Finance Process overview

	Summary Details
Process Name	Claims
Process Owner	Stephen Kilbey
Process Objective	Ensure claims recorded in the ledger are accurate and complete.
Process Scope	The process covers the following: i. Recording of claims in the ledger including the import of data from source systems/files into FDM. ii. Calculations of outstanding claims, claims handling reserve and ceded RI bad debt provision within FDM and posting of resulting claims related adjustments from FDM to the ledger. iii. Settlement of approved claims and the posting of claims settlement adjustments to the ledger. The following is excluded: i. RITC claims covered separately under the RITC process (cycle 7). ii. Claims approval for settlement as this is done outside of Finance. iii. Claims transactions matching which is will be covered separately.

Summary of Findings and Recommendations

Below is a list of findings or recommendations identified in the claims process:

	Summary Details	Classification (design gap, control gap, process improvement)
1	Claims data load from source systems/input files to FDM is significantly manual via the FDM control sheet and prone to human error. Finance should consider making this process automated.	process improvement
2	The posting of the following claims journals is significantly and prone to human errors. i. Outstanding claims, claims handling reserve and ceded RI bad debt provision from FDM to the ledger. ii. Claims settlement journals. Finance should consider making this process automated.	process improvement
3	There are a number of data reconciliations which are manually performed by Finance in the claims process as shown below. i. Reconciliation of FDM to Wizi ii. Reconciliation of FDM to Agresso iii. Daily claims settlement reports from Xchanging iv. LCO reconciliation Manual reconciliations may be time consuming. Consider automating the system reconciliations. Finance would review the reconciliations and address reconciliation issues.	process improvement

	Summary Details	Classification *(design gap, control gap, process improvement)*
4	There are no system controls available to prevent duplicate vendor account set up in Agresso. A manual check is required to confirm the vendor account is not already set up before completing a new request. Although the setting up of new vendors accounts is set to move from Finance to Claims teams and Finance will be excluded from the process , this control recommendation would still valid.	process improvement
5	Changes to vendor account masterfile (addition of new vendors and changes to existing vendors) are reviewed on a sample basis every quarter. All changes in Agresso should be reviewed and approved by an independent reviewer who checks all details back to source documentation before the account is activated. This would be a preventative control and the same control as performed by the Accounts Payable team.	Process improvement
6	There is no formal process for dealing with payments of urgent claims. Normally urgent payments requests should be processed within one working day. The Claims team should ensure requests are made in adequate time for the Finance team to meet Beazley's objectives of paying claims within SLAs and to reduce the pressure on the payments team.	Process improvement
7	Coverholder Operations team should review bank statements for returned claims payments and make necessary adjustments on a timely basis (e.g. weekly).	Control gap

Future Development Requirements

Below is a list of future development requirements identified.

	Summary Details
1	Automation the claims data load from source systems/input files to FDM.
2	Automation of the posting of claims journals from FDM to Agresso.
3	Automation of claims settlement journals

4	Automation of the following manual claims data reconciliations performed by Finance in the claims process as shown below.
	    i. Reconciliation of FDM to Wizi
	    ii. Reconciliation of FDM to Agresso
	    iii. Daily claims settlement reports from Xchanging
	    iv. LCO reconciliation

Risk Register Controls

Below is a list of controls identified for the risk register.

POAP Major Process Objective (s)	Risk Register Control	Status/Comment
Ensure all changes to master data are valid Ensure claims settlements are valid	- Access to change master data (policy and vendor Master file) in FDM and Agresso is restricted. - All changes to master data in FDM and Agresso are appropriately approved. - Periodic access reviews are completed and any invalid access to FDM and Agresso are disabled.	New Proposed control. This control is applicable to all processes which uses FDM and Agresso.
	Finance approves the release of payment in settlement of all approved claims. Before approving the release of payment Finance performs the following (where applicable): - review and confirm the claim was approved by someone who has the appropriate authority level to approve the claim (non ClaimCenter claim only as authority limits are built within ClaimCenter) by checking the approver against Group Claims Authority levels list sent from Group Claims Operations Manager (Steve Flood) to Coverholder Finance monthly and circulated to Payment Approvers. - agree the payee account details on the approved claim on ClaimCenter to the details on the payment request. - ensure that the payment is not a duplicate payment.	Current control to be added to risk register. Confirm how this control can be monitored and consider adding this to risk register.
	Monthly bank reconciliations Balance sheet accounts reconciliations are captured on the monthly Dashboard under control # 452 in the risk register. Control #425 is as follows: In the last quarter the balance sheet reconciliation dashboards have been completed. Any issues arising have been escalated to the HOGF and where appropriate actions are put in place to resolve and are being tracked to resolution.	Current control is already in the risk register. Keep control as is.

