

Evaluation of the Performance of the "E-Recours" Platform in the Algerian Insurance Market During the Period (2022-2024)

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Abstract:

The purpose of our study is to evaluate the performance of the "e-Recours" platform. This platform is used to the management of automobile insurance recourses claims.

The results of our research show that the platform has been able to achieve positive results. Also, more effort still needs to be made by insurers and even supervisory authorities to improve the platform's performance to be able to achieve its expected objectives.

To do this, we used a methodological approach that is both descriptive and analytical, aiming to explain and analyze the different aspects addressed in our research

Keywords: "e-Recours" platform; Digitalization; Automobile insurance; Recourse.

JEL classification codes : G22.

1. INTRODUCTION

In insurance, the automobile branch is characterized by a high claims frequency compared to other insurance branches. As a result, a significant number of claims are submitted daily to insurers by policyholders who have suffered a loss. Given that the claims management heavily relies on data and document processing, the insurer is forced to review and analyze a massive quantity of information to accurately assess the risks and fairly determine the indemnity amount, while safeguarding against fraudulent attempts.

Processing this large volume of data and documents can be costly in terms of time and expense. Also, manually processing big data can be stressful and difficult for the claims manager, exposing them to the risk of errors and omissions.

Like many countries around the world, Algeria has made efforts to adopt modern technology-based solutions for rapid and efficient data analyze to meet its challenges.

Thus, relying on advanced digital solutions, the Ministry of Finance has decided to modernize and optimize the insurance claims management process. In this context, it launched a new innovative digital platform called "e-Recours" on October 1, 2022.

This platform has been specifically designed to manage recourse claims under the automobile third-party liability (TPL) coverage. It has been developed in accordance with the Inter-company Agreement for the Settlement of Material Automobile Recourse Claims (IRSAM). Its objective is to establish clear and well-defined rules, ensuring that managerial practices do not hinder the prompt and fair settlement of claims.

Furthermore, by introducing this platform, the Ministry of Finance aims to put an end to (or at least reduce) the prolonged recourse settlement timelines to ensure an optimal and high-quality service for policyholders. This will make it possible, in the short term, to clean up the stock of car claims accumulated since 2016.

From the above, the importance of our research problem emerges, focusing on the evaluation of the "e-Recours" platform by emphasizing its operational efficiency and the extent to which it meets the intended objectives. Therefore, our research question is as follows:

Has the "e-Recours" platform been able to achieve its intended objectives?

Has the "e-Recours" platform achieved its intended objectives?

In order to better define our research problem, we find it useful to address the following sub-questions:

- What services does the "e-Recours" platform offer?

What are the shortcomings of the "e-Recours" platform that could hinder its success and slow down its development?

For the development of our research work, we adopted a methodological approach that is both descriptive and analytical, aiming to explain and analyze the different aspects presented in our study.

To this end, we have structured our research in two parts. So, consecutively, we present firstly the fundamental concepts related to automobile claims management and secondly a practical case study evaluating the performance of the "e-Recours" platform.

2. Basics of automobile insurance claims management in Algeria

In this part, we will define some basic concepts related to insurance claims management, with a focus on automobile insurance within the Algerian insurance market.

2.1. Definition of insurance loss

An insurance loss refers to any material, immaterial, or bodily damage that triggers the coverage provided under the insurance policy and results in compensation.

2.2. Definition of insurance

Insurance is the operation through which the policyholder is guaranteed a benefit in exchange for a premium, either for themselves or for a designated beneficiary, in the event of a covered risk occurrence. This benefit is provided by the insurer, who manages a portfolio of risks and compensates them based on actuarial and statistical principles (Abravanel-Jolly, 2023).

The Algerian regulation, as stipulated in Article 02 of Ordinance No. 95-07, defines insurance as a contract in which the insurer undertakes, in exchange for the payment of a premium or other pecuniary payments, to provide the policyholder (or, where applicable, the designated beneficiary) with a benefit in the event that the specified insured loss occurs, as described in the contract.

Insurance can therefore be concisely defined as a service whereby the insurer indemnifies the policyholder for a covered risk under the insurance contract when it occurs, in exchange for the payment of a premium.

2.3. Definition of the automobile insurance contract

It is an insurance policy that provides coverage against a range of risks, such as third-party liability (TPL), vehicle damage (whether caused by a collision or not), theft, glass breakage, and fire, among others. This policy may also include additional optional coverages requested by the policyholder, such as roadside assistance services and legal protection coverage (defense and recourse guarantee) (Sylvie Chanh, 2016).

In Algeria, the automobile insurance policy is structured as a comprehensive insurance contract, incorporating the following coverages (UAR): third-party liability (TPL) related to vehicle use, own-damage coverage, coverage for passengers transported in the vehicle, legal protection for the policyholder, and roadside assistance services for the vehicle and its occupants.

2.4. The claims management process in automobile insurance

An efficient claims management process is essential for the insurer to properly fulfill its obligations to policyholders in a timely manner and at minimal management cost, while mitigating the risk of fraud (Younus, 2023).

