

MAINTAINING INFORMATION SYSTEMS IN THE INSURANCE COMPANY IN KOSOVO

Mr.sc. Vehbi Ramaj Phd candidat
AAB-Riinvest University

Mr.sc.Hysen Lajqi
Raiffeisen Bank Kosovo

Mr.sc.Vjollca Hasani
Mr.sc.Fadil Krasniqi
AAB-Riinvest University
Pristina Kosovo

SUMMARY:

Nowadays information technology has become one of the most important tools in insurance companies. Controlling the activities and information flow will lead this kind of companies to operate efficiently and better manage their resources.

Maintenance of information systems includes control, change and making the most advanced information system for meeting the goals of its users and the enterprise. Maintenance of software is a problem for companies such as, insurance companies in Kosovo mostly because of the large amount of maintenance that may be required!

This paper deals with analyses of maintenance of information systems within insurance companies in the territory of Kosovo, types of maintenance, performing maintenance, financial aspects of maintenance, the relation between maintenance and design.

Keywords: maintenance, information systems, insurance companies, programming.

1. INTRODUCTION

Information systems in insurance companies are among the main components of their operation so successful. The role of information technology is basic and in circumstances which place this event is impossible to build insurance activity without the support of information technology as the technological and applicable aspects.

Development of security in Kosovo in recent years is largely determined by the application of information technology in every level of activity in terms of insurance as insurance product, as well as in terms of their management and planning.

2. INFORMATION SYSTEM IN INSURANCE COMPANIES

Information technology, its need for and its role, as we know is defined in two levels, Software and Hardware. These two categories are interrelated among themselves so as to be inseparable part with each other and that construction is meaningless to think of them

separately and go to the next development of the overlooked either. Insurance sectors where the jet should present information technology are: Management of the company, Insurance, Finance, Damages, Marketing, Law and Engineering. Management at the company level through standard MS office applications enable, daily work done quickly, effectively and with the update. At this level mainly used applications of MS Word and MS Excel.

Furthermore, the insurance sector is extremely connected with the operation of information technology as it is impossible to function without the use of different applications to print insurance policies, reports, statistics and graphics. Information system building in this sector the applied hardware must be at high level and designed to operate from various locations in conjunction with the functional computer networks. Financial sector is built on the insurance company that way that no application of any computer is impossible to maintain accounting books, evidence of equipment, expense and reconciliation of billing and payment through banks. Damage sector, as a specific in insurance companies is highly associated with the operation of computer equipment and applications for damage statistics, archiving and communication subjects affected by stories of other companies for damages through applications that operate through computer networks.

3. HARDWARE EQUIPMENTS IN INSURANCE COMPANY

Based on organizational structure is also built information system, respectively, software and hardware equipments. Organizational structure of hardware equipment is given below in graphical form in order to generalize. Hardware is distributed according to the capacity of the works carried out in each location. The main hardware center is located in Directory where is the department of information technology .Hardware equipment, except the department of information technology, are composed of computer P4 PC CPU> = 2.4 GHz/HDD 40Gb/RAM min, 512MB DDR, LCD Monitor 15 min. Each computer has access to any ordinary laser printer or laser printer Network. These devices enable the user’s access to the Internet or VPN, except in some users in directory, who have access to the both network resources at the same time.

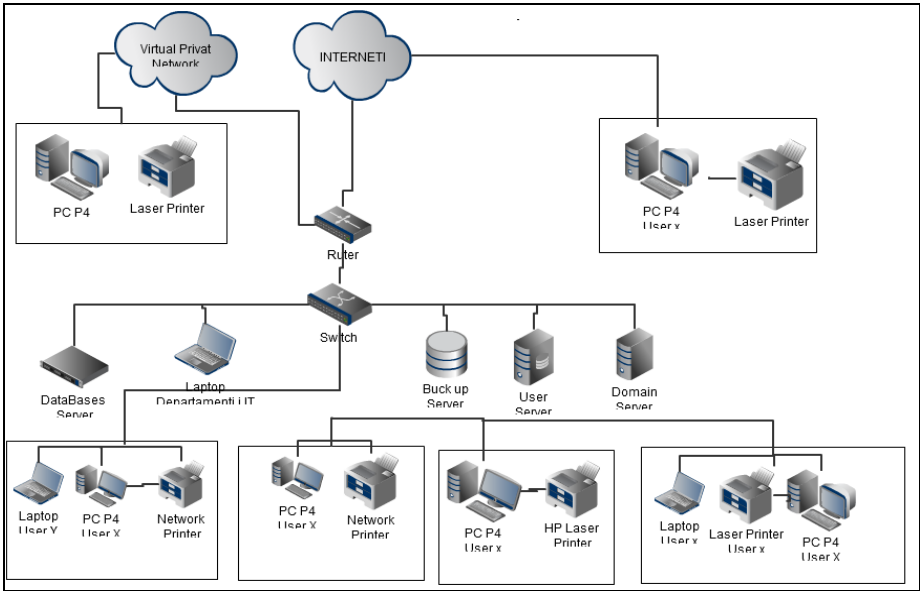


Figure1. The maintenance of the hardware equipments.

