

Insurance Applications for ACL



“ACL allows us to constantly make substantive improvements to procedures that mitigate business risks and improve our bottom-line performance.”

Ed Dudek

Senior Information Systems Auditor
BlueCross BlueShield of South Carolina

ACL software solutions give organizations confidence in the accuracy and integrity of transactions underlying their key business processes and financial reporting.

Following are some example usage scenarios:

Life Insurance

- Select samples of investments for market value analysis
- Summarize and report on maturity schedules
- Determine re-insurance risk exposures for minimums and maximums
- Audit policy elements such as issue date, coverage, type, age, payment, etc.
- Recalculate due, accrued, and unearned interest on policy loans or other items
- Recalculate gross premium deposits and list select items for audit or review
- Compare policy cash values to outstanding policy loan amounts
- Compute dividends due and unpaid for the current and subsequent year
- Extract and audit policies with a death-reported status
- Extract policies with a loan which have a status other than active
- Identify policies with a loan that also have a premium deposit fund
- Identify premium deposit funds, coupons left on deposit, suspense funds, etc.
- List policies without active status with deposits or premiums paid in advance
- Print policies with dividends due and unpaid with other than active status
- Report reserves in policies between periods (current vs. prior year-end) and list any unusual changes in any order required
- Report unearned premium reserves for premiums due, deferred or advanced
- Select statistical samples to audit policy loans
- Generate frequency distributions of market value, interest, maturity dates

Regulatory Compliance

- Test claims for compliance with settlement timeliness requirements
- Analyze claims for orphan reserves
- Validate submitted annual statement reports
- Analyze for disallowed reasons all cancelled or non-renewal claims
- Identify sanctioned providers and non-licensed agents
- Analyze new business declined, by reason, by agent, or by actuarial reviewer
- Analyze policies where premium increases trigger notice requirements

Healthcare Fraud

- Benchmark providers based on comparative criteria
- Report excessive billing of same diagnosis, same procedures
- Determine excessive number of procedures per day or place of service per day / per patient
- Identify multiple billings for same procedures, same date of service
- Identify unusual use of listed Current Procedural Terminology (CPT) codes
- Analyze for mismatched services to diagnosis codes
- Test for doctor and patient with same billing address
- Review diagnostics fees that are in excess of norms
- Report diagnosis and/or treatment that is mismatched with patient age and/or gender
- Review outpatient facility fees in excess of norms

Property & Casualty Insurance

- Review audit policy elements: date; coverage; type; payment, etc.
- Analyze deductible charged against a claim
- Score providers based on deviances from the norm
- Analyze premiums based on risk rating
- Compare policy origination date to premium receivable file preparation
- Compute earned and unearned premiums in any order, detail or summary
- Establish recurring processes to test for duplicate claims
- Select samples for testing or auditing claim documents
- Summarize or group claim amounts by the chart of accounts
- Analyze claims initiated within X days of policy creation
- Summarize number and accumulated claims dollars by address, bank account, phone number, etc.

Life Insurance Fraud

- Determine patterns of overpayment of premiums
- Review payments from highly suspect banks or countries
- Test if customer is from a non-cooperative country or territory as identified by the international Financial Action Task Force (FATF)
- Review transaction payments comprised of more than one type of payment instrument
- Report multiple accounts to collect funds or payment to beneficiaries
- Report purchase of multiple products in a short period of time
- Analyze beneficiaries with multiple policies
- Analyze employees that are beneficiaries
- Determine agents/brokers with high numbers of death claims
- Calculate benefit payments paid for lapsed policies
- Find policy loans that are greater than face value
- Report unauthorized policy changes



Insurance Management

- Analyze and audit monthly transactions by specific or random selection
- Calculate and verify important ratios (premiums/claims, reserves/payments)
- Compare commissions paid based on recalculation and paid amount
- Generate reports on paid-up additions, dividends on deposit, policy loans, etc.
- Recompute commissions based on ratios, premium percents, and detail/summary
- Select samples for reserve factors to trace to published tables
- Summarize monthly transactions by new business, death, endowments, etc.

Cash Disbursements

- Extract disbursements by bank and date for zero balance account transfers
- Generate vendor cash activity summary for loan or payables management
- Identify check requests that exceed set or selected dollar amounts
- Report on check disbursements for unrecorded liabilities
- Stop overpayments by checking duplicate invoices with payment request
- Summarize cash disbursements by account, bank, group, vendor, etc
- Identify missing, duplicate, void or out of sequence check numbers

Pension and Other Trusts

- Check participants' file for non allowable data (age, seniority, gender)
- Extract trust asset information based on any criteria
- Identify accounts to be verified for pension calculations, payments, etc.
- Select trust assets for auditing current market value

Investment Securities

- Calculate average yield by investment type and show detail variances
- Calculate total accrued interest receivable by type of security, agent, etc.
- Compare computed interest to amount actually received on investments
- Compare dividends declared per published service to amount received

Salaries & Payroll

- Compare and summarize costs for special pay, overtime, premium, etc.
- Extract all payroll checks where the gross dollar amount exceeds set amount
- Identify changes in exemptions, gross pay, hourly rates, salary amounts, etc.
- Identify duplicate or missing payroll checks by check, bank, and other criteria.
- Report entries against authorization records for new or terminated employees
- Summarize and report on payroll by selection criteria for audit review
- Investigate multiple payroll deposits to the same bank account



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