The automobile claims management process can be described in the following steps:

- **Claim notification (First Notice of Loss - FNOL):** in the event of a loss, the policyholder is required to submit a claim notification along with a properly completed accident report to the managing agency of their insurance policy. This claim notification serves to inform the insurer of an incident that may trigger a compensation under the policy coverage. (Noel Francis, 2024).
- **Coverage verification:** the insurer must confirm whether the reported loss is covered under the policyholder's subscribed guarantees as stipulated in the insurance contract.

- **Determination of the indemnity amount payable to the policyholder:** if the loss is confirmed to be covered under the insurance policy, the insurer determines the amount of the damages sustained by the policyholder based on the loss adjuster's report.
- **Claim for recourse under the automobile TPL coverage:** in the event of a loss where a third party is deemed liable (or if shared liability is established), the victim's insurer submits a recourse claim to the at-fault party's insurer, requesting compensation for the damages incurred by its policyholder.

2.5. Claims settlement agreements in Algeria

The claims settlement agreements in Algeria are as follows:

2.5.1. The Direct Compensation Agreement for Policyholders (IDA)

The IDA agreement was signed in 2000 and entered into force on 01/01/2001 (CCR, 2015). This agreement requires the direct payment of the policyholder on behalf of the third party. If the policyholder is not at fault for the loss, his insurer must pay him directly for his damage and then take action against the insurer of the person responsible subsequently.

The systematic application of this agreement is subject to the fulfilment of its conditions:

- Both accident reports of the victim and the third party responsible for the loss must be completed and signed.
- The amount of damage must not exceed 20 000 DZD.

The use of the IDA agreement was intended to expedite the settlement of automobile claims. But in Algeria, this agreement has not achieved significant success since its implementation (CCR, UAR, 2015).

2.5.2. The Agreement for the Settlement of Recourse at Average Cost (ARCM)

The ARCM agreement was signed in May 2015 and implemented in 2016 with the aim of cleaning up the stock of claims files concerning automobile material damages accumulated during the 2010, 2011, and 2012 financial years (Algérienne, 2016). This agreement was renewed by amendment to clean up the stock of recourse claim files for the 2013, 2014 and 2015 financial years (UAR, 2017). The compensation for each file is made by an average market cost calculated by the automobile commission of the Algerian Union of Insurance and Reinsurance Companies (UAR).

The files covered by the ARCM agreement are only files with damages between 10 001 DZD and 300 000 DZD.

2.5.3. The Inter-company Agreement for the Settlement of Material Automobile Claims (IRSAM)

A- Definition of the Agreement (IRSAM): it is an inter-company agreement dedicated to the settlement of claims relating to automobile insurance material claims, which came into force on 01/06/2016 after the termination of the agreement (ARCM), as the latter did not achieve the expected objectives. Therefore, the aim of this reform, the transition from the ARCM agreement to the IRSAM agreement, was to put in place clear and well-defined rules preventing management practices from preventing the fair and rapid settlement of recourses claims.

This agreement is applicable to insurance companies that are signatories and members of the UAR. It concerns material automobile claims that occurred from the date of its implementation and handles files not covered by the IDA and ARCM agreements, thus ensuring optimal management of files in terms of speed and efficiency.

B- IRSAM procedure

The IRSAM agreement consists of 33 articles setting out the instructions that the parties concerned must respected within the context of the management of recourse claims. These instructions are summarized as follows:

- **Opening of a claim file:** upon receiving the recourse claim submitted by the opposing insurer, the insurer undertakes to open a claim file and contacts its policyholder through a summons followed by a formal notice. If the loss remains undeclared by the policyholder, the insurer is required to settle the opposing company after determining liability within 15 days following the return of the correspondence or upon receipt of the acknowledgment of the formal notice.
- **Assessment of material damage:** the claim settlement must be made on the basis of an loss adjuster's report drawn up by an expert approved by the UAR.
- **Exercising the recourse for material damages:** according to Article 13 of the IRSAM agreement, all automobile material damage claims, for which liability is determined, recognized, or presumed, are subject to recourse. The recourse is exercised by the victim's insurer with the department managing the insurance contract of the at-fault third party.

Liability is determined according to the Highway Code and the conventional scale of liability in force.

Within 10 days of receipt of the claim for redress, the insurer may request additional information to determine the responsibilities of the parties involved in the claim.