Access the Internet or computer is VPN (Virtual Private Network) is determined by the nature of the work performed or position held. Equipments like different servers are located in the department of information technology from where they carry out their maintenance and is managed the information systems of the company.

The specifications of servers in Insurance company are: DELL / HP CPU Xeon dual core 2.4/RAM DDR2/HDD 8GB 2X500GB SATA/2XGiga LAN.

The router is from the IPKO operator, while Switch is of Cisco Technology. Apart from those hardware items mentioned in the insurance company there are also some specific equipment such as Digital Cameras and different types of photocopy. These devices are an integral part for the filing information in electronic form or in hard copy by printing or photocopies of documents and pictures, aimed to save the information in a particular medium. Hardware parts are also USB Flashes or CD, which serve for storage of any (data) for later use.

4. SOFTWARE IN INSURANCE COMPANIES

Software operating in the insurance companies uses Windows XP, Windows Vista, Software package Microsoft Office XP or Office 2007 as well as the Linux operating system for server management and data bases. Regarding the applications that are most important since the establishment of the company is so called -IRIS project - that is modular and divided in the following important modules:

- Module "IRIS GIRO" for the introduction of notes for the category of insurance TPL and TPL PLUS and printing policies for these types of insurance.
- Module "IAUA" for management of data for operator and management of the data generated by them
- Module "IAS" which serves to cancellation policies and creating short-term policies,
- Module "IRRT" that generates statistical reports for police, and claims, through his at the same time also made calculations for risk insurance.
- Module "ICS" which serves to maintain evidence of damage and generates various reports for reserves, payment of damages.

The free flow of capital, labor force and the quick development of information technology are increasing the dynamics in the insurance market as well. Insurance companies are introducing new products, constantly adapting them to the market groups and the offer of the competition.

This results in the rapid changing of the insurance portfolio. That is why insurance companies need a flexible information system providing a quick definition of new insurance products and efficient support for monitoring the accepted risks.

4.1. Types and maintenance of Information Technology

Software companies and many companies use maintenance categories that mark the amount of change involved in maintenance. Because the large quantity of maintenance many companies may be required to use a query form which authorizes the maintenance of programs. This form is generally underwritten by a business manager who documents the need for change and shows the advantages of change. Information Systems Group reviews the form and identifies programs that will be amended, defines programmer that will deal with this task, estimates the expected date of completion as well as developing a technical description of the change. If the change requires significant resources, then it is needed a cost / profit analyze.

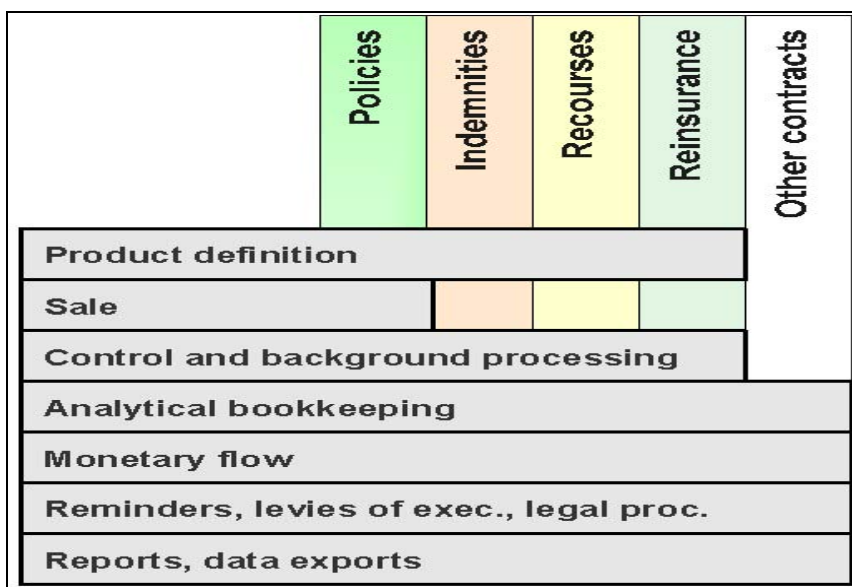


Figure 2. Insurance products and efficient support for monitoring the accepted risks.

