

Best Practice in Legacy Claims Operations

Benelux Forum

November 2019



Market Overview

- The market has changed in the past decade
- Expected growth in the years to come, buyers and sellers
- Significant deal flow from Lloyds
- Europe still to develop
- US IBT's ?
- Future



Planning must start at a transaction stage

Plan operations and Claims Management during transaction

Effective operational Due Diligence should cover :

- **Claims volumes and complexity**
- **Staff skills and team size required**
- **Processes, e.g., payments, UK ELTO tracing**
- **IT platform and data structure**
- **MI reports**
- **Regulatory requirements**
- **Portfolio transition**
- **Risks**



Team transition

Needs:

- Skills needed
- Team size
- Knowledge of files
- Knowledge of portfolio



Must do:

- Know your TUPE/ Betriebsübergang
- Talk to staff asap
- Engage HR, unions

Messages to Staff

- Great working environment
- Continuity
- Career progression
- Run-off is not a 'dead-end'
- Greater job security



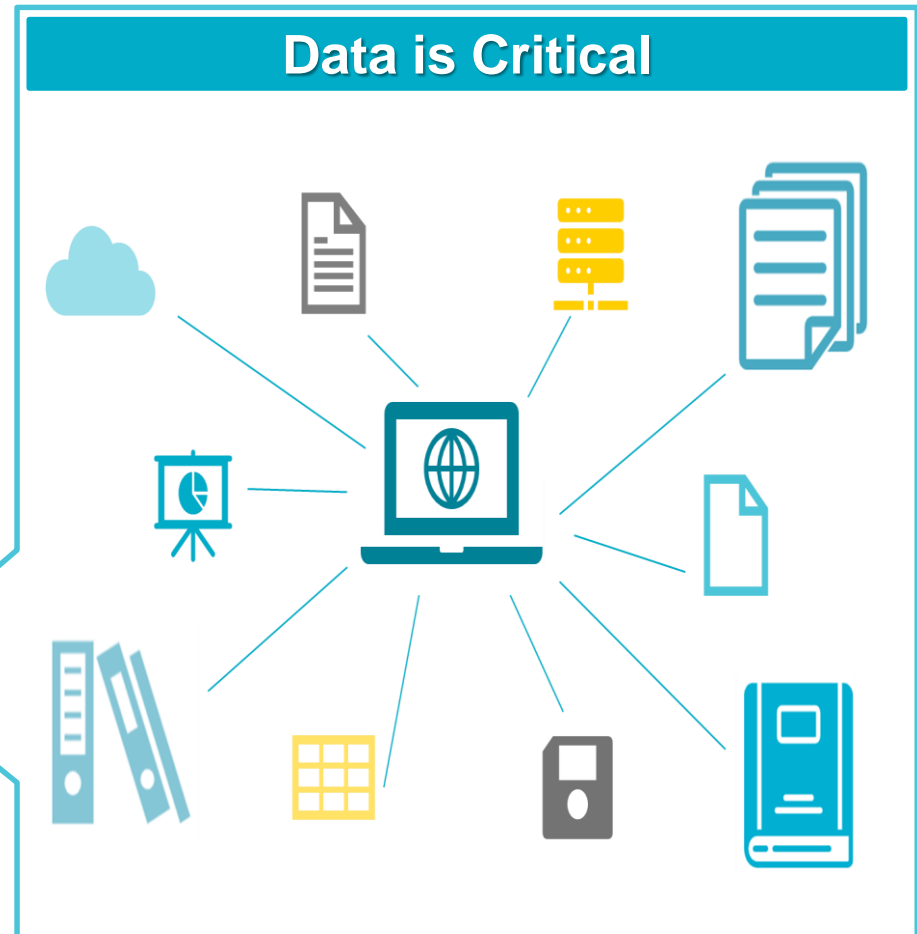
IT and Data Transition

Needs:

