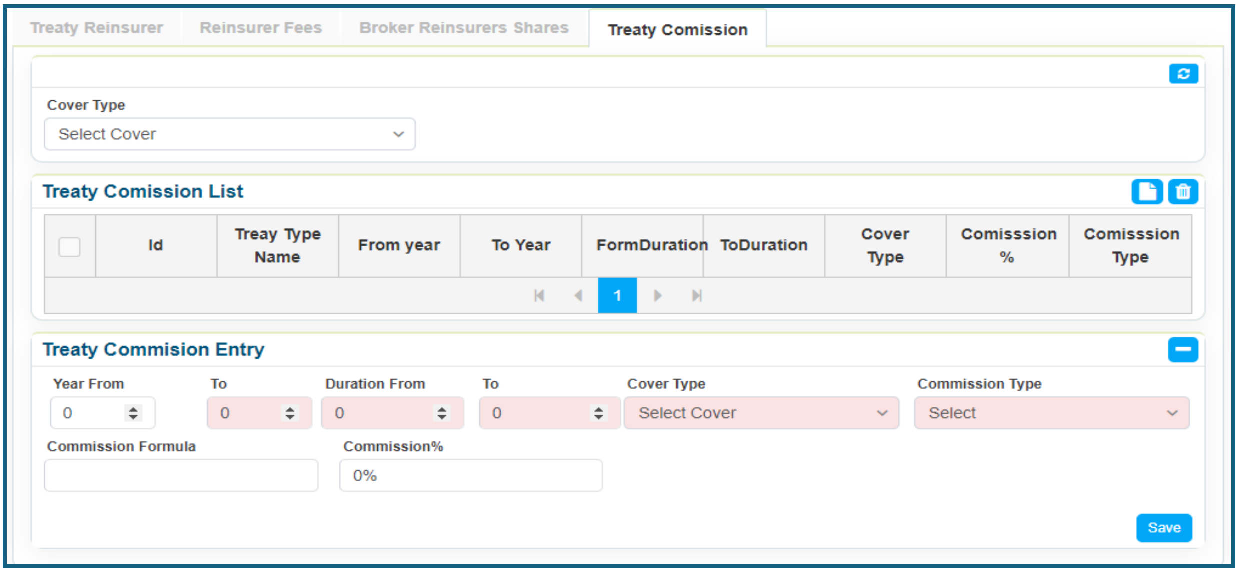

Figure 10-7 (Treaty Commission)

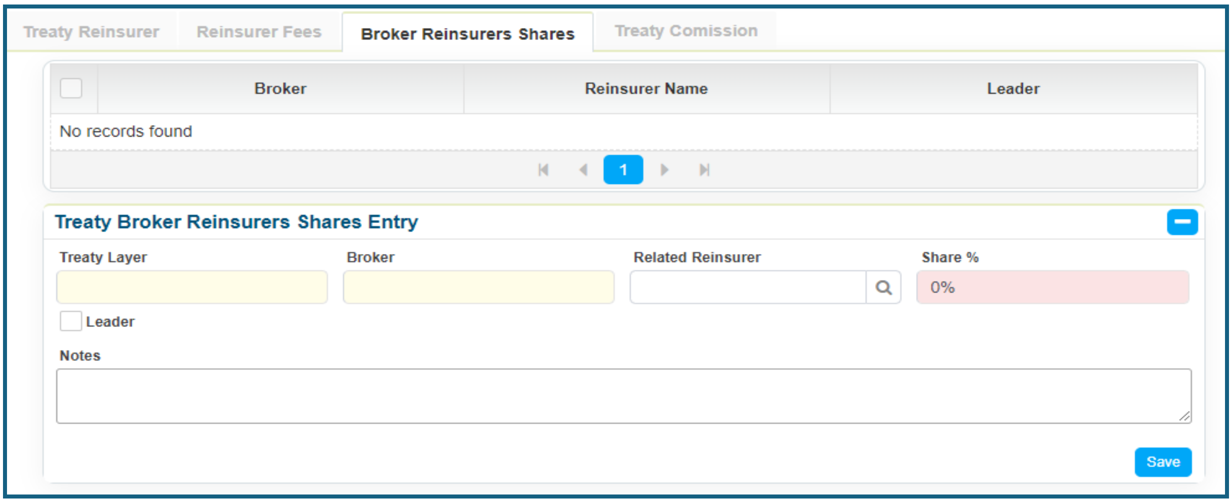

Figure 10-8 (Treaty Broker Reinsurers Shares)

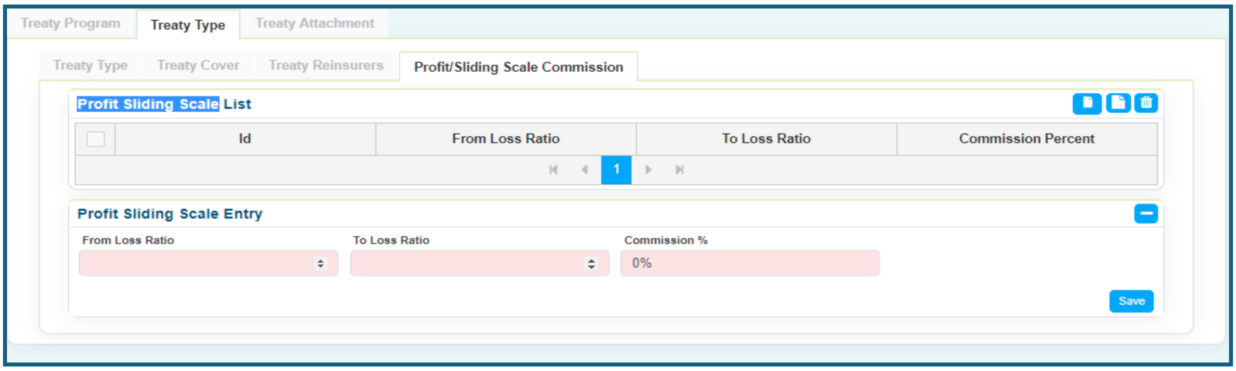

Figure 10-9 (Treaty Profit/Sliding Scale Commission)

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In the below sections, discretionary limit for ICIEC, countries and respective limits per country can be identified for each treaty respectively in addition to excluded countries.

