

PROFESSIONAL SERVICES

Audit and Inspection

Every audit and inspection is a sifting process that starts with a variety of information. It can mean analysing one or many sources, seeking the signs that highlight problems or provide reassurance.

Our team has the experience to know what to look for, and the methodical and accurate approach to go out and find it.

Our Audit and Inspection Services team expertly assists in the effective risk management of underwriting, claims, reinsurance, accounting and reporting. We work with many of the leading names in the global insurance and reinsurance industry, offering solutions specifically tailored to the demands of their businesses and the risks they face.



Customised
solutions across
the business

Our audit and inspection services cover all of the following business critical areas:

- Underwriting and agency agreements and adherence to underwriting authorities and guidelines
- Pre-risk and loss mitigation programmes
- Pre-renewal claims and/or exposure evaluation
- Validity and coverage of claims
- Adequacy of reserving for volatile claims
- Valuation of realistic and fair claims exposure pre-commutation
- Premium throughput, accounting and transaction processes
- Appropriateness and adequacy of claims procedures and financial controls
- Debt chasing
- Protecting and maximising reinsurance recoverables
- Supporting litigation and arbitration proceedings
- Regulatory/contract requirements

The benefits

There are a number of important reasons to carry out an audit or inspection. As well as highlighting problems in a cedant's business, they can also provide reassurance that a contract is being honoured or that claims are being made and discharged properly. They also often provide valuable leverage for commutation discussions. There are three key stages of the insurance relationship where these benefits can be realised:

Pre-underwriting audits

A pre-underwriting audit prior to accepting risk gives a reinsurer a clear understanding of the cedant's book of business and enables them to set a fair and reasonable premium.

Inspection of records

Inspection of records allows the client to build a clear picture of the cedant's business at a macro and micro level. It helps to establish that the contract is being properly fulfilled and it provides a platform to limit the client's financial liabilities, including the assessment of errors and omissions. It also provides confidence in the quality of the cedant's business, its staff, processes and financial reporting.

The process of the inspection itself can also help to open lines of communication and gain a better understanding of the cedant's business. This could lead to a decision to exercise a greater degree of claims control or to revise claims handling procedures.

Pre-commutation audits

Pre-commutation audits provide a third-party view of claims quantum and a better understanding of reserving expectations prior to commutation negotiations. Also, where problem areas are identified, these can be brought into commutation discussions to add weight to negotiations.

How we work

We carry out audits and inspections for our clients on an ad hoc basis or as part of a structured programme. Every inspection or audit involves a thorough review of the insured's books and records, both from a liability and an underwriting standpoint. Typically, an inspection of records is permitted under the (re)insurance policy wording. They can also be used to ensure TPAs, MGAs and claims service providers are managing and adjusting claims within the remit of their authority.

Before proceeding with a review, we always start with a thorough discussion of the client's aims and objectives. With a full understanding of what they want to achieve, we tailor our approach by performing a general review or one that focuses on specific areas. The areas we might focus on include discount review, premium adjustment, aged losses, adverse loss development, specific classes, contentious claims, litigated claims, reserving, claims frequency, letter of credit issues, subrogation opportunities, general procedures and controls.

Following investigations, review and feedback we provide the client with a full report and recommendations based on the review's findings, after which we can work with the client to implement changes.

Fees

Our fee structure varies according to the needs of our clients. Generally we operate on a competitive hourly rate, with initial budgets based on the scope of each review and the time and resources it will require. Alternatively, usually when the review is a precursor to a commutation negotiation, we can work on a contingency fee basis.

Our team

When carrying out audits and inspections, we are able to draw on the talents of a large team of qualified professionals. Our people have extensive first-hand experience in underwriting, claims adjusting, accounting, technical and financial reinsurance and have built up an unrivalled knowledge of the many underwriting classes and the issues affecting them.

This expertise is now enabling us to carry out major audits in the UK, USA, Continental Europe, the Far East and Australasia, to assess a huge variety of claims and deal with the different legal systems.

Wherever the audit is taking place, we always put together a dedicated team to match that client's needs and we appoint an audit manager who is responsible for coordinating our approach and managing the relationship between our client and third party organisations.

Complementary services

Coverholder and binder review

PRO can provide a fresh pair of eyes to investigate your delegated authority and uncover potential problems. Our Review team knows what to look for and where to find it.

Commutation

By helping you to understand the risks you face and maximising the rewards, PRO helps to provide certainty and allows you to focus on finality.

About PRO

A member of the Swiss Re Group, PRO focuses on providing innovative solutions and professional services to the worldwide insurance and reinsurance industry.

Founded in 1993, PRO handles all non-life (re)insurance liabilities. Our 300 staff, many of them highly qualified and experienced, operate in the US, UK, Continental Europe and Japan, managing multi-billion dollars of liabilities and assets for our international clients.

Other services

- Finality Solutions and Outsourcing Options
- Claims Management Services
- Coverholder and Binder Review Services
- (Re)insurance Recovery Services
- Commutation Services
- Consultancy and Business Support Services
- Solvent Schemes of Arrangement
- Run-off Solutions Modelling
- Debt Purchase

To find out more about how PRO can help your business, please contact:

Steve Ryland,

Executive Director
Tel: +44 (0)1452 782633
Fax: +44 (0)1452 782582
steve_ryland@pro-ltd.co.uk

Bruton Court
Bruton Way
Gloucester GL1 1DA
United Kingdom

Philip Heitlinger,

Executive Director
Tel: +44 (0)20 7337 8914
Fax: +44 (0)20 7623 3318
philip_heitlinger@pro-ltd.co.uk

One Great Tower Street
London
EC3R 5AA
United Kingdom

www.pro-ltd.co.uk
pro_enquiries@pro-ltd.co.uk