EXECUTIVE WHITE PAPER · WP-28

POLICY ADMINISTRATION · PHILIPPINES

The lifecycle-accuracy standard: the executive economics of policy administration outsourcing to the Philippines.

An analysis of why policy transactions processed is a volume vanity metric, how record accuracy and on-time processing across the policy lifecycle — never transaction throughput — decide the true cost of a policy-admin operation once endorsement errors, renewal leakage, and rework are counted, and the vendor-selection discipline that keeps the policy record clean from issuance to renewal.

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ABOUT THIS SERIES — VOLUME 28

Every policy-admin proposal is priced per transaction processed, because throughput is easy to count. This volume is about the only policy-admin outcome a carrier's book actually depends on: the policy record kept accurate and current through every lifecycle event — issuance, endorsement, renewal, cancellation — so premium is right, coverage is right, and nothing has to be corrected after the fact. The gap between processing a transaction and keeping the record accurate is where endorsement errors and renewal leakage live. The full series lives at piton-global.com.

THE PITON-GLOBAL LEADERSHIP TEAM

About the authors

John Maczynski

Chief Executive Officer

John has bought policy-admin capacity for three decades, and learned that the fast team that processes every transaction and gets the record wrong is the most expensive one a carrier can hire — because every mis-processed endorsement is wrong premium or wrong coverage, every missed renewal is leaked revenue, and every dirty record is a correction, a complaint, or an E&O exposure waiting to surface. His standing question ignores the throughput report: of the transactions you processed, how many left the policy record accurate and on time? Applied at PITON-Global, that question is what clients get on every policy-admin sourcing decision — personally, with no account layer in between.

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Ralf has spent twenty-five years running Philippine policy-operations floors, and he judges a policy-admin team by its record accuracy and on-time rate, not its transactions-per-day: whether the policy record stayed clean and current through the lifecycle, or accumulated errors that surfaced at renewal or audit. The policy-admin contract in Section 3 codifies what he learned rebuilding teams that processed transactions fast and left the record dirty. He now reads policy-admin providers the way he once ran them — from the error-and-correction log and the renewal-leakage report backward.

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ABOUT PITON-GLOBAL

PITON-Global is a buyer-side advisory practice, Manila-based since 2001, that has never operated a delivery floor or taken a placement commission. Its stock-in-trade is knowing the Philippine provider market at the operating level — 1,000+ mapped operations, re-verified continuously, including each policy-admin team's real record accuracy and on-time performance rather than its transactions-per-day headline — and converting that knowledge into a shortlist of six to ten genuinely qualified partners per engagement. Buyers from Tripadvisor, Garmin, TSYS, HealthPartners, Yetipay, Workrise, and Norman Disney & Young have run their searches through the practice.

SECTION 01

Executive summary

−58%	99.5%+	−64%	6.1×
Fully-loaded cost per accurate policy transaction vs. US onshore	Record-accuracy rate on vetted teams, up from 90–95%	Reduction in endorsement/renewal errors on vetted teams	First-year ROI, reconstructed case (Section 6)

A policy-admin engagement is bought on the price per transaction and paid for on the records it corrupts. The vendor reports four hundred thousand policy transactions processed at a fraction of the onshore cost; the carrier finds the endorsements that changed the wrong field, the renewals that lapsed because nobody processed them on time, the premium that was mis-rated on a bad record, and the correction queue growing while throughput looked healthy. The operation hit its transactions-processed number and the carrier inherited dirty policy records, renewal leakage, and an E&O exposure it did not price. The gap between processing a transaction and keeping the record accurate is where the real cost of cheap policy admin hides, because a mis-processed transaction is not throughput delivered — it is a correction deferred and a record no longer trustworthy.

The Philippines is where policy administration is delivered with the most lifecycle-accuracy discipline, because a deep, insurance-trained, detail-oriented talent pool can run the accurate processing, record hygiene, and on-time cadence that lifecycle accuracy demands. Five findings:

1. **Policy transactions processed is the industry's most flattering number.** Any team can touch a policy and log the change. Vetted teams are measured on outcome: record accuracy, error rate, and on-time processing. Weak providers quote a low per-transaction price the carrier repays in corrections, renewal leakage, and E&O risk. Section 2 shows the gap.

2. **The clean record, not the fast transaction, is the product.** A policy that rates right and renews right comes from processing each lifecycle event accurately and leaving the record clean — not from clearing a queue. Teams that keep the record accurate process once; teams that process loosely leave errors that surface at renewal or audit, at a cost far above the per-transaction price.

