PITON Global

EXECUTIVE WHITE PAPER · WP-59

INSURANCE BPO · PHILIPPINES

Underwriting the back office: the executive economics of insurance BPO in the Philippines.

An analysis of expense-ratio pressure, policy lifecycle operations, claims and underwriting-support benchmarks, and vendor-selection discipline across carriers, TPAs, and MGAs sourcing in the Philippines.

AUTHORS

John Maczynski — Chief Executive Officer
Ralf Ellspermann — Chief Strategy Officer

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ABOUT THIS SERIES

The Executive White Paper Series is where PITON-Global publishes the working analysis behind its advisory practice: one volume per service line or industry, each opening up the cost mechanics, the operating benchmarks, the true shape of the provider field, and the governance patterns that decide outcomes. Volumes are written for decision-makers, not practitioners — every figure is one an executive can take to a board.

THE PITON-GLOBAL LEADERSHIP TEAM

About the authors

John Maczynski

Chief Executive Officer

Before advising buyers, John was one — for over thirty years. He held the P&L for large outsourced service operations at some of the biggest names in corporate America, signing the contracts, living with the vendors, and absorbing the lessons

Ralf Ellspermann

Chief Strategy Officer

Ralf is among the longest-serving Western outsourcing executives in the Philippines, resident in Manila since the industry's formative years. His operating background runs heavily through regulated work — banking, insurance, and

that no consultant's slide deck teaches. That operator's skepticism now shapes every engagement he leads: requirements first, evidence over assertion, and no provider on a shortlist that he wouldn't stake his own budget on.

j.maczynski@piton-global.com
+1 402-598-8740

fintech programs where accuracy and auditability decide contracts — and it shows in the firm's methods: the benchmarking models, provider dossiers, and vetting protocols used throughout this series are his design.

r.ellspermann@piton-global.com
Manila, Philippines

PITON Global

ABOUT PITON-GLOBAL

Since 2001, PITON-Global has done one thing from its Manila base: represent outsourcing buyers, and only buyers, in the Philippine market. The firm's stock-in-trade is knowledge that cannot be googled — which of a thousand-plus providers genuinely holds the certifications it advertises, keeps the clients it wins, and staffs the programs it sells. That intelligence, refined across hundreds of engagements and recognized with numerous industry awards, is distilled into vendor-neutral shortlists and hands-on advisory that runs from first scoping call to stabilized operations. Its client roster spans Tripadvisor, TSYS, Garmin, HealthPartners, Yetipay, Workrise, and Norman Disney & Young.

SECTION 01

Executive summary

−63%	2.8 days	8.2%	6.1×
Fully-loaded cost vs. US onshore, blended program	Policy issuance TAT at vetted providers (vs. ~6.5)	NIGO rate on new business (vs. ~19% baseline)	First-year ROI, reconstructed TPA case (Section 6)

Insurance is an industry whose product is a promise and whose margin is an expense ratio. Rate hardening has protected loss ratios; it has done far less for the administrative machine underneath — policy issuance, endorsements, billing, FNOL intake, claims support, renewals — where paper-era processes meet a domestic labor market that has repriced by double digits and turns over yearly. For carriers, TPAs, and MGAs alike, the expense ratio has become the last controllable line on the combined ratio.

The Philippines has serviced that machine for two decades, largely out of public view: policy administration for US life carriers, claims support for P&C books, new-business processing for MGAs writing specialty lines. The delivery workforce combines process rigor with something rarer — comfort operating inside carrier accountability, where the regulator holds the client responsible for everything the vendor touches. This paper assembles what an insurance executive needs to evaluate the model: the work mix that actually moves offshore, role-band economics, top-tier benchmarks, the licensing boundary, and a selection method proven across the sector. Five findings lead:

1. **The expense ratio is the executive's lever.** A mid-market book cannot re-underwrite its way to three points of combined ratio; it can operate its way there. Offshore policy-lifecycle delivery at −60% or better is the largest single move available.

2. **NIGO is the quiet fortune.** Not-in-good-order submissions consume underwriting capacity, stall premium, and frustrate producers. Vetted Philippine teams running structured intake cut NIGO by half or more — worth more than their own cost on many books.

