



**Mike Sliemers**  
*ESIS Captive Practice Leader*

Mike Sliemers possesses more than 30 years of insurance experience. He is an executive-level national account management and insurance professional with deep technical claims expertise in property, casualty, workers compensation, professional liability, alternative risk, and accident & health. Mike's comprehensive experience spans commercial and personal lines, excess, reinsurance, and group benefits across the entire insurance value chain of account management, claims, underwriting, risk engineering, and managed care. Prior to joining ESIS ProClaim<sup>SM</sup>, Mike spent 10 years at a national TPA as head of account management for affinity groups and associations. He also spent 6 years at Chubb in a variety of claims and account leadership roles, as well as 15 years in claims management with CNA Insurance.

**6,027**  
According to the  
Insurance Information  
Institute, in 2020 there  
were 6,027 captives  
in the top 20 global  
captive domiciles,  
with 3,107 captives  
domiciled in the U.S.<sup>1</sup>

1. [iii.org](http://iii.org): Background on: Captives and other risk financing options, May 25, 2021

## 5 Things to Consider When Choosing a TPA for Your Captive

In today's market conditions, moving your insurance program to a captive insurance structure offers many advantages, including better control of premium, risk management, and the overall service provided to members. It also means taking on a higher level of risk. A key part of a successful captive solution should be partnering with a TPA that can effectively manage your claims, meet the insured members' needs, and reduce your total cost of risk. Whether the captive protects a single entity or a group of insureds, Mike Sliemers, ESIS Captive Practice Leader, suggests you focus on these five key considerations for choosing a TPA.

### 1 Captive Experience

Managing claims for a captive program is not the same as managing claims for a guaranteed cost program. Your TPA needs to have extensive experience in managing claims for captives, which includes understanding and meeting the expectations of the captive owners, the captive manager, regulators and, of course, the underlying insured member(s). More importantly, the TPA you select must be able to create a flexible program that is tailored specifically for your needs and provides the level of control and communication that you want. This includes aligning the program with the captive's insurance structure, reinsurance, and your reporting hierarchy for data purposes. The TPA should also meet your claim management requirements and special instructions (e.g., reserve philosophy, settlement authority and communication guidelines).

### 2 Claim Expertise

Multifaceted claim expertise, is essential starting with the lines of business you are placing in your captive today and in the future if you chose to expand or grow your captive. Long term, the TPA's staffing model should be scalable and nimble in order to grow as your captive matures or changes. The TPA also needs to have specialized knowledge of your specific industry or operations. This helps the claim professionals understand the types of exposures your members have and the types of claims they will experience and optimize outcomes. For example, if you are a healthcare organization, does your team include medical professionals and attorneys who specialize in malpractice claims? That insight allows your adjusters to evaluate claims, anticipate issues that may arise, and strategically guide your claims to resolution.



Before deciding on a TPA, ensure that your important questions are answered in writing (e.g., through an informal Request for Information or a formal Request for Proposal).

**Some things you may want to request samples of include:**

- Workflows
- Audit templates
- Best practices
- Sample reports
- Staff bios

For more insights on how we can help you reduce your total cost of risk, connect with us on [LinkedIn](#)

### 3 Program Management and Metrics

The success of your program can depend on how TPA's claim professionals are managed and how claim results are measured. Strong claim leadership is an absolute must have. Disciplined execution of best practices needs to be a foundational element of the TPA's approach, and the quality controls that managers use to track and measure their teams should be implemented. Other important considerations are caseloads, claim assignments and additional expertise that may be needed. For example, are senior adjusters managing more complex claims? When and how are managers involved in specific claims? Are line of business experts available who can lend specialized guidance on complex claims?

### 4 Data Quality, Use, and Access

To manage your captive effectively, you need robust data. Your TPA's claim system must be able to capture data that is specifically meaningful to your program and, more importantly, it must be able to use, share and act on that data to drive better claim outcomes and decrease claim durations. It's critical that your TPA be able to provide multiple views of your data, including dashboards that provide an overview of key program metrics, a library of standard and custom reports that can be generated on a schedule you determine, and easy access to the full details of individual claims. Good data can also help your captive maximize the ROI on risk control programs by helping you identify trends, areas for improvement or education, and even individual members who may need specialized assistance improving their risk control efforts.

### 5 Relationship and Alignment

Your TPA may be interacting with your captive manager, your board, or other stakeholders. The degree to which a TPA is able to sustain long relationships with other captive clients is a good metric for their success in building strong, long-term relationship with your organization. Speak with the TPA leaders who will be responsible for the results of your program and consider how well they will fit with your captive's leadership. Do the two groups share common values? Are they aligned on goals for your captive and on claim management philosophy? One thing that sets a good captive TPA apart is the availability of the leadership team when you need them the most and how responsive they are when issues arise. You need a strong executive sponsor who is there for you when you need assistance. For example, will the senior members of your claim team participate in claim reviews and stewardship meetings and hold themselves accountable for results? Will your members be involved in claim reviews and provide objective feedback to the TPA leadership?

Don't forget your members' needs. Your TPA is interacting with and providing a key service to your members. If handled well, this can help you increase membership, particularly in a group captive setting. Be clear about what service levels you expect, from 24/7 claim reporting via multiple channels, to custom intake, to experienced stable claim staff, to the quality and frequency of communications with members, to cutting edge technology and data output.

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To learn more about how ESIS can help your captive reduce costs, and improve control of premium, risk management, and the overall service, connect with us today.

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