



Case Study – Process Review – Peer review of in-house audit processes

A large insurer had an established in-house process to audit claims handling performance and leakage. The audits are performed by staff from a different office location to assure an unbiased process.

However, doubts remained:

- What is the risk of company-wide blind spots regarding claims handling methods?
- How did their audit process compare with their peers in the market?

SX3 were asked to independently review the insurer's audit processes.

Same Process, Different People - will it give the same result?

SX3 agreed a project which involved them running the next round of the client's scheduled audits but using SX3's claims experts. The result should point to the answers required by the client. Importantly, all aspects of the existing process were to be closely followed, including:

- Scope
- File selection process
- Audit trail
- Results reporting

Careful attention was taken to ensure all in-house processes were understood, with detailed walkthroughs arranged prior to performing the round of audits. There was also close liaison with both the Quality Assurance Team and contact points within the various office locations during the audit processes to ensure system information and handling procedures had been interpreted correctly (both the how, and the why).

Finally, there was regular dialogue with project sponsorship, to ensure this peer review process was on track to deliver its objectives.

In total, 6 audits were carried out across a range of claims handling activities, and classes of business.

Separately, SX3 also audited a limited volume of cases from previous in-house audits.



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Outcome – Good results, improvement can be made...

The headline results from the audits were in line with those performed in house previously. The client had gained reassurance that their teams were being objective in their audit work.

Nonetheless, SX3's review highlighted a number of weaknesses that would impact effectiveness of the process and risk making some of the headline results misleading. It was also noted that there was inconsistency between the format of each of the 6 audits conducted, making side by side comparison difficult.

SX3 delivered a simple route map for improvement reinforced with examples of audit processes employed for comparable organisations elsewhere in the market.

[SX3 Case Studies](#) – are published to help prospective clients understand how value opportunities for the use of our services may be found and to give an insight as to how SX3 works with clients. All projects are unique and have more detail than can be expressed here.