KPMG

"What we were really looking for was an integrated platform of the reporting environment, the general ledger, and the accounting hub.

The KPMG digital finance solution allowed us to achieve that."

Chief Financial Office, Large US P&C insurer

Sector:

Insurance

Scope:

Provides a comprehensive range of residential, commercial, and flood coverage insurance through a diverse network of agencies and affiliated carriers.

Scale:

500+ employees
$1.4B annual revenue

Building a modern finance function

How KPMG LLP helped a Property and Casualty insurer to transform their finance function

This leading US P&C insurer encountered significant growth impediments due to inefficiencies in its existing finance technology stack. The organization was expanding but disconnected systems, manual processes, and a lack of insight were holding back their growth ambitions.

They were looking for a trusted partner to guide and support their modernization agenda.

So, what was the problem?

Their existing finance function presented them with a number of inherent operational challenges:

- High-volume of manual activity and workarounds leading to an extended close period
- No single source of truth for financial data leading to time spent validating data vs. value-add analysis
- Inability to automate the manual processes for the ceded business using the existing finance technology
- Manual reconciliation of financial data and adjustments
- No concept of an accounting subledger creating limited transparency from transaction to financial reporting
- Gradual increase in finance costs as the business expanded

The need for change

Acknowledging the necessity for a transformative approach to propel the organization's modernization journey forward, the institution engaged with the US KPMG member firm.

"Having a firm that had the complete platform and was willing to invest the time to stand that up was very critical to our success and allowed our team to continue focusing on their day job while KPMG supported a significant amount of the implementation."

How KPMG helped

A collaborative, focused approach delivered an innovative, modern solution

Combining deep finance expertise with a clear understanding of this insurer's requirements, a complete end-to-end solution was implemented for their finance function. This specialized managed service provided a strategic alternative to complex traditional systems, yielding these transformative results:

- Automated end-to-end financial reporting process through a fully-integrated platform using leading finance technologies.
- Consolidated disparate source systems into a Modern Data Platform for dynamic reporting.
- Replaced manual tasks (e.g., ceded business) with event-based accounting rules and an insurance subledger.
- Introduced Machine Learning to proactively flag data quality issues at entry into the Digital Finance platform, created trusted data.
- Enabled incremental automation for core finance processes (AP, AR, FA) via a leading ERP solution.
- Embedded controls throughout the architecture to improve accuracy in financial reporting.

~20%
reduction in total cost of finance*

~75%
reduction in speed to close*

60%-70%
reduction in manual activities*

*approximations based on preliminary data

The impact

Working with KPMG, this P&C insurer has been able to modernize their finance function, setting the foundations for their growth ambitions while enjoying significant operational benefits.

Cost takeout:
Onboarding onto the KPMG Digital Finance platform is expected to reduce the total cost of finance by approximately 20%.

Risk reduction:
Automated controls as well as increased granularity and transparency in Financial data improved overall accuracy of financial reporting.

Speed to close:
Client is expected to reduce days to close by approximately 75% due to more frequent data processing, improved data quality leveraging AI as well as a fully integrated finance architecture.

Reduced manual activity:
Manual journals are expected to be reduced by 60%-70% due to improved data quality and integrations as well as the accounting rules and calculation engine.

Scalability:
This organization can grow their business with confidence, leveraging technology without any significant increases in headcount and costs.

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