



## HIMCO Improves Portfolio Transparency while Reducing Compliance Costs with SunGard iWORKS EPS

*Using the SunGard iWORKS EPS Investment Accounting and Reporting system, HIMCO has both significantly reduced its processing and compliance costs and improved its investment management reporting flexibility.*

### Looking for a solution and finding EPS: Painless conversion, dramatic savings

According to Cleo Ostrander, HIMCO's vice president of Finance, by 2001 it was obvious that their ad hoc Excel spreadsheet portfolio approach had become unwieldy and too labor-intensive, so the search was on for a more efficient solution.

Says Ostrander, "We looked at and tested several vendor products to see which fit our needs. At HIMCO we have very few employees but we need to run large companies so the time it takes to file with the State and NAIC has a large impact. At the time we were manually inputting into Excel spreadsheets to record purchases, sales, amortization and increase and decrease in market value and it was very time-consuming. The solutions we looked at were comparably priced but EPS seemed more user friendly and we could license just the parts we needed so we went with SunGard."

What was the conversion like? Ostrander reports that it went quickly and smoothly. "We don't have an IT staff so we had an outside IT consultant install the software. At year end we gave SunGard our Excel files and within two weeks they returned a disk with all the investments converted. SunGard people came in to train us on EPS and to make sure we weren't having any problems with the data."

And what about learning and using EPS? Vanessa De La Vega, Ostrander's assistant and the person responsible for the day-to-day operation of EPS comments, "Most of the screens are pretty self-explanatory and not difficult to pick up. With a new investment purchase you have to be sure that you fill in all the necessary data fields or your reports won't be accurate. When you click on a field description you get help about what should go into that field. It's not mysterious and it's not complicated."

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**Problem:** Year after year insurance regulatory bodies, auditors, directors, and senior management demand a more complete and transparent accounting of insurance company investments. At the same time ad hoc tracking and reporting solutions become more expensive and difficult to manage.

**Solution:** SunGard iWORKS EPS

## HIMCO

Founded in 1989 and governed by its president, Mark D. Morris, HIMCO manages the day-to-day operations of Healthcare Professionals Insurance Company and the HANYS Member Hospitals Self Insurance Trust through a complete underwriting, claims, legal and accounting staff. Each member of its executive staff has a minimum of 20 years experience with medical professional liability insurance. Prior to 2005, HIMCO managed the Hospitals Insurance Company (formerly HANYS Insurance Company) for 18 years.



*“Ease of use is very important because you do have to expect staff to change from time to time. And reporting flexibility is critical. We can easily accommodate ad hoc analytical management reports or whatever the auditors ask. We could have done a more complete needs assessment before we got started and I’d recommend that. And support. Whenever we call SunGard they help us right away or get back to us quickly. Of course different companies have different needs but I would recommend EPS with out any hesitation.”*

And finally, what impact does using EPS have on the time it takes to do filings? De La Vega is the one who knows best because in the past she found herself putting in lots of overtime at the end of every quarter. De La Vega says. “Now within half an hour I’m able to supply our regulatory filing system with the data it needs from EPS. The time I have to spend has been reduced by at least 90%.”

### **Unanticipated benefits: More responsiveness to auditors, directors, and management**

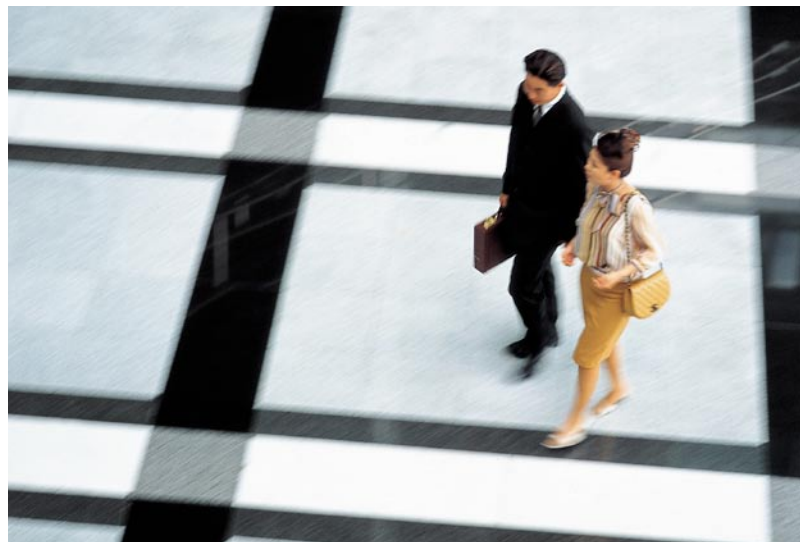
Though HIMCO was especially focused on reducing its compliance time and costs, EPS has provided a number of other benefits that improve efficiency and contribute to a more successful operation.