Figure 10-10 (Treaty Maximum Limit)

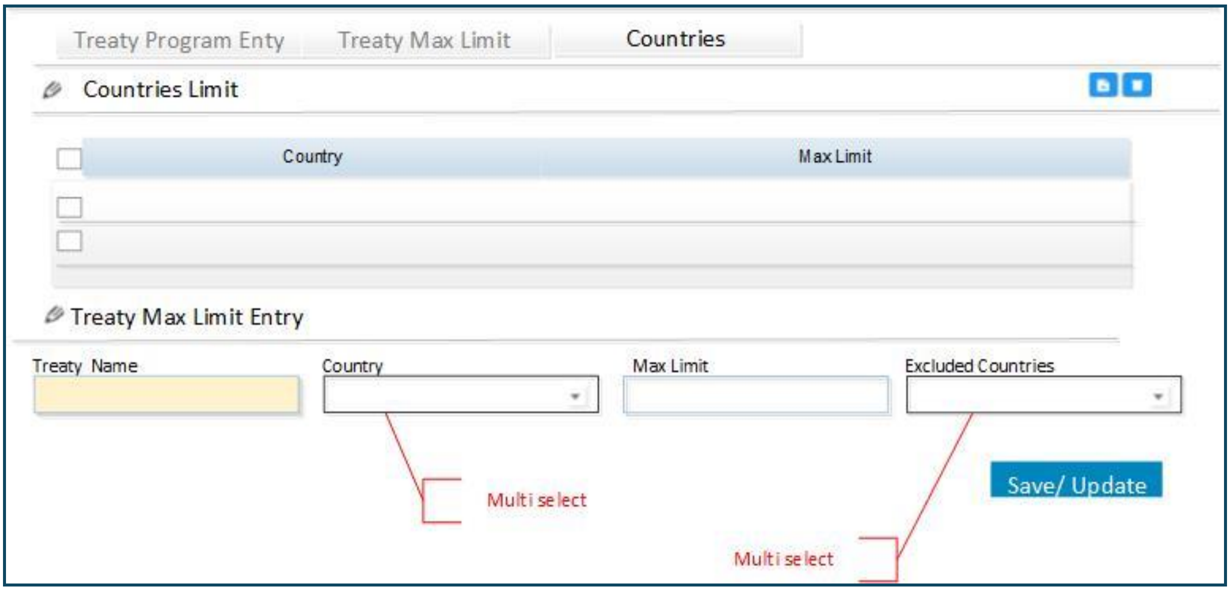

Figure 10-11 (Treaty Countries)

10.2. Reinsurance/ Retakaful Plans

Reinsurance module also enables the responsible reinsurance function staff to define their plans to reinsure any policy or renewal for any class of business and any specific obligor’s limit on which special acceptance has been sought for limit above the automatic treaty limits under any UW year. Reinsurance plans provide the facility to mix between obligatory (treaty), facultative business arrangements, additional retention or co-insurance under a single definition. These plans contain the following information but not limited to:

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- Insurance classes
- Plan number and UW year
- Plan details including facultative shares, facultative reinsurance company, and/or treaty with respective shares

Eventually, in order to complete the reinsurance process, the following should take place:

- Setting up the definitions of reinsurance treaties along with related reinsurers and shares.
- Setting up the definitions of reinsurance plans.
- Issuance of documents including policies, endorsements and renewals then forwarding of premiums' instalments to the financial entity.
- Recording of the incurred claims together with reserve and payment transactions.

10.3. Risk Category

A table of retention can be introduced in reinsurance distribution to setup different percentages from the total capacity of the original treaty based on the risk category.

10.4. Production Reinsurance

Based on the pre-defined setup rules, reinsurance of documents (policies, endorsements and renewals) and claim transactions can be either run automatically or manually, specifying the reinsurance method (treaty or plan), policy or risk level, meanwhile preserving the ability to adjust any percentage, sum insured, premium and/or retention. Once completed, detailed distribution slips pinpointing each of the ceded and retained amounts are generated. Nevertheless, a list of check validations will be executed prior to distribution in the following order:

a. Excluded / Included countries under treaty

b. Credit Period of treaty (for Short Term treaty, capped not exceeding 20% of total value of approvals issued during the treaty period for credit terms between 366 – 730 days)

c. Entity (e.g. buyer/bank) Limit.

d. Discretionary Treaty Limit

e. Country Limit “as optional”

The check is not accumulative, as each approval is applicable to consume the full capacity.

Eventually, users can generate and print the resulting reinsurance distribution slips of any transaction displaying the respective details (e.g. share percentages, sums insured, premiums, retention, commissions etc.).

Nevertheless, if a reinsurance transaction contains facultative or coinsurance entries, the module provides the ability to reflect related details to the Financial entity and print out the following:

- Debit or Credit Notes created in the Accounts Payable or Receivables modules respectively.
- Outward Facultative placement to present the reinsurer quota and commission details.

Moreover, if the reinsured amount ceded to the treaty exceeds the discretionary limit or treaty leader limit, possibility to cede the excess amount to the treaty subject according to treaty's leader approval or all treaty reinsurers' approval is also possible.

10.5. Claim Reinsurance

Based on the policy's final reinsurance or the reinsurance last estimate, distribution of various claim transactions (reserves, payments and recoveries) can be run automatically or manually, distributing the quotas for each treaty and reinsurer, preserving the ability to adjust any share percentages, transaction amount or retention.

Eventually, users can print out the generated reinsurance slips for any claim transaction displaying the specific distribution details.

10.6. Reinsurer Bordereaux

By the end of every specific frequency or period, after all documents and claim transactions are fully reinsured, the financial statement relating to each reinsurer; in other words, the bordereaux, can be generated, reviewed as with reference to balance due and not yet due to the insurance company and reinsurance companies whereby proper monitoring and reconciliation can be performed and then forwarded to the financial entity for monetary settlement according to the defined integration of accounting entries containing the following details:

- Ceded premiums
- Reinsurance commissions
- Reserved premiums
- Released premiums from the previous period
- Released profits
- Claims paid during the period
- Recoveries
- Balances (due to the insurer and reinsurer)

The bordereaux reports include important information such as total declarations, amount declared to treaty etc.

P.S. The below is a new requirement request by ICIEC on 16.12.2019.

Functionality will be included utilizing pre-defined preformatted excel template which can be filled in order to generate a final report which consists of

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reconciliation between the system's generated bordereaux and sheets from reinsurers bearing in mind that the bordereaux will neither be automatically reconciled nor updated but this will have to be performed manually updated by the user, prior posting and directing the bordereaux to financial.

