

CASE STUDY

Leveraging our scale as a legacy claims partner

The Client

A leading global (re)insurance group that delivers insurance solutions in the run-off space acquired a large book of legacy UK 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 and support them with the complex migration. This support led to Pro being asked to provide a full solution, to include claims handling of the portfolio.

Value Created

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.

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. What we are also noticing is that the life cycle of claims is being reduced by getting to the outcome more quickly and efficiently (which cuts costs), and improving settlement values.

The Challenge

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. This creates a significant challenge for the acquirer in terms of how they onboard the operation of these large and highly complex claims portfolios now and into the future, often involving migration of claims and policy data from legacy systems and TUPE transfer of staff.

Legacy acquirers often turn to a trusted expert and advisor like Pro to help them manage that transition and business on a go forward basis.

Our Approach

The first step was to review the operating model and integrate the transferred team into Pro's pre-existing claims function.

Role profiles and team structures were aligned to create specialist claims team and associated 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.

Please get in touch

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