Ostrander has found that it is easy to satisfy their auditor’s many data requests for analysis and detail. She reports, “We try to anticipate and have ready all the data reports when they come in for the annual audit. In addition, they may want to see any transactions that affect a specific asset. They also want to know increase and decrease in amortization and need the OTTI (Other Than Temporary Impairment) investments and we don’t know ahead

of time which report we should have printed and archived. With EPS we can give the auditors whatever they need whenever they need it — with little effort on our part.”

“Before we had EPS,” Ostrander says, “We were not submitting transactions to the board quarterly but relying on our outside analysts. Now we’re much more in-house and as we’ve grown the board appreciates knowing in detail what is going on.”

And EPS helps HIMCO manage all its investment portfolios. “Because we reconcile by management advisor” Ostrander adds, “we store the data that way and we can get holding reports by advisor monthly to reconcile and locate any errors that would be hard to locate once all investment detail is consolidated for formal reporting.” Though HIMCO does not currently use the system to evaluate manager investment performance, Ostrander notes that EPS has the potential to do so.





## Peer counseling: Start small but think big; flexibility is critical

What advice would Ostrander offer to insurance companies looking for investment accounting and reporting systems? Would she recommend EPS to others? What has she learned in the process of using EPS? What would she do differently?

“When we first looked at systems we were only thinking about making regulatory filing easier and didn’t give much thought to other benefits that could be important. Fortunately EPS is very flexible. You can start with a base system and then add modules as you need them. We really weren’t considering OTTI when we got EPS but when it became much more of a regulatory requirement we added that module and it was easy to install and implement.

Most small companies don’t have unlimited capital but as they grow they need a system with more capabilities. If you buy a system you can afford but then it has to be replaced some years down the road you’ve wasted time and money. EPS let us start small and then as we grew we could grow the system by adding modules. I think some companies would want to use the SunGard hosting alternate to start with and then come in-house later on.

Ostrander’s biggest pleasant surprise? “I think it’s the flexibility of EPS. When we decided on EPS we couldn’t anticipate everything we’d need to do. But the flexibility of the reporting system, the ability to add modules as we need them, and the fact that SunGard is always improving the system makes me confident that EPS will work for us no matter what happens with regulatory demands and how we grow.”

### **Let us put it all to work for you.**

Build customer relationships and increase the efficiency of your business with leading-edge tools from SunGard iWorks. To discuss your goals and how we can help you achieve them, contact us today.

### **About SunGard iWORKS**

SunGard iWORKS is a business-driven IT product family for the insurance industry in each of the following major business lines: life/health/annuities/pensions, property and casualty, and reinsurance. iWORKS offers a range of products and services including front-office tools, policy administration, reinsurance, actuarial calculations, financial and investment accounting and reporting. SunGard partners with customers to help deliver products and services that align with changing business and regulatory needs.

### **About SunGard**

With annual revenue of \$4 billion, SunGard is a global leader in software and processing solutions for financial services, higher education and the public sector. SunGard also helps information-dependent enterprises of all types to ensure the continuity of their business. SunGard serves more than 25,000 customers in more than 50 countries, including the world's 50 largest financial services companies. Visit SunGard at [www.sungard.com](http://www.sungard.com).