10.7. XOL Treaty

Definition of Excess of Loss (XOL) treaties for a specific insurance class and policy type is also supported, whereas the following attributes can be introduced at treaty level:

- Treaty number and name
- Loss year
- Inception and expiry dates
- Priority amount
- Loss advise percentage
- Protection base

Layers or cessions, the reinsurers and their respective commissions and share percentages, need to be provided, along with the following details:

- Maximum Excess Limit
- In Excess of
- Layer Capacity
- Rate Type
- Minimum Rate
- Maximum Rate
- Aggregation Limit
- Minimum Deposit Premium
- Loading Factor
- Reinstatement Count
- Reinstatement Premium Percentage

10.8. Treaty Adjustment

Upon a certain period, adjustable premium must be calculated using specific methods depending on the values defined for each layer such as the minimum rate, maximum rate, and rate type (burning cost/adjustable).

The adjustable premium is distributed to the reinsurers, each with its share, and vouchers can be posted for each reinsurer.

10.9. XOL Claims

Claim transactions reinsured using an XOL treaty are distributed to treaty reinsurers according to their shares defined at treaty level, and can be reviewed with the related details.

Other Reinsurance Functions

The system supports other reinsurance functions including:

10.10. Loss Advice (Proportional/ XL)

When claim amounts reach the loss advice limit, reinsurance module facilitates the advisory process of reinsurers through proper reporting tools excluding previously reported claims.

10.11. Profit Commission

For profit sharing purposes, the commission paid by the risk carrier or underwriter to the reinsurer is calculated as a percentage from the net results of net income minus any outgo heads, and respectively profit commission reports can be generated.

11 REPORTING

The reporting tool facilitates complex analysis of current and historical data stored in the system. **ESKA® Insures - Credit Insurance** is equipped with standard as well as customized advanced reports, generated as with reference to the granted user security privileges in various printout formats such as:

- Microsoft Word
- Excel
- PDF

Analytic dashboards, intended to fulfil the managerial performance monitoring needs of an insurance company, are also provided with grouping facilities on key performance indicators (KPIs), across different channels, products or time intervals.

12 REFERENCE TO THE STATEMENT OF WORK # 1

12.1 Reference to section 3.3.1 - Underwriting

#	SoW Requirement	ESKA Comments
1	Capturing relevant information in respect of policy holder and subject matter including Country / Sector / Specific Industry / Sovereign risk / Commercial Risk etc. for profiling and segmentation purpose.	All types of entities (policyholders, brokers, insurance companies, reinsurance companies, banks, buyers, credit information sources etc.) can be captured through the business entities profile along with relevant details and information for profiling, screening and segmentation purposes.
2	System generated policy no. coded to reflect Class / Type / Year, as well as location, i.e. H.O. and Branches with same number of renewals but with year changing.	Policies segmentation can be dynamically defined and generated according to a variety of factors and parameters via the segmentation structure functionality.
3	Support cloning and duplication of policies for renewal and policies with similar characteristics.	“New Version” and “Copy Policy” features are available which support the cloning and duplication of policies with similar characteristics for various purposes.
4	Support automatic quotation with defined validity premium calculation and capability to transfer quote to policy.	Upon quotation submission, issue, effective and expiry dates are determined along with quote validity days. Upon approval, quotation can be transferred (converted) to policy via the “Convert to Policy” feature.
5	Ability to record one policy covering different classes. This would include the apportionment of premium as well as claims, and is linked to the respective Reinsurance cover.	Record of a policy covering different classes can be achieved through the introduction of products (package policy) which consist of multiple insurance classes and policy types.
6	Automation and management of documentation, i.e. issuance of policies, endorsements, debit / credit note etc.	Through the “Documents Groups” definition and configuration of relevant and subsequent “Documents”, automation of required documents can be controlled and managed.

7	Identifying premium payments / collection, claims of current and past and other policies for same client for all classes.	As clients’ details are maintained via a centralized single repository, tracking and identification of all related due premiums, payments, and claim experiences is easily preserved.
8	Ability to make underwriting decision based on overall performance of the client through performance reports, detailed by class of business and providing a summary.	Various types of reports in multiple formats can be generated in accordance to the requested and provided reports by ICIEC (refer to section 12.6).
9	Ability to record / capture co-insurance details.	Possibility to capture and identify business type (Direct Business, Inward, Coinsurance Leading and Coinsurance Following) is possible along with the specification of respective shares and commission details.
10	Ability to provide template for standard wording and automatically include clauses in the policy documents.	Via “Wordings” page at setup level, users are able to define and configure the various policy wordings, clauses, conditions, exclusions and benefits with the possibility to differentiate and relate them to the associated insurance class and policy type/s which can then be automatically derived in the various printouts and reports.
11	Ability to add new clauses.	Via “Wordings” page at setup level, users are able to define and configure the various policy wordings, clauses, conditions, exclusions and benefits.
12	Printing of policies, renewal notices, covering letters etc.	Users can print various reports (policies, renewal notices, covering letters etc.) via the “Search Reports” functionality either in English or Arabic in multiple formats (PDF, MS Word, Excel, Text) in accordance to the requested and provided reports by ICIEC (refer to section 12.6).

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13	Automatic distribution of Re-Takaful, facultative and treaty.	Upon policy issuance, integration with the Financial entity and Reinsurance is controlled via system preferences which support both automatic performance or manual, on cases-by-case basis (for FII/MT long-term transactions but renewed annually in the system for premium generation, the reinsurance distribution has to be distributed automatically in accordance to when it was first generated at inception bearing in mind that the automatic distribution of reinsurance can cover various possible scenarios e.g. when amount ceded in the treaty is less than treaty discretionary limit, then the balance of it will be either retained by ICIEC or ceded out to facultative market).
14	Ability to record instalments, both equal and unequal.	Through "Payment Cycles" setup configuration, users can define the supported payment modes, number of installments per mode and respective share percent, both equally and unequally distributed.
15	Ability to accommodate policies with longer period than one year.	Contract and insurance term (tenor) can be determined along with each policy to properly track effective and expiry dates.
16	Ability to recognize and execute premium distribution for policies with longer period than one year.	Premium recognized, calculated and directed to the Financial entity supports short, medium and long-term policies.
17	Ability to check all policies not closed, i.e. with no premium payment or outstanding premium payment.	Due to the direct and automatic integration between ESKA® Insures – Credit Insurance and the Financial entity, track of outstanding premiums can be easily maintained either through the "Financial Integration" page or reports.

