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## **E-INSURANCE, THEORETICAL AND PRACTICAL APPLICATION IN INSURANCE INDUSTRY**

### **Abstract**

Information systems in insurance companies are among the most important ingredients for their successful operation. The role of information technology is basic and the circumstances in which this activity takes place is impossible to build insurance activity without the support of information technology in theory and practice. Development of insurance in Kosovo in recent years is largely dominated by the application of information technology, as at every level of insurance activities, both in terms of management and human resources planning.

The rapid development of the Internet has made recently as in other areas Economic doing business, both in the field of finance, marketing, banking, etc., as well as to the insurance industry, finding wide application practice e-insurance. In the insurance sector there are developing new forms and tools to facilitate the work of companies, so e-Insurance plans to have major impact on the field a security and increase employment opportunities in the future. Technology is creating new markets, new products, new services and effective channels, in particular in the areas of insurance.

The IT revolution, and within its e-insurance, is creating the basis for unprecedented financial growth activities across the globe. The progress of technology and the development of networks so enormous reduced costs of transfer of funds in the world. It's because information technology today that insurance companies give their customers expectations. Today, insurance companies are equipping their customers with the necessary facilities. They can check the balance of the premium, maturity date, fees and policies for their outstanding issues. By e-insurance customers can be informed insofar as new regulations. Also, customers can pay the premium amount, via e-insurance options.

**Key words: e-Insurance, Human Resources, Insurance Industry, Financial Market**

## **Introduction**

Development of Insurance in Kosovo in recent years is largely dominated by the application of information technology. Electronic business (e-business) is a modern form of business organization, which means intensive use of information technology, especially the internet. It can be said that e-business today is the most modern method of business, Guiding toward which all entrepreneurs to acquire the best possible positions in trade and investment intensive business development activities.

Over recent years the letter "e" has received a great importance not only in the world of information and communication technologies (ICT), virtual business, Internet search, but also in other sectors. It has become an important component for a large number of research areas. So we can mention: e-marketing, e-business, electronic finance, electronic commerce, e-learning and distance, electronic markets, and others. The revolution in information and communication technology (ICT) has changed not only our lives but also the way people do business. During the last years an increasing number of customers who use the Internet and other electronic media to achieve their efforts in the field of insurance.

Nearly all modern businesses, among them insurance companies are using and are becoming increasingly dependent on information technologies that apply. Lack of information technology disables to competition and changes facing the market in which they operate. It is known that information with complete and reliable data have become indispensable to exist in the fierce competition on a global level. As a result of this competition is increasing demand for business information system.

The finance sector is built on the insurance company without the application of any computer application is impossible keeping accounting books, records of equipment, expenditure and reconciliation of billing and payment through banks. Sector damages, another specific insurance companies, is related enough to the operation of computer hardware and applications

for statistics damages, archiving materials damaged and communication with the notes of other companies for damages by applications that operate through computer networks .

The insurance sector is extremely connected with the function of technology, as far as its functioning is impossible without the use of different applications for the printing of insurance policies, reports, statistics, graphs, etc. Example in this regard we have programs on-line application, which to us are beginning Since 2010, these programs, which have facilitated the work to agents, agents, human resources or human resources at various levels of management of insurance companies.

### **Using the online system in the insurance industry in Kosovo**

With unique TPL policy drafting, preparation, installation, and use of online computer system for meeting (link) and the administration of TPL policies can say freely that the insurance market in Kosovo has entered a new stage of contemporary.

IPIS is software which is installed at points of sale, or to agents of insurance companies. This application enables the issuance of new insurance policies TLP, search policies issued by the agent on the basis of different criteria and cancellation policy as registered if it made any technical error (only overnight). Each agent of the insurance company will be allowed to enter the system under the name (username) and figure (password) made available in advance of information technology personnel of the relevant company.

IPIS is a client-server application. This means that at any time IPIS contacts central server and if IPIS can not contact the server, he will not be able to perform any of the functions mentioned above.

