

6 STEPS INSURANCE COMPANY TREASURERS CAN TAKE TO MORE EFFECTIVE RISK MANAGEMENT

Risk is a major concern for insurance companies, with 38% saying they face more risks than in the past and 53% the same amount as ever, according to the 2023 FIS Global Innovation Report. When you're navigating economic uncertainty and a fluctuating marketplace, you need to carefully manage your exposure to FX, interest rate, climate, cyber, market risk and so on, as well as adhering to the latest regulations.

1 FORMALIZE YOUR RISK POLICY

A formal, well-documented risk policy should be the starting point of any risk management strategy. That means clearly defining your insurance firm's risk tolerance and identifying not only your risk management objectives but also the tools available to achieve them. As a result, you'll build a solid foundation for decision-making processes.

2 ADOPT ROBUST RISK MANAGEMENT SYSTEMS

By choosing the right systems, you'll be in a much stronger position to manage risk more effectively. FIS offers powerful treasury management solutions with robust risk management capabilities that can help you automate the collation, analysis and reporting of relevant data to better understand your risk exposures.

3 FORECAST CASH MORE ACCURATELY

Accurate cash flow forecasting allows treasurers to make informed decisions about cash, liquidity and risk management. But first you need to invest in integrated processes and standardized formats for data collection, and sophisticated forecasting analytics.

FIS' treasury management solutions provide these capabilities, plus tools to optimize cash forecasting further. For example, we can help you extract accounts receivable data from your ERP for forecasting purposes – and integrate it seamlessly with your treasury management processes with our API integration capabilities.

4 STAY ON TOP OF REGULATORY CHANGE

Regulatory compliance is a fundamental aspect of treasury and risk management. As regulatory landscapes evolve, treasurers must stay up-to-date on any changes to the rules and adapt their strategies accordingly.

You need a proactive approach to monitoring these changes, especially if you operate in multiple jurisdictions or markets with fragile economies. With treasury management solutions from FIS, you can effectively manage regulatory compliance with proper tracking, audits and reporting capabilities.

5 UNDERSTAND CLIMATE RISK IMPACTS

While ESG risks may not directly impact the treasury management system, they do create repercussions. For instance, have you considered the carbon footprint of hosting the application?

To reduce that footprint, we can host a solution on your behalf in an AWS data center, where there's a commitment from AWS on reaching net-zero carbon emissions by 2040.* We also offer solutions to help your firm comply with climate risk regulations.

6 ADDRESS CYBERSECURITY RISK

With the increasing incidence of cybersecurity breaches, treasurers must prioritize the security and integrity of their financial and operational data.

Make sure your systems can enforce user rights and segregation of duties, and that your staff are trained to spot and combat external fraud attempts. Partner with a treasury management solution provider like FIS, who has a hyper-focus on cyber-risk management.

MODERNIZE YOUR PAYMENTS TECHNOLOGY.

*Source: <https://sustainability.aboutamazon.com/products-services/the-cloud?energyType=true>



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