3 **The licensing boundary is manageable — if drawn first.** Non-licensed work (processing, intake, support, service) moves cleanly; licensed activities (binding, adjusting in most states, advice) stay onshore or route through licensed staff. Programs fail when the boundary is discovered late, not because it exists.

4 **Insurance depth is scarcer than scale.** Plenty of providers can staff a queue; few carry genuine policy-lifecycle fluency — carrier systems, state variations, producer workflows. PITON-Global's mapping confirms real insurance practices at roughly thirty operators of the thousand-plus in market.

5 **Cycle time is customer experience.** In a claims queue, speed with accuracy is retention; in new business, issuance speed is producer loyalty. The top tier wins on both simultaneously — that is what the benchmarks in Section 3 measure.

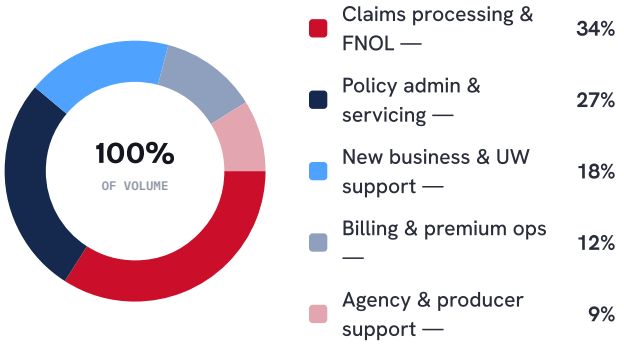
The intended reader runs operations, finance, or a book of business at a carrier, TPA, MGA, or insurtech. Sections 2–4 lay out the market, economic, and regulatory evidence; sections 5–7 supply the method and the proof.

SECTION 02

The expense-ratio squeeze — and the work insurers actually outsource

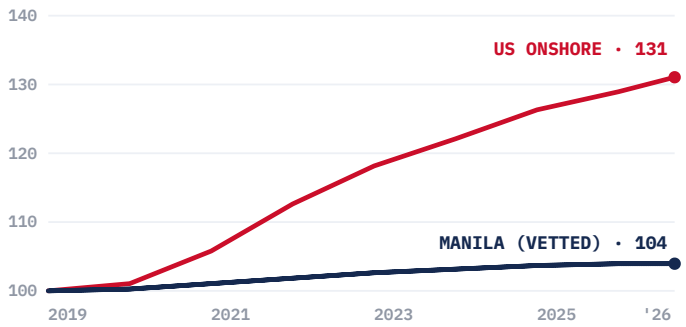
Strip an insurance operation to its workflows and most of the labor sits in the policy lifecycle: acquiring, issuing, servicing, billing, renewing, and — when the promise is called — adjudicating. Figure 1 shows how that work distributes across PITON-Global's insurance engagement base; Figure 2 shows the structural pressure driving it offshore.

FIG. 1 — OUTSOURCED INSURANCE WORK MIX



Source: PITON-Global insurance engagement base, 2024–26.

FIG. 2 — US INSURANCE ADMIN LABOR: COST INDEX VS. OFFSHORE (2019 = 100)



Fully-loaded admin labor cost indices, PITON-Global cost models 2019–26. Offshore index net of PHP/USD movement.

Two structural facts follow from the charts. First, claims and policy administration — not phone work — carry most outsourced insurance volume: this is document-and-decision work, where accuracy compounds and errors leak premium. Second, the cost gap is not closing; it is widening at roughly two to three index points a year, because US insurance-operations labor competes with every other back-office employer in a shrinking clerical workforce, while the Philippine talent engine keeps its wage curve nearly flat in dollar terms.

The demand side has broadened as well. A decade ago the buyers were large life carriers; today PITON-Global's insurance pipeline is dominated by mid-market P&C carriers, TPAs scaling claims capacity without fixed cost, and MGAs whose specialty books grow faster

than their back offices. For these buyers the calculus is existential rather than incremental: the program either scales the operation or caps the book.

SECTION 03

Cost and performance: role-band economics and top-tier benchmarks

TABLE 1 — FULLY-LOADED COST PER PRODUCTIVE HOUR BY ROLE BAND (US$, 2026)

Basis: PITON-Global insurance engagement pricing 2025–26; fully loaded and net of shrinkage, as defined in Methodology & notes.