3 **A dirty record is a deferred loss.** An error in the policy record does not cost the day it is made — it costs at renewal when premium is mis-rated, at claim time when coverage is wrong, or at audit when the exposure surfaces. Vetted teams hold record accuracy above 99.5% precisely because every error compounds quietly until a lifecycle event exposes it.

4 **The correction and the leakage, not the keystroke, are what cost.** A transaction done wrong costs the rework, the correction, the leaked renewal, and the E&O exposure — many times the per-transaction saving. Teams that process accurately keep records clean and renewals on time, and that protected premium — not the offshore rate alone — is where the case study's return is built.

5 **Contract on the accurate transaction, not the processed one.** The contracting failure of policy admin is paying per transaction and hoping the record stayed clean. Vetted deals price against record-accuracy floors, error ceilings, and on-time targets, making the accurate record the team's problem, which is where it belongs.

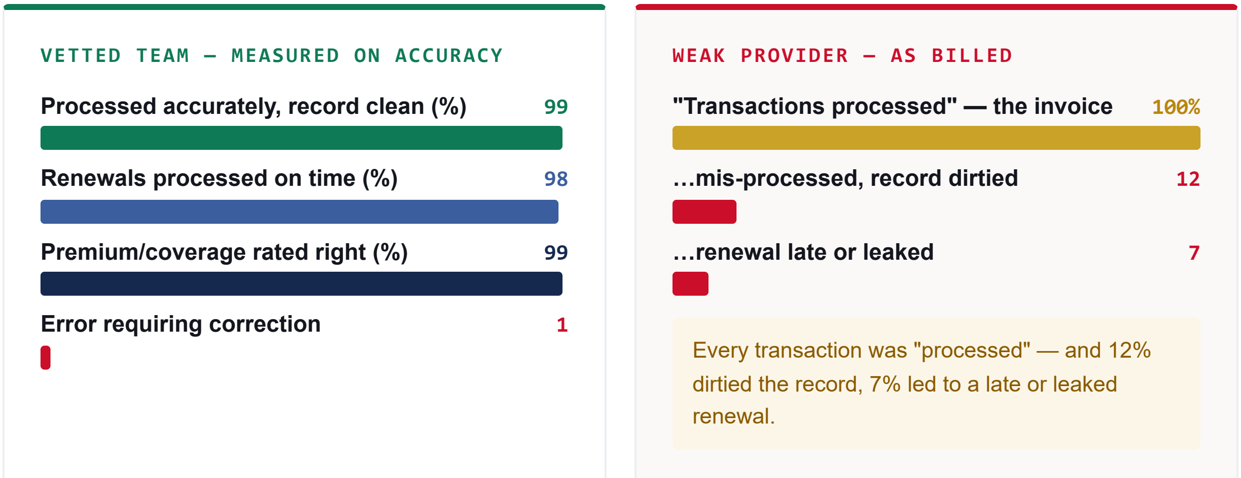
The intended reader is a policy-operations VP, COO, or operations leader buying policy admin per transaction and paying for it in corrections, renewal leakage, and E&O exposure. Sections 2–4 separate the teams that keep records accurate from the teams that process volume; Sections 5–7, the method and the proof.

SECTION 02

The volume mirage: policy transactions processed versus accurate, on-time records

Figure 1 shows one month of a carrier's policy transactions two ways: as the throughput report a weak vendor bills, and as the record-accuracy reality the book experiences at renewal and audit. The transactions-processed number is identical in spirit to a chatbot's containment rate — a figure engineered to look like output while errors, renewal leakage, and corrections accumulate underneath.

FIG. 1 — ONE MONTH OF TRANSACTIONS: RECORD-ACCURACY QUALITY VS. REPORTED THROUGHPUT



Left: PITON-Global engagement instrumentation, 2025–26, records audited. Right: composite of pre-engagement vendor reporting reviewed in diligence.

The economics follow the record accuracy, not the transaction count. On the left, ninety-nine percent of transactions leave the record clean and ninety-eight percent of renewals process on time, so premium rates right and nothing surfaces at audit; on the right, a cheap per-transaction price dirties twelve percent and leaks seven at renewal, paying in corrections, renewal leakage, and E&O exposure at once. A low per-transaction price that corrupts records is not a saving; it is deferred rework and leaked premium, delayed and partly permanent. The record-accuracy audit — accuracy rate, error rate, on-time processing — is the cheapest due-diligence instrument in this paper.