- **Settlement of material damages claims:** Settlement of claims is made, according to Article 21 of this agreement, according to the following conditions:

Table N°1. Terms and conditions for the settlement of claims under the IRSAM agreement

Amount of damage	Conditions	Settlement deadlines
$\leq 150\,000$ DZD	Declared or undeclared claim	45 days from the date of receipt of the recourses claim
$\geq 150\,000$ DZD	Declared and assessed claim	02 months from the date of receipt of the recourses claim
	Assessed claim, declared or undeclared	03 months from the date of receipt of the recourses claim

Source: Established by the author based on the "IRSAM" agreement

In case of exceeding the settlement deadlines, the claiming agency, within a period of 05 days, must notify its hierarchy. The latter must in turn inform the hierarchy of the opposing agency of the observed delay. After a period of 15 days, if the hierarchy of the issuing agency has not taken the necessary measures for the settlement of the recourses claim, a late penalty will be applied. If the file has been transmitted to the general direction of the opposing agency without being settled, it must be submitted to the arbitration commission, taking into account the late penalties defined in Article 03 of Law 06-04 of February 20, 2006

2.6. Processing of the recourses claims of automobile liability (TPL) coverage in Algeria.

In Algeria, the subscription of the automobile liability insurance contract is mandatory under Article 01 of Ordinance 74-15 amended and supplemented. This insurance contract covers material damage and bodily injury inflicted on third parties by the insured, when his or her liability is established.

As a result of the digitalization of the processing of automobile insurance claims, they have been processed, since 01/10/2022, via the "e-Recours" platform.

2.6.1. Presentation of the "e-Recours" platform

The "e-Recours" platform is an inter-company digital solution designed for the management of automobile insurance claims. It was launched on 01/10/2022 by the Ministry of Finance under the supervision of the UAR (APS, 2024).

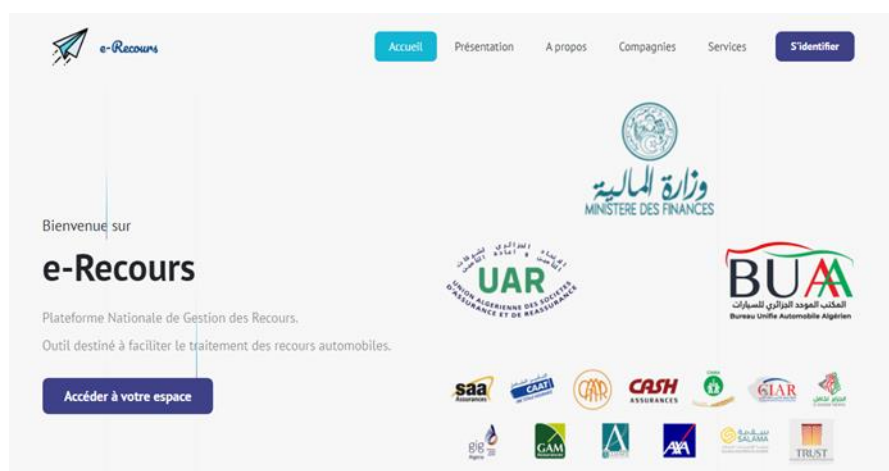


Figure 1. "e-Recours" platform.

Source: Website: <https://e-recours.buaa.dz/>

The following figure shows the interface of this platform as follows:

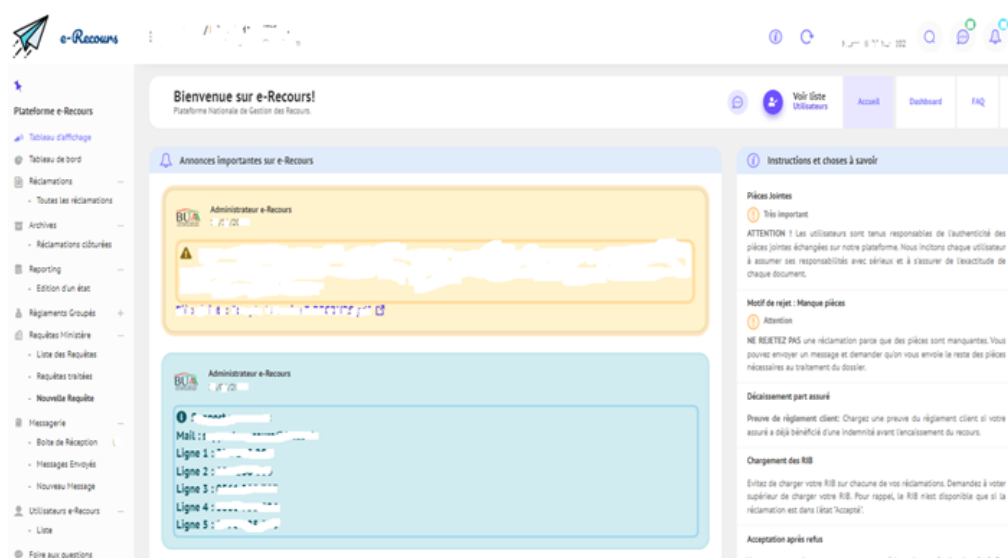


Figure 2. "e-Recours" platform (interface)

Source: Website: <https://e-recours.buaa.dz/>

Several are the services offered by the "e-Recours" platform, we will mention some which are the following:

- Prompt exchange of documents necessary for the assessment and settlement of claims under the control and supervision of BUA.
- Provide a space for discussion for each complaint between the different parties.
- The establishment of reports containing all the information entered on the platform, which facilitates the analysis and evaluation of claims by insurers and even by supervisory authorities.
- Provide a dashboard consolidating and displaying the status of claims for each insurance company.
- Provide quick access to addresses, contact information for all agencies nationwide.

