EXECUTIVE WHITE PAPER · WP-26

INSURANCE BACK-OFFICE & CX · PHILIPPINES

The policyholder-outcome standard: the executive economics of insurance back-office & CX outsourcing to the Philippines.

An analysis of why transactions handled is a volume vanity metric, how policyholder outcomes and first-contact resolution — never transaction throughput — decide the true cost of a servicing operation once rework, escalations, complaints, and churn are counted, and the vendor-selection discipline that resolves the policyholder the first time.

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Contents

ABOUT THIS SERIES — VOLUME 26

Every insurance-servicing proposal is priced per transaction handled, because throughput is easy to count. This volume is about the only servicing outcome a carrier's book actually depends on: the policyholder whose request is serviced accurately and resolved on the first contact — endorsement processed right, question answered, complaint closed — so they stay on the book instead of churning. The gap between handling a transaction and resolving the policyholder is where rework and attrition 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 insurance-servicing capacity for three decades, and learned that the busy team that handles every transaction and resolves few of them is the most expensive one a carrier can hire — because every request touched but not resolved is a callback, an escalation, a complaint, and a policyholder one renewal closer to leaving. His standing question ignores the productivity report: of the interactions you paid for, how many policyholders were actually resolved on the first contact? Applied at PITON-Global, that question is what clients get on every servicing sourcing decision — personally, with no account layer in between.

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Chief Strategy Officer

Ralf has spent twenty-five years running Philippine insurance-servicing floors, and he judges a servicing team by its first-contact resolution and policyholder retention, not its transactions-per-day: whether the policyholder left satisfied and stayed on the book, or called back and then churned. The servicing contract in Section 3 codifies what he learned rebuilding teams that handled volume fast and resolved slowly. He now reads servicing providers the way he once ran them — from the complaint log and the retention curve backward.

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PITON Global

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 servicing team's real first-contact resolution and retention 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

-59%	92%+	-64%	6.2×
Fully-loaded cost per resolved policyholder interaction vs. US onshore	First-contact resolution on vetted teams, up from 68–78%	Reduction in escalations and complaints on vetted teams	First-year ROI, reconstructed case (Section 6)

An insurance-servicing engagement is bought on the price per transaction and paid for on the policyholders it fails to resolve. The vendor reports six hundred thousand transactions handled at a fraction of the onshore cost; the carrier finds the callbacks for endorsements processed wrong, the escalations that piled up because nobody resolved the first contact, the complaints filed with the regulator, and the retention curve bending down while activity looked healthy. The operation hit its transactions-handled number and the carrier inherited a rework queue, a complaint backlog, and policyholders churning off the book. The gap between handling a transaction and resolving the policyholder is where the real cost of cheap servicing hides, because a transaction handled without resolution is not throughput delivered — it is a callback deferred and a renewal at risk.

The Philippines is where insurance back-office and policyholder CX is delivered with the most outcome discipline, because a deep, service-oriented, insurance-trained talent pool can run the accurate servicing, first-contact resolution, and retention discipline that outcomes demand. Five findings:

1. **Transactions handled is the industry's most flattering number.** Any team can touch a request and close the ticket. Vetted teams are measured on outcome: first-contact resolution, accuracy, and policyholder retention. Weak providers quote a low per-transaction price the carrier repays in callbacks, complaints, and churn. Section 2 shows the gap.

2. **The resolved policyholder, not the closed ticket, is the product.** A satisfied policyholder who stays comes from servicing the request accurately and resolving it on the first contact — not from clearing a queue. Teams that resolve on first contact are done once; teams that close tickets fast generate a callback-and-complaint queue that costs more than the transaction is worth.

3 **Churn is the silent write-off.** A policyholder serviced badly does not complain and leave loudly — many simply do not renew, and the lifetime value walks out quietly. Vetted teams hold first-contact resolution above 92% and complaints low precisely because every unresolved interaction erodes the retention the whole book is priced on.

4 **The callback and the churn, not the keystroke, are what cost.** A transaction handled badly costs the rework, the escalation, the complaint handling, and the renewal lost — many times the per-transaction saving. Teams that resolve on first contact cut callbacks and hold retention, and that protected book value — not the offshore rate alone — is where the case study's return is built.

5 **Contract on resolved outcomes, not transactions handled.** The contracting failure of servicing is paying for activity and hoping policyholders stay. Vetted deals price against first-contact-resolution floors, accuracy targets, and complaint-and-retention thresholds, making the resolved policyholder the team's problem, which is where it belongs.

