



## **CLAIMS AUDITING SERVICES**

---

The Claims Auditing Services of Alan Gray, Inc. cover virtually all lines of insurance claims, including environmental, mass tort, products liability, auto, construction defect, workers compensation, health care, professional liability, commercial property and others. Services are provided on a global basis to clients seeking to positively impact their bottom lines. The claims audit staff is made up of seasoned claim professionals, many of whom have held significant management positions in claims organizations and law firms.

### **Claims Auditing Services Can Include:**

**Pre-underwriting audits to verify loss histories reported from prior carrier(s)**

**Pre-settlement audits to validate claims history being reported prior to settlement discussions**

**Post settlement audits to verify that terms and conditions of settlements are being adhered to**

**Third Party Administrator (TPA) audits to confirm level of service being provided meets industry standards and/or service agreements entered into by parties**

**Review of Self Insured Retentions (SIRs) to confirm proper exhaustion**

**Operational reviews of entire claim departments**

**Arbitration and litigation support including expert witness testimony**

### **Sample Engagements:**

- An operational audit of an international client's claims department resulted in complete reorganization of staffing levels and procedures. Reserve reductions totaling over \$25,000,000 were realized based on Alan Gray, Inc.'s file audit and the open file inventory was reduced by 35%.
- A global insurer requested a comprehensive audit and analysis of claim files and related jobsites to develop a model for non-product allegations. The insured was a distributor/contractor but was billing all losses as products. The audit identified a significant percentage of claims as non-products. The client was able to utilize this information to negotiate a settlement that resulted in savings of over \$10,000,000.
- A client requested an audit of claims under a complex reinsurance contract involving a large hospital group and multiple years of medical malpractice coverage. The audit identified a significant claim with serious coverage issues under the client's contract resulting in savings of \$1,000,000 for the client.
- An audit of alleged exhaustion of underlying SIR was requested by an excess carrier client. The insured was a large home supply company seeking reimbursement of over \$700,000. The audit identified many claims improperly classified as products liability claims rather than general liability/operations claims, therefore not subject to aggregation. Based on Alan Gray, Inc.'s audit findings the SIR had not been exhausted, resulting in savings of over \$700,000 to the client.
- Alan Gray, Inc. was retained by an excess medical malpractice carrier to audit claims managed by the underlying carrier. One of the more serious and high exposure claims involved traumatic birth injuries. The file audit uncovered a \$5,000,000 umbrella policy written by the same carrier (excess of \$1,000,000) for the target defendant that had been overlooked. The case settled for \$2,500,000 resulting in savings to the client of \$1,500,000.

88 Broad Street  
Boston, MA 02110  
Tel + 1 617.426.6255  
Fax + 1 617.695.9084

9 East 40th Street  
12th Floor  
New York, NY 10016  
Tel + 1 212.685.9026  
Fax + 1 212.685.9067

9 St. Clare Street  
London, England EC3N 1LQ  
Tel + 44 (0) 20 7954 4366  
Fax + 44 (0) 20 7954 4350