

CASE STUDY

A trusted partner to support companies deliver their growth ambitions

Introduction

As is so often the case in the London Market, it was a personal connection that set the ball rolling for what is now a long and beneficial relationship.

Pro Global Services (Pro) was a legacy player in the early 2000s, and its milestone “live client” was a London-based specialty insurer, an introduction made by one of our former employees who had joined the underwriter. Our engagement began in 2003 with two experts from Pro providing underwriting risk entry support in the insurer’s office and in Lloyd’s for a three-month project.

From the start, the insurer saw the potential for this partnership. The immediate benefit for them was the cost effectiveness of Pro providing a flexible resource pool to cope with the ebb and flow of operational requirements.

Pro was formally contracted as an outsourcing partner for the insurer in May 2005. The start of our relationship with the company began in earnest with the underwriter being able to outsource time-consuming tasks and focus its in-house expertise on value add. The dedicated Pro team earned their trust, became a core part of the business and were seen as reliable, with a strong work ethic and team mentality.

The Background

The company underwrites the following classes of business through a Lloyd’s of London syndicate:

- Aviation - Europe, North America, Latin America, the Middle East / Africa and the Asia Pacific Rim.
- Specialist Lines - principally in the North American market and UK and International PI market.
- Casualty Treaty Reinsurance for Motor, Liability and Professional Indemnity - UK and Ireland, Europe, Asia Pacific and the Caribbean.
- Employers and Public Liability - binder insurance business for Small to Medium-sized Enterprises, predominantly in the UK and Ireland.
- Property Direct and Facultative - emphasis on North America.
- Property Treaty – worldwide natural perils catastrophe cover with 55% in the US and 45% in international territories.

The challenge

From the outset, the insurer and Pro laid down the ground rules to provide the deliverables that were needed to ensure a cost-effective, scalable and measurable outsourcing arrangement. This agreement needed to address all collateral challenges associated with remote teams, and managing inherent manual processes and legacy systems.

Pro was tasked to address the company's core back-office activities and maintain focus on those business requirements which took priority without sacrificing quality or service, and were able to achieve this with ongoing staffing flexibility.

Central to this was the requirement that the outsourcing delivered by Pro allowed for additional resources to be provided in response to seasonal demands or, conversely, stood down when requested to be released by the insurer in quieter periods.

Like any major international underwriter, the company's back-office functions are complex in nature and its size makes it challenging to perform them at a consistent and reasonable cost. Efficiency and cost savings, together with reducing high overheads from having to perform certain specific back-office functions in-house, were two aspects Pro had to deliver unfailingly.

Through workflow, dashboards and regular meetings, the expert Pro team were able to ensure no loss of managerial control over back office functions by the insurer. Another aspect to facilitate this was, simple

though it seems, the proviso that Pro was able to work with the company across the same time zone to enhance quicker decision making.

Transparency was key to securing a trusting and productive relationship. Pro guaranteed that there would be no hidden costs in the outsourcing arrangement, that the agreed contract would cover the details of all the services to be provided and all corresponding charges.

Security was another crucial priority. Pro was evaluated carefully to make sure the insurer's data remained protected and that any potential threats to security, confidentiality and data protection were reduced to a minimum. Pro is subject to regular security audits by the insurer, its authorised representatives and the Financial Conduct Authority, and any other relevant regulator.

Lastly, and by no means least, quality of service. Pro was required to implement all the specified functions effectively and in compliance with applicable laws and regulatory requirements. The contract with the insurer specified the content, frequency and format of the service being provided and contained appropriate service level agreements (SLA). These deliverables are measured regularly against agreed documented key performance indicators (KPIs), escalation points and reporting requirements.

All these challenges were met by Pro and now form the solid foundation from which all outsourcing services are provided.

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The solution

The new processes, systems and people deployed, all enhanced by Pro's subject matter expertise, can be put in chronological order to illustrate the year-on-year additional detailed services and functionalities delivered to the insurer:

- **Indexing (2005)**

Initially, Pro takes responsibility for indexing scanned document images into the insurer's document management system. The documents scanned by the company appears as individual batches within workflow, and Pro ensures that each batch is attached to the required reference through the workflow, using information available in the document where references are not given.

- **Risk and Endorsement Administration (2005)**

This functionality involves Pro inputting or amending risk and premium data in the insurer's administration system, including firm orders, endorsements, quotes, declinatures, not taken up advices and estimated premium income updates.

- **Exposure Management Services (2006)**

Another key function was brought in the following year, whereby Pro is tasked with the formatting, enhancing and processing schedules of values and chasing brokers for missing / incomplete schedules. This involves these specific services:

- Manual aggregates
- Aggregate data manipulation
- Attachment of schedules for written
- Aggregate transfer

- **Post Bind Contract Certainty (2008)**

Pro begins checking all lead risks and a selection of non-lead risks against the Lloyd's quality assurance tool at every stage and reporting on their findings.

- **Technical Accounting (2009)**

A significant part of the outsource to Pro is the processing of London Bureau premium and claim transactions:

- Premium, paid claim and cash movements
- Outstanding loss advices
- Updating premium schedule items
- Bureau reference
- Transaction error message
- Endorsement requests

- **Bordereaux Management (2015)**

Pro's responsibilities for this important service involve the following specifics:

- Bordereaux cleansing and formatting
- Upload of cleansed bordereaux to client system
- Mapping check and error correction
- Quality check of values

- **Credit Control (2015)**

Pro collects, monitors and reports on the insurer's premium receivables, via its multi-lines of business and our duties include, but are not limited to, the following:

- Monthly reporting to the insurer's Operations Administration team
- Weekly Premium Payment Warranty updates to Underwriters
- Liaison with underwriters, outsourcers and the company's Operations Department
- Monthly presentation of credit control statements to brokers

- Monitor and assessing brokers' performance
- Liaison with the bureau (XIS / XCS) and brokers to resolve queries.
- Supervision of the matching, posting and completion of bureau messages

- **Property Treaty Name Change (2016)**

Lastly, Pro is tasked with attaching and renaming of all files within the client's system, downloading data from various websites (AIR, RMS) and submitting this data for analysis by class underwriters.

- This timeline clearly demonstrates the growth of Pro's working relationship with the insurer over the years and our services have been expanded to blend over everything the client does in its day-to-day business dealings.

Peaks and Troughs

Over and above the detailed SLAs in place with the company, the Pro team have various agreed procedures which are designed to manage the peaks and troughs in the business cycle:

- Primary and secondary roles
- Dual roles
- Flexible surge resource
- Extended flexible working policy
- Extended working day

Conclusion

Pro's length of relationship with the client, the service improvements that we have implemented over time, and our speed of delivery and reliability have all combined to produce measurable results and meaningful differentials for their underwriters.

From humble beginnings, this relationship has grown into a multifaceted outsourcing agreement - a successful and organic process that has seen layers of complexity added over the years.

We are proud of our ability to deliver on these complex functions for this insurer, providing a valued service, expert advice and working seamlessly with international teams. We consider ourselves an extension of the company's back office, and a trusted partner as the business continues to grow: and we aim to ensure that the back office foundations for that future growth operate reliably and efficiently.

By outsourcing these functions to a reliable partner, the insurer is able to focus its core team on what they do best; underwriting profitable business.

"We have been highly impressed by the cooperation, professionalism and partnership approach that Pro brings to our company. We always feel confident in their ability to deliver accurate and reliable service and consider them a core part of our underwriting team. As we expand, we know that Pro can be relied upon to support our growth and scale." The Insurer