TABLE 2 — INSURANCE OPERATING BENCHMARKS, VETTED VS. BASELINE (2025–26)

METRIC	VETTED TOP TIER	BASELINE	EXECUTIVE READING
Policy issuance TAT	**2.8 days**	~6.5 days	Premium starts sooner; producers stay
NIGO rate, new business	**8.2%**	~19%	Underwriting capacity reclaimed
Claims processing accuracy (audited)	**99.1%**	~96%	Leakage and rework control
Claims cycle time (intake to decision-ready)	**−41%**	reference	Claimant NPS and LAE both move
Endorsement / policy change TAT	**<24 hrs**	2–4 days	Service promise kept, calls avoided
Annual attrition, insurance programs	**20–28%**	35–50%	Tenure carries product fluency

Source: PITON-Global insurance engagement data 2025–26; baseline = client pre-engagement and onshore/commodity-offshore averages.

Read the two tables together and the strategic point emerges: the cost line pays for the program, but the operational lines pay for the decision. A TPA that cuts claims cycle time 41% while holding 99% accuracy is not running a cheaper back office — it is running a better one, funded by the arbitrage. The disciplines behind those numbers repeat across every top-tier insurance BPO the firm vets: dual-pass

audit on financial transactions, product-line certification before an agent touches live volume, state-variation playbooks maintained as controlled documents, and tenure economics that keep processors past the two-year fluency mark.

SECTION 04

Regulatory perimeter: carrier accountability, licensing, and the compliance matrix

Insurance outsourcing operates under a simple doctrine: the regulator regulates the carrier, and the carrier answers for its vendors. State insurance departments, NAIC model rules on TPAs, market-conduct exams, and producer-licensing statutes all reach through the contract to the delivery floor in Manila. The buyer's task is therefore two-fold: draw the licensing boundary precisely, and demand evidence — not assertions — across the control matrix below.

TABLE 3 — THE INSURANCE COMPLIANCE MATRIX: WHAT MOVES, WHAT STAYS, WHAT MUST BE PROVEN

ACTIVITY / CONTROL	OFFSHORE?	WHAT DILIGENCE MUST CONFIRM
Policy admin, endorsements, billing	● Yes	Carrier-system experience; dual-pass audit on financial transactions; state-variation playbooks
FNOL intake, claims setup & support	● Yes	Scripted intake with jurisdiction routing; escalation SLAs to licensed adjusters; call recording retention
New business processing, UW support	● Yes	NIGO taxonomy and structured checklists; underwriter hand-off protocol; producer communication templates
Binding coverage, claims adjudication authority, licensed advice	● No / restricted	Stays with licensed onshore staff (or licensed offshore structures where states permit); the boundary documented in the SOW, audited quarterly
Data security & privacy (GLBA, NYDFS 500, state privacy acts)	● Gate	SOC 2 Type II on the delivery unit; encryption, DLP, minimum-necessary access; incident-response evidence, not policy PDFs
Market-conduct & audit readiness	● Gate	Complete transaction trails; complaint-handling logs; the provider's history under client market-conduct exams

● Yes = routinely offshored · ● Gate = pass/fail diligence criterion · ● No = remains onshore/licensed. Composite of PITON-Global insurance diligence protocols, 2024–26.

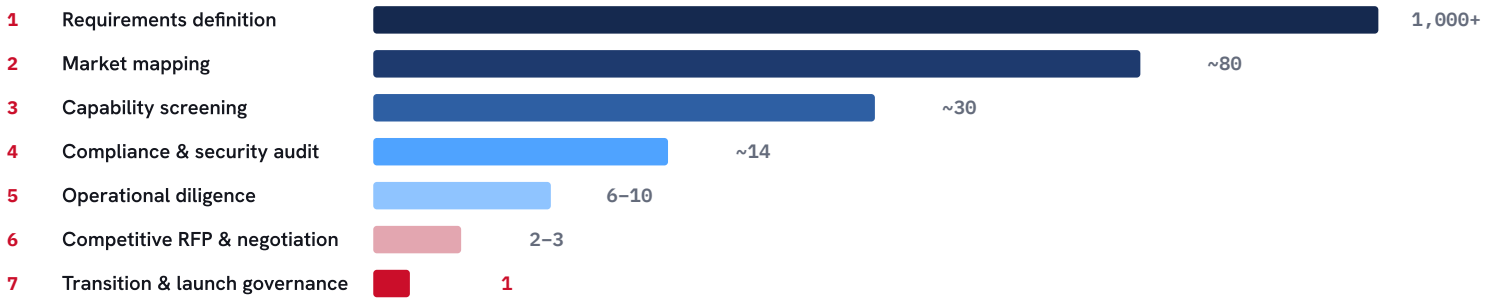
The pattern to internalize: nothing in the matrix prohibits an offshore program — it prescribes its architecture. Buyers who map activities to the licensing boundary during requirements definition (Step 1 of the framework) launch clean; buyers who discover the boundary during a market-conduct exam fund a remediation project instead. It is the least expensive piece of homework in the entire engagement.