Ensure claims amounts in the ledger is accurate and complete	Reconciliations of finance systems to source claims data (i.e. Wizi).	Current control to be added to risk register.
	- Analytical reviews of claims activity, including current and historical claims trends - Monthly analysis of claims amounts against budget and prior period by product category - Management review of significant claims deviations from expectations.	New Proposed control. Some of analytical reviews are in place but the control is not captured in the risk register.

6.1

Claims

6.1.1 Strategy → Business Plan

6.1.2 Reserving

6.1.3 Approving Claims
- Lloyds Central Settlement
- Settled Direct
- Data entry

6.2

Recording in Ledger OY Signings and Claims

6.2.1 Manage Master data → Vendor Masterfile

6.2.2 Import Claims data (Open Year)
- Import claims data from Wizi
- Import Claims Handling Reserve data
- Import Bad Debt data

Note: This FDM process does more than just claims data import

6.2.3 Claims Analysis and Posting (Open Year)
- Analyse/ validate claims data from Wizi
- Analyse validate Claims Handling Reserve data
- Analyse/ validate Bad Debt data
- Analyse/ validate outstanding Claims
- Post Claims Journals

6.2.4 Non-Open Year claims → Done as part of RITC process → *see cycle 7 (RITC)*

6.3

Claims Settlements

6.3.1 Claims Settlement – ClaimsCentre UK
- Settle approved claims
- Prepare payment journal
- Post payment journal

6.3.2 Claims Settlement- manual
- Settle approved claims
- Prepare payment journal
- Post payment journal

6.3.3 Claims Settlement -TPA
- Creating loss funds
- Topping up loss funds
- Post payment journal

6.3.4 Claims Settlement- Lloyds
- Process daily settlement report
- LCO reconciliation
- Post payment journal

6.2 Open Year Claims – Posting to the Ledger

Update FDM with Wizi Claims Data | Update FDM with Wizi Claims Data | Outstanding Claims, Claims Handling Reserve & Bad Debt Calculation | Posting Outstanding Claims, Claims Handling Reserve & Bad Debt Calculation

Actuarial

Start

Wizi

Wizi

CHR (Xls)
Source: Underwriting teams

Start

Bad Debt Data (Xls)
Source: Ceded RI

Dublin Finance team

FDM Control Sheet (xls)

Select Wizi process, environment, year, month

Load data

Posting Engine Sheet (xls)

Select OY Signings process, relevant sub process, time series, client code, accounting period, YoA, Entity

Generate Agresso Batch

Review Posting in SharePoint

Post in Agresso

[C6.2.2.3]
Pre posting review- Reconcile postings back to Wizi

FDM Pivot Table (xls)

[C6.2.3.2]
Automated email confirmation of successful posting in Agresso

End

Amended data sheet "Open Year Claims Upload Template" (Xls)

FDM Control Sheet (xls)

Select OY Claims process, environment, year, month

Upload data

[C6.2.2.3]
Pre posting review- Reconcile postings back to Wizi

FDM Pivot Table (xls)

Posting Engine Sheet (xls)

Select OY Claims process, relevant sub process, time series, client code, accounting period, YoA, Entity

Generate Agresso Batch

Review Posting in SharePoint

Post in Agresso

[C6.2.3.2]
Automated email confirmation of successful posting in Agresso

End

FDM (automated)

[C6.2.2.2]
Automated Email confirmation of successful load of data into FDM

FDM Cube

Agresso Batch Input/ SharePoint

[C6.2.2.2]
Automated Email confirmation of successful load of data into FDM

FDM Cube

Agresso Batch Input/ SharePoint

6.3 Claims – Payment of Claims

Legend: Start | System | Existing Control | Risk | Frequency | End | Data Source/template | New Control Required | Decision | Off page reference | Database