The elements of the dashboard provided by the platform "e-Recours" are presented in the following figure:

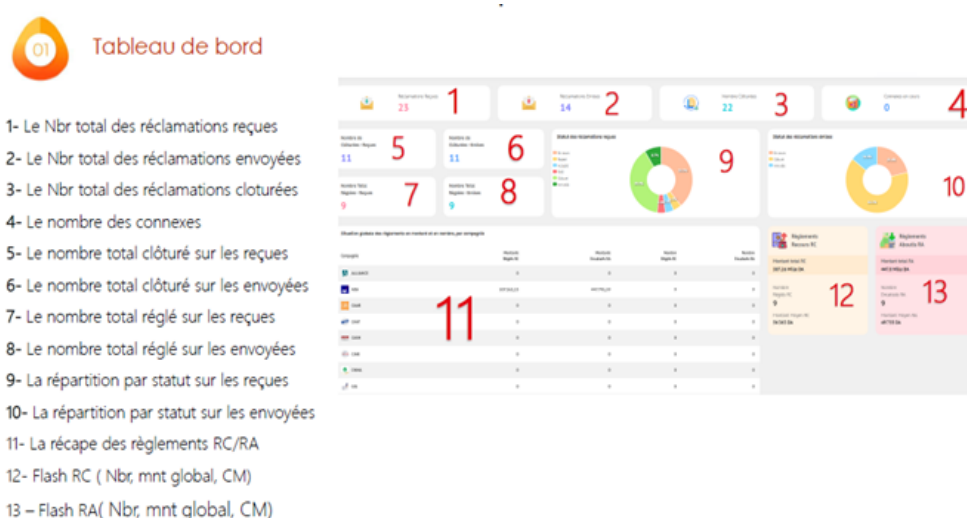


Figure 3. "e-Recours" platform (dashboard)

Source: "e-Recours" user manual.

As shown in Figure:

1. Total number of claims received
2. Total number of claims sent
3. Total number of closed claims
4. The number of related claims
5. Total number of closed claims out of received claims
6. Total number of closed claims out of the sent claims
7. Total number of settled claims out of the received claims
8. Total number of settled claims out of the sent claims
9. Distribution by status of received claims
10. Distribution by status of sent claims
11. Overview of Settlements (RA/RC)
12. RC Flash Report (Number, Total Amount, Average Cost)
13. RA Flash Report (Number, Total Amount, Average Cost)

The implementation of the "e-Recours" platform could reduce the time taken to settle recourses claims by simplifying procedures, cancelling the traditional recourses claims and minimizing the exchange of letters, which also reduces management costs.

This platform has been developed in accordance with the provisions of the IRSAM agreement, with the aim of cleaning up more quickly the files of recourses claims accumulated since 2016 until now.

3. Case study: Evaluation of the "e-Recours" platform for the period from 01/10/2022 to 01/10/2024

In this part, we will present an analysis of the figures provided to us by the Unified Bureau of Automobile Insurance (BUAA) which is the manager of the "e-Recours" platform and the one who ensures the application of the instructions to guarantee its proper functioning.

3.1. Recourses claims submitted on the "e-Recours" platform by the insurance market during the period 01/10/2022 to 01/10/2024

Since the launch of the "e-Recours" platform on 01/10/2022 to 01/10/2024, insurance companies in the Algerian insurance market have submitted **1 116 388** recourses claims to the market for an amount of **63 968 793 170 DZD**.

The following table shows the status of the recourses claims submitted on the "e-Recours" platform by insurance companies and their final outcome as follows:

Table N° 2. Status of recourses claims submitted on the "e-Recours" platform by insurance companies and their final outcome for the period from 01/10/2022 to 01/10/2024. Unit :DZD.

Status of files	Final outcome	Number of files	Rate	Amount claimed (DZD)	Amount settled (DZD)
transmitted	in progress	85 373	8%	4 555 865 234	0
in progress	in progress	536 838	48%	34 875 636 983	34 716 651
accepted	in progress	31 093	3%	1 082 641 278	224 532
settled	in progress	96 392	9%	3 660 192 112	3 395 062 880
closed	settled	216 702	19%	8 041 180 185	7 594 224 842
	cancelled	640	0,1%	59 201 738	0
	rejected	43 550	4%	3 708 716 593	3 181 633
cancelled	settled	2	0,0002%	46 197	29 794

	cancelled	11 318	1%	1 711 818 268	0
	rejected	360	0,03%	29 260 891	0
rejected	in progress	61 159	5%	4 751 089 706	349 794
Undeclared claim	in progress	32 961	3%	1 493 143 986	0
Total		1 116 388	100%	63 968 793 170	11 027 790 127

Source Established by the author based on the data provided by the BUAA.