18	The system should capture and control the different insurance terms and controls under difference business lines and different insurance products automatically and in a dynamic manner.	Insurance terms, controls and eligibility criteria can be dynamically configured at setup level through “Questionnaires” feature, linked and related to the respective insurance class and policy type/s which will be automatically derived and retrieved upon processing.
19	Workflows based solution controlled by the delegation of authority matrix and other relevant rules.	Via ESKA® Notification and Approval, variety of rules and notifications controlled by the Delegation of Authority matrix can be configured and maintained with full log of transactions occurred.
20	The system should include a sophisticated alerting system in connection with the rules, controls, risk management guidelines, delegation of authority matrix, etc.	Via ESKA® Notification and Approval, upon a rule validation and triggering, automated alerts (system embedded, email and SMS notifications) are directed to the associated stakeholders.
21	Flexible and adaptable interfaces and interaction mechanisms between the ITS and other systems and internally between the sub-systems within ITS.	ESKA® Insures – Credit Insurance is modular in design whereby all modules are integrated with each and integration with other entities (internal or external) can take place via APIs.
22	Ability to generate reports flexibly according to needs.	A set of standard reports will be created and provided along with the system in accordance to the requested and provided reports by ICIEC (refer to section 12.6). Additional flexibility can be achieved via ESKA® Analytics whereby users can dynamically create and extract data.

12.2 Reference to section 3.3.2 - Claims

#	SoW Requirement	ESKA Comments
1	Full, on-line history for all claim payments and access to policy and underwriting information Payments, Loss payment, indemnity, claim expenses, misc. expenses (legal, defense attorney fee, court cost etc.), payment to insured for recovered deductible, track payments of allocated and unallocated expenses etc.).	All claim processing (NPL submission and processing, claim submission, loss estimates and reserves, payments, expenses, recoveries etc.) are fully maintained and controlled in real-time manner and can be referenced anytime.
2	Claims are automatically linked to the policy and year of issue.	Claims are related to a particular policy, approval number and buyer. Respectively, it is automatically linked to the policy and year of issuance.
3	Replicating the details of a policy or policies claim without the need to re-enter them.	Upon NPL or Claim registration and linkage to a particular policy, all relevant details are automatically retrieved without the need to re-enter them.
4	Authorization and security control through claims approval levels being built into the system.	Claim approval levels are controlled via the “Authority Matrix” feature and can be further extended via ESKA® Approval and Notification.
5	Automatically generating claims number sequence.	Claims’ serialization and segmentation can be dynamically defined and generated according to a variety of factors and parameters via the segmentation structure functionality.
6	Capture of claims information/details.	All claims’ relevant details and information are captured upon registration (e.g. approval number, buyer, loss type, invoices details, instructions etc.).
7	Linked to both the underwriting as well as the accounts system.	Direct and automatic bi-integration exists between Claims module, UW as well as the Financial entity whereby vouchers are generated upon submitted and approved NPLs, loss estimates, payments and recoveries.

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8	Claims transactions feed general ledger.	Direct and automatic integration exists between Claims module and the Financial entity whereby vouchers are generated upon submitted and approved NPLs, loss estimates, payments and recoveries.
9	All transaction records affecting reserves carry an explicit Reserve Impact Value.	Direct and automatic integration exists between Claims module and the Financial entity whereby vouchers are generated upon submitted and approved NPLs in addition to, loss estimates (reserves)
10	All claim transactions (i.e. payments, refunds, receipts, adjustments) are automatically updated in the accounting system.	Direct and automatic integration exists between Claims module and the Financial entity whereby vouchers are generated upon submitted and approved Claims' payments, expected recoveries and actual recoveries.
11	Check client position in respect of claims/premium payment on the specific policy as well as any outstanding premium payment on existing and lapsed / cancelled / non-renewed policies.	Upon claim approval and respective payments' issuance, automatic validation and verification takes place to check whether there are any outstanding due premiums for the particular policy and policyholder.
12	Once claims have been reported and recorded, the system should allocate the claim in the Co-Takaful / Re-Takaful / Facultative and treaty as well as issue loss advice and letters of debit.	In accordance to reinsurance arrangements and placements, system will automatically trigger cash call and loss advice processes and will allocate respective reinsurance shares. Distribution is made according to the quotas specified in the policy.
13	Provide electronic approval system for claims: ▪ Once a claim is entered in the system, automatic notification to underwriters should be generated. ▪ Once a claim is entered in the system, automatic notification to Reinsures, co-insurers in the case of loss notification clause or claims cooperation clause enacted under the treaty or other Reinsurance arrangements.	Via ESKA® Notification and Approval, upon a rule validation and triggering, automated alerts (system embedded, email and SMS notifications) are directed to the associated stakeholders for decision making and notification purposes. However, some of the mentioned details are irrelevant to the business covered such as garages quotations, purchase order, repair order etc. bearing in mind that recovered amounts will also be taken into

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	▪ Claims management, i.e. garages quotations, loss estimation, survey order, purchase order, repair order etc. ▪ Recovery system for losses pertaining to third party.	consideration at the reinsurance distribution.

12.3 Reference to section 3.3.3 – Re-Takaful

#	SoW Requirement	ESKA Comments
1	Facultative	Possibility to capture facultative shares, facultative company and relevant details is available within the Reinsurance module.
2	Co-Takaful	Co-Takaful (Co-insurance) is supported along with the specification of ICIEC share and commission shares.
3	Treaty both Proportional XOL and Stop loss (Non-Proportional).	Through the Reinsurance module, possibility to define the various proportional and non-proportional treaties, conditions and related information is supported including but not limited to the following details (e.g. start and expiry dates, treaty number and underwriting year, limit, reserve percentage, released profit percentage, reinsurers, etc.).
4	Facultative Obligatory.	The system enables the reinsurance\ retakaful function staff to define their plans to reinsure any policy or renewal for any class of business and any underwriting year under facultative obligatory arrangement utilizing the “Reinsurance Plan” feature.
5	Retrocession Apportionment: ▪ Apportionment of premiums and claims ▪ Ability to provide sensitivity analysis, i.e. results or generating results on changing parameters ▪ Automatic posting to financial Accounts	Based on the pre-defined setup, reinsurance of policies, renewals and endorsements can be run automatically or manually, specifying the reinsurance method (treaty only or reinsurance plan), policy or risk level, meanwhile preserving the

