nicetec insighTPro – **Hannover RE automates intra-group service charging**

hannover re ®

About Hannover RE

With a premium volume in excess of 22 billion EUR Hannover RE is the third-largest reinsurer in the world. It is engaged in all lines of property/casualty and life/health reinsurance and is represented on all continents with around 3,200 employees. Founded in 1966, the Hannover RE Group today has more than 100 subsidiaries, branches and representative offices worldwide.

www.hannover-re.com

01

Efficient transfer pricing relieves the tax department as well as finance and accounting

Natural disasters are increasing worldwide - and so are the associated damages. According to the United Nations, the global cost of the aftermath of hurricanes, fires, earthquakes, floods, etc. between 1997 and 2017 was 2.9 trillion dollars.

Given this background, reinsurers are becoming increasingly important. They cover the risks of primary insurers and thus ensure that companies do not suffer particularly high, selective losses

Somewhat different and successful

As one of the world's largest reinsurers Hannover RE is an experienced player in this business. One important secret of Hannover RE's success is revealed by the company slogan: the claim "somewhat different" stands above all for the rapid, flexible and undogmatic approach to business.

It enabled the Lower Saxony-based financial services provider to develop into a well-diversified, globally active and highly profitable reinsurer since its origins as a stock corporation for marine and reinsurance in 1966.

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merges relevant data regarding intercompany service charging at the push of a button

02

As a multinational company, the Group must take into account not only German tax law, but also local foreign tax regulations as well as international guidelines such as the guidelines of the Organisation for Economic Cooperation and Development (OECD): For an OECD-compliant intercompany charging, not only activity-dependent expenses such as working hours and travel expenses must be identified and assigned.

Fixed costs, such as license fees, rent or depreciation can also be included in the allocation. Manually merging the necessary data from the individual source systems, consolidating it and distributing it appropriately to the individual group companies is extremely time-consuming and inefficient.

High workload due to manual processes

While payroll results must be saved as an invoice in the accounting process anyway, this does not automatically apply to the calculation methods. If there are internal or external queries about individual details later on, it can be quite complicated to answer them.

Amid this background Hannover RE decided to modernize its intercompany service charging. The aim was to establish central data storage with standardized and automated accounting processes and to reduce manual data processing as much as possible.

The reinsurer's requirements for an adequate software solution were high. The contract was signed for nicetec's insighTPro solution: this software merges relevant data around intercompany service charges in a systems-based approach and creates the basis for an efficient and user-friendly cost allocation.

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leads the way to legally compliant and transparent cross-border service charging

03

Efficient project approach

The kick-off for the insighTPro implementation was in early 2018. It became apparent both during the detailed technical conception and during the implementation phase that the conceptual and procedural reorientation of the group-wide service charging resulted in additional requirements that were not available "out of the box". nicetec was a competent partner in this regard, flexibly adapting the standard software in the essential areas.

Additional challenges arose from the automatic data exchange. First, the accounting information comes from a variety of different source systems, and second, solutions had to be found for heterogeneous and manual data processing. Here nicetec was able to provide a convincing interim solution for the connection of source systems at short notice. In addition to automated interfaces, data import based on established data transfer via manual uploads is still technologically possible.

Throughout the entire project, the expertise of internal employees and external consultants was used in a solution-oriented manner – in particular, the agile working method was the cornerstone for an efficient goal achievement. In addition, nicetec has significantly supported the smooth GoLive with its unbureaucratic support, so that insighTPro could be launched in early 2019.

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convinces users through its usability

04

Established line operation

Nowadays, the software at Hannover RE enables efficient and transparent cross-border service charging. All relevant cost data is automatically transferred from the SAP system. While ongoing service delivery is usually calculated using key-based allocations to the international branches, the invoicing of individual services is easily done either by manual entry or by Excel upload.

Individual invoice positions are merged by the system, written into a PDF document and automatically sent to the invoice recipient by e-mail. The process of creating a transaction for outgoing invoices within the SAP system is also fully automated. Not only does this make group-wide service charging more transparent, it also accelerates it despite the increasing number of charging scenarios.

In addition to an efficient intercompany service charging, the reinsurer also uses the nicetec solution to map its internal project cost calculation. Also, identical documentation and information is provided for this type of charging – with the formal difference that no invoices to international locations but internal accounting documents are created or provided.

