



Best Practices Series

Third Party Adjustment Audit Services



All self-insured organizations are faced with significant reserves associated with open claims, and allocated cost for the Third Party Adjuster (TPA) administration. Successful firms who don't want the expense of a full time claim auditor are employing a cohesive team of outsourced claim auditors to complete highly specialized tasks that their staff cannot complete.

Recent Findings

For a typical enterprise, qualified claim auditing help is very hard to find today. Add to that the complexities of the strategic, financial, operational, and hazard risk landscape, and you could have a possible recipe for disaster.

In our recent studies, more and more firms are turning to highly specialized, cost-effective risk audit solutions to drive earning and asset valuation improvements. By employing these solutions, they are gaining dramatic cost savings of 10-40% from the traditional claim management approaches.

Key Solutions

Evidence has shown that there are five key areas of claim management that will drive earnings and asset value improvement.

- Consistent, broad organizational goals to “capture” claims for decision-making, with the ultimate goals of increasing earnings and improving asset valuations through appropriate resolution and future solutions.
- Annual bidding of the claim management programs with a highly specialized and focused approach for their type of business. The bid process should consist of separately analyzing every service provider and should be appropriately benchmarked with independent data.
- State-of-the-art claim management technology and professional services with continuous reserve management.
- Retention of a qualified, experienced team of multi-disciplinary medical, financial, claim, and legal resources with significant experience in risk management to compliment the existing staff.

- Service quality and technology dedicated to carefully managing and ensuring excellence throughout the process.

While many organizations employ a variety of professionals to assist in managing claims, few have highly qualified resources to execute critical claim management cost reduction strategies. The savings more than make up for the costs of these products and services, and the quality of the programs improve dramatically.

About Blackburn Group

Blackburn Group is an enterprise risk management professional service firm specializing in a variety of risk management practices including TPA Audit service. Our partners have over 30 years experience delivering advanced product and service solutions for the risk and insurance industries.