The analysis of the table above shows the following:

- The recourses claims not yet processed, which are in transmitted status, amount to 85 373 claims for an amount of 4 555 865 234 DZD, that is 8% of the claims issued on the market. The average waiting time for recourses claims in the status transmitted is 202 days, whereas the IRSAM agreement stipulates that the duration of opening a recourses claim must not exceed 15 days. As a result, negligence on the part of the recipient insurers has been observed, leading to delays in the prompt settlement of recourses claims, which is the primary objective of the platform.
- It should be noted that the recourses claims with a status transmitted on 01/10/2024 are distributed as follows: 73% of the claims issued in 2024, 27% of the claims issued in 2023 and 0.01% of the claims issued in 2022. This indicates that negligence in the processing of recourses claims is increasing year after year.
- 3% of recourses claims issued by insurance companies are accepted for settlement. But so far, 01/10/2024, the sending companies have not made the settlement despite the admissibility of the claims. The delay in settling these recourses claims represents a loss to the issuing insurance company that affects its policyholder.
- The settled recourses claims of the insurance market amount to 313 094 claims for a total amount of 10 989 287 722 DZD, of which 216 702 claims were closed for an amount of 416 474 899 DZD, representing 69% of the recourses claims settled. The average claim settlement time is 159 days, i.e. 5 months and 29 days, which is excessively long. Meanwhile, the IRSAM agreement stipulates that the settlement period for a recourses claim, regardless of the circumstances, must be between 45 days and 03 months at most. This represents an exceeding of the agreement's deadlines, which could expose the insurance companies concerned to late penalties.
- It should be noted that, according to the table above, there are settled recourses claims that do not have the "settled" status, namely:
 - 822 files with the status (In progress - In progress) for a total amount of 34 716 651 DZD.
 - 12 files with the status (Accepted-In progress) for a total amount of 224 532 DZD.
 - 40 files with the status (Closed-Rejected) for a total amount of 3 181 633 DZD.
 - 02 files with the status (Cancelled-Settled) for a total amount of 29 794 DZD.
 - 13 files with the status (Rejected- In progress) for a total amount of 349 794 DZD.
- So we correct the following: The settled recourses claims of the insurance market amount to 313 983 claims for a total amount of 11 027 790 127 DZD.
- 03% of recourses claims submitted on the platform by insurance companies remain undeclared (SND).

3.2. Collected recourses of the insurance market for the period from 01/10/2022 to 01/10/2024

The table below shows the distribution, in number and value, of collected recourses of the insurance market by type of insurance company for the period from 01/10/2022 to 01/10/2024.

Table N°3. Collected recourses of the insurance market by type of company for the period from 01/10/2022 to 01/10/2024. Unit: DZD.

Issuing companies	Sent claims		Collected recourses for the period from 01/10/2022 to 01/10/2024		Recourses collection rate	
	Number	Amount Claimed (DZD)	Number	Amount Settled (DZD)	Number	Amount
Public	674 440	38 146 663 419	213 707	7 568 691 349	32%	20%
Private	441 948	25 822 129 752	99 387	3 420 596 373	22%	13%
Total	1 116 388	63 968 793 170	313 094	10 989 287 722	28%	17%

Source: Established by the author based on data provided by the BUAA.

Since the launch of the "e-Recours" platform, claimant insurance companies have issued a total of 1 116 388 claims for all their adversary insurance companies, representing an amount of 63 968 793 170 DZD. Of these, 60% of the claims were issued by public insurance companies and 40% issued by private insurance companies.

Furthermore, the collected recourses of the insurance market amount to 313 094 files for a total amount of 10 989 287 722 DZD (excluding files settled under different statuses mentioned above).

As a result, the recourses collection rate of the insurance market stands at 28% in number of files and 17% in recovered amount. This is relatively low.

The recourses collection rate for public insurance companies is higher compared to private insurance companies, standing at 32% and 22% in the number of files, and 20% and 13% in the recovered amount, respectively. The low recourses collection rate in terms of amount suggests that insurance companies primarily settle low-value claims.

Moreover, 68% of the collected recourses belong to public insurance companies, compared to 32% for private insurance companies. This can be explained by the higher number of claims issued by public insurance companies compared to those issued by private insurance companies.

3.3. Settled recourses claims under the third-party liability (TPL) coverage of the insurance market for the period from 01/10/2022 to 01/10/2024

The distribution, in number and value, of settled recourses claims under the third-party liability coverage of the insurance market, by type of insurance company, for the period from 01/10/2022 to 01/10/2024, is presented in the following table:

Table N°4. TPL settled recourses claims by the insurance market by type of insurance company for the period from 01/10/2022 to 01/10/2024. Unit: DZD.

Recipient companies	Received claims		TPL settled recourses for the period from 01/10/2022 to 01/10/2024		Recourses settlement rate	
	Number	amount claimed (DZD)	Number	Amount Settled (DZD)	Number	Amount
Public	571 718	33 378 898 610	210 791	7 693 848 372	37%	23%
Private	544 670	30 589 894 560	102 303	3 295 439 350	19%	11%
Total	1 116 388	63 968 793 170	313 094	10 989 287 722	28%	17%

Source: Established by the author based on data provided by the BUAA.

Since the launch of the "e-Recours" platform, insurance companies have received a total of 1 116 388 recours claims under the TPL coverage from all claimant insurance companies, representing an amount of 63 968 793 170 DZD. Where, 51% of claims were received by public insurance companies and 49% received by private insurance companies.

