



FINANCE & ACCOUNTING

Streamlining Underwriting Accounting and Boosting Compliance for a Leading P&C Insurer

Xceedance re-designed the underwriting accounting process for the client, reducing cycle time from eight days down to one.



The Client

A global P&C insurance service provider

The Challenge

The client wanted to implement a robust process to generate underwriting journal entries at the policy level, which were only created at the general ledger account level at the time. There was no available tool to perform the complex calculations for deferred acquisition cost, unearned premium, and reinsurance ceded portion. The manual process of creating underwriting journal entries required significant effort and time and did not comply with the global underwriting accounting practices of the client. Additionally, actuarial teams did not have access to policy-level earning inputs to compute claims reserves and risk margins.

Our Solution

Xceedance team members worked with the insurer to identify the input data files containing written premium and other relevant information at the policy level, then held discussions with the finance, operations, and actuarial teams to capture the end-to-end process for computing earnings at the policy level. The team automated the computation of deferred acquisition cost and unearned premium. Reinsurance calculations, including ceded premium, commission, deferred acquisition cost, unearned premium, and excess of loss, were also automated.

The preparation of entries complying with generally accepted accounting principles (GAAP) reporting across multiple standards was automated, and control checks were incorporated to ensure data accuracy at multiple stages. These initiatives helped the client free 30% of resource capacity to allocate toward GAAP closing processes.



Proven Results

By partnering with Xceedance, the insurer streamlined the process to create monthly underwriting journal entries at the policy level, reducing cycle time from eight days down to one. Moreover, the actuarial team was able to utilize the earning file from an automated tool for reserve and risk charge calculations. These changes significantly boosted productivity and further strengthened the client's global underwriting accounting practice.



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