#### **1.1 Installation**

IPIS application installation is done by the information technology staff's insurance company.

## 1.2 Start of application

There are several ways to start up the application IPIS.

- The first and most immediate is that the icon is clicked twice IPIS located in the workspace of the computer (desktop).

- The second way for the start of the application is using the menus on the "Start" that appear down the left side of the desktop.

Start > Programs > Altec > IPIS > IPIS.

- The third way is to open the database browser (Explorer) and follow the route:

C:/Program Files/Altec/IPIS/and clicking twice IPIS.exe.

## 1.3 Authentication

Each agent of insurance companies must have the right information, in order to identify and allowed to enter the system. Identification and entry into the system is done through Username and Password (Username and Password)

### Nickname

Username is the nickname of the agent of the insurance company.

### Password

Secret Password is significant in association with username that identifies and allows the agent to enter into the system for cutting policyholders. Password should be kept secret and known only by the agent and no one else. In case of loss of password-agent, then it should immediately contact the Information Technology staff of the respective company.

## 1.4 Workspace

Once the system has verified that nickname (username-i) and password (password-i) are in order, it will be allowed into the system agent which will begin reading data. After successful completion of the reading of the data will appear on the screen workspace. Workspace consists

of stamps, menu-that columns and rows. Through these options agent will be able t`i perform operational actions.

## **Menu**

Like most other applications and IPIS is equipped with menu, which enables the agent to communicate with the application. IPIS found in the menu at the top of the application (File and Help). Each of these branches into other submenus for the performance of the corresponding actions.

### **Menu- File**

The main File menu shall consist of several submenus.

**Create** - IPIS guide serves to start the procedure of establishment (cutting) the new insurance policy.

**Cancel** - IPIS guide serves to start the procedure for cancellation of the final insurance policy.

**Search** - IPIS guide serves to begin the search procedure to policyholders.

**Check** - IPIS guide serves to start the procedure of submission of the final insurance policy in a more detailed and clearer.

**Exit** - IPIS serves ordered to cease working and terminate the application.

### **Menu -Help**

Menu Help consist several submenus.

**Manual** - IPIS guide serves to browse the Guidelines.

**About** - It serves to guide IPIS to submit certain information about yourself such as IPIS and Business version of the application which has been registered (eg registred to: (Name\_Of\_Company)).

## **Stamps**

IPIS enables a shorter route for giving commands. This is done through stamps which are usually located under the main menu. Knobs perform the same function as the corresponding

menu. This means that the stamp Create performs the same function as submenus shall establish in the main menu File

## **Columns and Rows**

Most application IPIS is covered with columns and rows, each of which represents a record in the sigurimit.Shembull policy: Client column contains the name or ownership of the policy issued, the column number of policy contains the policy ID number insurance and so on.

Each row represents an insurance policy, which means that the number of rows is the number of policyholders. Color line shows the policy status (valid, revoked, expired) .Police cut (released) which are valid will appear on screen with black, policies that are canceled will appear on screen with color red and policies which expired use (it) will be displayed in gray.

## **1.5 Creation (Isuance of new policy)**

To create (cut) a new security officers presses a button or using the Create menu's discussed earlier in this guide. After the release of Create command will instruct you to start the procedure for IPIS cutting policyholder. On display in the middle of working space will appear window for completing the relevant data.

The window for cutting insurance policy consists of several fields divided into four groups. White fields can be edited and modified, respectively, are areas which the agent is obliged to meet, and areas with color (gray) areas that are filled in automatically by the application IPIS and can not be changed by the agent. To switch from one field to another use TAB key on the keyboard or using the mouse and clicking the left button in the relevant field.

### **Group of Fields: ``Agents data``**

In this group there are four areas of which can be modified only by the agent while others are filled automatically by the application IPIS. Field Address Representation contains notes on the

insurance company's representative respectively the authorized agent of the insurance company. These notes are taken automatically from a central server and can not be changed by the agent.

### **Field: Duration of Insurance**

It consists of two sub-areas: The first area defines the start of the validity of the policy and can be changed by the agent, which means that the police may have different beginning from the date of its issuance.

