



**American International
Workers Compensation System**

AIWCS IS COMING

The American International Workers Compensation System or **AIWCS** remains on target for a Spring deployment to the AIG business community. Once deployed, AIWCS will assume responsibility for the issuance of all Workers Compensation new business and renewal policies as well as all subsequent transactions on those policies. WCPC will continue to support all subsequent transactions on the in-force business in effect at that time. AIWCS will undergo a phased rollout as defined by DBG Senior Management. Specialty Workers Compensation, as the initial recipient, is scheduled for pilot in March. Risk Management Group (RMG) will follow shortly thereafter. Small Plans Assigned Risk Comp (SPARC) and other user communities, such as AI Aviation, will complete the rollout during the Summer.

THE HISTORY

The AIWCS project started, because AIG's key business objectives required we increase our Workers Compensation market share. An in-depth review concluded that WCPC would not support the growing portfolio of Workers Compensation business. After study of many alternatives, the Domestic Brokerage Group (DBG) partnered with the Information Services Group (ISG) and Programming Resources Corporation (PRC) to develop a Workers Compensation Policy Issuance System that would meet our needs--AIWCS.

PRC's expertise in insurance rating systems and their understanding of the Workers Compensation product made them a strong partner for AIG. Together AIG and PRC have built AIWCS. AIWCS will be used by upwards of 600 Underwriters and Underwriter Assistants and will operate over AIG's network. The functionality of this integrated premium processing system includes quoting, rating, reinsurance, large deductible, endorsement (including out of sequence endorsement!) and Premium Audit. It will support all of AIG's management, financial and regulatory data demands.

FUTURE ANNOUNCEMENTS

During upcoming months, you will receive the following announcements regarding AIWCS.

- ⇒ **Overall Project Status.**
- ⇒ **Descriptions of new AIWCS functionality.**
- ⇒ **Upcoming training schedules.**
- ⇒ **Deployment strategies and schedules.**
- ⇒ **AIWCS Quality Assurance (testing) feedback with user commentaries.**

Other sources of information regarding AIWCS, including an AIWCS Intranet Page, will also be available. Upcoming events will include an AIWCS Open House at several locations. Look for these bulletins in the future. Share the information with your colleagues. In the meantime, if you have questions please contact your AIWCS Training and Awareness team member:

John Bosley (SPARC)
Joy Callender (PSRD)
Gary Enoch (Actuarial)
Julie Fannon (RMG)

Cathy Daniels (RMG)
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AIWCS is Not WCPC

AIWCS is a completely different workers compensation system in a windows environment. The system design is based on AIG's business and operations requirements and also ---importantly, user input. Your input. This new system addresses our requirements with the most sophisticated computer hardware and software technology used by AIG today.

- **Interfaces:** AIWCS directly interfaces with AIG's Deal Management System (DMS). The DMS toolkit option is WCD is now part of AIWCS. AIWCS also includes a reinsurance module. The reinsurance module allows you to complete your reinsurance as part of the policy issuance process without logging on to UPS.
- **Rating Groups:** This new concept allows multi-entity insureds to see the calculation of their premium broken out by divisions. The Rating Groups feature allows you to tie multiple locations to one set of payroll figures and class codes within a state. You can also rate a single entity risk with multiple locations, not just multi-entity risks.
- **On-line Scopes Manual:** With this feature, it's not necessary to interrupt your processing activities to use a manual.
- **Forms:** You can view forms in AIWCS. All the forms required by a specific state are pre-selected for policy issuance. "Fill-in" forms are available on-line for user entry of variable information.
- **Improved Audit Processing:** Premium Audit will now have the ability to do endorsements such as adding a location class code.
- **Cancel/Reissue:** Canceling and reissuing of policies for out-of-sequence endorsements is no longer necessary. AIWCS will automatically process all the endorsements for out-of-sequence transactions.

AIWCS is here. Training and deployment are underway. For more information, check the ISG Intranet site at <http://access4.aig.com/isg/systems/aiwcs/index.htm> or contact your AIWCS Training and awareness team member.

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We're drawing closer... The AIWCS production software has been delivered for final testing. Our implementation plans for this windows based workers compensation system are set for the Spring rollout.