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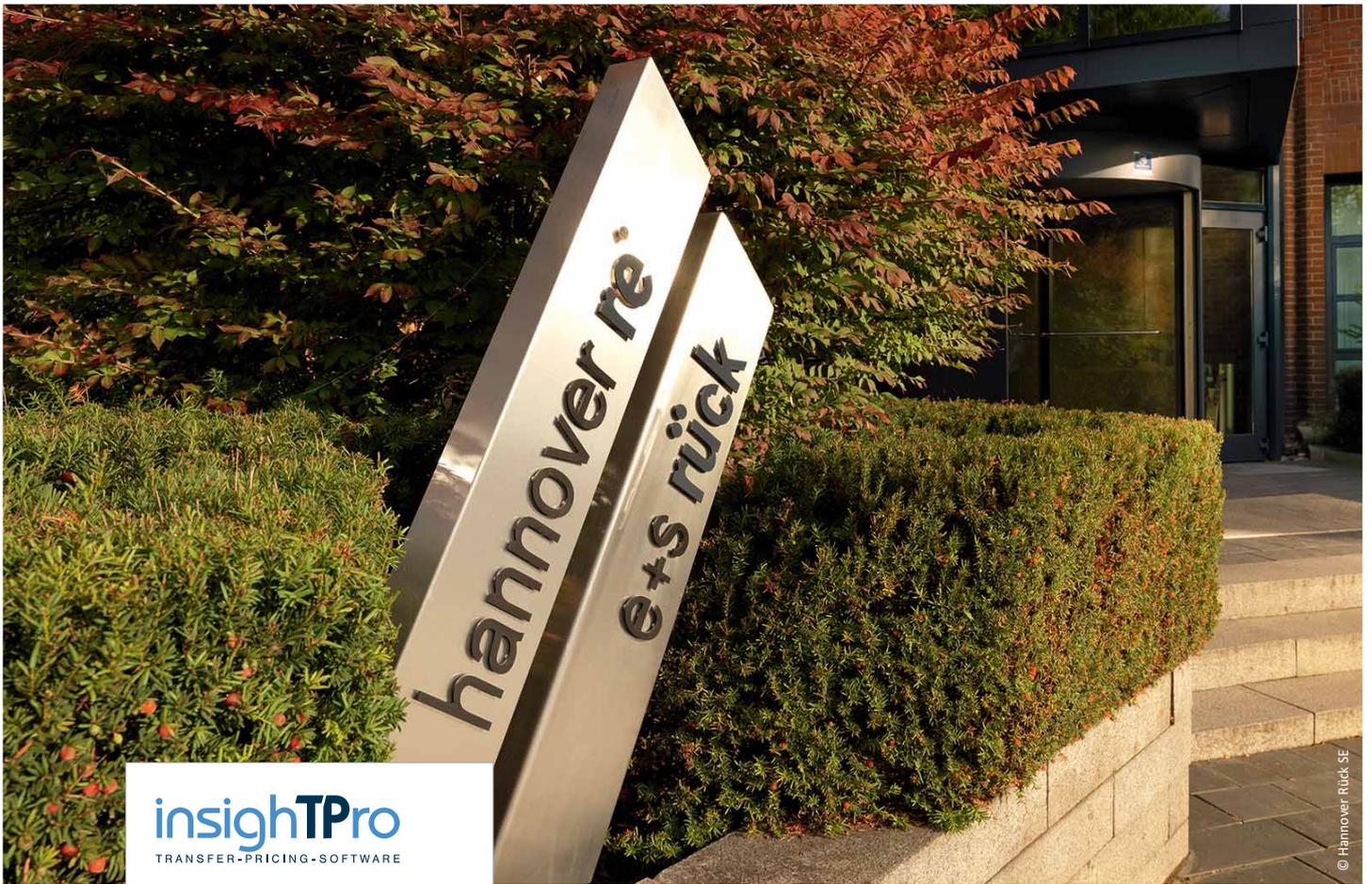
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is the perfect solution
for a professional
intercompany service
charging

05

Maximum transparency

International locations also benefit directly from the increased transparency. Standardized invoice documents and a centralized process will increase the understanding and traceability of invoice contents in detail as well as the management perspective in terms of an overall view. In addition, related documents can be independently accessed by local users at any time through insighTPro's web-based Self Service Portal, making the need for individual file storage obsolete.

The same web-based access further enables all service providers to deliver billing-relevant information easily and in a homogeneous structure. This means that all calculation methods and entries can be tracked centrally and completely. Accordingly, internal and external queries can be answered reliably, quickly and profoundly at any time.

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create value

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