

Case Study

American Equity

Digital transformation of treasury supports business growth

American Equity is a leader in the development and sale of fixed-index and fixed-rate annuity products. Since 1995, the company has grown substantially by offering competitive products and superior customer service to distribution partners and annuity policyholders.

The Challenge

As American Equity experienced exponential growth, the company's Treasury team recognized the need to modernize and upgrade its systems to meet the expanding requirements of the business. This led to an ambitious digital transformation to centralize the organization's treasury platform, achieve process efficiencies through digitization and put in place a global banking partner to replace the smaller local bank they had outgrown.

The Treasury team began the process of implementing a high capability treasury management system (TMS) and treasury aggregator solution. In parallel, American Equity put forth a request for proposal (RFP) to identify a banking partner whose commitment to investing in their own technology platforms and systems would provide a digital foundation for the company.

"This was an opportune time for us to rethink our commercial banking structure," explained Paul M. Galloway, Treasury Manager, for American Equity. "We wanted a banking structure that would allow us to pool our accounts and eliminate the time-consuming manual processes across our various accounts. As the treasury landscape becomes more digital, we needed a bank that could integrate with our treasury management systems and grow as we grow."

The Solution

Following a rigorous RFP process, American Equity selected Citi as its concentration or primary bank. The concentration banking structure

implemented delivers enhanced visibility and control over American Equity's transactional flows and use of funds. Citi's industry-leading, omni-channel receivables solution suite and global payments platform facilitated a migration from checks to digital payments and collection channels. The bank's Target/Zero Balance Account services enabled all of American Equity's sub-accounts to be swept or funded automatically to a parent account. CitiDirect BE, an award-winning electronic banking platform, provides visibility into transactional activity and balance positions in real-time, and generates customized reports.

American Equity also took advantage of Citi's best-in-class core cash management solutions, which seamlessly integrates with the firm's TMS and aggregator solutions. In addition to target balancing, the suite of solutions included channel services and file connectivity, controlled disbursements and digitized receivables.

American Equity selected a banking partner that will help the company meet its digitization and optimization needs today and into the future. As the organization's payables and receivables processes evolve, the company's treasury department will be able to take advantage of additional leading-edge solutions from Citi, such as Citi Payment Exchange, an integrated suite of products and services that provide payee enrollment, payee maintenance, and flexible, multi-channel payment execution capabilities. Citi Present & Pay is another receivables solution that drives e-channel adoption, reduces paper collection

and expands premium collection channel offerings – ultimately helping to create a better user experience.

The Results

Implementation of the concentration banking structure with Citi has been a game-changer for American Equity's Treasury team. Treasury can now view the company's cash positioning across sub accounts and zero balance accounts, enabling the team to more effectively manage the company's liquidity and cash position to meet daily cash requirements.

By engaging in a digital transformation initiative, American Equity reduced cumbersome manual treasury processes, instead providing a self-service portal for initiating payments. The Citi cash management suite has automated flows, saving time, reducing interchange fees, and removing the burden on vital treasury resources. Now treasury personnel are freed up to focus more on analytics, reporting and strategic decision-making.

"As American Equity continues to grow over the next five to ten years, Treasury will also evolve in order to meet the needs of the business," concluded Galloway. "The advanced digital solutions and processes we have put in place in conjunction with our partnership with Citi have positioned us to play an increasingly important role in supporting and executing the company's strategy and its commitment to providing the dignity of a paycheck for life to its customers. Citi has truly helped to elevate our effectiveness with an increased level of sophistication and banking capabilities."