

The logo for BIUS Inc. features the company name in a bold, blue, sans-serif font. The letters are slightly tilted and set against a light blue rectangular background with a dark blue border.

Best Innovative Underwriting Services, Inc.

21060 Centre Pointe Parkway • Santa Clarita, CA 91350

Phone: (661) 255-0112 • Fax: (661) 255-8373

Web site: www.biusinc.com • E-mail: pramotar@biusinc.com



Patrick Ramotar, President & CEO

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

BIUS Inc. believes all insurance companies should scrutinize companies they are considering for outsourcing. This is why we thought you might find it helpful for us to present a thorough list of questions prospective clients usually ask. Thus, we chose to do this as the feature of two consecutive issues of OUTSOURCE. In addition, this allows us 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, you'll find that BIUS, Inc. stands out from the pack as the outsourcing company of choice.

Should you, for any reason, have missed the previous issue of OUTSOURCE, please contact our office and we'll immediately send you a copy. We hope you find this information to be of benefit to you.

Patrick Ramotar
President & CEO

Common Due Diligence Questions and Our Answers (Part 2)

By Alicia Golan, Vice President of Administration

Does the third party underwriter (TPU) have an internal audit program?

All of our clients have their own in-house audit program to audit our work and ensure quality is maintained. However, they like the fact that the third party underwriter also does its own internal audits and can correct anomalies before they actually reach the client.

BIUS, Inc. has an internal auditor whose sole function is to audit all of the other underwriters. This underwriter does not have any production responsibilities, and focuses only on auditing and working with the offending underwriters to improve their output. This internal auditor is not only an underwriter, but an MD who practiced for 12 years. He is now a full-time in-house employee.

Does TPU have a central home office that is adequately staffed with underwriters, underwriting assistants, technical computer support, etc?

Although companies recognize that most TPU's are employing remote off-site underwriters, they still would like some portion of the support to be at the home office. They feel this facilitates due



diligence site visits and gives them a better feel for the TPU's capabilities. Some companies have stated they would not be comfortable telling their reinsurers that they are using third-party help all working from their homes. In fact, companies that are planning to add to their reinsurance pool or ask for better allowances and pricing feel they would be disadvantaged if they did not have TPU staffed with enough in-house underwriters.

BIUS, Inc. has an equal number of staff in the home office as the number working from their homes. In addition, we have all of the requisite underwriting assistants and other support personnel in-house. We have experienced due diligence visits from senior personnel of clients companies, as well as reinsurers. They have always expressed admiration for our facilities and the quality of personnel in our home office.

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Does TPU have a central training facility with all the audiovisual and electronic capabilities to link their remote underwriters into initial and ongoing training?

Companies want to be assured that training is effective to avoid miscommunications and to assure all personnel, both in-house and remote, receive consistent information. They expect all personnel assigned to their account to be initially trained at the same time and to be able to communicate ongoing training and changes to all personnel simultaneously.

BIUS, Inc. utilizes "MicroSoft Live Meeting" to allow all personnel to see and hear the training meetings as if they are all sitting in our home office conference room. When necessary, we can also link the client into this meeting to ensure nothing is lost in the translation.

Does TPU have in-house systems that are capable of quickly linking up with the client's systems, and does TPU have competent IT personnel to work with client's in-house IT to effect an efficient and secure interface?

Companies want to be assured that TPU has a flexible IT environment and a knowledgeable IT department to assist them in linking their systems.

BIUS, Inc. employs an experienced IT Director who has built its entire in-house environment from the ground up and who has worked with several clients in creating efficient interfaces. Several of our clients have actually deferred to our IT Director to assist them in setting up the interface at their end. Most of our clients actually meet with our IT Director and have expressed admiration for the extent of his knowledge.

Does TPU have an objective way of comparing their pricing with what it costs the client to provide the service in-house?

Companies are thrilled when they are able to readily compare the TPU's labor-burden costs to their in-house costs. This allows them to justify outsourcing rather than gearing up their in-house capabilities.

BIUS, Inc. provides each client with a spreadsheet, which was formulated for BIUS, Inc. by its CPA. This spreadsheet allows each prospective client to input their own data and compare their costs of providing the services they are seeking to outsource. Clients have found that BIUS, Inc. is able to offer considerable savings to them, which allows them to make an educated decision to outsource.

In cases where TPU will not be electronically linking to clients' systems, does TPU have a secure method of receiving and transmitting data electronically?

In some instances, clients are not interested in having TPU link to their systems and opt instead to transmit work electronically to TPU. In doing so, they want assurance that information is securely transmitted.

BIUS, Inc. maintains a secure encrypted FTP site where each client is assigned a login and password. Information is uploaded to that site and downloaded from the site to BIUS, Inc. During this process, all information is encrypted.

Is TPU approved by the MIB to be a branch office of an insurer?

In some cases, clients require TPU to be an MIB branch office of theirs so as to be able to receive codes and provide MIB codes on their behalf.

BIUS, Inc. is currently approved as an MIB branch office for several clients, and we have WEB-TERM access to interface with the MIB.

Does TPU have the capability of working with national vendors to order, follow-up, and receive requirements on companies' behalf?

Some clients require TPU to process new business from application to approval, which necessitates ordering, following-up, and receiving requirements directly from vendors.

BIUS, Inc. currently works with most of the national vendors and can order, follow-up, and receive results. We actually perform the mandatory yearly MIB audits for several of our clients.

Can TPU provide names and telephone numbers of Chief Underwriters of major clients and major reinsurers for testimonials?

Prospective clients have a greater comfort level when they can call other companies and the major reinsurers for testimonials. They feel this gives them some valuable insight into the TPU's track record.

Client companies have been impressed with the quality of feedback they have received from satisfied clients as well as the reinsurers with whom BIUS, Inc. deals on a daily basis. Most of these clients and reinsurers have visited BIUS, Inc.'s facilities and have been able to give them firsthand information.

Put an End to Your Underwriting Worries

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