



Consultancy Case Study

Third Party Administrator Oversight & Run-off

Our client, a fast-growing Insurtech, had outsourced their claims to a TPA with delegated authority. As their growth accelerated, they developed in-house claims handling capability. As a result, they put the outsource arrangement with the TPA into runoff. With the client's resources focused on building future claims capability, they asked SX3 to help manage the TPA.

Meeting the needs of the Client

SX3 worked with the client to develop a key performance metrics dashboard to monitor and oversee the run-off work. SX3 collated substantial claims data to provide the client with a bi-weekly and monthly tracker of changes to claims frequency and financial incurred position.

Regular performance discussions were held with the client to demonstrate that the management of the run-off work and TPA were optimised.

TPA Engagement and Collaboration

SX3 established frequent performance review touchpoints with the TPA to monitor performance against plan and explore tactics to accelerate the run-off. Engagement with the TPA ensured they continued to maximise the speed and frequency of the run-off avoiding claims drift and any unnecessary increase in the incurred position.

Audits and thematic deep dives

As and where required, spot check audits were performed by SX3 to independently check the TPA's performance. Deep dive thematic audits were conducted to target areas such as subrogated recoveries, dormancy, and leakage.

Client Benefits

The focus and targeted approach to the various heads of loss and oversight on the TPA avoided the usual delays experienced on a run-off account, providing several benefits to the client including:

- Shortening the lifecycle the run off by 12 to 18 months.
- Releasing management capacity by outsourcing the TPA management to SX3
- Clear visibility on of the run-off at all times, avoiding any inflated incurred position and providing deep insight into the operational activities of the TPA
- Proactive response to dips in TPA performance, identified through audits and the use of real time data to explain and/or rectify issues with the TPA
- Expert advice to the client, as needed, to address any unexpected developments in the runoff work, together with options to accelerate closure of open cases

Conclusion

Whilst Claims Managers can of course manage and oversee run-off arrangements themselves, they can save resources and accelerate the progress of the run-off by using SX3.

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 in to how SX3 works with clients. All projects are unique and contain more detail than can be expressed here.