

## CASE STUDY

# A partner of choice for audit and claims

### Setting the Scene

A major global insurance provider approached Pro two years ago to help with a significant project relating to third-party claims administrators (TPA) who handle claims on the company's behalf.

The business was looking for independent support and advice to give them the necessary assurance that TPAs were managing claims appropriately, treating customers fairly and meeting corporate and regulatory requirements.

Pro has been working successfully with this client in the UK for two years and has just started working with them in the US.

### The Challenge

An independent audit of a TPA is a way to gain assurance regarding the TPA's internal control environment. TPA audits include detailed tests of claims processed during a particular period of time, data analysis to identify trends and irregularities, and contract analysis as well as a governance review to ensure that the TPA has the appropriate controls, policies and procedures in place to manage the claims and to meet the client's regulatory requirements.

In this case, the insurer wanted Pro to work as an extension of their team as they had their own in-house staff doing these types of audits. The audits for the client included a review of the governance structure and the operations of the TPAs as well as reviewing a sample of claims files to ensure that these were being managed appropriately and effectively.

### The Solution

Pro adopted the client's scope - a bespoke product which Pro tailored to ensure continuity as well as consistency of reporting and, in doing so, made Pro a natural extension of the client's in-house team.

Pro provided dedicated resource in the UK and more recently, the US, as well as other auditors to support the business on European audits – people who were claims experts but who also had language skills to audit a selection of TPAs annually.

As part of the agreement, Pro had monthly update meetings with the insurer to check on progress; pre-audit meetings with the claims representatives to understand particular issues and nuances; and produced an audit report and a RAG rating with recommendations and findings from the audit.

The arrangement between Pro and the insurer is ongoing and the feedback received from the client is that Pro has successfully validated a number of concerns that they had – both generic and more specifically by individual audit.

### **Signs of Success**

What Pro has delivered to the client is an independent review, and the comfort and reassurance of knowing that the claims administrators are managing the claims appropriately - and where there are concerns, Pro has provided evidence to validate those concerns.

By way of example, Pro has an excellent relationship with the client's claims teams and based on the quality and detail of our feedback and insights, the insurer is able to focus on a more forensic case-by-case audit if required.

Pro has also identified a number of experts and providers which the claims administrators are using where the client was being charged incorrectly or excessively for third-party fees. In another instance in the US, incorrect deductibles were applied which affected the outcome of the file handling.

These are just three examples of where Pro's expertise has helped a major client identify and manage how claims can be handled more efficiently and effectively - and as this case study highlights, Pro's extensive global experience in audit and claims management makes us a natural partner of choice for many insurance carriers.

**Please get in touch**

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