Insurance Companies

Real-time enhanced visibility into transactions to realize regulatory compliance and fiduciary responsibilities with the highest degree of confidence.

The property/casualty and life insurance industries have unique accounting requirements. Many insurance policies are a promise to pay future amounts to clients in return for premium income paid in the current accounting period. Consequently, finance and accounting teams must reconcile large assets from clients and large liabilities to clients that do not always clear in the current period. In this regard, suspense accounts are created as repositories for future cash receipts, cash disbursements and journal entries. These cash-related transactions make up a large percentage of the balance sheet and create strong fiduciary responsibilities.

To ensure the integrity of transactional data, insurance companies must have visibility into the underlying details. Toward performing the monthly close, different people often document transactions and other account information in different ways using manually created spreadsheets. Such complex workflows slow down the monthly close due to the difficulties accumulating and reviewing documents to verify the underlying details. Traditional spreadsheets lack transparency and are subject to human errors that consume time to correct, while impeding the analysis of transactional data for fiduciary and compliance purposes.

Error-free financial closings are critical to an insurance company's compliance and fiduciary responsibilities. By storing transactional data in the cloud, controls can be put in place to limit errors, if not eliminate them entirely. The reconciliation process of suspense accounts is performed by software that reduces complex workflows and solves legacy spreadsheet problems. The risk of a material weakness—ineffective internal controls put in place to prevent financial statement irregularities— is vastly reduced.

SOLUTION
Using BlackLine's Modern Finance platform, finance and accounting teams can drill down into the details of every account and consolidate this vast amount of data into a single set of financials for accounting and financial close purposes. This highly transparent way to collect, manage, track and analyze financial data provides a level of control and visibility not available with spreadsheet-driven processes.

RESULTS
Real-time visibility into accounts, culminating in the highest degree of data integrity, fiduciary risk management, and regulatory compliance.

BLACKLINE   eclipse   The world's most trusted solution for Finance Controls and Automation.

BlackLine delivers a modernized approach to finance and accounting for insurance companies with:

Automation – Replace manual, spreadsheet-driven processes with rules-driven account reconciliations, journal entries, transaction matching and variance analysis. Thanks to a unique template created specifically to address suspense accounting, aging schedules can be designed for each insurer's business suspense requirements, separate from aging schedules for all other reconciliations.

Visibility – Gain clear visibility into account reconciliations and other financial information across multiple currency amounts, while accessing this data where and when you need it—in real time.

Efficiency – Spend much less time on transactional tasks to provide value-added services – making sense of financial data to improve business and financial performance, rather than just tallying up the figures.

Assurance – Detect and correct errors easily to assure optimal fiduciary responsibility and regulatory compliance, vastly reducing the risk of client satisfaction issues and accounting irregularities.

Reporting - Assure that all reporting from ERP systems (SAP, NetSuite, Intacct, Oracle) is validated and accurate throughout the close process.

Business Impacts

- **Real-time visibility into all transactions for all accounts.** Validating the accuracy of insurer data is vastly enhanced, giving senior management confidence in the management of fiduciary risk to achieve worry-free compliance and client satisfaction, while compressing the time it takes to close the books.

- **Efficiently manage tasks.** BlackLine's Task Management product tracks to-do lists such as close calendars, auditor PBC lists, and regulatory compliance controls.

- **Dramatically increase efficiency.** Reconcile hundreds of millions of transactions—in less time—enabling finance and accounting teams to work on truly critical projects instead of tracking complex workflows to ensure the accuracy of data.

- **Streamline time-consuming global business tasks.** Achieve full support for multiple currencies and various types of reconciliations, including GAAP, statutory, IFRS and more.

- **Reduce risk.** Improve accuracy and avoid formula and formatting errors common to any manual data export process.

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