

GLORIA – A Project of Superlatives

Worldwide Reinsurance Business United with Central IT System



Munich Re started GLORIA (GLObal Re-Insurance Application), the most extensive IT project in its company history, in 2002. The goal was to combine the central processes of the entire reinsurance administration on a common IT platform accessible to all employees.

The project was implemented with the intensive support of the IT consulting and system integration company msg systems based on the reinsurance solution SAP Reinsurance Management. The new solution has been used productively since the middle of 2006.

Success Story: Munich Re

Munich Re needed a uniform platform because of the increasing complexity of international requirements: deregulated markets, the networked world economy, climate change, and terrorism lead to new types of risks. In the course of a companywide risk assessment and accumulation of risk, it must be possible to analyze, calculate, and control these risks quickly and reliably. In addition, the increasingly dynamically-developing accounting regulations such as US-GAAP and IFRS mean that systems must be able to adapt quickly to new specifications. At the same time they must also provide reliable estimation procedures for the timely and high-quality presentation of quarterly and annual accounts.

Essential for the reinsurer's mastery of these complex challenges is an IT solution in which all necessary data is up-to-date and all areas of risk assessment are supported continuously, from administration through to accounting. Therefore, Munich Re decided to introduce a uniform IT solution for the entire reinsurance group, including the German parent company as well as all foreign branch offices and subsidiaries.

After exploring all the products on the market, Munich Re decided on the reinsurance solution SAP Reinsurance Management, which was developed by msg systems in cooperation with SAP. On the basis of its proven expertise in the reinsurance sector and its many years' experience in the management of large projects, msg was asked to provide project management support for GLORIA.

"msg systems' industry expertise in the insurance sector made a very positive impression on us. GLORIA is the basis for modern, future-oriented reinsurance management, and thus a giant step forward for Munich Re," emphasizes Rainer Janßen, CIO of Munich Re.

Professional project management

Under the project direction of Munich Re, msg systems was responsible in particular for customizing, implementing, and assuring the quality of the reinsurance solution. SAP Reinsurance Management was supplemented with additional software modules and administrative systems, so that now all central administrative processes in the reinsurance department are combined into an integrated solution.

Given these complex tasks, it was extremely important to coordinate all processes optimally with the help of professional project management. Therefore, proven methods were used throughout all stages of the project:

In the project office, msg systems handled all the project planning, treaty design and coordination with subcontractors, as well as project controlling. A professional error management regulated the systematic recording, tracing, and elimination of errors as they occurred. All other requirements that arose in the course of the project were managed by change request management. Furthermore, a release management was introduced, with which new releases can be introduced into the productive system and new release concepts created.

Extensive implementation expertise

The provision of the system landscape including data and program logistics required careful planning and the expertise of experienced system experts and migration specialists. Numerous legacy applications had to be compared with one another and replaced; this involved the successful migration of approximately 350 million data records. Today, the entire system occupies nearly two terabytes of storage space.

Success Story: Munich Re

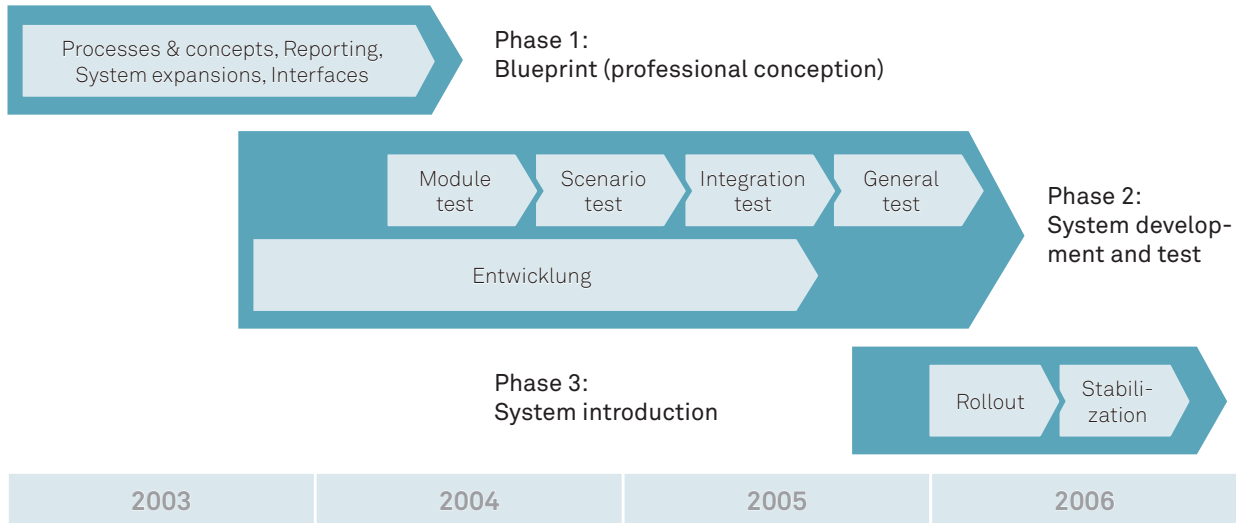


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Rainer Janssen, CIO, Munich Re

In the course of the test management, 8,658 test cases were executed for the business tests alone. Numerous automated processes and processes adapted modularly to the project progress ensured significant time savings. The implementation was validated with SAP MaxAttention, a SAP support product for quality and risk management.

Experts at the msg systems development center in Passau handled the prompt technical implementation and integration of the additional requirements recorded in the change request management. The add-ons required for the integration could thus be created quickly and efficiently.



Success Story – Munich Re

Extensive change management

The professional change management which accompanied the introduction of GLORIA played a decisive role in its successful implementation, since the conversion to the central IT solution changed numerous tasks and work processes – approximately 3,000 employees were affected, 1,800 in the first step alone. They need to know how to work with the new system, and they must also develop an overall understanding

of the process in order to be able to use the software optimally. To prepare them for the implementation and their new tasks, the conversion included intensively-planned and executed change management.

“A project of this magnitude is challenging for everyone involved. Thanks to optimal cooperation with our client and our partners, we were able to complete the project successfully,” emphasizes Ralph Fiedler, GLORIA project director at msg systems.

GLORIA – The Largest IT Project in the History of Munich Re

Project objective

- Introduction of a global platform for the reinsurance business based on SAP Reinsurance Management
- Unification of business processes and the transaction of reinsurance business
- Increase of the quality and efficiency of individual activities, including
 - underwriting
 - loss adjustment
 - accounting
 - acceleration of the analysis, control, and management of the entire reinsurance business thanks to uniform data consistency

Affected departments

- All business departments
- Accounting
- Numerous central departments
- International organizations (selected branch offices)

Changes for approximately 3,000 employees

- In the first rollout phase in 2006 in Munich and some branch offices, approximately 1,800 employees were affected
- After complete rollout at Munich Re America with the associated branch offices, there will be approximately 3,000 users by 2007

Nearly 350 million migrated data records, 24 interfaces, 16 applications replaced, approx. 2 terabytes of occupied storage space, 115 reports

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