SECTION 03

The policy-admin contract: process it accurately, keep the record clean, process it on time

Figure 2 lays out the three clauses of a working policy-admin contract — the machinery a floor read verifies before any per-transaction price is believed.

FIG. 2 — THE POLICY-ADMIN CONTRACT, AS OPERATED ON VETTED TEAMS

PROCESS IT ACCURATELY

Every issuance, endorsement, renewal, and cancellation is processed against the policy rules and the request, with the premium and coverage impact validated — and a questionable change queried, not guessed. The transaction is made correct at entry, so the record does not carry an error into the next lifecycle event.

KEEP THE RECORD CLEAN

The policy record is kept complete and internally consistent across the admin system, documents, and downstream feeds, and a data-quality check catches a discrepancy before it propagates. A clean record is one an underwriter, an auditor, or a claim handler can trust without re-verifying.

PROCESS IT ON TIME

Renewals, endorsements, and cancellations are processed inside their lifecycle deadlines so no premium leaks and no coverage gaps open — with an accuracy-and-timeliness report the carrier can read. On-time processing is a renewal captured and a policy current, which is the only outcome the book actually feels.

↓ yields ↓

THE ACCURATE POLICY RECORD 99.5%+ RECORD ACCURACY · CLEAN & CONSISTENT · ON-TIME

Every lifecycle event is processed accurately, the record stays clean and consistent, and renewals close on time — so premium rates right, coverage is correct, and nothing surfaces as a correction or an audit finding. The operation gets cheaper per accurate transaction and cleaner at the same time, which is the entire promise of outsourcing policy admin to people who measure record accuracy, not transactions processed.

Operating parameters from PITON-Global policy-operations engagements, 2025–26.

In diligence, the contract is tested from the record's side: pull a sample of processed transactions and re-audit the resulting records against the rules and requests to measure true accuracy; check consistency across the admin system and downstream feeds; measure on-time rate against the lifecycle deadlines. Perhaps one team in ten survives it cleanly. Steps 3 and 5 of the framework exist to find that one before the contract does — because everything in Table 3 of Section 6 depends on record accuracy, not transactions processed.

SECTION 04

Cost and performance: cost-per-accurate-

policy-transaction economics and benchmarks

TABLE 1 — FULLY-LOADED COST PER ACCURATE POLICY TRANSACTION: THREE OPERATING MODELS (2026)		
OPERATING MODEL	COST / ACCURATE	VS. US BASELINE
US onshore in-house policy-admin team	**$6.30**	baseline
Low-cost offshore transaction mill (per-transaction)	**$4.25**	**−33%**
Vetted Manila team — accurate, clean, on-time	**$2.65**	**−58%**

Basis: PITON-Global engagement pricing 2025–26; cost per accurate policy transaction = fully-loaded operating cost divided by transactions processed accurately (mis-processed excluded); the transaction mill looks cheap per transaction but corrections, renewal leakage, and E&O exposure lift its true cost per accurate transaction; US comparator fully-loaded in-house cost.

TABLE 2 — POLICY-ADMIN BENCHMARKS, VETTED VS. BASELINE (2025–26)			
METRIC	VETTED TOP TIER	BASELINE	EXECUTIVE READING
Record-accuracy rate	**99.5%+**	90–95%	The only policy-admin number the book follows
Endorsement/renewal error rate	**−64%**	baseline	"Process accurately" — held or not
On-time processing rate	**98%+**	80–90%	Renewal captured, or leaked
Correction/rework rate	**<2%**	8–14%	Done once, or done twice
Renewal-retention lift vs. baseline	**+3.2pts**	baseline	On-time & clean, or lapsed

Source: PITON-Global policy-operations engagement data 2025–26; baseline = typical pre-engagement operations billed on transactions processed.

The strategic read: the transaction mill's −33% per transaction is a false economy — corrections, renewal leakage, and E&O exposure lift its true cost per accurate transaction far above the per-transaction gap, and premium leaked at a lapsed renewal rarely returns. The vetted Manila team's −58% is real because it is measured where the value is: the transaction processed accurately, the record kept clean, the renewal captured on time. Buy on transactions processed and you buy the right column of Figure 1; buy on cost-per-accurate-policy-transaction and you buy lifecycle accuracy — the same discipline every volume in this series keeps arriving at from a different door.

SECTION 05

Sourcing discipline: the 7-Step Vendor Vetting Framework, applied to policy admin

Policy-admin diligence adds one hard requirement to every step: a per-transaction price is real only when the record accuracy behind it survives a re-audit against the rules and requests. The funnel below is representative of a 30–70-seat policy-operations search.

