

Insurance Finance Exception Checklist

Identify where billing, payment, and settlement exceptions may create reconciliation, control, or audit risk



How to use

Assess recurring or material exceptions, not one-off cases. Mark any applicable risk indicators and prioritize high-value, aged, recurring, or close or audit-sensitive exceptions.

Insurance finance teams manage exceptions because they have to. Broker settlement files arrive with missing references. Payments clear without matching cleanly. Bank returns need follow-up. Adjustments may be agreed outside the system when the standard process cannot handle every edge case.

Handled once, these exceptions may be manageable. Handled repeatedly outside controlled processes, they become hidden control dependencies.

Use this checklist to identify where recurring or material exceptions are moving outside controlled finance processes, where evidence is becoming scattered, and where reconciliation or audit risk may be building.

Controlled process

Each exception has an owner, status, aging, evidence, approval where needed, documented outcome, and linkage to the relevant transaction or system record.

01 Matching, clearing, and open item exceptions

CHECK

- Broker settlement files contain enough reference data to match items to open receivables.
- Payments, deductions, and aggregated settlements match cleanly to open items.
- Corrections and clarifications are linked to the affected receivable or posting.

RISK INDICATOR

If unmatched items or settlement evidence sit in spreadsheets, inboxes, or local files, finance loses visibility of what matched, cleared, or remains open.

STRENGTHEN

Create a controlled exception view with item reference, partner, value, status, owner, aging, evidence, and outcome.

02 Exception ownership, aging, and resolution

CHECK

- Exceptions have a clear owner and status in a system or documented workflow.
- Aging is tracked and unresolved items are escalated.
- Recurring exception types are reviewed for root cause.

RISK INDICATOR

If resolution depends on individual knowledge or there is no clear next action, the process is not repeatable and will not hold under scrutiny or staff changes.

STRENGTHEN

Define ownership, status categories, aging thresholds, escalation rules, and root-cause review.

03 Failed payments, bank returns, and collections

CHECK

- Failed payments and bank returns are linked to the open item.
- Dunning or collections status reflects retries, returns, reversals, write-offs, or escalations.
- Recovery actions are linked to the transaction record.

RISK INDICATOR

If failed payments are handled separately from open items or dunning status, finance may need offline records to explain collection status, weakening control and increasing reconciliation effort.

STRENGTHEN

Link return reasons, retry actions, dunning or collections impact, and final treatment directly to the open item.

05 Adjustments, corrections, and approvals

CHECK

- Corrections have a documented reason and are linked to the affected item.
- Approval is captured in a controlled process.
- Corrections reconcile back to the system record.

RISK INDICATOR

If approvals sit in email or balance changes require searching multiple sources, the number may be right, but the supporting trail may be too weak to defend.

STRENGTHEN

Require reason, approver, affected item, evidence, posting impact, and resolution outcome for every correction.

How to prioritize your follow-up

- ✓ Count the sections with risk indicators, then adjust for value, aging, recurrence, and audit sensitivity.
- ✓ Treat any high-value, aged, recurring, or audit-sensitive exception as a priority, even if it appears in only one section.
- ✓ Prioritize exceptions that recur, carry high value or close impact, or require offline evidence.

04 Faster payments and payment provider reconciliation

CHECK

- Finance can connect each payment request to the related open item.
- Payment status is clear: triggered, processed, cleared, failed, reversed, or outstanding.
- Provider differences are visible, owned, aged, and tracked.

RISK INDICATOR

If provider reports require manual reconciliation, or faster payments create downstream checks, payment speed may improve while finance completion slows.

STRENGTHEN

Create a single view linking payment request, provider status, clearing status, exception status, owner, and open item impact.

06 Close, audit, and control evidence

CHECK

- Finance can show the path from the expected amount to the final treatment.
- Exception status is visible before close.
- Supporting evidence are linked to the relevant transaction or posting.

RISK INDICATOR

If close depends on spreadsheets, inboxes, or local files, or evidence depends on individual knowledge, the process may work in practice but fail under scrutiny.

STRENGTHEN

Build a close-ready trail linking expected amounts, receipts, matches, exceptions, approvals, adjustments, and unresolved items.

Low 1-2 sections

Exception handling may be relatively contained. Confirm controls are documented, repeatable, and evidenced.

Moderate 3-4 sections

Recurring exceptions may be managed through informal processes. Focus first on close impact, aged receivables, failed collections, and material balances.

High 5-6 sections

Workarounds may have become part of the operating model. Review where activities leave controlled processes and where stronger ownership, integration, workflow control, or evidence linkage is needed.