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	solutions. Generation of automatic credit / debit notes for each of the participants in the Reinsurance panel ▪ Apportionment and allocation to the reinsurance panel based on each percentage of participation ▪ System to accommodate all type of polices, i.e. Sum insured or probable maximum loss, per bottom cession or per policy, aggregate cession, and any other specifications or limitations ▪ Ability of system to generate and calculate profit commission based on fixed or sliding scale commission. Losses carried forward and management expensed also to be considered ▪ For proportional treaties can be on clean cut as well as underwriting year basis ▪ For excess of loss premium adjustment at year end ▪ Documentation in respect of facultative placement and treaty closing slips as well as loss advices Reinsurance statements and slips ▪ Cash loss advice once any claim reaches the limit declared under treaty. ▪ Ability to produce a comprehensive Risk Profile ▪ Ability to generate monthly, quarterly and yearly Reinsurance Bordereaux with capability to show online position (real-time) to Reinsurance Companies.	ability to adjust any percentage, sum insured, premium and/or retention. Eventually, users can print out the reinsurance slips of any reinsurance transaction displaying the specific distribution details (e.g. share percentages, sums insured, premiums, retentions, commissions). However, if the reinsurance transaction contains facultative or coinsurance entries, the module provides the ability to reflect this entry to the Financial entity and print out the following: 1. Debit or Credit Notes created in the Accounts Payable or Receivables modules respectively. 2. Facultative placement to present the reinsurer quota and commission details. By the end of every specific period, and after all policies, renewals, endorsements and claim transactions are fully reinsured, the financial statement related to each reinsurer can be generated, reviewed and then forwarded to the financial entity. If cash call is required, reinsurance needs to be advised 1 month prior to the date of agreed payment to the policyholder. Above $1m for ST treaty and above $1.5m for MT/FII treaty. Likewise, NPL received by Claims exceeding $500k and $1.5m for ST and MT/FII Treaty respectively, needs to be notified to reinsurance team with details such as Approval No., transaction details, details of loss, Treaty year etc. For profit sharing purposes, the commission paid by the risk carrier or underwriter to the reinsurer is calculated as a percentage from the net results of net income minus any outgo heads, and respectively profit

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		commission reports can be generated. In order to calculate the ceding commission that varies inversely with the loss ratio under the reinsurance agreement, slides will be generated automatically and the sliding scale results can be reviewed through corresponding reports.

12.4 Reference to section 3.3.6 – Billing

#	SoW Requirement	ESKA Comments
1	Supported Bills Types: ▪ Agency Bill (including bulk billing to Bancatakaful partners) ▪ Direct Bill ▪ Account Bill ▪ Broker Bill	Ability to differentiate billing according to business channel (Retail/Direct, Bancassurance, Broker) in addition to business type (Direct, Inward, Coinsurance Leading and Coinsurance Following) is supported whereby impacted accounts are dynamically specified via the "Accounts Integration" page.
2	Supported Payments Plans: ▪ Set up multiple payment plans ▪ Define deposit criteria ▪ Payment plans defined in user-controlled tables ▪ Change a policy's pay plan midterm ▪ Support automatic bill plan change based on payment received ▪ Support one payment for several policies issued through distribution partners ▪ Support several payments for one policy issued through distribution partners	Upon policy pricing terms specification and premium calculation, users can determine respective payment plans and deposit criteria (minimum premium, if applicable). Through the "Administration Matrix", amendments and alterations can be applied to active policies such as "Payment Modification". Payment for one policy issued through various distribution partners is possible and supported however one payment for several policies can be manually achieved through the Financial entity.

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3	Account Billing: ▪ Define rules for payment plan availability (e.g. by product or by premium size) ▪ Account billing without forcing all policies to have a common effective date ▪ Account billing for company specified policy types ▪ For policies or accounts over a certain size	Account billing differentiation and classification can be achieved via “Accounts Integration” setup page taking into consideration the various cost centers, currencies, insurance classes and policy types.
4	Type of Invoicing: ▪ Scheduled policy invoices ▪ On demand policy invoices subject to user authority level	Automatic and manual (case-by-case basis) integration with the Financial entity is supported.
5	Invoice situations: ▪ Support invoice creation at the new business stage ▪ Support balance forward billings for renewals ▪ Support balance forward billings for endorsements	Integration with the Financial entity throughout the various policy lifecycle phases and stages (e.g. issuance, new business, renewal and technical endorsements) is supported.
6	Endorsement Invoice situations: ▪ Combines unlimited transactions done the same day and / or the same billing cycle on one invoice ▪ Generates invoice with amended declarations page	Invoicing and integration with the Financial entity occur on transaction basis per technical endorsement.
7	Scheduled Instalment Invoices: ▪ Show premium due for each location on multi-location policies for scheduled instalment invoices to policyholders and Re-Takaful operators (CPW – Contribution Payment Warranty) ▪ Restate prior billed items still outstanding on instalment invoices	Not discussed during the gap sessions and need further details about “multi-location” policies.
8	Renewal of Invoice: ▪ Revise Renewal Billing within defined timeframe based on billing cycle rules and timings as related to number of days remaining until original renewal bill due date ▪ Allow changes to payment plan until renewal effective date ▪ Generate an invoice with renewal declarations page	Renewal of policies, either with revised and new terms or the same ones, is supported through the “Renewals” page whereby renewal to application or policy is possible.

