Transforming Reconciliation for a Top 10 U.S. Insurance Company
Client Description:

A top 10 U.S. multiline insurer based upon data from the Insurance Information Institute. This insurer covers:

- $43B in direct premiums written (DPW)
- Property and casualty
- Homeowners
- Private passenger auto
- Commercial auto
- Commercial lines

More than 90 years in business
39,000 employees

Insurer’s Use of Frontier™ Reconciliation Now Includes:

- 2 databases
- 2,300+ scheduled jobs
- 1,500+ balance pools
- 3,000+ accounts
- Millions of records loaded per day (average)
Examples of Insurer’s Reconciliations:

- Cash and suspense
- Intercompany settlements
- Funding processes
- Unclaimed property
- Check decision process
- Outstanding item/reconciling item management
- Source system status updates
- Journal entry
- Source system balancing
- Check status web service

Key Challenges

In 1996, one of the largest insurance and financial services companies in the world was using manual financial processes to handle high-volume, high-risk reconciliations. These transactions not only led to unacceptable potential pitfalls, but they were a major challenge to keep up with due to company growth.

This leading insurer was transferring data from Microsoft Excel to a variety of tools, which opened the door to financial numbers accidentally being transposed – and a host of other misrepresentations. In addition, the company’s reconciliation and certification process was becoming an increasing burden in terms of cost and staffing.
Why Did This Fortune 100 Carrier Choose Frontier Reconciliation From Fiserv?

“We needed an automated solution that would scale to serve our entire enterprise,” said the company’s IT applications manager. “Frontier Reconciliation was initially selected because it met all of our enterprise standards, and it aligned with all of the goals we wanted to meet. It was hands down the best tool out there for what we needed to accomplish.

“Like most enterprise insurance organizations, we reassess our solutions every few years. In the case of Frontier Reconciliation, we have always come to the determination that it’s worth the investment to maintain and upgrade this application because it’s clearly a better solution that offers far more capabilities than anything else on the market.”

Results

According to the IT manager who managed the implementation, “Being able to see all reconciliation items across the board versus having 300 different Excel reconciliation documents is a game changer for us. And having a comprehensive view along with the matching process was a major win.

“Frontier Reconciliation was, and is, a massive time saver. The efficiencies we have gained are tremendous. We saw a large decrease in the number of manual reconciliations being performed and also a large reduction in the number of reconciliation errors, which contributed to the speed and accuracy of the close process.”

“Frontier Reconciliation is clearly a better solution than anything else on the market.”
Results Continued

With Frontier Reconciliation, this leading carrier now has more time for reconcilers to focus on resolving items instead of just identifying them. On a typical day in the manual world, the company’s accounting team spent six to seven hours just going through data to identify reconciliation items, which left only a couple of hours in each day to actually resolve problems. Frontier Reconciliation gave them the power to:

- Immediately know which exception items need to be addressed
- Gain more time to resolve issues
- Identify gaps and spot process issues that could result in unnecessary risk
- Uncover business process breakdowns that need to be re-engineered

Frontier Reconciliation also gave the company the ability to dramatically improve the standardization of processes. For example, this Fortune 100 insurer now uses a standard interface from an accounting rules engine that provides both ledger and reconciliation benefits, which means that the organization no longer needs to maintain rules in two different systems. This has also enabled faster speed to market on accounting integrations and higher business satisfaction.

What Makes Fiserv a Great Partner?

“We love the fact that Fiserv continually solicits our feedback on the types of Frontier Reconciliation enhancements we’d like to see, even in terms of user interface design,” said the manager of IT applications. “As an organization, we like to push the limits of what’s possible from a technology standpoint, and Fiserv does a great job of understanding what we need, helping us develop a road map for advancement and actually incorporating our requirements into product enhancements.”

When it comes to the top attributes of working with Fiserv as a partner, the IT manager said, “Fiserv embodies many of the traits we value within our own business. Our Fiserv team is capable, flexible, engaging, innovative, and most of all, forward-thinking.”