

## CASE STUDY

# Life Insurance Provider – Reinsurance and Commission Calculations



## ABOUT THE COMPANY

The customer is an Australian specialist life insurance provider that was established and is supported by a team of industry-leading experts who passionately believe that advisers, and their clients, deserve better. The business has therefore been built from the ground up to significantly improve the way life insurance is delivered in Australia today. With fairer, more stable pricing, faster decisions and a commitment to a whole new level of customer service.

Focusing solely on the advised segment of the market, the company, therefore, needs to be agile and responsive so they can deliver the best possible outcomes for advisers and customers. This need for agility extends beyond their products and goes right through to the processes that support their operations.

# THE CHALLENGE

One of the key finance processes for the company is the calculation of reinsurance, fees and commissions. This weekly process determines how much the company needs to pay for reinsurance and how much they must collect in fees and commissions.

The life insurer relied on a manual, spreadsheet-based, process to calculate their reinsurance, fees and commissions each week. Staff would start by combining policy and general ledger data in a spreadsheet. Next, they would enrich the data with a series of lookups and mapping tables. They would then use formulae and filters to validate, transform and cleanse data. Finally, they would produce a series of reports and summaries showing the calculated reinsurance, fees and commissions as well as a journal for their accounting system.

*"Using SolveXia, we are now able to process our weekly reinsurance and commission calculations within hours, rather than days. In addition, we have mitigated a key-person risk by automating and documenting the entire process."*

**- CFO**

The manual process was taking 1 full day each week to complete, burdening key staff who want to be focusing on more analytical tasks. Additionally, there were concerns about how they would scale this process to meet the expected (and significant) growth in the number of policies being sold each week.

# SOLUTION

The company selected SolveXia to automate their process to calculate reinsurance, fees and commissions. One of the key reasons for selecting SolveXia was that it allowed the finance team to be self-sufficient and agile. Rather than leaning on their IT department, they opted to leverage cloud-based automation to empower their finance function.

Using SolveXia's library of data processing "instructions", the team was able to automatically combine all data and perform the necessary calculations, cleansing and validations and ultimately produce their key reports (in Excel format). The automated solution also alerts users for key validation issues and allows for corrections (adjustments) to be made in a controlled and audit-friendly manner.

SolveXia's Sydney-based implementation team helped automate the process. By leveraging the expertise of SolveXia's team, the insurer was able to have an automated solution up and running quickly, with minimal disruption to staff. Going forward, staff at the insurer can maintain and adapt the automated process as needed - with ongoing support provided from the team at SolveXia.

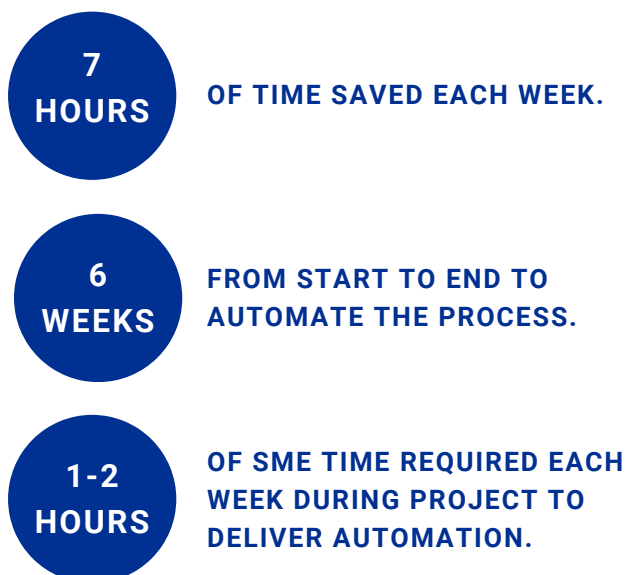
The SolveXia platform was able to easily ingest data from the company's data warehouse as well as spreadsheets and other flat-file formats required for the task.

## KEY RESULTS AND OUTCOMES

Having automated their process to calculate reinsurance, fees and commissions, staff can focus their attention on other, more analytical tasks. The company has reduced its dependency on key staff to do the work each week and have greater certainty that the premiums, fees and commission are calculated correctly and in a consistent way.

One of the most important outcomes from automating is that the insurer is able to scale this process as the company grows, without needing to hire additional staff. Being a new, rapid-growth company, the business and regulatory environment is constantly changing. The flexibility of SolveXia means that the finance function can now quickly adapt to changes if/when needed.

### KEY METRICS



### KEY DATA & SYSTEMS

