workday.

Use Case

Workday Enterprise Management Cloud: an integration journey for an insurance provider.

Digital transformation and enterprise resource planning (ERP) modernization lead to a variety of improvements for an insurance company that has relied on Workday since 2014. Key among these improvements for its FP&A and regulatory reporting teams was the ability to integrate payment transactions as well as other external data.

Founded in 1946, Shelter Insurance is a property and casualty and life insurance company operating in 21 states and is comprised of the Shelter Mutual Insurance Company®, Shelter General Insurance Company®, Shelter Life Insurance Company®, Shelter Reinsurance Company®, AmShield Insurance Company®, and Haulers Insurance Company®.

Using Workday Financial Management, Workday Prism Analytics, and Workday Accounting Center, Shelter has significantly updated its finance and treasury operations—now cloud-based, the company can remain agile in today's rapidly changing business landscape and benefit from increased insights into and accuracy of its financial transactions. Let's take a look.

Modernized payment processing.

Importing payments using different formats.

Shelter faced challenges with reconciling payments, creating accurate regulatory reports, and managing premium refunds with transparency across customer call centers.

Prior to Workday, Shelter received cleared check files from banks and used them to offset payment records stored internally. This process became more cumbersome as the number of banks reporting payments to Shelter increased.

"Because payments are a primary product we provide, it's critical for us to keep up to date with the current status of payments," says James Heavin, director of Financial Systems & Treasury.

Workday standardizes payment processing.

Workday enabled Shelter to standardize the integration of BAI files for payment records across three banks and multiple accounts. As well, Shelter now has the ability to produce ACH files for outgoing payments to suppliers and expense reporting using EFT.

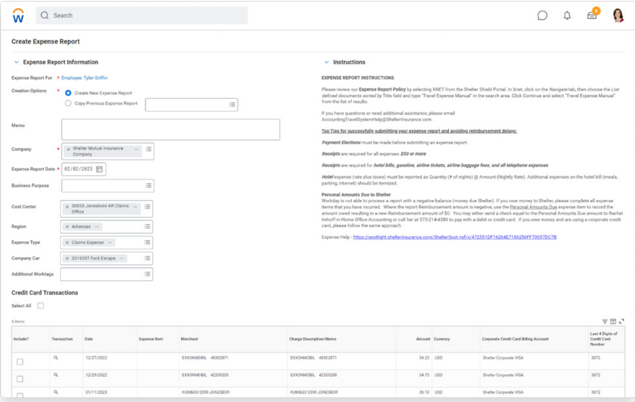
"We set up an ACH production cycle twice a day. We'd start the first one in the morning, and if there was any issue with delivery of the files, we could correct it and schedule another run later in the day. They are significant improvements right out of the gate," says Heavin.

Workday helps accurately manage payments through integrations:

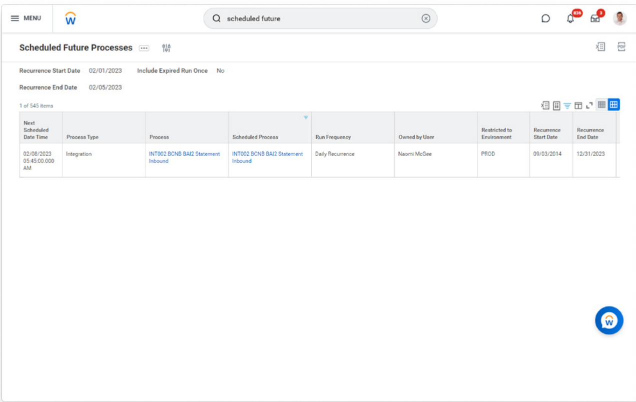
- Transparent payment status
- Accurate regulatory reporting
- No generic EDI file

Key benefits and takeaways:

- Adaptable integrations
- Templatized integrations to support various banks
- Ability to shadow the implementers during initial integration



Employees are prompted to include credit card transactions when performing the Create an Expense Report task. The transactions are loaded daily through the Visa connector.