	FIG. 3 — THE 7-STEP FRAMEWORK AS A POLICY-ADMIN FUNNEL		
	STEP	WHAT IT ELIMINATES IN A POLICY-ADMIN SEARCH	FIELD REMAINING
1	**Requirements definition**	Throughput-first scoping: fixes the record-accuracy floor, the error ceiling, the on-time target, and the correction standard the operation must meet by line of business	1,000+
2	**Market mapping**	Transaction mills: operations that bill activity and treat corrections and leakage as the client's problem, and generalist floors with no policy-operations depth	~46
3	**Capability screening**	Teams without the machinery: audited record-accuracy history, a data-quality/consistency process, a lifecycle-deadline discipline, and admin-system coverage across your book	~13
4	**Compliance & security audit**	Weak data governance: PII protection, market-conduct discipline, access controls on the policy-admin systems, SOC 2 scope covering the policy stack	~8
5	**Operational diligence**	The record re-audit: re-audit processed transactions against rules and requests for true accuracy; check consistency across systems; measure on-time rate; interview on how they handle a complex endorsement	4–6
6	**Competitive RFP & negotiation**	Per-transaction pricing: finalists bid against record-accuracy floors, error ceilings, and on-time targets — all carrying credits for transactions that dirty the record or miss a deadline	2–3
7	**Transition & launch governance**	Cold cutover: the team calibrates against your admin system, products, and rules on a sample before it owns the queue, with the record-accuracy floor certified before steady state, PITON-Global embedded buyer-side	1

Field-remaining counts represent a 30–70-seat policy-operations search, PITON-Global engagements 2024–26.

The standing guarantees hold: **vendor neutrality** — PITON-Global operates no policy-admin floors, processes no transactions, and takes no placement economics, so the shortlist reflects audited record-accuracy performance, not inventory; **right-sizing** — teams for whom your operation is a flagship account. Six to ten genuinely qualified providers, delivered within 48–72 hours, free to the buyer, competing through a fully transparent, fair, comprehensive, and highly competitive RFP.

SECTION 06 · ANONYMIZED CASE STUDY

Re-basing the operation on lifecycle accuracy: a 54-seat policy-admin rebuild, reconstructed

Engagement PA-047 is a US specialty carrier — processing roughly 720,000 policy transactions a year across issuance, endorsements, renewals, and cancellations — that had offshored policy administration to a per-transaction vendor. The transaction price was excellent; the records were not: record accuracy sat near 93%, endorsement and renewal errors ran high, on-time processing had slipped, and a correction backlog was surfacing at renewal and audit. The policy-operations VP wanted the arbitrage without the dirty records and the leakage. Identifying details are anonymized under NDA.

SELECTION (WEEKS 0–8, RECORD RE-AUDITS)

Requirements fixed a 99.5% record-accuracy floor, an error ceiling, and a 98% on-time target, with a mandatory data-quality/consistency check. Mapping produced 46 claimants; the machinery screen — audited accuracy history, data-quality process, lifecycle-deadline discipline, admin-system coverage — left 13; the compliance-and-conduct audit left 8. Record re-audits of each finalist's processed transactions against rules and requests shortlisted 5. A Manila team won priced against record accuracy and on-time processing, with a re-audit written into the reporting spec.

TRANSITION (MONTHS 2–7, CALIBRATED FIRST)

The team calibrated against the carrier's admin system, products, and rules on sample transactions and cleared the correction backlog before owning production; the record-accuracy floor was certified in month 3. The data-quality-and-education loop fed coaching from day one. By month 7 record accuracy reached 99.6%, endorsement/renewal errors fell 64%, on-time processing hit 98%, and the correction rate dropped below 2%. PITON-Global chaired the record-accuracy review board to steady state.

TABLE 3 — PA-047 FIRST-YEAR VALUE BUILD-UP (US$)		
VALUE COMPONENT	YEAR 1	BASIS
Labor arbitrage on the 54-seat policy-admin operation	$1.60M	101.3k productive hrs × ($25.50 − $9.70)
Renewal leakage recovered (on-time processing)	$0.58M	Renewal premium retained by on-time, clean records
Premium-leakage & E&O exposure avoided	$0.30M	Mis-rating and errors-&-omissions risk removed
Correction & rework reduction	$0.16M	Lower correction and rework load vs. baseline
Gross value created	**$2.64M**	
Less: engagement & transition costs	($0.43M)	Calibration, correction backlog work-down, admin-system integration; advisory fee $0 (provider-paid model)
Net value ÷ cost = first-year ROI	**6.1×**	$2.64M ÷ $0.43M

Figures rounded; accuracy, error, and on-time effects audit-verified. Method in Methodology & notes.