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9	Miscellaneous Invoicing Situations: ▪ User can defer contribution invoicing ▪ User can invoice surcharges on demand ▪ User can invoice a cancelled policy	Invoicing and integration with the Financial entity can occur automatically or manually deferred on demand.
10	Instalment Fee Support: ▪ Support Instalments for an extended period of time and up to 20 years.	Premium recognized, calculated and directed to the Financial entity supports short, medium and long-term policies.
11	Invoice Support for Miscellaneous Fees: ▪ Bill policy fees up front (e.g. with down payment or deposit) or with individual instalments ▪ User has the option on how to apply payments, to fees, contribution, etc. and in what order in a system table ▪ User can override how to apply payments, to fees, contribution, etc. and in what order at an individual policy level	Various fees' types can be defined and determined at "Fees" setup page. Upon policies, renewals and endorsements processing and premiums calculation, applicable fees will be automatically derived and can be manually overridden according to Authority Matrix.
12	Non-Payment Support: ▪ Automatic cancellation for non-payment ▪ Control auto cancellation for non-payment by Line of Business ▪ Automatic cancellation of entire account ▪ Automatic cancellation support at an individual policy level ▪ Allow for payment "grace periods" ▪ Reinstatement history is maintained by policy ▪ Reinstatement history is maintained by customer ▪ Reinstatement history is maintained by account ▪ Automatic adding of late fee/ reinstatement fee for past due account ▪ Charging of late fee controlled by company defined short-pay tolerance table ▪ Automated billing of 2nd late notice to be sent out before auto cancellation	"Grace Periods" can be defined and differentiated per insurance class and payment cycle. Upon non-payment past the allowed grace period, automatic cancellation takes place for the respective policy. Reinstatement is possible via the "Administration Matrix" whereby full history and details of reinstatements is kept and maintained per policy. Via ESKA® Approval and Notification, warning or late notice letters can be delivered to relevant stakeholders.
13	Other Billing and Collection Processing Support: ▪ Support misapplied payments ▪ Support manual adjustments ▪ Automatically adjust commission for manual contribution adjustments or write-offs ▪ Premium and related commission write-offs controlled by table of authorities (tolerances)	Upon policies, renewals and endorsements' premium calculation, manual adjustments (loading, discount and fees) can be applied based on Authority Matrix. Further additional manual adjustments can be performed directly at the Financial entity.

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	▪ Waiver of fees controlled by table of authorities ▪ Reinstate waived fees ▪ Support account-level rather than policy-level waiver thresholds ▪ Accept partial payments, and automatically re-bill unpaid balance ▪ Accept partial payments and automatically roll unpaid balance to next invoice (i.e. instalments) ▪ Override a payee on a specified disbursement	Full and partial payments are supported through the Accounts Receivables module at the Financial entity. Via recoveries, amounts paid to a certain payee can be disbursed and directed to a newly designated one.
14	Support comments and notes ▪ On Policies ▪ On accounts and on invoice / transactions	Notes and descriptions (free alphanumeric text fields) are available to apply additional comments.
15	Ability to produce Invoice History ▪ Support sufficient history retention - Retention timeframe can be user determined in accordance with company policy	All generated invoices are kept within the database and can be referenced at any time.
16	Look-up billing and payment history by ▪ Insured name ▪ Third party payer name ▪ Account ID ▪ Policy Number ▪ Invoice Number or date ▪ Broker / Agent / Distribution partner name	Various reports will be available in accordance to the standard reports in addition to the requested and provided reports by ICIEC (refer to section 12.6).
17	Store and display policy history data for the following: ▪ Late notices ▪ Reinstatements ▪ Non-pay cancel notice ▪ Non-pay lapse notice ▪ Cash receipts and deposits ▪ Disbursement amounts ▪ Non-renewal actions due to poor payment experience	Various reports will be available in accordance to the standard reports in addition to the requested and provided reports by ICIEC (refer to section 12.6).
18	Commission Payments Support ▪ System should prepare commission cheques / transfers ▪ Ability to create monthly commission statements	Commissions payable will be automatically calculated and generated according to compensation schemes defined and differentiated per insurance class

	▪ System has ability to net commission due with returned commission ▪ New commissions applied to prior agency balance when applicable ▪ Lists detail premium transactions on commission statements ▪ Prior outstanding balances and associated detail restated ▪ Ability to view Commission / Billing Statement History by Agency ▪ Commission statements are available for on-line inquiry (presented as originally printed) ▪ Reprint on demand commission statements ▪ Company determined retention of how long to keep commission statements on-line ▪ Support both, pro-rata and rule of 24th's for Un-earned contribution calculation	and policy type. Moreover, commission percent and amount payable can be determined at policy level. Commission details are preserved and maintained for future reference and can be printed according to levels and terms of authority. Unearned premium calculations and results are supported via reports.
19	Miscellaneous Issues ▪ Support Rule of 365 calculations ▪ Support Rule of Leap Year calculations ▪ Roll or Spread both late term endorsements and normal endorsements (Company Driven) ▪ Agents can obtain on-line payment status to check account status (with authorities) ▪ Support Agent Commissions contingent on performance (for example - Additional 1% for predefined criteria, i.e. low loss ratio, etc.) ▪ Agent Bill - reduce Net Contribution Due by Commission amount automatically ▪ Produce Export file to be used by Auditors (to include items such as Premium, Unearned, Claims Reserves, Claims Paid, Advanced Premiums, Unpaid Direct Bill) ▪ Combine satellite or sub-agencies into a single Agency for Contingency Purposes and Commissions ▪ Company-specified overrides based on authority for any system generated transactions or documents	Calculated and generated commissions' details are available for real-time access. Through the "Sales Network", various types of commissions can be defined either normal or target related commissions. In addition, dynamic and flexible definition of agencies hierarchy with unlimited levels is supported. Via ESKA® Administration, multiple levels of security and access are controlled and can be overridden according to authentication.

20	Premium Audit ▪ Capture an audit as supported bill type ▪ Capture monthly reporting as supported bill type ▪ Bill and record receipt of deposit contribution for Information System audit	Via ESKA® Audit Trail, all transactions are recorded and logged.
21	Print Support for Billing ▪ Support bulk mailing, i.e. can print bills grouped by zip code or other company-defined criteria ▪ Support list billing for a business segment (e.g. policies issued by an agent / broker / Bancatakaful partner) ▪ Suppress invoice for a business segment (e.g. policies issued by an agent / broker / Bancatakaful partner) ▪ Invoice displays gross contribution, commission, fee, and net amount due for brokerage business segment ▪ Address invoice to broker, not the insured, for invoice generated for brokerage business segment which is created when quote is bound ▪ New Business - Invoice incorporated with declarations page ▪ Generate a printed invoice with renewal offering declarations page ▪ Generate a printed invoice with renewal declarations page ▪ Generate an invoice when a binder is produced - Once quote is accepted but prior to policy being issued ▪ Allow printing of promotional messages on invoice ▪ Print narrative description of bill adjustment - selected from table of codes and narrative ▪ Support proof of mailing ▪ Automatic reinstatement letter / notice generation on payment ▪ Print statements on demand for customer ▪ Print statements on demand for broker/agent ▪ Support reprinting any billing document at any point in time	Supported via ESKA® Approval and Notification whereby printouts can be directed to various parties either through emails or SMS. Invoices contain full details according to accounts direction and classification at “Accounts Integration” page bearing in mind that invoices are generated per policy and premium due. Various reports and printouts will be available in accordance to the standard reports in addition to the requested and provided reports by ICIEC (refer to section 12.6).

