

TREASURY MANAGEMENT

SOLUTIONS FOR THE INSURANCE INDUSTRY



In recent years, the insurance sector has grown sales at a steady rate, with a compound average growth rate of over 5% between 2009 and 2015; and insurance firms are expected to continue to benefit from the ongoing economic recovery. Along with this consistent growth, U.S. insurance firms are facing pressure on their bottom lines due to increased competition, low interest rates and regulatory changes.¹

One area where insurance firms can improve efficiency and capture growth opportunities is in better management of their commercial payments. Visa research has found that insurance firms remain heavily dependent on checks for claim payments (80% of healthcare claims are paid via check, and this rises to 85%–95% for dental claims).

By automating some or all of their claims payments, insurance firms can reduce their reliance on checks and open up a myriad of disbursement options for their clients, including ACH, prepaid cards and even same-day or real-time mobile solutions.

Insurance firms also have opportunities for improvement in receivables processing as well. Through automation, firms can accept premium payments and contributions to annuities or other investment accounts in a variety of formats.

Payments can be made via check, credit card, ACH and wire, and insurance clients receive consolidated reporting from PNC. The end results are greater speed and reduced administrative costs.

Meeting Industry Challenges

PNC has provided specialized services for the insurance industry for more than 25 years through the bank's Financial Institutions Group (FIG). Our dedicated insurance team serves clients across the U.S. in a range of industry sectors, including life, property & casualty, health and other specialty lines, as well as broker dealers.

Working within the industry to assist a diverse client base has helped to shape our understanding of the changing nature of the insurance market and put PNC in a position to anticipate the financial needs of our insurance clients.

PNC continues its legacy of strong risk management support of insurance clients and is continually working to refine tools to improve compliance reporting, control and oversight in areas like "know your customer" and 1940 Act SEC requirements. To keep up with changes in the industry, we actively participate in trade groups and events, such as LOMA (sponsoring the LOMA Financial Inforum) and ANI.

From a commercial payments perspective, PNC's insurance clients are looking for solutions that meet a range of needs, and PNC provides a variety of solutions to meet them, as indicated in this chart:

Insurance Company Needs	Met with PNC Solutions
Streamline processing of large payment volumes from a range of payment types	<ul style="list-style-type: none"> Reduce costly and inefficient check payments by replacing them with a more convenient and secure electronic payment settlement solution Keep account information confidential for both payer and payee by utilizing an email address or mobile phone number to initiate payment without the need for storing sensitive consumer banking information Provide banked and unbanked consumer clients with a choice of how they want to receive their payment
Operate a fast, efficient and user-friendly claims settlement process	<ul style="list-style-type: none"> Card and other electronic payment solutions for claims settlement Automation of healthcare claims using the 835 format



READY TO HELP

At PNC, our consultative approach means that we develop an in-depth understanding of our clients' organization structures, systems and business development objectives to develop solutions that are tailored to their commercial payments priorities and needs. PNC's commercial payments and treasury management solutions are one part of an integrated suite of financial solutions that PNC offers to our insurance clients.

Our solutions are backed by implementation and account management teams that combine experience, expertise and a commitment to meeting client needs at all stages of the relationship.

To learn more, please contact your Treasury Management Officer or visit pnc.com/treasury.

1 U.S. Bureau of Economic Analysis

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