

EXL

Case study

How EXL transformed statutory reporting for a Fortune 100 global Insurer by deploying Sovos



“Our recent partnership with EXL to implement Sovos as our NAIC annual statement vendor was completed on time and delivered immediate value during year-end reporting; it improved our employee experience with the process.”

- Vice President, Fortune 100 P&C Insurer

Introduction

Insurance providers are obligated to use statutory accounting principles to generate and file quarterly and annual National Association of Insurance Commissioners (NAIC) reports. NAIC reports protect policyholders by ensuring the company has enough capital and surplus to meet its obligations. A large insurance company recently partnered with EXL to implement Sovos' Statutory Reporting to navigate this complex landscape and ease the burden of NAIC reporting.

Challenges

NAIC reporting can be difficult and time-consuming, and validations can take several hours, often requiring multiple instances for side-by-side comparisons. Because of this, the company was experiencing significant issues, impacting the team's efficiency and effectiveness during critical reporting cycles. The process was straining the client's IT resources and blocking access to critical systems and records. Regular training was required for employees to avoid calling on senior analysts and system administrators.

Roadblocks:

The company was experiencing significant issues with its statutory reporting solution. System issues were impacting the team's efficiency and effectiveness during critical quarterly and annual cycles. Primary issues included:

- **Limited functionality:** Inconsistency with cross-check errors and the ability to only review or update pages in sequential order, adding time to the process.
- **User interface:** The existing interface required users to open a new page to access the prior year's data in the same instance. Multiple formatting issues in notes needed manual intervention.
- **Sporadic regulatory updates:** Updates from the NAIC and other regulators were not received promptly. Updates received during the annual close needed to be manually deployed and caused further process delays.



Sovos' Statutory Reporting Solution offers numerous advanced features and enhanced controls, which are improving current processes.

EXL recommends replacing the current system

The P&C insurer had been using an alternative Statutory Reporting tool for filing quarterly/annual statements to the NAIC. However, there was a need to transition to a different system due to certain limitations in functionality, a lack of advanced features, and sporadic compliance updates being applied in the application. EXL proposed the adoption of Sovos' Statutory Reporting solution. Sovos provides statutory reporting software that automates numerous tasks, saving time and money and allowing the team to focus their attention on more important tasks and while avoiding costly human error.

The benefits of joint value proposition – EXL Sovos partnership

The EXL and Sovos partnership brings together a unique combination of deep domain industry expertise and technology solutions. Together, it exponentially multiplies the value creation with speed and enhanced compliance.

EXL offers:

- Managed CFO services to several Fortune 500 insurance companies based on strong industry knowledge.
- A team of professionals with strong regulatory reporting experience.
- A detailed understanding of nuances in reporting and compliance with customized AI-powered solutions.

Sovos offers:

- Real-time validations, a dynamic dashboard, faster processing, and automated roll-forward of data to save time and reduce risk.
- Support for almost all state forms and a compliance calendar.
- A dedicated platform for state filings and supplements.
- Formatting of notes as needed; notes can be rolled forward to the next period, saving time and effort currently spent dedicated to data formatting.
- A team of STAT experts. Sovos has six full-time regulatory educators that are focused on the insurance industry.

The deployment

EXL deployed the solution in six months, with strong governance and stakeholder management, allowing the insurer to deploy and activate annual financial statements and to set up annual notes for all its legal entities.

Implementing Sovos has already led to improved controllership and management of close timelines during quarterly and annual cycles. In its first annual close period, the insurer saved more than 300 hours (about two weeks) in process efficiency.

EXL's partnership with Sovos enhances the statutory reporting process and can bolster your confidence in regulatory submissions.



About Sovos

Sovos is the leading provider of statutory reporting software, trusted by nearly 60% of insurers to streamline the entire statutory reporting process with a powerful cloud-based solution backed by 25+ years of experience.

Sovos is transforming compliance from a business requirement to a force for growth. Its flagship product, the Sovos Compliance Cloud platform, enables businesses to identify, determine, and report on every tax obligation across the globe. Sovos processes 16 billion+ transactions per year, helping companies scale their tax and compliance strategy in almost 200 countries.

More than 100,000 customers – including half the Fortune 500 – trust Sovos’ regulatory expertise and unparalleled integration with their business applications. Learn more at sovos.com.

About EXL

EXL is a leading data analytics and digital operations and solutions company. We partner with clients using a data and AI-led approach to reinvent business models, drive better business outcomes and unlock growth with speed.

With many of the world’s leading insurers as clients, we bring deep industry expertise and an unparalleled understanding of where the market is headed. This knowledge, built over decades, allows us to effectively leverage proprietary client data to develop tailored, high-impact solutions powered by digital intelligence. These solutions provide visibility into product performance, revenue streams, and opportunities for improvement, enabling insurers to stay ahead in a dynamic landscape.

EXL is headquartered in New York with over 57,000 employees spanning six continents. For more information, visit www.exlservice.com.



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