At AIG, we're always looking for productivity increases to give us an edge over the competition. AIWCS will help give you that edge by:

- ⇒ ***Issuing out of sequence endorsements without canceling and reissuing a policy.***
- ⇒ ***Providing you with enhanced policy maintenance functionality.***
- ⇒ ***Supporting Wrap-Up policies and have an on-line interface to process reinsurance.***
- ⇒ ***Allowing you to tie together multiple locations for rating.***
- ⇒ ***Streamlining the booking of reinsurance for Workers Compensation policies.***
- ⇒ ***Providing an updated on-line Scopes Manual for the most current interpretation of class codes.***

Look for the video on what AIWCS is, on the people behind it and on what's been done to provide you with a state of the art workers comp system. Watch for upcoming open house events and forthcoming training announcements.

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AIWCS Features vs. WCPS

AIWCS	WCPC
Uses Term Premium to perform rating calculation.	Uses Annualized Premium to perform rating calculation.
Uses a rate version identifier as a control for subsequent processing.	Rate version identifier does not exist.
Uses Rating Groups' concept for rating. Required to reallocate the premiums by location / rating groups.	Rating group not identified.
Will perform automated rating according to rules and regulations on all coverages.	No absolute edit or identifier of manually rated transactions.
Allows multiple rate splits on the audit transaction.	Only one rate split (ARD – Anniversary Rate Date) per policy prior to the audit transaction.
Uses different rate tables.	Has its own rate tables.
No FPC functions. Actual rates will be used for the premium calculation.	Has FPC functions. Allows manual / flat charge premiums to be entered.
Form design and fonts are new and different from FormMaker.	Forms are issued by FormMaker.
Uses a structured format concept for non-rating data entered on a form.	Non-rating data entered on a form uses a free-form concept. No delineation of concept.
No point in time view of policy. Only current view available.	Provides original view of issued policy and each subsequent transaction may be viewed individually.
Captures more bureau-required data.	Captured some bureau-required data.
Provides users the ability to process an Out of Sequence Endorsement (OOSE).	Users must Cancel and Reissue Out of Sequence Endorsements (ROOSE).
Enables users to process multiple changes on one endorsement, e.g., Add / Change / Delete, for one effective date.	Allows processing of only one transaction for one effective date.
The Loss Reimbursement Calculator will perform the Large Deductible calculations.	Does not support the Large Deductible credit calculation.
Help feature is provided. Users can press F1 or select Help from the menu bar to get window level help (purpose of the window), or field level help (definition of the field).	No Help facility provided.
Quick Quote feature, where only minimal information is required to establish a quote. Required fields are State and Class Code.	No Quick Quote feature provided.
Contains the most current Scope information on every class code.	Have to search through manuals for class code information.
Encompasses automatically all filed rate plans for every state.	Have to search through manuals for state rate plan information.



The American International Workers' Compensation System (AIWCS) has been designed to meet the competitive business and operations requirements of AIG. All AIG business units participated in the AIWCS development by identifying their specific business needs. AIWCS addresses these requirements with the latest in computer hardware and software technology. The result is a workers compensation system that provides the broad range of functionality we need to support the nuances of our business.

Some of the distinct benefits of AIWCS follow. Please take a moment to review them. You will notice that many of the new features eliminate the need for "WCPC work-arounds" and will enhance productivity overall.

AIWCS Benefits

- *AIWCS supports automatic **Out of Sequence Endorsement** activity. It also allows you to execute subsequent transactions to an out of sequence event without the need for cancel/reissue activities.*
- *AIWCS will support rating coverages for all filed rate plans for every state in which AIG writes Workers Compensation insurance. It will accurately complete all the required calculations for rating, surcharges, discounts, taxes, assessments and does not require or utilize FPC codes.*
- *Reinsurance layoffs and premiums for Workers Compensation policies will be calculated in the Reinsurance Common Module and is available from within AIWCS. At binding of the policy or endorsements, AIWCS will automatically pass the reinsurance information to the back end systems eliminating the need for manual coding.*
- *Full Quoting capabilities are available in AIWCS. Quote documents will be available immediately; you will have the option to print them on your local printer.*
- *AIWCS provides policy maintenance functionality that includes the ability to change installments and commissions on existing policies without canceling/reissuing or performing a PPS entry.*
- *AIWCS will allow Premium Audit to perform up to 10 rate splits on audit to accommodate experience modification changes, and addition/deletion of entities, states and class codes as well as rate and surcharge changes.*
- *AIWCS will allow you to issue endorsements with multiple changes. This means you can add/change/delete locations, states, class codes, etc., with the same effective date, in one process and one endorsement.*

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