SECTION 05

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

Applied to an insurance search, the framework's center of gravity shifts toward Steps 3 and 4: capability screening must separate genuine policy-lifecycle fluency from queue-staffing capacity, and the compliance audit must cover the matrix of Section 4 in full. The funnel below is representative of a mid-market carrier or TPA search.

FIG. 3 — THE 7-STEP FRAMEWORK AS AN INSURANCE-PROGRAM FUNNEL



Bar widths proportional to field remaining (log-flattened for legibility). Representative mid-market insurance search, 20–80 seats, 2024–26.

What each stage eliminates in an insurance search: providers with no true insurance delivery unit (the logo-wall problem); those without carrier-platform experience — Guidewire, Duck Creek, Majesco, FAST, or the client's admin system; those failing the Section 4 matrix, where SOC 2 scope and market-conduct history are pass/fail; and those whose operational diligence exposes thin audit loops, no NIGO taxonomy, or attrition that churns away product fluency. The finalists then compete through PITON-Global's standard instrument — a fully transparent, fair, comprehensive, and highly competitive RFP priced per productive hour with quality-linked credits.

The constitutional guarantees hold as everywhere in the practice: **vendor neutrality** — the firm sells no capacity and takes no placement economics that could tilt a shortlist — and **right-sizing**, which for most carriers, TPAs, and MGAs means insurance-specialist mid-sized providers for whom a 45-seat program is a flagship account, not a rounding error. Six to ten best-qualified names, delivered within 48–72 hours, at no cost to the buyer.

SECTION 06 · ANONYMIZED CASE STUDY

Cycle time down, leakage out: a 45-seat TPA program, reconstructed

Engagement IN-033 is a US third-party administrator handling P&C claims for regional carriers and self-insured programs — roughly 310,000 claims a year. Growth had outrun the back office: claims setup backlogs stretched cycle time, examiner hours were consumed by administrative assembly rather than decisions, and two carrier clients had flagged service deterioration in quarterly reviews. Onshore hiring could not fill the roles at any wage the P&L would carry. Identifying details are anonymized under NDA; the mechanics below are representative.

SELECTION (WEEKS 0–8)

Requirements fixed a 45-seat scope — FNOL intake, claims setup, document management, payment support, and status communications — on the TPA's claims platform, with SOC 2 Type II delivery, recorded-line QA, and the licensing boundary documented activity by activity. Mapping produced 74 candidates claiming insurance capability; capability and compliance screens left 13; diligence delivered a shortlist of 7. A three-round RFP concluded with a Cebu-based insurance specialist at $13.20 per productive hour, with cycle-time and accuracy-linked credits.

TRANSITION (WEEKS 9–24)

Three gated waves, each certified on the TPA's own audit rubric before touching live claims. A jurisdiction-routing playbook and NIGO-style intake taxonomy were built during knowledge transfer — the TPA had never formalized either. By week 16 the setup backlog was gone; by week 20 examiner time per claim had fallen 27% as decision-ready files replaced raw document piles. PITON-Global chaired buyer-side governance to certified steady state in month 6, then handed over on documented criteria.

FIG. 4 — IN-033 FIRST-YEAR VALUE WATERFALL (US$M)

Net value ÷ engagement cost = first-year ROI — **6.1×** ($2.67M + $0.53M) ÷ $0.53M

Bar positions indicate cumulative build-up; figures rounded and conservatively factored. Advisory fee $0 to client (provider-paid model). Method in Methodology & notes.