Integrations are built to collect BAI2 bank statements, and the integrations are scheduled to complete before the team arrives at work.

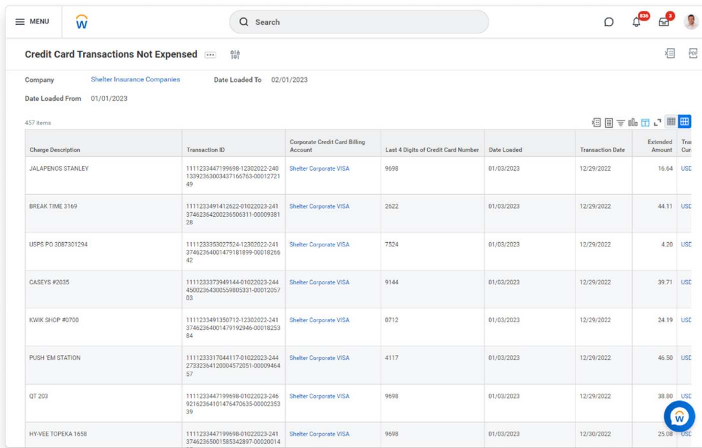
Expanding other services becomes a cinch.

Adapt to new services as business demands change.

Shelter now supports new payment methods that scale with the company's growth. "Rolling out Visa as our corporate card for employees created the need for an integration. All Visa corporate card users, such as our claims adjusters in the field and our marketing leaders, produce daily business expense activity," says Heavin.

Workday seamlessly ingests expense transactions.

Now daily Visa expense activity is seamlessly integrated into Workday and generated into expense reports, expediting approvals to within a day of the incurred transaction.



The team can monitor card transactions not yet submitted by employees to ensure expense approval is received. Above is a custom report off the credit card transaction data source.

Actionable reporting using Workday Prism Analytics.

Scorecards and corporate goals in a handful of spreadsheets, while other pertinent information to the business lies outside of the GL.

In the past, Shelter's FP&A team relied on various Excel® spreadsheets and PDF files for corporate goal reporting.

Another unexpected challenge Shelter encountered during the pandemic was the decrease in insured drivers on the road due to people working from home.

How Workday Prism Analytics empowers corporate goal reporting and brings key data into perspective.

According to Heavin, "Building a high-level dashboard [scorecard] from the results of all our companies and then being able to include links that allowed users to see the individual companies' results has been very useful for us.

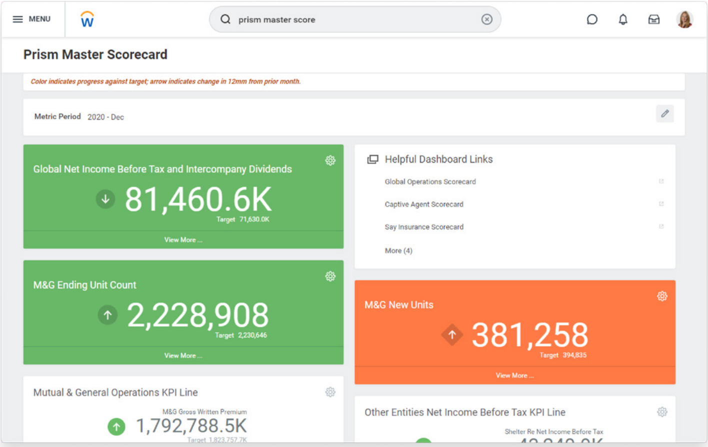
"Workday Prism Analytics makes it surprisingly easy to bring data into Workday. We were able to make over 1 million premium relief payments to our customers affected by COVID-19 by integrating with an outside vendor. We could then track all payments seamlessly through Workday Prism Analytics," Heavin concludes.

Workday Integration Cloud and Workday Prism Analytics helped Shelter answer these questions:

- What are the weekly or monthly updates from different LOBs against goals?
- How can we streamline issuing refunds using the matching payment method?
- How can we remain agile and competitive by issuing premium refunds to our customers?
- How can we reliably generate insurance reporting regardless of company or line of insurance?

