



## 5 Things

Every Insurer Should  
Expect from an Investment  
Accounting Provider

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# INTRODUCTION

For insurance investors, the investment accounting function is **critical to bottom-line success**. With this in mind, many insurers outsource investment accounting so they can:

- **Focus** on portfolio management and navigating the regulatory environment
- **Leverage** teams of experienced, dedicated insurance accounting experts
- **Reduce** infrastructure costs and burdens while accessing more advanced technology
- **Achieve** greater operational efficiencies that strengthen their bottom line
- **Gain** greater scale and flexibility to acquire, expand and diversify investment strategies across asset types, regions and jurisdictions

**It's complex work** that does not forgive mistakes, and insurers place a lot of trust in an investment accounting partner to **get the job done right**.

To live up to the trust placed in them, an insurance investment accounting partner must consistently deliver **operational efficiency, accuracy, transparency, flexibility** and **scalability**.

Errors, miscommunications or missed deadlines have serious consequences such as:



Regulatory  
penalties  
and fines



Reputational  
damage



Lost revenue  
and decreased  
operating  
margins

Excellence requires the perfect mix of experience, expertise and technology. A partner's failure to deliver in even one of these areas can significantly **increase your risk** and **hinder your ability to grow** and operate effectively.

To help you identify confidence-worthy partners, here are five things every insurer should expect from their insurance investment accounting provider.

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[Read on for more detail →](#)

# CUSTODIAL DATA SOURCED VIA AUTOMATION

Your service provider should source custodial data in an automated fashion without requiring you to manually fill out templates.

AI-based technologies and infrastructure such as natural language processing, optical character recognition and machine learning have come a long way. Because of this, providers should be able to automatically collect, ingest, read, parse and process data from various non-standardized documents and data sources.

This way, domain experts can **review and verify** the data in a more **timely and efficient** manner. Your investment accounting provider should not be asking you to do the manual grunt-work you are paying them to eliminate.

# SOC1 CONTROL ENVIRONMENT

Your service provider should provide a strong SOC1 control environment with independent checks and balances that both you and your auditors can rely on.

A strong control environment is critical to ensuring complete, accurate and timely validation of your investment data. This should include proper reconciliation procedures, data access and security protocols as well as asset valuation, classification, rating and reporting checks and monitors to ensure proper reporting on the appropriate NAIC schedules.

Look for an **investment accounting provider** who has these controls in place and is ready to **demonstrate them – and SOC1 compliance** – on-demand to regulators or auditors.





# KNOWLEDGE, SERVICE AND COMMUNICATION

Expect open lines of communication with a knowledgeable, responsive and accessible team supporting you, so you always know whom to call.

While staff retention is a challenge for many firms right now, this should not translate into a problem for you. You should always have a knowledgeable person servicing your account and access to a dedicated team of seasoned insurance investment accounting experts who can promptly address any requests or concerns.

You are paying your investment accounting provider to **understand the nuances of your business**, and they should not be subjecting you to recurring “key man risk,” where you are consistently forced to retrain junior or inexperienced new staff members due to their turnover.





# ONE INTEGRATED SYSTEM

All public and private assets can and should be on a single system.

Managing private equity and other alternative investments in a spread sheet exposes you to risk and human error. Expanding your allocation to private investments need not require added technical or operational complexity or unnecessary increased risk.

Platforms are available today that can accommodate the **efficient processing, accounting and reporting** of both your public and private investments on a single system, enabling you to diversify your investments while holistically **managing risk, compliance and exposure** across the entire portfolio.



## TIMELY, ACCURATE DELIVERABLES

You should receive timely, accurate deliverables with transparent service levels so you can meet your month-end close timelines and quarterly/annual Statutory filing deadlines.

Your insurance investment accounting provider should be able to provide real-time or near real-time transparency into their operational process and your investment data. You should know where you stand at any point in time, with both governance and transparency to collaborate on the resolution of any errors, missing data or exceptions well-ahead of month-end closes.

**High transparency** will also ensure more timely and accurate closes, while alleviating unnecessary fire drills at quarter- or year-end, when it comes to regulatory filings.



## NEXT STEPS: ASSESS POTENTIAL PARTNERS

This checklist can help you evaluate insurance investment accounting options. Look for partners who have cultivated each feature into their offering. They are the ones with the potential to deliver on all five expectations.

<b>Integrated technology features that deliver analytical insights, operational efficiency, accounting and reporting flexibility</b>	<b>Provided by SS&amp;C</b>
Embedded AI technologies such as NLP, ML, RPA and OCR	✓
Modern, web and mobile accessible interface	✓
Support for public and private investments on a single system	✓
Integrated risk, performance and financial analytics	✓
Real-time transparency into the status of operational and accounting functions	✓
SaaS, co-sourcing or outsourcing options	✓

<b>Team-based attributes for reliability, security, responsiveness, and adaptability</b>	<b>Provided by SS&amp;C</b>
Deep bench of tenured domain experts	✓
Client-dedicated teams	✓
Demonstrated commitment to innovation	✓
Decades of insurance experience	✓
Proven service level reliability with ability to meet closes and filing deadlines	✓

## ABOUT SS&C

SS&C's North American-based insurance outsourcing staff consists of over 2,000 insurance-dedicated professionals and 700 CPAs/CFAs with an average 12-year tenure. The team has deep insurance accounting and regulatory reporting expertise across both public and private investments to help ensure timely period closes, along with reliable and accurate NAIC Quarterly and Annual Statutory statement and footnote disclosure preparation, quality control review and filing assistance. They are also readily available to assist with any transaction and GL detail, asset valuations, pricing or financial reporting questions.

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