In addition, the settled recours claims of the insurance market under the TPL coverage amount to 313 094 files, with a total value of 10 989 287 722 DZD (excluding files settled under different previously mentioned statuses).

Therefore, the insurance market's recours settlement rate stands at 28% in terms of the number of files and 17% in the settled amount. A relatively low figure.

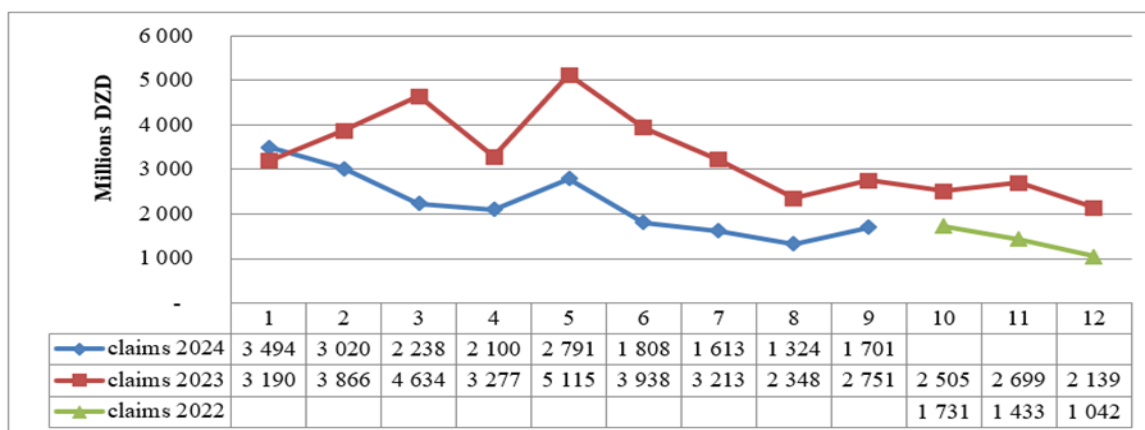
The recours settlement rate is higher for public companies compared to private ones. It amounts to 37% and 17% respectively in the number of files and 23% and 11% in the settles amount. The low settlement recours rate in terms of amount suggests that insurance companies mainly settle low-value claims.

Moreover, 67% of the recours were settled by public insurance companies, compared to 33% by private ones. This may be justified by the importance of claims received by public insurance companies compared to those received by private insurance companies.

3.4. Analysis of the evolution of recours settlements compared to the evolution of insurance market recours claims for the period from 01/10/2022 to 30/09/2024

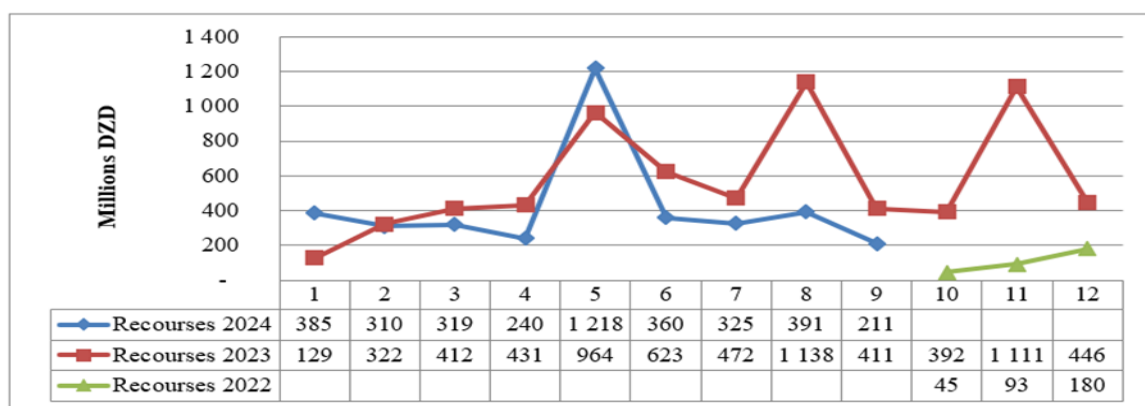
The evolution of insurance market recours claims and recours settlements by year and month, for the period from 01/10/2022 to 30/09/2024 are summarized in the following figures:

Figure 4. Insurance market recours claims by year and month, for the period from 01/10/2022 to 30/09/2024. Unit: million DZD.



Source: Established by the author based on data provided by the BUAA.

Figure N°5. The recours settlements of insurance market by year and month, for the period from 01/10/2022 to 30/09/2024. Unit: million DZD.



Source: Established by the author based on data provided by the BUAA.

For the 2022 financial year, the evolution of recourses claims showed a downward trend between October and December, with a decrease of 40%. Conversely, the evolution of recourses settlements was upward, with a significant growth rate of 298% over the same period. This suggests that insurance companies intended to settle recourses claims during the first year of the implementation of the "e-Recours" platform.

