

Unallocated cash headache?

Pro Insurance Solutions

Unallocated Cash in Insurance
Scenarios 1 & 2

Probe the
issues.

Map the
Process.

Provide
cash
clarity.



For Brokers and (Re) Insurers

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Scenario 1

TECHNICAL ACCOUNTING AND UNALLOCATED CASH

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Getting to grips with a significant ledger variance between cash, technical signings positions and Lloyd's reporting requirements is no mean feat, but Pro is helping a carrier achieve just that. Since 2019, our experts have worked with a leading global specialist insurance company to support unravelling accounting and ledger complexities involving several of its overseas entities and general London Market binder business.

THE CHALLENGE

To match long-standing unallocated cash and technical signings across the premium and claims ledgers submitted by bordereaux.

To unravel many years of data processed incorrectly or not processed, and support reconciliation to resolve the variances between cash and technical accounting.



THE SOLUTION

The team worked with a plethora of different systems and processes to solve the mismatches.

They developed a strategy with the client, along with creating bespoke mappings between the different systems, to ensure that all balances could be traced back to their origins and reconciled.

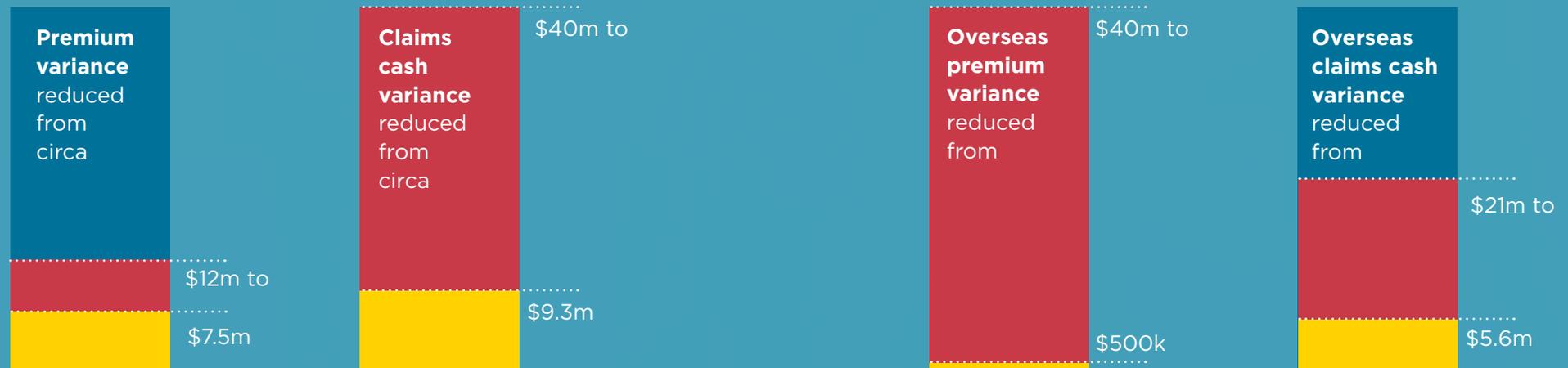
Enhanced BAU processes are now managed by Pro's dedicated team. In addition, the overseas project was extended to allow us to further forensically analyse signings and cash positions to achieve an accurate write-off figure at year-end.

SUCCESS

The general binder business has seen significant progress, including premium variance reduced from circa \$12m to \$7.5m. Claims cash variance has also been reduced from circa \$40m to \$9.3m.

The overseas entities also reported positive results, including premium variance reduced from \$40m to just \$500k, and claims cash variance reduced from \$21m to \$5.6m.

Both forensic and transformative work was delivered to this client. Pro has also provided them with the tools to standardise accounting and reporting submissions to Lloyd's, resulting in auditable processes and saving significant time and resources in the future.



Scenario 2

M&A INTEGRATION AND UNALLOCATED CASH CLEARANCE

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Pro worked with a medium-sized global insurance company which had identified serious integration issues following a transformative acquisition. The company was struggling to pass audits and operate a joint finance department that could collect ceded reinsurance recoveries, let alone reconcile them in their ledgers, resulting in US\$60 million of unallocated premium.

THE CHALLENGE

To resolve the uncollected reinsurance recoveries and unallocated premium within the six year statute of limitations to claim reinsurance recoveries, the issue was identified 24 months post-acquisition, leaving four years to collect the rest)

To maintain BAU and staff retention while installing new processes, expert guidance and more resource .



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THE SOLUTION

To define the ceded reinsurance recoveries backlog in the absence of processes and reports, extract the correct data and identify any recovery due, using our excellent relationships with brokers and underwriters in the market.

To create a test environment to check that planned resolutions wouldn't cause any unintended issues and provide extra resource to support business as usual.

To design and build new processes from scratch, define and recover the backlog, and train the in-house team to help implement these.

SUCCESS

More than US\$40m of ceded reinsurance recoveries have been booked and collected, with the backlog now cleared.

On the premium allocation issue, US\$60m in premium has been correctly booked, with the correct processes in place to ensure this continues.

Pro used its experience and expertise to define the processes that were needed to manage and reconcile new back office systems to both facilitate and make the integration the success the company had expected.

OVER
US\$40m
BOOKED AND COLLECTED



US\$60m
PREMIUM ALLOCATION ISSUE



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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.



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