4.2. Modern System-Ad Insure

The basis of the *Ad Insure* system is an insurance contract. Connection between the module for product definition, the contract register, the analytical bookkeeping and the solving of indemnities and recourses is essential.

An additional advantage of the integrated system lies in the central analytical bookkeeping (premium, indemnity, recourse, representative analytics, etc.), which facilitates the operational work in the background and the financial service (monetary flow), while at the same time also representing a source of data for various actuarial reports.

Ad Insure is flexible The product definition module provides the insurance company with transparent maintenance of numerous premium systems, insurance terms and the types of policies and business rules that determine all the procedures from the conclusion of insurance onwards. The main advantages are:

The dynamic definition of new insurances and products provides the insurance company with the quick introduction of new insurance products or updated existent ones (without changing the software).

The formal definition also represents a good foundation for subsequent rich statistical processing of data on insurances concluded.

Ad Insure is a part of the family of products for financial institutions. ADACTA also provides insurance companies with information support for asset management (*Ad Treasury*) and bookkeeping (Microsoft Dynamics NAV or Microsoft Dynamics AX).

SIGAL is the leading insurance company in Albania, established in February 1999, following the liberalization of Albanian's insurance market in the same year. Since 2002 SIGAL is the leader of the insurance market and from 2004 SIGAL Co. is ranked with 32% market share as the first insurance company in the Albanian insurance market by premium volume. SIGAL operates through the Head Office in Tirana with 12 branches and more than 250 agencies covering the whole territory of Albania providing all types of Life and Non-Life Insurance products. The product offered by SIGAL include: TPL Insurance, KASKO Insurance,

Property Insurance, Engineering Insurance, Marine Insurance, Aviation Insurance, Liability Insurance, Travel Health Insurance, Personal Accidents Insurance, Bank Assurance, Agriculture Insurance, Credit/surety Insurance, and also includes all classes of Life Insurances Products.

Since October 2003, SIGAL carries on the activity of the Non-Life insurance in Kosovo through its branch "SIGAL Kosovo" and in the beginning of 2004 it was established in Macedonia through "SIGAL Macedonia".

Insurance Association of Kosovo – IAK was founded on April 2002, based on agreement of Insurance Companies which are licensed to practice their Insurance activity in Kosovo.

Entrance into the Association is open for all Insurance Companies which are provided with license to practice their Insurance Activity in Kosovo.

Association represents the general and individual interests of its members

5. REASONS FOR MAINTANCE

Once a program is written it needs maintenance. Experience shows that a small maintenance of one of the most common program, if this is done correctly, prevents major failure of information system later. Some of the reasons of maintenance programs are:

- Changes in business process,
- New requirements to shareholder, users and managers,
- Damage and errors in the program,
- Technical Hardware Problems
- Mergers and acquisitions of corporate
- Laws and Government
- Changes in operating system or hardware in which applications run.

5.1. Performing Maintenance

Depending on company policies, people who perform maintenance of information systems in the insurance companies vary in some cases the team that designs and builds the system also performs maintenance. have ongoing responsibilities, designer and promoter and programmers are building a better information system since the beginning, if there is any problem, these are the ones that fixes this problem. In other instances the company has a separate maintenance team. This team is responsible for modifying, fixing and updating of existing software. As skills and experience are important in the maintenance, some companies use specialized team or maintenance department. And other JAVA programming language with facilities reduces problems in maintenance programs. We must consider the fact that any maintenance must be documented permanently. Documentation of problems and every change is made on an application can eliminate restart of application. Poor documentation can cause problems in the future when the need arises and system maintenance.

5.2. Financial aspects of maintenance

The costs of maintenance of information systems are increasingly unpredictable. For older software total cost of maintenance goes up to five times higher than the total cost of their development. With the use of new programming languages, including programming languages in facilities maintenance costs are reduced. Financial aspects of maintenance information systems are very important to register another reason being the maintenance documentation. Also the financial aspects of maintenance information systems are one of the factors to determine whether the decision in the future information system should be replaced or not.

6. CONCLUSION

The development of technologies and approaches in information technology is extremely rapid. In the case of such an important decision as the introduction of a new information system, besides the efficient support of the business processes, it is also essential to appropriately select technologies that provide for a long duration for the investment, while at the same time allowing the insurance company to make use of all the advantages already provided by the new approaches today.

Programs are expensive to construct but are still more expensive to be maintained. Programs that are well designed and documented in order to be efficient, flexible are structured and less expensive to maintain for the next years. Maintenance and review of information systems controls and modifies systems in order to continue to meet the needs of different information systems in insurance companies in Kosovo. Users of systems, business managers and professionals in information systems insurance companies need to work together for building a successful information system.

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