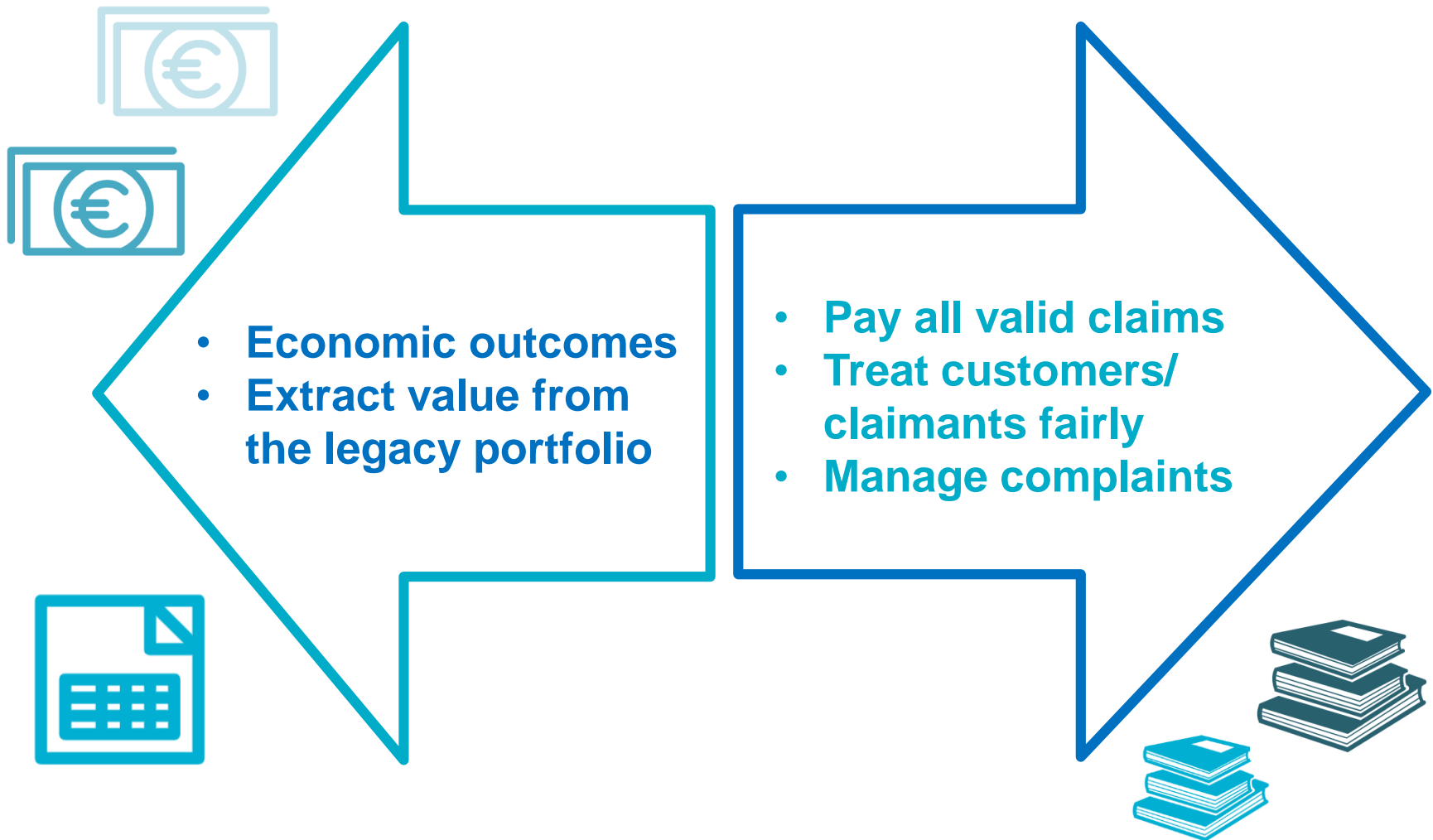
- T.O.M
- Defined Functionality
- Identified data source
- Interdependencies?
- Defined ownership

Must do:

- Have a plan
- Expect the unexpected
- Adapt but don't change objective
- Use the experts



