

# Automated reconciliation helps Asia-Pacific insurance company focus on expansion



## OPERATIONAL RISK MITIGATION

- Reduces manual intervention and human error
- Allows focus on exception management
- Increases control
- Helps meet internal and external audit requirements

## REPUTATIONAL RISK MITIGATION

- Faster resolution of payment disputes
- Quick, efficient identification of issues

## COST REDUCTION

- 50 percent reduction in required reconciliations staff,
- Reduced write-offs
- Lower investigation costs due to quicker resolution of exceptions
- Significantly shorter duration for account closing process

The client, a large international insurance firm headquartered in Asia with a strong presence throughout Asia Pacific, is a recognized brand name in life, accident and health insurance, employee benefits, credit life and pension services including mutual funds and annuities. They have 10,000 employees.

## THE CHALLENGE: REDUCING COSTS AND RISKS ASSOCIATED WITH RECONCILIATIONS

The client has operations in many Asia-Pacific countries, each running its own reconciliations process. A move to a new accounting platform better positioned the client to grow, but highlighted the need for automation in other critical areas of the business, including the collection of insurance premiums and the disbursement of payments due to claims and other reasons. Reconciling the general ledger (GL) against bank statements was identified as a critical focus.

Reconciliation was becoming an area in urgent need of automation. Month-end reconciliation created untimely resolution of exceptions and disputes, which prevented the client from closing its books promptly at the end of every month. Often, there was a processing/reconciliation lag of up to eight weeks. Increased complexity arose from the management of expired disbursement checks and credit card fees for collection, which faced volume increases of 4-5 percent annually.

The client employed temporary staff to assist with related additional data entry and manual reconciliations but needed to reduce overhead. They also needed any new automation solution to be web-based in order to easily deploy and to support a future centralization of operations.

## CORE BENEFITS

- **Increased STP rates by 40 percent**
- **Greatly reduced write-offs**
- **Improved customer satisfaction**
- **User-friendly and easy to deploy**

### THE SOLUTION: AUTOMATED RECONCILIATION FOR EFFICIENCY, TRANSPARENCY AND COMPLIANCE

Automating reconciliation through Broadridge's Data Control Solutions created operational efficiencies; a transparent view of all processes; tighter control of permissions and access; and a higher level of data and operational integrity. Adherence with both internal and external audit requirements has become easier and more reliable.

The client's automated matching rates have risen from 50 percent to 90 percent. "Stale" or expired checks are now highlighted, centrally managed and reconciled as needed. Even credit card collections can now be reconciled by factoring in the commission charges from the issuing banks. Moreover, the exception volume has decreased, so staff spend less time on resolution and more time on more strategic business objectives.

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