Sixty-one percent arbitrage, thirty-nine percent from recovered renewal leakage, avoided E&O exposure, and reduced corrections — a typical split for the series, earned because the operation was re-based on lifecycle accuracy rather than transaction volume. Every line traces to a diligence step: the accuracy floor to Step 1, the accuracy-based pricing to Step 6, the data-quality check to Step 3's contract. The policy-operations VP's line at the year-one review: "The transaction price barely moved. What moved is that renewals stopped leaking — and the records finally hold up at audit."

SECTION 07

The executive playbook: governance for the first 180 days

A policy-admin transition succeeds when the team is measured and paid on record accuracy and on-time processing — client in command throughout.

DAYS 0–30

Define accuracy, contract on it

Set the record-accuracy floor, the error ceiling, and the on-time and correction thresholds with policy-operations leadership before launch, and document the data-quality/consistency check by line of business. Contract against record accuracy and on-time processing — never per transaction alone — with floors and ceilings carrying credits. Stand up the record re-audit as the program's arbiter of truth.

DAYS 30–90

Calibrate, clear the correction backlog

Calibrate the team against your admin system, products, and rules and clear the correction backlog before it owns production; certify the accuracy floor and data-quality loop. Switch on the lifecycle-deadline discipline from day one. Publish the policy-admin dashboard: record accuracy, error rate, on-time rate, correction rate, renewal retention.

DAYS 90–180

Own production, certify steady state

Hand production processing to the team only after it holds the accuracy floor and on-time target. Review the record-accuracy board monthly with the correction log and renewal-leakage report on the table. Certify steady state on two months at floor including a renewal-peak cycle; hand over on documented criteria; keep the quarterly record re-audit standing.

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Paying per transaction while records are dirtied · processing fast instead of accurately · leaving records inconsistent across systems · missing renewal deadlines and leaking premium · owning production before record accuracy is proven. All five are settled at selection and contract.

The policy-admin argument, in one sentence: a processed transaction is activity and an accurate policy record is premium rated right and coverage kept current, and a vetted Philippine team delivers −58% cost per accurate transaction with a 99.5%+ record-accuracy rate and endorsement/renewal errors cut by nearly two-thirds — for buyers who re-audit the records instead of counting transactions processed, and compete the finalists through a fully transparent, fair, comprehensive, and highly competitive RFP. Anyone can process a transaction. We make sure you buy the team that keeps the record right.

METHODOLOGY & NOTES

How the numbers were built

Record-accuracy and error figures (Fig. 1, Table 2) derive from engagement instrumentation in PITON-Global policy-operations engagements, 2025–26. Record accuracy is measured by re-auditing processed transactions against the policy rules and requests; error rate, on-time rate, correction rate, and renewal retention are measured against the client's pre-engagement baseline. The weak-provider column is a composite of pre-engagement vendor reporting reviewed in diligence, shown for contrast.

Cost-per-accurate-policy-transaction figures (Table 1) are fully loaded — wages, benefits and statutory charges, facilities, technology and policy-admin tooling, management and QA overhead including data-quality auditors, attrition-driven recruiting — divided by transactions processed accurately, with mis-processed transactions excluded from the denominator; US comparators reflect fully-loaded in-house cost on the same basis. An accurate policy transaction is one processed correctly and leaving the record clean and current.

The case study (PA-047) is anonymized under NDA; volumes and dates are generalized, figures rounded. Accuracy, error, and on-time effects are audit-verified; the renewal-leakage-recovered line reflects retained renewal premium, and the E&O-avoided line is a conservative estimate. ROI = net first-year value ÷ all engagement-related client costs. PITON-Global's advisory fee is provider-paid and appears at $0 in the client cost base; neutrality safeguards are documented at piton-global.com.

Market context draws on IBPAP reporting and PITON-Global's proprietary provider mapping (1,000+ operations; record accuracy and on-time performance re-verified May 2026). Estimates and projections are PITON-Global analysis and should be cited as such. The full series is available at piton-global.com.

Would your provider's transaction price survive a record re-audit?

Thirty minutes with John will tell you. Free to buyers, strictly vendor-neutral — an accuracy-verified shortlist within two to three business days.

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