

# SUPPORTING INSURANCE COMPANIES' EXPANDING ACCOUNTING NEEDS

Insurance companies can rely on Northern Trust to provide effective, efficient and reliable solutions to their accounting and other operations-related challenges. Here's how we helped one.

## MANAGER PROFILE

- Large property and casualty insurer headquartered in the Midwest
- Insurance assets of approximately \$15 billion
- 90%+ of insurance assets are internally managed, including middle office and accounting/regulatory reporting.

## THE CHALLENGES

- The client wanted to expand its allocation to include bank debt and was hiring an external manager for the first time to help support it.
- Funding for the bank debt portfolio was projected at approximately \$250 million but included more than 800 individual line items, many of them non-standard or odd-lot sizes.
- The client's existing accounting systems were not configured to support bank loans, and the complexities of the asset class threatened to significantly strain in-house operations teams.
- The client grew concerned that logistical and technical challenges would delay the portfolio's launch.

## THE SOLUTION

- Northern Trust's bank debt team worked closely with the client to share our expertise about the eccentricities of bank debt as an asset class.
- By developing a component outsourcing approach, Northern Trust now supports investment and statutory accounting for the bank loan portfolio.
- We capture and validate all bank debt activity, value the portfolio, produce accounting and statutory reporting, and feed that data back to the client's systems for aggregated reporting.

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Northern Trust offers efficient ways to meet insurance company accounting-related challenges.

## THE VALUE

- The insurance company was able to launch the portfolio within a month – far quicker than otherwise possible – by recruiting Northern Trust's scale and expertise.
- It avoided a major investment in systems and specialized talent necessary to effectively support the portfolio by outsourcing those activities to Northern Trust.
- The solution enables seamless integration with, and minimal disruption to, the client's existing processes for the rest of its portfolio.

"Northern Trust worked with us to develop a solution that effectively and quickly addressed the accounting, servicing, and statutory reporting requirements," said a company executive. "They displayed teamwork and a 'can-do' attitude that allowed our company to move forward without delay. Our internal stakeholders appreciated the quick resolution to an extremely challenging issue."

## FOR MORE INFORMATION

To learn more, visit [northerntrust.com/insurance](http://northerntrust.com/insurance) or contact your relationship manager.

**[northerntrust.com](http://northerntrust.com)**

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