

**MANAGEMENT INFORMATION SYSTEMS IN THE INSURANCE COMPANY  
"ILLYRIA"**

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**ABSTRACT**

*Nowadays information technology has become one of the most important parts in insurance companies. Controlling the activities and information flow will lead this kind of companies to operate efficiently and better manage their resources. Information Technology (IT) and Information Systems (IS) have a central role in the insurance business.*

*The insurance market is undergoing dynamic change requiring major decisions of insurance companies if they are to maintain their present positions. Insurance companies recognize that they need IT to keep the business running and are aiming to use IT to develop new markets and to maintain competitiveness.*

*This study assesses the present state of the development and implementation of IT strategies and their relation to business strategies. This study also aims to analyse the status of the insurance company "ILIRIA" and the development strategy that includes the Information Systems (IS) dimension. Information systems have become an integral part of every corporate organization, especially the insurance industry. However, the result of our study clearly indicated that information systems would expunge traditional, geographical and marketing limitations; hence the management of every organization is embracing information systems, including the insurance company "ILIRIA".*

**Keywords:** Information Technology, Information Systems, Insurance Companies.

**1. INTRODUCTION**

Information system is an important issue in today's business environment, which continuously progressing with the development of new technologies. Based on scientific literature, information systems are increasingly being upgraded and are transforming in the indispensable factors of modern companies. From global practices it is testified that information and also the information system itself is in continuous movement and are under development, especially the last ten years, which causes new problems and new research needs. In fact, this is also the justification that through this paper to have researches which will explain the importance of information systems in the company, and the role of information in conditions and new demonstrations.

**2. PURPOSES AND THE TASKS OF RESEARCH**

This paper aims to give replies to some research questions connected to the information system in the company, defining its role, study and analysis of characteristic features of development and function of the information system, and also the services in the trade economy toward using the information as a factor of ensuring the state competition in the trends of developing the contemporary technology.

The main purpose is to show factors that impact in the information system in the insurance company “ILLYRIA”. We will review some models of the information system in order to achieve this purpose. There are the following research tasks of the paper in order to fulfil the purpose of the paper:

- Identification of the value added processes and the role of information systems.
- How the structure, culture and changes impact in organization for implementation of information systems.
- Some strategies to decrease costs and to increase benefits.
- How enterprises justify the need for information systems.
- Defining the role of the information in the economic reports of society in transition.
- Justification of need to use products of information and services in the contemporary economic processes in order to build the economic competition.
- Analysis of the development situation of information activity in place, building the theoretical principals of innovative information strategy model of economic development of the countries in transition, based on the results of the analysis.

### 3. MAIN TYPES OF INFORMATION SYSTEMS

Each type of information systems plays a certain role. If you look at the functions and the extension of the scope, information systems can be divided into six main categories, as we presented below (Figure 1) [4].

- **Transaction Processing System (TPS)**
- **Management Information System (MIS)**
- **Executive Information System (EIS)**
- **Decision Support System (DSS)**
- **Expert System (ES)**
- **Office Information System (OIS)**

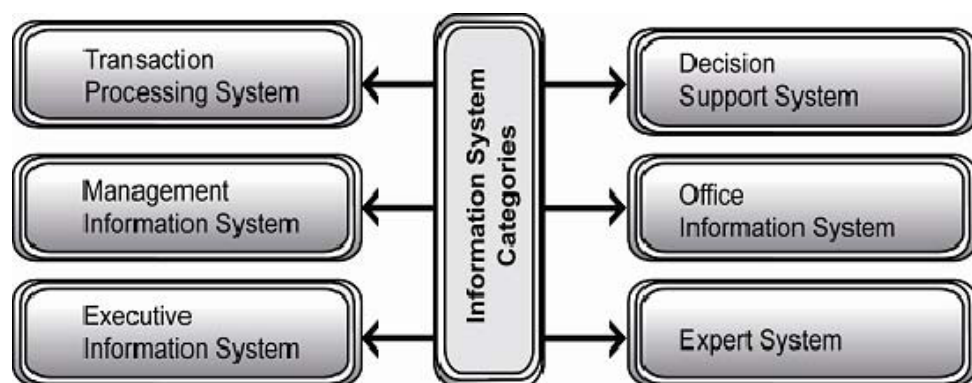


Figure 1. Information system categories

#### 5.1. Information systems in enterprise

Information system changes the way how we work, how we communicate and the way of doing business. Hereupon, the information system and enterprise have a mutual impact with each-other. In one side the information system shall offer the necessary information for different groups in the enterprise, whereas in the other side the enterprise is interested to profit more from the information technology knowing the importance and the influence of information systems for successful business. Connection between the enterprise and the information system is very complex. There exist a large number of factors that impact in the interaction between the enterprise and the information system. Among these factors we can mention the organizational structure of enterprise, business environment, business processes and managerial decision [2,3,4,5].

By business development, the role of information system in the enterprise has become critical and the information technology has gained the importance when it is about the success and efficiency of the business, as in the performance of daily operations and also in the strategic decision making.