Key outcomes:

- Daily status of payments
- Automatic matching of ACH versus check transactions
- Over 1 million COVID premium relief payments issued, totaling $52M
- Lessons learned from the initial implementer to help templatize in the future
- Reports by company and product line for regulatory reporting purposes



Scorecards with color coding and arrow indicators are used to quickly compare where the company stands at any point in time, the progress toward Shelter's yearly target, and the most recent trend for the past 12 months. It includes both financial information within Workday and operational information pulled into Workday Prism Analytics.

Reporting with Workday Accounting Center.

Generating report losses by accident year.

Insurance companies must report a Schedule P, which provides an analysis of losses and loss expenses (both paid and unpaid) by accident year and line of business. Accident year information usually resides with the actuarial department, not in the GL.

Better collaboration between FP&A and actuaries.

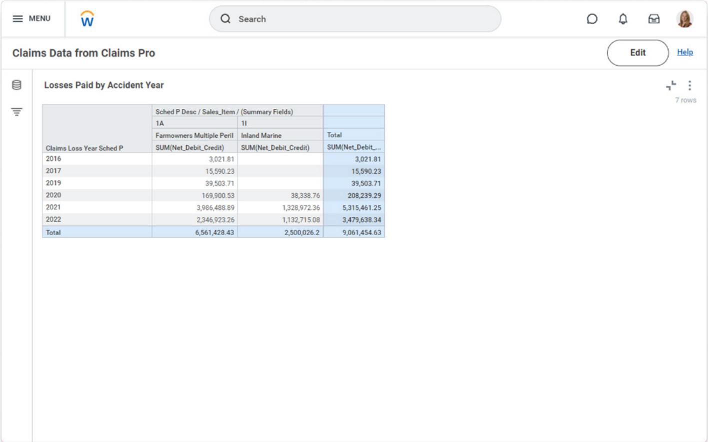
"With Workday Accounting Center, we were able to pool all loss and loss expenses and do our own reporting based on accident year and line of business," says Lacy Rice, director of Financial and Regulatory Reporting. "In the past, this required an elaborate reconciliation, and reliance on the actuarial department. We still reconcile back with the actuaries but can now create our own accurate reporting—something not possible prior to Workday."

Municipal tax reporting by location.

Louisiana and Kentucky—two states where Shelter operates—require Shelter to pay municipal taxes based on where the risk is located.

Workday Accounting Center to support payments and reporting.

"For all policies in those states and municipalities, an associated tax code is sent to Workday Accounting Center when a policy is issued, renewed, changed, or cancelled. It is then associated with the premium written in the books, providing us with data at our fingertips," says Rice. "We used to run a separate job to provide us the data before. However, there was never any transparency to the data and it was summarized by municipality. It's really been a benefit to have that data in there that we can utilize, it matches our ledger, and we have the audit trail by policy number if needed. Combining Workday Prism Analytics and Workday Accounting Center has given us increased visibility and accuracy."



	Sched P Desc / Sales_Item / (Summary Fields)		
	1A	1I	
	Farmowners Multiple Peril	Inland Marine	Total
Claims Loss Year Sched P	SUM(Net_Debit_Credit)	SUM(Net_Debit_Credit)	SUM(Net_Debit_...
2016	3,021.81		3,021.81
2017	15,590.23		15,590.23
2019	39,503.71		39,503.71
2020	169,900.53	38,338.76	208,239.29
2021	3,986,488.89	1,328,972.36	5,315,461.25
2022	2,346,923.26	1,132,715.08	3,479,638.34
Total	6,561,428.43	2,500,026.2	9,061,454.63

Discovery boards are utilized to display Workday Accounting Center data to report on losses paid by line of business and accident year. This information is required for Schedule P reporting; previously, this level of detail was not available in Workday prior to Workday Accounting Center.

To learn more about how Workday Integration Cloud and Workday Prism Analytics can help your organization, please contact Sales at workday.com/contact or call 877-967-5329.

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