22	Split Billing ▪ Support split billing where part of the contribution is billed to one payer and the remainder to a second payer	Has not been discussed during the gap sessions.
23	Ability to break out split billing by: ▪ Line of business ▪ Transaction type ▪ Coverage type	Supported and can be achieved through accounts direction classification at “Accounts Integration” setup page.

12.5 Reference to section 3.3.7 – New Products

#	SoW Requirement	ESKA Comments
1	Flexibility to set up, define and test new Takaful products	Possible via “Insurance Classes” setup page whereby all available products (insurance classes) offered along with subsequent policy types can be defined and configured.
2	Ability to set new products in a test environment before migrating to live environment / production	Possible providing that a test environment is available.

12.6 Reference to section 4.3 – Reporting

#	SoW Requirement	ESKA Comments
1	BMP NBI Report	
2	BMP Financing Operation Application	
3	BMP Policy Issuance Letter	
4	BMP Schedule	
5	CSTP Minimum of Premium	
6	CSTP Policy Offer Letter	
7	CSTP Credit Limit Approval	
8	CSTP Credit Limit Application – CLA	
9	CSTP NBI Report	
10	CSTP Application Form	

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11	CSTP Fee Invoice	
12	CSTP Premium Invoice	
13	CSTP Annual Minimum of Premium Invoice	
14	CSTP Proforma Annual Minimum of Premium Invoice	
15	CSTP Letter for Issuance of Renewal	
16	CSTP Policy Issuance Letter	
17	DCIP Offer Letter	
18	DCIP Policy Application Form	
19	DCIP Application for L/C Eligibility Check	
20	DCIP L/C Approval	
21	DCIP Master Credit Limit Application	
22	DCIP Master Credit Approval	
23	DCIP Non-Binding Indication	
24	DCIP Issuance of Policy	
25	DCIP Schedule	
26	STP Application	
27	STP Offer Letter	
28	STP Issuance of Policy	
29	STP - NBI	
30	STP Schedule	
31	FIIP CEO Registration Approval	
32	FIIP Confirmation of Renewal	
33	FIIP Decline Registration Pre	
34	FIIP Endorsement Breach of Cover	
35	FIIP Extension of Offer of Insurance	
36	FIIP Reminder of Forthcoming Expiry Offer	
37	FIIP claim form	
38	FIIP claim form v2	
39	FIIP claim form v3	
40	FIIP Declaration Form	
41	FIIP First Renewal Reminder	
42	FIIP Offer Letter to Applicant	
43	FIIP Reminder Declarations	
44	FIIP Renewal Form Final	
45	FIIP Renewal Invitation	
46	FIIP Re-Submission to TUC	
47	FIIP Schedule Amendment	
48	FIIP Schedule	

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49	FIIP Second Renewal Reminder	
50	FIIP Submission	
51	FIIP Investment Insurance Processing Group	
52	FIIP Investment Summary Sheet	
53	FIIP Issuance Policy	
54	FIIP Requesting Financial Statement	
55	FIIP Letter Seeking Non-Objection	
56	FIIP - Letter to PH FIIP Policy Issuance	
57	FIIP Ltr. Ack Receipt Fin. Statements	
58	FIIP Ltr. Auditors Certificate	
59	FIIP Ltr. Refusing to Extend Registration	
60	FIIP Ltr. Confirming Lapse of Policy	
61	FIIP Main Application Acknowledgement Ltr.	
62	FIIP Main Application Decline Letter	
63	FIIP Main Application Form	
64	FIIP NBI Template	
65	FIIP Non-Honoring of Sovereign Financial Obligations	
66	FIIP Preliminary Appl. Check List	
67	FIIP Preliminary Application Template	
68	FIIP Premium Invoice (FIIP) Declaration Report	
69	FIIP Registration Expiry Notice	
70	FIIP Registration Letter	
71	FIIP Sample ICIEC - FII - Financing Facility Insurance Policy	
72	FIIP Sample ICIEC - FII - Equity Investment Insurance Policy	
73	FIIP Sub. to GM Non-Objection	
74	FIIP Sub. to Present Offer	
75	FIIP TUC Circulation Template	
76	BMP approval of cover on a financial operation	
77	CSTP Credit Limit Application	
78	CRA Standing Approved Limit Report	
79	CSTP Credit Limit Approval	
80	DCA DCIP Credit Limit Approval	
81	DCIP Credit Limit Application	
82	BMP Application for Cover on a Financing Operation	
83	GAP Credit Limit Approval	
84	CSTP Nil Credit Limit	

85	Credit Note (FIP) Declaration Report	
86	Declaration Credit Note Pie Chart Report	
87	Premium Credit Note (CSTP) Declaration Report	
88	Premium Invoice (DCIP) Declaration Report	
89	Premium Invoice (FIP) Declaration Report	
90	Premium Invoice (CSTP) Declaration Report	
91	Cancellation Notice for the Loss Payee	
92	CSTP Loss Payee (Part of the Policy)	
93	CSTP Loss Payee (Whole Policy)	
94	STP Loss Payee (Part of the Policy)	
95	STP Loss Payee (Whole Policy)	
96	IDB Sectors	
97	APL_General Provisions - Offer Copy	
98	APL_Indicative Limits on Requested Buyers Report	
99	APL_Proforma Annual Minimum of Premium Invoice	
100	BI & Premium	
101	Expected Premium & Exposure	
102	ICIEC Projects in Sub-Saharan & North Africa	
103	NBI's	
104	PCY_Indicative Limits on Requested Buyers Report	
105	PCY_Annual Minimum of Premium Invoice	
106	PCY_General Provisions - Policy	
107	PCY_General Provisions	
108	Proforma Invoice for Due Diligence Fee	
109	Underwriter Portfolio	
110	Response time report for Underwriting Department	
111	Daily Production report	TBD
112	Pending case reports for User portfolios (OCL & ICL)	
113	Policy Renewal Notification Reports	
114	Production report – Breakup of sub – class in each class of business, Headquarter / Branches, Direct / Indirect, by Zones, etc.	
115	Premium register, complete details by policy (direct and indirect business separately)	
116	Claims data sheet	
117	Premium Register	

