

## CASE STUDY

# Leveraging our scale as a legacy claims partner

### Setting the scene

Employers' liability (EL) insurance is a legal requirement for the majority of businesses – with policies covering the cost of compensation should an employee incur an injury or illness due to work they are carrying out on behalf of a business. As well as covering the cost of compensation, policies also cover the cost of a claim and legal expenses incurred by the business while defending a case.

In recent years, a number of insurers with EL insurance books of business have sought solutions to manage legacy exposures – including transferring blocks of business to other carriers who then often turn to a trusted expert legacy claims provider like Pro to help them manage that book of business.

### The Challenge

In 2017, a leading global insurance group that delivers insurance solutions in the run-off space acquired a large book of legacy EL business from a British multinational general insurer. As part of the transaction - and on completion of the portfolio transfer - the global insurer approached Pro about migrating the book of business onto Pro's Pelican claims handling platform.

This was not the first large book of legacy EL business that Pro had been asked to lend our significant experience and market-leading expertise and we were able, therefore, to leverage our previous experience and scale to create value for the client which led to Pro being asked to provide a full solution, to include claims handling of the portfolio.

### The Solution

The first step was to review the operating model and integrate the transferred team. Role profiles and team structures were aligned to create specialist claims team and support functions. In addition to excellent synergies, this brought a greater depth of specialist skills to manage these particular types of claims – which was enhanced with the breadth of talent that we brought into the business from the insurer, and which added further value to the expertise that Pro is able to provide to other client portfolios.

The reorganisation also eliminated all duplication of roles and reduced headcount through the redeployment of transferred staff into other roles; and in doing so, saving the insurer significant redundancy and ongoing operational costs.

Having integrated the team, Pro aligned the quality control and assurance processes, reviewed all best practise and developed a range of specific strategies targeted at creating value from the portfolio, harnessing Pro's scale in this space.

## Signs of Success

What Pro has already done is to identify a number of key areas where we drive significant value creation for clients through, for example, the consolidation of the panel of law firms used. With Pro's scale, we can drive better fee rates and minimise the amount of work that is outsourced to lawyers – much of which can be done in-house. This has saved considerable costs for claimants.

The targeted claims strategies (sharing best practise learnings from other portfolios under Pro's management) have created value for this client reversing long term inflationary trends on settled claims costs and reducing overall spend on key claim types.

Pro also sees a much broader spectrum of the market so we can identify trends in data including where certain claimant lawyers are targeting activity so we can prepare defences more effectively – particularly given the long-tail nature of the liabilities (for example, asbestosis or head injury claims) and with claims that are potentially across multiple insurers given the timescales involved.

Pro's ability to drive insight through data to create value for clients is improved with each new client we onboard as the data sets that we are managing increases. Pro is also able to manage one claim across a number of insurers – a single defence case with much greater speed – where clients are spending less on lawyers which is a better outcome all round with one party (Pro) driving economies of scale and much greater efficiencies and diligence in the process.

By building a robust reporting suite that identifies all the trends in the data, the outcome for clients is a saving in their average claim costs (typically claimant's lawyer costs) which Pro has driven out of the system by managing those costs far more effectively. What we are also noticing is that the life cycle of claims is being dramatically reduced by getting to the outcome more quickly and efficiently (which cuts costs), and improving settlement values.

In summary, Pro has brought significant expertise and value-add to this client in terms of energy, drive, unique technology, insights, capability and scale to deliver the right outcomes - and is a very good example of what makes us a natural partner of choice for many insurance carriers.

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