



Best Innovative Underwriting Services, Inc.

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Patrick Ramotar, President & CEO

Insurance Companies Due Diligence Questions Allow BIUS, Inc. to Shine

Over the past couple of years, I have noticed an increased sophistication in the due diligence process used by client companies when deciding which third-party underwriting outsource to select. Apparently, a more intense due diligent process has been advocated by their compliance, legal, IT and underwriting departments. We are always confident in this challenge because, in virtually every case, we excel well beyond the expectations of those who scrutinize us. In addition, we are always looking to enhance our services and welcome constructive criticism.

BIUS, Inc. believes that all insurance companies should carefully scrutinize companies they are considering for outsourcing. Therefore, we thought you might

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Common Due Diligence Questions and Our Answers

By Alicia Golan, Vice President of Administration

Is the third-party underwriting service (TPU) adequately staffed with the expertise to handle a variety of cases?

Invariably, companies have found that after accessing one of a TPU's services, they have a need for other services and would like to keep it in one interface. For example, BIUS, Inc. has clients who began by having us underwrite their trial applications. After developing a comfort level, they gravitated to having us link to their system and help with their regular transactional business. Subsequently, they asked us to do their audits and assist with their Jumbo, Senior age and other specialized areas.

BIUS, Inc. currently assists clients with their Jumbo, Impaired Risk, Senior Age, Life Expectancies, Internal Audits, Client Audits for Reinsurers, Facultative Underwriting for Reinsurers, and link to their systems to electronically provide underwriting support from application all the way to policy issue. We are also approved by the MIB to serve as an MIB branch office for some companies.

Does the third-party underwriting service have a medical director on staff?

Companies usually require TPUs to refer cases to their own medical director so as to expedite completion of a case, rather than have cases returned to the company's MD. Some companies also require the TPU's MD to offer second opinions and also to fill in for their own MD, who may be away on industry seminars, a vacation, etc.

BIUS, Inc. has one full-time medical director and two part-time associate MDs. All of them are experienced insurance medical directors and have expertise in Impaired Risk and Senior life business, as well as Life



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find it useful if we provided you with a thorough list of questions we find ourselves being asked. In addition, this gives us the opportunity to show you the lengths we go to ensure we exceed our clients' demands. Should you ever conduct such a due diligence process on us, we're confident you'll find that BIUS, Inc. stands out from the pack as the outsourcing company of choice.

There are several questions we would like to present... too many for one issue of our newsletter. Therefore, we will visit due diligence questions in our next issue as well. We hope you find this information beneficial.

Patrick Ramotar
President & CEO



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Expectancies. Client companies take advantage of their experience and use them for back-ups and overload of their own MDs, as well as for second opinions.

Does the third party underwriting service have adequate Errors and Omissions coverage?

Companies want to be comfortable that they are insulated from possible liabilities due to underwriter errors.

BIUS, Inc. carries adequate E&O coverage. This type of coverage is extremely difficult to obtain and when offered, the cost is exorbitant. Many of the major carriers decline this coverage to TPUs either because they are uncomfortable with the exposure, or because there is not enough information or experience for them to quote.

How sophisticated is the TPU's IT environment and system capabilities? Is the system adequately protected from viruses, attacks, etc?

Companies are hesitant to expose their client's confidential information to possible attacks.

BIUS, Inc. has sophisticated firewalls in several layers to prevent penetration of our systems. These layers of defense are constantly upgraded and monitored. Clients have had their IT personnel visit our facilities to review our security. They always leave impressed with our technology and, in many instances, they have consulted our IT director for advice on their in-house system. In some situations, they have actually implemented our technology in their office.

Are there adequate redundancies built into the system to ensure continuity of support?

Clients want to be assured the TPU can provide support on a continuous basis and not have their system go down for long periods.

BIUS Inc. has duplicates of each of the hardware in its environment. If a malfunction occurs in one component, it switches to the back-up. This redundancy exists in our hard drives, dual T1 lines and routers.

Does TPU have a Business Continuation and Disaster Recovery Plan?

Again, clients want the assurance that the TPU can continue supporting them even after a disaster.

BIUS, Inc. has a tested BCP in place with back-ups to its system at three off-site locations. In tests, we have been able to restart on-site operations within two hours of a major failure, and we have the capability of resuming operations at an off-site facility within 24 hours following a total disaster at the Home Office.

(This article will be continued in the next edition of OUTSOURCE).