Case Study: U.S. Insurance Company Protects International Meeting Budgets from Foreign Currency Fluctuations

CLIENT



A major U.S. insurance company whose multiple divisions organize meetings and incentives domestically and internationally.

CHALLENGE

Exchange rates vary constantly, especially in today's volatile political and economic climate, and if an organization's home currency is lower than the destination currency on the day a deposit is due to be paid, the results can be costly. On a one-million-dollar budget, a 1% change in the exchange rate would cost $10,000!

When planning international meetings and events several years in advance, how could this client protect their budgets from foreign exchange fluctuations?



The client needed a solution for a program to the United Kingdom that would:

a) protect their budget against negative currency fluctuations
b) be 100% secure to satisfy internal audit/compliance standards
c) be 100% flexible to adapt to changing meeting requirements
d) be cost-effective
e) be easy for the meetings and conference division to manage

SOLUTION & OUTCOMES

By engaging Meeting Escrow, an independent provider of secure payment, foreign currency budget protection and deposit escrow solutions for the meetings industry worldwide, the client was able to lock in the Pounds Sterling (GBP) exchange rate during the early stages of the planning cycle when the rates were comparable to their event budget projections.

Funds were securely held in a Pounds Sterling (GBP) trust account from which all payments to the hotel and other vendors were made.

By avoiding complex currency contracts and holding funds in trust accounts, Meeting Escrow was able to meet the client's requirements for transparency, flexibility and simplicity.

But most importantly, a post-program analysis revealed that the foreign currency solution saved 5% on the program budget vs. converting funds on the dates that the supplier payments were due.

How the solution works:

