

AIA Malaysia introduces reconciliation automation to simplify operations, improve accuracy and reduce costs



STREAMLINED OPERATIONS

- Automated processes to reduce manual intervention and human error
- Improved straight-through processing through the removal of manual process and activities
- Transparent and timely reporting
- Increased employee productivity

REDUCED REPUTATIONAL RISK

- Ability to proactively identify reconciliation discrepancies quickly and efficiently
- Faster resolution of transaction disputes for collection and payment
- Improved customer satisfaction
- Early fraud detection mechanism

COST EFFICIENCIES

- Reduced exposure to profit and loss
- Lower transaction and investigation costs due to quicker resolution of exceptions
- 50% less resource focused on reconciliation and redeployed to other business functions

BUSINESS CHALLENGE

AIA operates across a number of countries in Asia Pacific. They provide life, accident and health insurance, employee benefits, credit life and pension services, including mutual funds and annuities.

With a core focus on improving operational efficiencies, the AIA Malaysia business was looking for a solution that would fully automate daily reconciliations of bank statements against their internal ledger, and fast-track identified exceptions whilst prioritising aging items, as well as expired or un-presented cheques.

THE IMPACT OF MANUAL PROCESSES

The main concern for AIA Malaysia was the monthly challenge to meet reporting deadlines due to the manual process in place to resolve reconciliation exceptions and disputes. The full reconciliation process was managed in Excel, with manual data entry from paper statements. Due to the resource heavy nature of this, the company was reconciling once a month, with specific focus on account balances.

In most cases it would take 3 to 4 weeks to identify exceptions, with a further 1 to 2 weeks to resolve. As a result the company would regularly employ temporary staff to try and address this. An additional effect of this reporting delay was the management of expired cheques for disbursements and credit card fees for collections. With transactional volumes increasing at an annualised rate of 4-5%, reconciliation had become an area in urgent need of attention.

KEY FEATURES

- **Collections, disbursements and premium accounts**
 - For all collection/payment channels
 - All statement formats including proprietary and SWIFT MT940/950
 - Management of cheque expiration
 - Segregation by reconciliation type; eg. collections, disbursements, premium accounts
- **Commission payments**
- **Policy loans, associated fees and expenses and monthly interest**
- **Investment reconciliations**
 - For all asset classes

BUSINESS REQUIREMENTS

- Flexibility to define matching and business rules
- Ability to highlight exceptions as early as possible, enabling quick resolution and minimising exposure to write-offs
- Reconcile on a daily or intraday basis
- Facilitate any type of file, in any format, from multiple sources
- Web-based client access to facilitate quick roll out to multiple users
- User-friendly interface and scalability options

REPORTING

- On demand or auto schedule of reports
- Report generation through search results

“Flexibility of the system has helped to ease our reconciliation process today as well as innovate for future growth.”

MOHD KHAIRIL, SENIOR MANAGER, FINANCE

CHOOSING AN INNOVATIVE PARTNER

With the Broadridge reconciliation solution AIA Malaysia was able to rapidly identify and resolve breaks, quickly and intuitively set up new accounts and reconciliation types, and version control through a fully audited process, which other solutions providers were unable to do.

They needed a market-leading, flexible solution that would facilitate current business requirements and support future growth. With Broadridge’s continuous investment in research and development as well as artificial intelligence and machine learning, AIA Malaysia are able to deliver against business challenges today and position themselves for the future.

DELIVERING VALUE

With the implementation of Broadridge’s solution, AIA Malaysia was able to automate business critical processes and increase productivity.

There is now a transparent view of all reconciliation processes, better and tighter control over permissions and access, and a level of integrity to data and operations. Combined, these improvements have enabled the company to deliver on-time reporting to both internal and external stakeholders.

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