Once again the arbitrage was the entry ticket, not the prize: 39% of first-year value came from operational effects — reclaimed examiner capacity, leakage control, and two carrier relationships retained — that existed only because the selection process filtered for insurance depth rather than seat price. That is the recurring arithmetic of this series, and the reason its method sections outweigh its rate tables.

SECTION 07

The executive playbook: governance for the first 180 days

Insurance programs earn their returns in the details of the first two quarters. The sequence below is the buyer-side governance PITON-Global installs — with the client in command and the advisor ensuring nothing is taken on faith.

DAYS 0–30
Draw the boundary, wire the controls

Document the licensing boundary activity by activity in the SOW. Validate SOC 2 scope against the actual delivery floor. Contract per productive hour with credits tied to accuracy, TAT, and cycle time. Stand up dual-pass audit on every financial transaction before live volume, and name the roster that won the RFP.

DAYS 30–90
Certify waves on your rubric

Gate every ramp wave on product-line certification and audited accuracy — never on calendar dates. Chair weekly governance with the compliance matrix standing first on the agenda. Build the NIGO taxonomy and jurisdiction playbooks during knowledge transfer, and track rework from the first week; it is the earliest honest signal.

DAYS 90–180
Turn stability into expense-ratio points

With accuracy and TAT stable for 60 days, redirect governance to yield: NIGO root-cause elimination with producers, cycle-time compression on the claims path, AI document-extraction where volume concentrates. Certify steady state and execute a dated, criteria-based handover of day-to-day governance.

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Discovering the licensing boundary during a market-conduct exam · accepting corporate-level SOC 2 for floor-level risk · sourcing claims work on rate card and buying leakage · ramping on dates instead of certification gates · letting the provider audit its own financial transactions. All

> five are cheap to prevent and expensive to repair.

For insurance executives the conclusion is symmetrical with the industry's own logic: risk that is understood, priced, and governed creates value; risk that is assumed casually destroys it. Philippine insurance BPO in 2026 offers a 63% cost advantage, top-tier operators who outperform onshore baselines on every lifecycle metric, and a provider field where genuine capability is rare enough to demand professional selection. Underwrite the decision the way you underwrite a risk — on evidence — and the back office becomes what it has rarely been in this industry: a competitive advantage.

METHODOLOGY & NOTES

How the numbers were built

Operating benchmarks (issuance TAT, NIGO, audited accuracy, cycle time, endorsement TAT, attrition) derive from PITON-Global insurance engagements active 2025–26, measured on provider production systems and validated in client governance. Baselines combine client pre-engagement data with onshore and commodity-offshore averages, describing a typical buyer's starting position rather than any single operation.

Cost figures are fully-loaded costs per productive hour by role band — wages, benefits and statutory charges, facilities, platform and security stack, management and QA overhead, attrition-driven recruiting and ramp — net of shrinkage. US baselines reflect Tier-2 metro insurance-operations labor; Manila and Cebu figures reflect 2025–26 engagement pricing. Index chart (Fig. 2) holds PHP/USD constant at the trailing-three-year average.

The case study (IN-033) is anonymized under NDA; volumes and segment descriptors are generalized, figures rounded. Value components are conservatively factored: examiner capacity is valued at fully-loaded cost of hours reclaimed, not revenue; leakage reduction counts only audited overpayment classes; the retention component recognizes contribution margin on the two cured accounts for one renewal cycle only. ROI = net first-year value ÷ all engagement-related client costs. PITON-Global's advisory fee is provider-paid and enters the client cost base at $0; neutrality safeguards for that model are documented at piton-global.com.

Market context draws on IBPAP reporting, NAIC and state-regulatory frameworks, and PITON-Global's proprietary provider mapping (1,000+ operations; insurance capabilities re-verified August 2026). Estimates and projections are PITON-Global analysis and should be cited as such.

Which insurance BPOs belong on your shortlist?

Thirty minutes with John will tell you. Free to buyers, strictly vendor-neutral — a compliance-gated shortlist within two to three business days.

j.maczynski@piton-global.com
+1 402-598-8740