

ENHANCING TREASURY REPORTING/ANALYTICS CAPABILITIES

Trexin helped a large health insurer enhance its Treasury reporting / analytics capabilities and streamline the operational process used to create production reports.

BUSINESS DRIVER

Our Client, the Treasury Cash Management and Control team of one of the largest health insurers in the country, is responsible for daily management of operating bank account balances, funding of disbursement accounts, and timely communication of excess or deficit balances to Investment Operations. Cash management is an important area of focus for Treasury as they are responsible for the safekeeping and control of the firm's cash and investments, thus relying heavily on the primary internal control of existing bank and cash reconciliations. Uncertainty regarding implementation of the newly enacted Affordable Care Act presented risks, so Trexin was asked to streamline operational processes and create new production reports to enhance our Client's Treasury reporting and analytics capabilities to accurately measure and assess capital and liquidity.

APPROACH

Trexin deployed a team with expertise in both insurance and investment management and used Trexin's capability assessment, strategy, and roadmap (ASR) methodology to:

- Quickly gathered information to develop a common baseline of understanding of current processes and capabilities.
- Reviewed bank data feeds and systems involved including: Treasury Workstation capabilities, Cash Application Hub, and PeopleSoft Financials system.
- Documented the Treasury Reconciliation Report and indicated which Bank account/BAI code pairs are booked by Treasury Workstation.
- Analyzed and documented Treasury Workstation general ledger postings to cash accounts and identified other areas posting to those accounts.
- Evaluated business and technical requirements for future-state improvements.
- Assessed the possibility and feasibility to match off daily banking activity (data feeds) with the corresponding general ledger cash entries.
- Proposed recommendations to the steering committee covering use of Treasury Workstation, cash posting work flow, and new PeopleSoft functionality.

RESULTS

By providing detailed documentation of reporting and improved accuracy of cash management reconciliation processes, Trexin helped our Client's Treasury department better track and control over \$100 billion in annual operating cash flow and \$30+ billion of annual investment & financing cash flow, which positively impacted investment performance.

ASR Approach to Realize Insurance Carrier's Treasury Reporting Capabilities

Our Client required a way to track and analyze both cash management and investment data in order to accurately measure capital.



Staffing Structure Proves Beneficial

With the rollout of the Affordable Care Act (ACA), many health insurance companies faced untouched waters in regards to regulations and processes. It was quickly determined that resources who had both Client knowledge and investment experience were required to develop an approach that met our Client's needs; components of which included:



Gathering of information for a common baseline of understanding



Evaluating requirements for future state improvements



Matching daily banking activities with the general ledger

Taking it to the Bank

Trexin's recommendations and approach positively impacted our Client's investment performance. Key outcomes included:



Detailed documentation of reporting



Improved accuracy of cash management

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