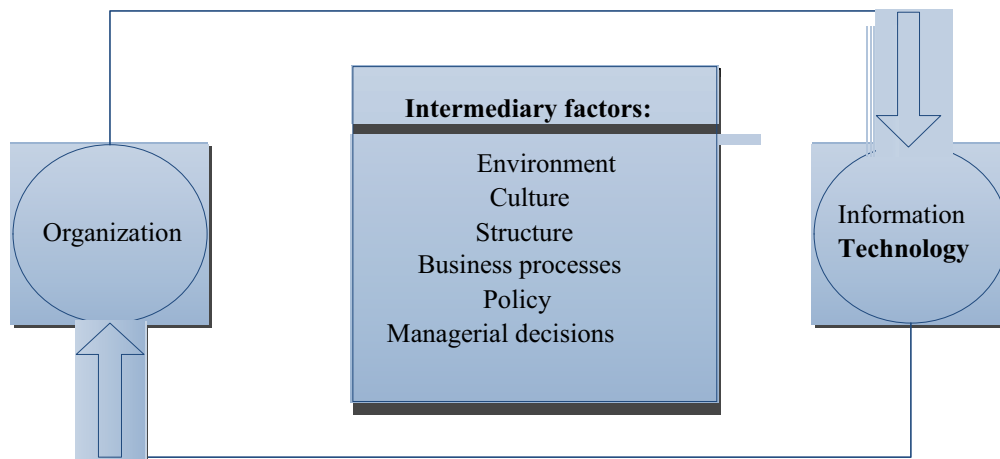


Figure 2. Relation between enterprise and information technology

#### 4. INFORMATION SYSTEM IN THE INSURANCE COMPANY “ILIRIA”

By this paper, we have tried by practical treatment of this subject with the study of information system in the insurance company “ILLYRIA”, to identify conceptual structure of management information system, to analyse data management system, function and management of information in Kosovo branches, and identification of possible problems in the function of the management information system in “ILLYRIA”, always relying on the analysis of historical data from the Information Technology department [8].

The insurance company “ILLYRIA” is part of the Sava Re group, the most professional group for insurance and reinsurance in the region, and also it is recognized as one of the most successful companies in Europe. The insurance company “Illyria” for a short period was promoted to one of the largest companies in the insurance industry in Kosovo, whereas today it holds the leader position in the insurance market and that since 2009, with a substantial participation in the market for the written premiums and also for the paid damages. Today the company offers the insurance products such as those from the class of motor vehicle liability policy and also a wide range of insurance products of voluntary insurance classes.

#### 5.2. Research methodology

To analyse the role and importance of information systems in the insurance company “ILLYRIA” we used traditional research methods with questionnaires and respective interviews in this company. We have distributed the questionnaires to the participants of this study by electronic communication.

Taking into consideration the topics of study, i tried to select employees of the different departments but mainly from the Information Technology Department, within the company “ILLYRIA” because it has a close connection with the achievement of the objectives of the paper. By this research we aim to get the answers in the questionnaire from the managers of different levels in this company, and from the employees of some departments [6,7].

The questions of questionnaire are related to the information system in the company, such as: the importance of IS in each type of insurance, the main objectives followed by the company to control the information system, the IT tools used by the company for information system, does the company possesses the electronic system of management and save of documents etc.

One of the problems identified after the research, is that these systems require a considerable investments, but the implementation and entry into function of the information system has many benefits. Because of the required important investments, it is essential that the company “ILIRIA”, to evaluate its actual ad future needs, before making a proper solution.

The management information system in “ILLYRIA” can help to save work time by answering immediately a request for information, so by avoiding the telephone calls, responding quickly to the requests of information managers, immediately locating the documents and highlighting the most essential information, by avoiding totally the loss of information and data, etc[1,2,3,7,8] .

## 5. RECOMMENDATIONS

Our recommendations are mainly based as following:

**Recommendation 1:** Improvement of the actual information system with other software platforms, such as: Human resources system management software, security information software system, full system of financial management software, in the function to fulfil the more contemporary conditions of insurance field.

**Recommendation 2:** Further improvement of information system for managerial comprehensiveness of all branches of the company in this system.

**Recommendation 3:** Inclusion of information systems for the database management within the company as part of the criteria for their safety and quality, will impact in increase of the quality of services that they provide.

**Recommendation 4:** Over the years, it shall be added the capacity of server or the server shall be replaced with the server of recent years, so with high performances, depending on the extension of database, and the company's needs.

**Recommendation 5:** In the near future it should be aimed the inclusion of all branches of the company for the use of data by employees in one unique system, in order to minimize the waiting time to get the information and to reply to the customers' requirements in the faster time, so automation of work.

## 6. CONCLUSION

In the end of this thesis we can conclude that the information systems has become one of the most important part for companies, at the same time the improvement of the current system or the new information system, will lead to cost decrease, increase the benefit, improvement of services or in achieving competitive advantage. During the work of our thesis we have evaluate the basis concept of the information systems and their security, database management and software program which are currently used in insurance company "ILLYRIA"

Technologies that have been implemented and used recently in company are JAVA program which is an platform for application development that can be worked in many operation systems. Another application is ASP which is located in Slovenia, but the insurance company "ILIRIA" uses the software application by remote, enabled by Virtual Private Network. Whereas another application called NAVISION uses for financial system within company and for their needs.

By increasing the company requirements for storage and data processing, they have developed many systems for database management within company. Information System implemented in insurance company provide a three-level architecture consisted by:

- Database Server – main component that secure the logic and data storage.
- Application Server – another important component that secure full implementation of logic.
- Presentation Server – a web component that secure the system logic presentation and all other modules to the end user.

The information system implemented in insurance company "ILLYRIA" is very complex, including the software system, as well as the hardware system. The system is protected well from unexpected attacks between active/active technologies. It means that the system has high availability and updates can be made without blocking the system.

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