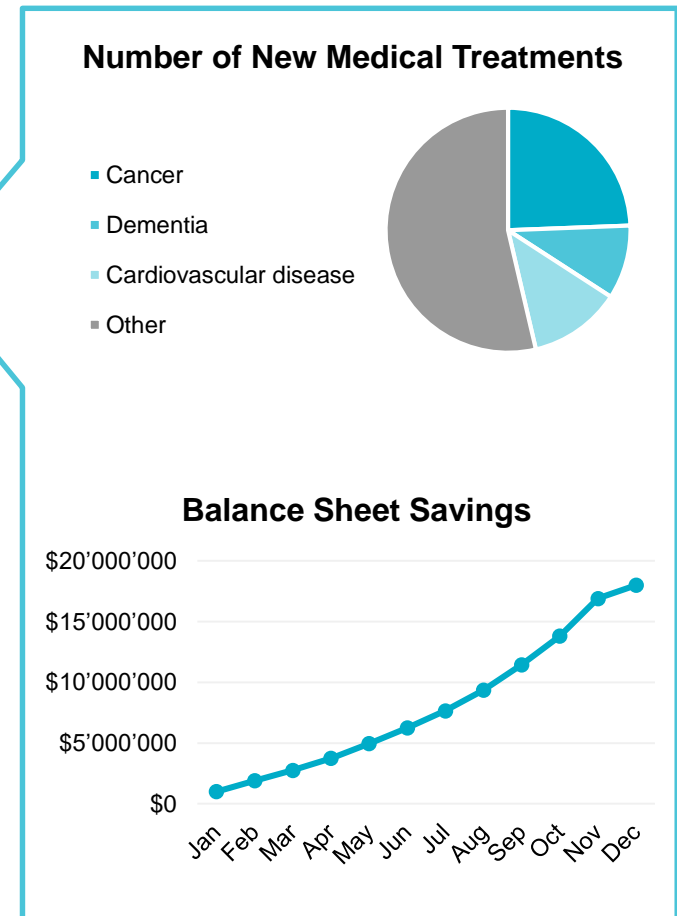
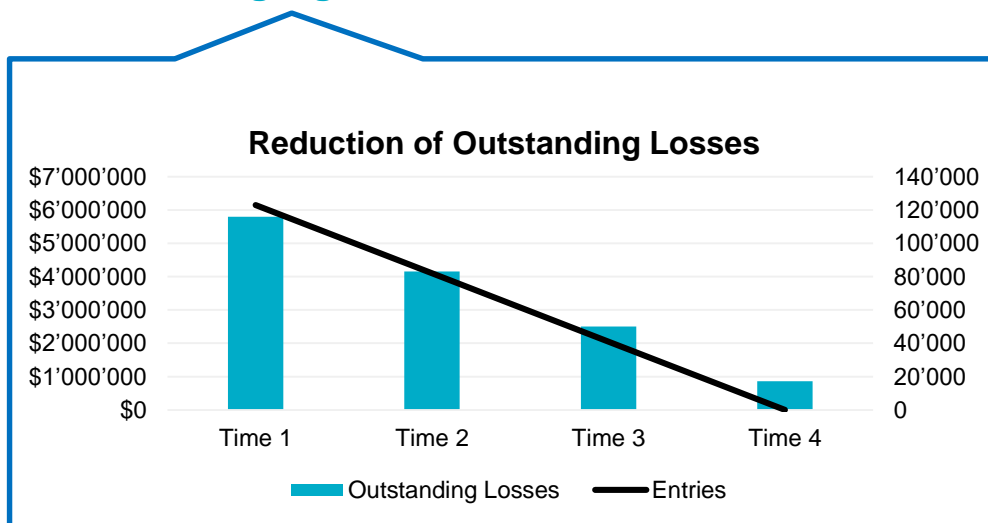
Balancing the objectives



Shaping portfolio strategies

Use sophisticated MI to plan specific portfolio campaigns such as:

- Counter-party settlements
- Commutations/buybacks
- Subrogation
- Use of new medical treatments
- Influencing legislation



When to manage in-house and when to outsource?

Manage in-house

- Skills exist in-house
- Sufficient scale
- Willingness to invest in IT
- Sensitive



Outsource

- Specialist hard-to-find skills
- Presence in a new market
- Critical mass, economies of scale
- Advanced IT, Market-wide Platform/Utility



Future trends

- From reinsurance to primary insurance, where claimants are individuals
- Tight regulatory oversight, especially on conduct risk
- Technology-driven efficiencies and value gains
- Market platforms/utilities
- Next asbestos is... asbestos.



Pro's Experience

Pro's Legacy Portfolio Management Experience:

London Market APH

€5 billion

US General Liability

€1.5 billion

UK Employers Liability

€1.5 billion

German Medmal

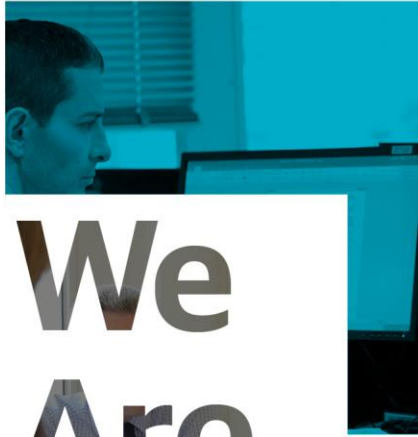
€0.5 billion



130
clients

25yr
expertise

15 global
locations



**We
Are
Pro.**