Note: Police may not have validity date lower than the date when cutting policy. Police can only have validity date greater than the date of cutting. The second area represents the end of the validity of the policy. This field is filled automatically by the application IPIS and can not be changed by the agent. End of validity of the policy has always been the policy start date plus one year.

### **Group areas of the policy on ownership records:**

In this group are the areas which the notes comprising the owner of the insurance policy. These areas are:

- Name and Surname,
- Address,
- Place,
- Telephone,
- Personal Number
- City.

The agent is obliged to fill these fields with relevant notes. If the owner (client) does not possess any note then fill the field with `N / A`.

### **Group of fields for the vehicle data:**

In this group includes fields that contain data that is provided on the vehicle. These areas are:

- Registration Plates,
- Clasification of the vehicle,
- Type and Brand,
- Chasis number,
- Technical specifications,
- Aim of usage,
- Year of production, and
- Vehicle color.

### **Registration plates**

In this area it should be noted the relevant registration plates of the vehicle to be insured. If the vehicle does not possess that provided registration plates (example is new-vehicle), this field can be left blank.

### **Clasification of the vehicle**

In this field is defined group to which the vehicle. There are seven groups listed by who can determine the vehicle group.

### **Type and Brand**

In this area should be marked vehicle and type of vehicle. This field is required and can not remain blank.

### **Chasis number**

In this area should be marked chassis number of the vehicle. This field is required and can not remain blank.

### **Technical specifications**

In this area should be marked technical data depending on the classification of the vehicle. Group selected in the field of vehicle classification determines the technical note must be noted. Example: if selected passenger vehicle then be recorded in the technical field of vehicle size, and whether the vehicle for transport solutions in technical notes should be noted tonnage vehicle.

### **Aim of usage**

In this area there are a total of three categories from which to determine the intended use of the vehicle (personal, taxi, Rent a Car).

### **Year of production**

Placed in this field production year of the vehicle to be insured

### **Vehicle color**

In the field marked vehicle color provided. Color marked fairly. The right way: Red, Blue, Brown, and not marked in other ways, such as: red, blue, etc.

### **Group premium calculation fields**

This group includes fields that calculate premium. These fields can not be changed but the program automatically fill IPIS. If the person who provides the vehicle is exempt from VAT should be checked box then released from VAT, thus IPIS does not calculate VAT.

After filling in all fields, IPIS program will automatically calculate the amount of money that the customer must pay. If you are sure that all entries are correct then press the button process policy to guide IPIS to start the process of creation and registration (registration of policy in the base in a central database and not on the registry of motor vehicles) of the policy the new insurance. Before you begin this process evaluates areas IPIS and checks if all required fields are filled. If a field is empty or not given proper note IPIS will present mistakes in areas not filled.

Position the mouse in the red circle to get an explanation of how to complete the fields. After having verified that all fields are filled correctly IPIS will start the procedure of establishing the policy. During this procedure IPIS contacts central database and if the communication is successful then IPIS will start printing at the printer policyholder. It is understood that during this process the printer must be equipped with three letters policyholder. If the process was successful in the workspace there will be added a new line that signals that policy is created and registered successfully in central database.

## 1.6 Creation of the new policy by existing policies

To facilitate the work of cutting the policy, exists the opportunity to create new policies from an existing policy. To create the policy by existing policyholders select O policy (if the policy does not exist on the desktop, then the policy must be requested by the mechanisms requesting to be explained below) and press the arrow to the right stamp Create and then press Make of existing and.

After performing this operation IPIS will take notes of selected policy and file in the window of creating a new policy. The figure shows that all areas are filled with notes of selected policy (term of the policy change, ie. The policy term has created the same as the new police), then change the required fields and proceso policy on a regular basis processed as a new policemen. All procedures are similar to procedures for the creation of the new policy.

