

Unallocated cash headache?

Pro Insurance Solutions

Unallocated Cash in Insurance
Scenarios 3 & 4

**Probe the
issues.**

**Map the
Process.**

**Provide
cash
clarity.**



For Brokers and (Re) Insurers

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Scenario 3

OUTWARD REINSURANCE TECHNICAL ACCOUNTING OPERATIONS



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A global reinsurer operating through insurance and reinsurance, writing multiple classes of business, had increased in size in a relatively short period of time through both acquisition and growth of existing businesses. This resulted in a number of process inefficiencies, including large volumes of regular manual activity that was also identified and highlighted following various internal audits.

THE CHALLENGE

Pro was engaged to undertake an initial review and identify areas for further activity, improvements and additional support that could be provided.



THE SOLUTION

Pro undertook a review of operations and recommended various work streams designed to break activity into manageable tasks and address the issues identified. The four main work streams were:

Review of resource constraints and development of strategy – creation of documentation to support current processes and improvements to period reporting and closing

Short term assistance to address backlogs of work – Technical outsourcing resource to resolve backlogs and support BAU activity

Longer term assistance – identification of future processes and development of future process documentation

System implementations – operational support for implementation of new policy administration system and creation of training material

SUCCESS

- Following the review, £50m of premium was booked and cash allocated, while £20m of Fac and XOL claim recoveries were also issued to brokers and collected. There was also a notable reduced reliance on key individuals, and risks of single points of failure were subsequently addressed.
- In addition, expert resources on ceded re-insurance were implemented to reduce backlogs and impacts on future reporting. These elements ensured improved monthly and quarterly reporting, plus full documentation of current and future processes.
- Finally, a structured approach to tackle issues in manageable portions was put into effect, which helped improve communications between business units.

£50m

BOOKED AND ALLOCATED



£20m

CLAIM RECOVERIES



Scenario 4

BROKER SERVICES

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A major Lloyd's Syndicate had set up its own broking arm to handle the placement of certain elements of their underwriting portfolio and thereby achieve significant cost reductions. Being new to the broking environment, the client lacked much of the infrastructure, expertise and experience that a traditional Lloyd's broker can provide.

THE CHALLENGE

This created operational problems with the signing and settlement of risks through the Xchanging Insurance Market Repository and management of their ledger and credit control functions. Pro was therefore appointed to provide ongoing expert resource for certain functions and offer solutions to quantify and resolve historic problems.



THE SOLUTION

Pro was first asked to provide resource to submit MRC Slips through the Xchanging Insurance Market Repository for signing. Here we identified that a high proportion of slips were queried and rejected by Xchanging due to errors within the slip wording. Pro provided the client with a pre-submission slip check, which resulted in a significant reduction in the number of Xchanging queries and consequent signing delays.

Most of our client's business was binder based, with provision for monthly premium bordereau submission. Here we were asked to submit bordereau that had been prepared by the client. Again, we identified a high query and rejection rate with Xchanging due to missing or incomplete bordereau information. Pro's solution was to assist in the design and compilation of these bordereaux pre submission. Since doing so, signing delays and queries have drastically reduced.

Pro was also asked to review and reconcile the broker bank account to ensure that cash received from and paid to their clients had been correctly signed through the Lloyd's Central Settlement system.

Having completed this reconciliation, Pro identified a number of discrepancies that had occurred due to poor internal cash allocation and technical processing procedures. Pro has since instituted and maintains control procedures to ensure all cash is reconciled and that any discrepancies are queried and resolved promptly. These checks, together with those we perform when preparing the bureaux signings, have helped eliminate ongoing issues and allowed focus on the resolution of the historic problems.

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SUCCESS

Following the processes that Pro put in place, there has been a significant reduction in Xchanging signing delays. There has also been an implementation of cash management control procedures to reduce unallocated cash.

Because the client outsourced those activities where it lacked expertise to Pro, they were able to achieve the desired cost reductions – without creating major operational problems that could damage its reputation.

Pro.

Book your complimentary strategy session to resolve **unallocated cash**.

The session covers:



1. DIAGNOSE

Analysing existing approaches to identify the root-cause of your unallocated cash problem.



2. RESOURCE

Review current resourcing and identify what's needed to proactively manage unallocated cash.



3. RESOLVE

Build a bespoke blueprint to help you resolve your unallocated cash backlog and proactively manage it into the future.

Headache Free



Book your session now by emailing: Rich.Emmett@pro-global.com

About Pro

Pro a market leader in the provision of expert led (re)insurance solutions. For over 28 years, we have been the 'go to' provider of outsource solutions for many global insurance groups, including the largest global reinsurers, Lloyd's Syndicates, major brokers and several global P&C companies.