118	Claims notification sheet	
119	Facultative R/I claim settlement advice	
120	Loss Advice	TBD
121	Claims adjustment format	TBD
122	Claims declaration format	
123	Proportional Reinsurance Slip for premiums and claims	
124	Non – proportional Reinsurance Slip for premiums and claims Trial Balance	
125	Monthly comparison statement between contributions and claims	
126	Monthly summary of documents (Direct & Indirect business)	
127	Monthly GWC reports	TBD
128	Monthly claims reported statement (includes O/S)	
129	Monthly claims paid statement	
130	Monthly statement for claims exceeding particular amount	
131	Outstanding claims statement – client wise	
132	Monthly claims expiring (time barred)	
133	List of claims without estimate	TBD
134	Claims settled report	
135	Claims register	
136	List or policies to be renewed by class of business 45 days prior to renewal dates (number of days can be changed)	
137	Policy renewal printing	
138	List of policies exceeding a sum insured limit	
139	Summary of number of policies per class of business and total premium for each class for various Sum Insurance Slabs	
140	Renewal Notices	TBD
141	No claims refund report – Class Wise, Client Wise	
142	Monthly Reinsurance claims intimation report	
143	Performance report per Class of business, zone, country, policy, including but not limited to, insured business, utilization, premium generated, NPL reported, claims outstanding and paid	
144	Portfolio management reports pertained to staff. To manage portfolio distribution, workload, and manage periodic revisions efficiently	

145	Outstanding claims bordereaux	
146	Outstanding claims bordereaux by underwriting year treaties	
147	Report on Individual business	
148	Report on Group business	
149	Report on Individual and group business	
150	Claims paid bordereaux by class of business	
151	Claims recovery bordereaux by class of business	
152	Schedule of claims paid and outstanding – non-proportional treaties	
153	TOL Bordereaux	TBD
154	Proportional Treaty - Statement showing contribution coded, treaty commission, paid and O/S claims, claims ratio against premiums on cumulative basis, each type of treaty (quota-share & surplus) class wise	
155	Outstanding losses, net to treaty cession for all classes of proportional treaties	
156	Statement of profit commission (U/W year and clean cut wise)	
157	Ladder statistics	
158	Losses Portfolio Movement	
159	Premium Adjustment for XOL	TBD
160	Profit Portfolio Movement	TBD
161	Statement of Production – Class wise, month wise	
162	Report for statistical information on each treaty	
163	Report on inward Facultative & Treaty acceptance	
164	Comprehensive Risk Profile	
165	Risk and claims reports on both S.I. and PML basis with flexibility of creating and determining the band. The profile to be done for a class of business and for certain criteria.	
166	Re-Takaful treaty statistics, Net / QS/ Surplus/ Fac./ Co - Takaful	
167	Policy detail sheet including history of claims, contribution and other business from insured and any endorsement	
168	Fac. Out details	
169	Endorsement details	
170	Recovery details	
171	Instalment details	

172	Nature of loss details	
173	Claims ratio, policy wise	
1741	Claims ratio, class wise	
175	Client wise contribution booking	
176	Stand-alone statistics on industry performance (with report input data)	TBD
177	Current Commitments Per Debtor Country Grade	New Report Requested on 21.11.2019
178	Current Commitments Per Debtor Country	New Report Requested on 21.11.2019
179	Current Commitments Per Business Class & Tenor	New Report Requested on 21.11.2019
180	New Commitments Per Debtor Country Grade	New Report Requested on 21.11.2019
181	New Commitments Per Debtor Country & Product Type	New Report Requested on 21.11.2019
182	New Commitments Per Business Class & Tenor	New Report Requested on 21.11.2019
183	Business Insured & Premium Per Policy Holder	New Report Requested on 21.11.2019
184	Business Insured & Premium Per Country	New Report Requested on 21.11.2019
185	Business Insured Per Debtor Country & Product Type	New Report Requested on 21.11.2019
186	Business Insured Per Policy Holder Country & Product Type	New Report Requested on 21.11.2019
187	Business Insured Per Business Class & Tenor	New Report Requested on 21.11.2019
188	Utilization of ICIEC Services by Countries	New Report Requested on 21.11.2019
189	Exposure Per Debtor	New Report Requested on 21.11.2019
190	Exposure Per Debtor Country & Product Type	New Report Requested on 21.11.2019
191	Exposure Per Policy Holder Country & Product Type	New Report Requested on 21.11.2019
192	Exposure Per Business Class & Tenor	New Report Requested on 21.11.2019
193	ICIEC's Gross & Net Exposure Per Risk Country	New Report Requested on 21.11.2019
194	ICIEC's Gross & Net Exposure Per Business Class	New Report Requested on 21.11.2019
195	NPLs Registered Details	New Report Requested on 21.11.2019
196	Claims Paid Per Business Line & Product Type	New Report Requested on 21.11.2019

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197	Outstanding Per Business Line & Product Type	New Report Requested on 21.11.2019
198	OCLs Under Process	New Report Requested on 21.11.2019
199	(OCL Response Time Report for Underwriting Division – ST Business)	New Report Requested on 21.11.2019
200	DETAILS OF CREDIT INFORMATION REPORTS ORDERED	New Report Requested on 21.11.2019
201	KPI_Business Insured	New Report Requested on 21.11.2019
202	KPI_New Policies	New Report Requested on 21.11.2019
203	KPI_Premium Income	New Report Requested on 21.11.2019
204	MANAGEMENT STATISTICS DASHBOARD	New Report Requested on 21.11.2019
205	Gross, Net & Ceded Business	New Report Requested on 21.11.2019

13 APPROVALS

ESKADENIA Project Manager	**ICIEC - Project Manager**
Name : Ms. Laisan Mobaideen Date : Signature :_ _ _ _ _ _ _ _ _ _ _ _ _ _ _	Name : Mr. Mohamad El Sayed Date : Signature :_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _
ESKADENIA Product Manager	
Name : Mr. Radwan Al-Jundi Date : Signature :_ _ _ _ _ _ _ _ _ _ _ _ _ _ _	