Columns: Claims Payments- Claims Centre | Claims Payments- Non Claims Centre | Claims Payments- TPA Loss Funds | Claims Payments- Lloyds Claims

Lloyd's/Broker/TPA/Binder

Claims Payments- Claims Centre:
Start → Claims notification

Claims Payments- Non Claims Centre:
Start → Claims notification

Claims Payments- TPA Loss Funds:
Start →

Claims Payments- Lloyds Claims:
Start → Process claims payments → Add to Daily Settlement Report → Daily Claims Settlement Report

Claims Assistant/Manager

Claims Payments- Claims Centre:
- Vendor on Agresso?
  - Yes → Input claim in Claims Centre → Claims Centre → [C6.3.1.1] Claims Manager approve claim. Claim approved within workflow/limits → Approved Claims → End
  - No → Request new vendor set up
- Claims centre update with paid claims

Claims Payments- Non Claims Centre:
- Claims Manager approve claim → Send claim to Underwriting and Claims Operations (UCO) to process non-cash signing at Lloyd's → End
- [C6.3.1.1] Claims Manager approve claim. Claim approved within workflow/limits → Create an email with amount, claimant bank details and evidence of claim manager approval

Claims Payments- TPA Loss Funds:
- External party supply proof/confirm bank account details of beneficiary on behalf of Beazley → Claims Manager request loss fund amount
- Receive monthly Bordeaux → Claims Manager request top up to loss fund

Coverholder Finance team

Claims Payments- Claims Centre:
- Set up vendor in Agresso → [C6.2.1.1] Approval of vendor in Agresso
- [C6.2.1.2] Quarterly approval of sample of changes to UK CL Supplier Master File → End
- Bank details taken directly from Agresso → Payment run by currency - remittance proposal - remittance confirmation - load payment → [C6.3.1.2] Payment requests over $250k sent to Compliance to perform security check. Manager to sign request as evidence → Agresso
- GBP payments – Automatic load of all details into DB
- EUR/USD/CAD payments – DB manual load of all details
- Upload approved claims to LES → Approved Claims Upload from LES to Agresso → Agresso
- System automatically sends unique check # to Claims team
- Run remittance and payment Post journal

Claims Payments- Non Claims Centre:
- [C6.3.1.2] Payment requests over $250k sent to Compliance to perform security check. Manager to sign request as evidence
- [C6.3.1.4] Review email and process payment requests in DB
- [C6.3.1.5] Automated vendor account validation by DB
- [C6.3.1.6] Review payment journal → Agresso → End
- Download extract of bank statement & prepare journal for posting → Agresso → End

Claims Payments- TPA Loss Funds:
- Check all documentation and set up transfer to loss fund
- Check all documentation and set up transfer to loss fund
- Agresso → End
- Review journal → Download extract of bank statement & prepare payments journal for posting

Dublin Finance team

Claims Payments- Claims Centre:
- Dublin Finance team may incorrectly post a duplicate payment journal based on bank statement

Claims Payments- Non Claims Centre:
- [C6.3.1.7]; [C6.3.1.8] Review file to bank statement and post payment journal in Agresso

Claims Payments- TPA Loss Funds:
- Review file to Bordeaux and post journal in Agresso

Claims Payments- Lloyds Claims:
- Receive Daily Settlement email summary → Receive Daily Settlement email with Excel Attachment
- [C6.3.4.2] LCO reconciliation → Use Daily settlement template to prepare and post payment journal → Agresso → End

Payment Approvers

Claims Payments- Claims Centre:
Review correct bank account and request is from Claims Centre → Duplicate payment review required for all external payments → [C6.3.1.3] Review and approve payment

Claims Payments- Non Claims Centre:
Check claims approver within limit, bank account details and amount → Duplicate payment review required for all external payments → [C6.3.1.3] Approve payment

Claims Payments- TPA Loss Funds:
Check claims approver within limit, bank account details and amount → Duplicate payment review required for all external payments → [C6.3.1.3] Approve payment

Claims Payments- Lloyds Claims:
[C6.3.4.1] Checks that detail reconciles to summary