## 1.7. Search of registered policy

After starting the application IPIS, working space filled with policies issued last seven days, which means that the agent will not see the older policies. For this reason, search engines are created the policy based on the artifacts. In total there are six criteria on which can be required insurance policies: Date From - To, date of issue, or last name, Number of policies license plates.

To start the search procedure click on the button Search policy, the screen between the working spaces will be presented to the search window policve. Selector on the left defines the criteria which IPIS would use to search policies, while areas on the right side shows the text that will be required.

### **Dates From-to**

This criteria orders IPIS to require insurance policies that are created between the date specified in right field.

### **Issue date**

This criteria orders IPIS to require insurance policies that are created between the date specified in right field.

## **Name or Surname**

This criteria orders IPIS to require only basic insurance policies in the name of the client specified in the right field. Example: if we put Anonymous in the right field, IPIS will require all policies in the name of the client that contains the word anonymous.

## **Number of policy**

This criteria orders IPIS to require specific policy with policy number, which will be marked in the right field.

## **Number of chassis**

This criteria orders IPIS to require policy that have the number of chassis that is given on the right field

## **Plates**

This criteria orders IPIS to require policies that have the number of plates that are given on the right field

Once the Search button is clicked, IPIS will begin the procedure of search of policy (policies) on the basis of the criteria. Working space will be filled up with policies that meet the search condition, in the opposite workspace will be empty, which indicates there is no criteria given police.

## **1.8 Search of the registred policy**

On IPIS app there is a possibility to search for details of the policy on the similar form to the form of the creation of the policy. To order IPIS to submit entries of the policy in the form select the policy and press View

## **1.9 Cancellation of policy**

PIS application is not able to make premium return, change of ownership or other types of cancellation except cancellation of the policy if there is a technical error. The agent is able to

make the cancellation of policies, which are cut during the respective day - which means that the agent can not cancel policies created earlier.

To order IPIS to start the procedure to cancel the policy click. Cancel. Window for cancellation will appear on the screen, the field number of policy should be filled with the policy number to be canceled and to click Search. IPIS will require policy with the appropriate number and will fulfill all fields with data from relevant policy.

Once you have verified data and you are sure that the data presented are of the policy that should be canceled click Cancel the policy. In the screen there will appear the confirmation window of policy policy. Rewrite the policy number that you want to cancel and enter the cancellation reason (eg technical error, the paper is damaged, the police wrong notes etc.). Press Cancel, the window for reconfirmation will appear in the middle and press Yes if you are confident in the opposite press No. If everything has gone okay IPIS has canceled the policy and the policy on the working space will appear red.

## **1.10 Printing of raport**

To print the report there should be used search policy mechanisms. This is because IPIS prints everything that is in the workspace (columns and rows). Example to print policies of the last month initialize search mechanism of (described in section Searching policyholder registered), choose the date from-to and press Search. Working space will be filled with all policies issued between dates. Click the Print button and IPIS report will begin printing the report procedure.

## **Conclusions**

For a rapid economic development and substantial undoubtedly we have to created and implemented numerous electronic services for citizens and insurance companies. Creating electronic services enables customer, company, businesses and institutions, rising living

standards, rapid progress and development in all fields. E-Insurance creates opportunities for companies to offer its client services faster, more satisfactory in all areas of insurance, and through on-line programs makes it possible and facilitate the work to agents, sub-agents, and to human resources in all departments an insurance company.

## **Recommendations**

The topic of this project is very little researched theoretically, while practically finds wide application in all areas of the industry, which means that the operation of the industry is impossible without the application of information technology, and within it e - insurance has a central position. E- insurance affects insurance companies to:

1. Insurance companies to apply e - insurance, so that the work to agents and sub-agents becomes easier, through the application of different software programs to different categories of insurance.

2. By applying e - insurance, insurance companies make promotions of various insurance products on websites, especially to a number of health insurance weather family or accidental we find them on websites of insurance companies, thus making direct acces for clients

3. Application of e - insurance in domestic market has made that for a short time to have major positive changes, and in the near future, as in a lot of european countries it will bebecome inseperable part of success of insurance companies.

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