For the 2023 financial year, the submission of recourses claims on the "e-Recours" platform was accentuated between January and May, increasing by 60%. This was followed by a continuous decline throughout the remaining period, interrupted by slight increases in September and November, resulting in an average decrease of 46%. Similarly, recourses settlements experienced significant growth between January and May, rising by 648%, with peaks in February and May. This was followed by an average decline of 28% in the remaining period, interspersed by significant increases in August and November.

A regression in the performance of insurance companies was observed for the 2024 financial year. Recourses claims submissions and recourses settlements both recorded a respective decrease of 51% and 45%, interspersed with an upward peak in May. It is therefore important to strengthen awareness among insurance companies to intensify efforts during the last quarter of the year in order to boost recourses settlements to achieve the platform's main objective, which is the settlement of the policyholder as soon as possible.

We then observe that the performance of recourses claim management by insurance companies during the two years of the platform's operation has been inconsistent, characterized by significant fluctuations and increases in both recourses claims submissions and recourses settlements. Comparing the 2023 and 2024 financial years, we note that the overall trend in both recourses claims submissions and recourses settlements has been generally downward, with an upward peak in May.

3.5. Distribution of collected recourses (RA) and settled recourses (RC) of the insurance market by year and by month of settlement, for the period from 01/10/2022 to 30/09/2024

The distribution of the amount of collected recourses (RA) and settled recourses (RC) of the insurance market by year and by month of settlement for the period from 01/10/2022 to 30/09/2024 is presented in the following table:

Table N°5. Distribution of collected recourses (RA) and settled recourses (RC) of the insurance market by year and by month of settlement, for the period from 01/10/2022 to 30/09/2024. Unit: DZD.

	Public companies			Private companies		
Year and Month	RA	RC	Ratio (AR/RC)	RA	RC	Ratio (RA/RC)
2022	229 889 071	266 405 391	86%	87 924 685	51 408 365	171%
10	32 159 936	39 041 946	82%	13 084 045	6 202 036	211%
11	66 584 357	80 254 481	83%	26 066 795	12 396 671	210%
12	131 144 777	147 108 964	89%	48 773 845	32 809 658	149%
2023	4 673 425 736	4 826 428 984	97%	2 179 682 070	2 026 678 822	108%
1	88 282 480	99 020 031	89%	40 531 452	29 793 901	136%
2	227 668 384	243 687 410	93%	94 671 499	78 652 474	120%
3	276 537 202	292 925 263	94%	135 875 766	119 487 705	114%
4	292 274 314	296 153 248	99%	138 681 092	134 802 157	103%
5	515 914 758	429 597 154	120%	447 643 257	533 960 861	84%
6	373 084 261	380 226 285	98%	250 241 115	243 099 091	103%

7	273 009 974	298 392 918	91%	199 343 579	173 960 635	115%
8	1 017 883 879	1 003 139 460	101%	120 184 811	134 929 230	89%
9	233 954 932	302 324 241	77%	177 416 019	109 046 711	163%
10	188 186 495	209 927 889	90%	203 920 425	182 179 031	112%
11	935 483 589	935 628 655	100%	175 944 691	175 799 625	100%
12	251 145 466	335 406 429	75%	195 228 365	110 967 401	176%
2024	2 664 872 193	2 599 316 365	103%	1 151 767 737	1 217 323 564	95%
1	242 373 701	182 781 901	133%	143 123 018	202 714 818	71%
2	178 520 640	153 710 198	116%	131 118 550	155 928 993	84%
3	192 306 863	159 125 087	121%	126 871 796	160 053 573	79%
4	131 111 238	148 907 097	88%	108 461 787	90 665 928	120%
5	1 076 098 960	1 056 082 905	102%	142 168 371	162 184 426	88%
6	181 173 265	242 918 382	75%	178 575 603	116 830 487	153%
7	221 042 789	218 618 646	101%	104 090 237	106 514 380	98%
8	258 818 501	248 325 114	104%	132 013 329	142 506 716	93%
9	149 247 452	150 935 863	99%	61 616 907	59 928 496	103%
10	34 178 782	37 911 173	90%	23 728 138	19 995 747	119%
Grand Total	7 568 691 349	7 693 848 372	98%	3 420 596 373	3 295 439 350	104%

Source: Established by the author based on data provided by the BUAA.

The analysis of this table shows that the (RA/RC) ratio calculated per month during the period from 01/10/2022 to 30/09/2024 is around the 100% threshold. This means that the collected recourses (RA) and the settled recourses (RC) each month are almost equal. In other words, insurance companies settle as many recourses as they receive each month.

More specifically, public insurance companies have settled more recourses claims than they have recovered over the two years of the "e-Recours" platform's implementation, with an (RA/RC) ratio of 98%. In contrast, during the same period, private insurance companies have recovered more recourses claims than they have settled, with an (RA/RC) ratio of 104%.

Further detailing the state of recourses claim settlement and collection per month over the two years of our study: In 2022, at the start of the platform's implementation, public insurance companies settled more claims than they collected, whereas private insurance companies, which collected nearly twice as many claims as they settled, with (RA/RC) ratios of 86% and 171%, respectively. This situation was repeated during the following year, 2023, with a ratio (RA/RC) of 97% and 108% respectively for public and private insurance companies. In 2024, the situation was reversed, where public insurance companies collected more than they settled as recourse, while private insurance companies settled more than they collected as recourse, i.e. with a ratio (RA/RC) of 103% and 95% respectively.

From this analysis, we observe that the alignment between settled and recovered recourses claims amounts may suggest that insurers settle as many recourses claims as they recover each month. This practice raises concerns about the proper management of recourses claims within insurance companies and may adversely impact policyholders' indemnification rights.

3.6. Recourses disbursements for the period from 01/10/2022 to 01/10/2024

Settled and closed claims indicate that the concerned file has been definitively processed. This means that the policyholder has received their full indemnity after the recourse amount been recovered by their insurer. Based on this information, we have calculated the recourses disbursement rate by dividing the number of settled recourses claims by the number of settled and closed recourses claims.

Table N°6. Recourses disbursement rate for the period from 01/10/2022 to 01/10/2024.

Year	Issuing companies	Collected recourses for the period from 01/10/2022 to 01/10/2024	Disbursed recourses for the period from 01/10/2022 to 01/10/2024	Recourses disbursement rate
2022	Public	30 687	26 485	86%
	Private	12 831	9 256	72%
2023	Public	163 892	127 483	78%
	Private	77 834	41 187	53%
2024	Public	19 128	9 709	51%
	Private	8 722	2 582	30%
	Total	313 094	216 702	69%

Source: Established by the author based on data provided by the BUAA.

The recourses disbursement rate as of 01/10/2024 stands at 69%, meaning that 31% of the recourses received from adversary companies have not been disbursed to policyholder.

From the analysis of this table, we observe that for the years 2022, 2023, and 2024, the recourses disbursement rate was higher for public insurance companies compared to private insurance companies, with respective rates of (86%, 72%), (78%, 53%), and (51%, 30%). We also note that the disbursement rate for both public and private insurance companies has followed a downward trend, where 2024 recording the lowest recourses disbursement rates during the study period.

Finally, we conclude that the amount of undistributed recourses to policyholder represents a shortfall for the economy. Moreover, this amount should have been reinjected into the economy through its disbursement to policyholders rather than being retained in the insurers' accounts.

4. Conclusion

The evaluation of the "e-Recours" platform, through the analysis of consolidated data from reports provided by the BUAA, has revealed several observations that could be attributed to insurers' inefficient claims management practices. Through our calculations, we have demonstrated that significant delays and overruns in the timelines for the opening, processing, and settlement of recourse claims have been observed, which do not align with the deadlines set by the IRSAM agreement.

Moreover, the monthly analysis of the collected recourses (RA) and settled recourses (RC) by type of insurance company indicates that public and private insurers almost settle recourses claims as much as they receive from adversarial insurance companies. This trend may suggest another operational inefficiency in the recourse settlement workflow within the platform.

In addition, it has been observed that a number of insurers prioritize the settlement of a significant volume of low-value claims to artificially inflate the recourses settlement rate.

As of 01/10/2024, the automobile insurance market, through the "e-Recours" platform, has reached a recourses settlement rate of 28% in number of claims and 17% in recovered amounts. On the other hand, it has recorded a relatively low recourses disbursement rate in favor of policyholders, reaching 69%.

The outstanding amounts not settled to insurers by their counterpart insurance companies, as well as the collected recourses not disbursed to policyholders after collection, represent a financial shortfall for the national economy. These funds should not remain tied up in insurers' accounts but rather be reinjected into the economy through timely disbursement to the policyholders.

The annual and monthly analysis of recourses settlements indicates a significant increase in recourses settlement in 2023 compared to 2022. However, 2024 is marked by a noticeable decline in settlements compared to the same period in 2023.

However, despite these observations, since its implementation on 01/10/2022 until 01/10/2024, the "e-Recours" platform has effectively fulfilled its role by receiving 1 116 388 recourses claims totaling 63 968 793 170 DZD and settling 313 094 recourses claims amounting to 10 989 287 722 DZD. This represents a significant achievement in recourses claims management.

It can therefore be concluded, based on the study's findings, that the digitalization of recourses claim management through the "e-Recours" platform has yielded positive results. However, to fully achieve its objectives, additional efforts are essential to reduce the processing and settlement timelines for recourses claims and to ensure the timely disbursement of indemnities to policyholders.

To take advantage of the "e-Recours" platform, we recommend the following:

- Accelerate the digitalization of the Algerian insurance sector, especially the claim notification and expertise phase through advanced digital platforms as well as solutions using artificial intelligence in order to accelerate processing times, minimize management costs and reduce the volume of documents processed by the claims manager.
- Raise awareness among insurers about the importance of the digital transition phase in Algeria, encouraging them to actively contribute to its success rather than hindering its progress.
- Enforce penalties rigorously on insurers and policyholders in cases of violations of legal obligations, agreements, and regulations

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