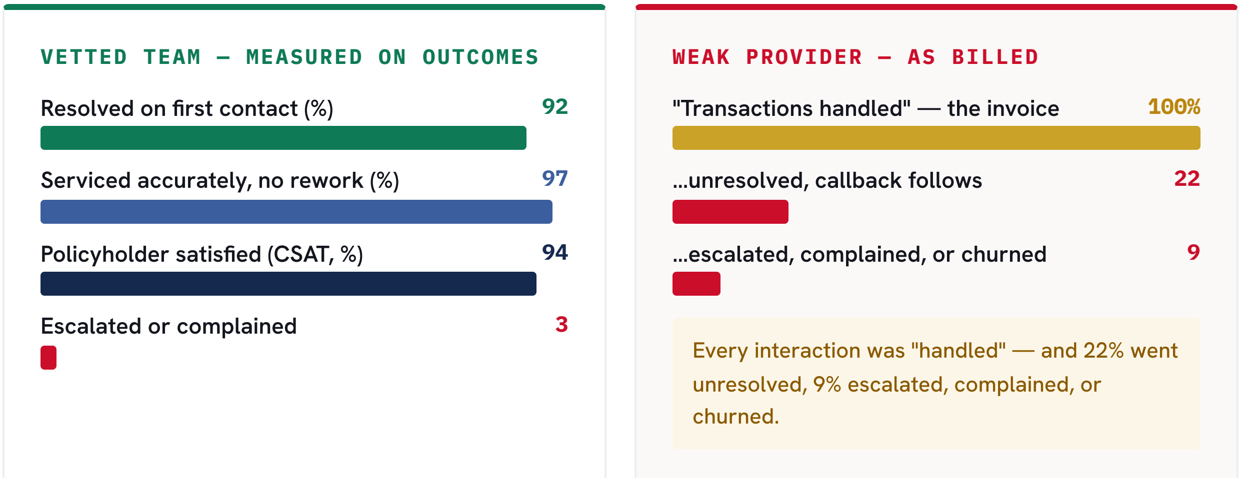
The intended reader is a policyholder-services VP, operations leader, or COO buying insurance servicing per transaction and paying for it in callbacks, complaints, and churn. Sections 2–4 separate the teams that resolve from the teams that handle volume; Sections 5–7, the method and the proof.

SECTION 02

The volume mirage: transactions handled versus policyholder outcomes resolved

Figure 1 shows one month of a carrier's policyholder interactions two ways: as the productivity report a weak vendor bills, and as the outcome reality the book of business experiences. The transactions-handled number is identical in spirit to a chatbot's containment rate — a figure engineered to look like output while callbacks, complaints, and churn accumulate underneath.

FIG. 1 — ONE MONTH OF INTERACTIONS: OUTCOME QUALITY VS. REPORTED PRODUCTIVITY



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

The economics follow the outcomes, not the transaction count. On the left, ninety-two percent of policyholders are resolved on first contact and ninety-seven percent serviced accurately, so callbacks stay low and the book retains; on the right, a cheap per-transaction price leaves twenty-two percent unresolved and nine escalating or churning, paying in callbacks, complaints, and lost renewals at once. A low per-transaction price that leaves policyholders unresolved is not a saving; it is rework and attrition, deferred and partly permanent. The outcome audit — first-contact resolution, accuracy, complaint and retention rates — is the cheapest due-diligence instrument in this paper.

SECTION 03

The servicing contract: service accurately, resolve on first contact, protect retention

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

FIG. 2 — THE SERVICING CONTRACT, AS OPERATED ON VETTED TEAMS

SERVICE ACCURATELY

Every endorsement, billing change, and policy update is processed right the first time against the carrier's rules, and a policyholder question is answered from the policy, not guessed. The transaction is made correct at the source, so it does not generate a callback or a rework ticket.

RESOLVE ON FIRST CONTACT

Every policyholder request is carried to resolution in the first interaction wherever the process allows — with the authority, tools, and knowledge to close it — rather than deflected to a queue. A request is resolved when the policyholder's problem is solved, not when the ticket is closed.

PROTECT RETENTION

Complaints are handled to root cause, at-risk policyholders are recognized and saved, and CSAT and retention are watched as the true output — with an outcome report the carrier can read. Protected retention is a policyholder who renews, which is the only outcome the book actually feels.

↓ yields ↓

THE PROTECTED BOOK

92%+ FIRST-CONTACT RESOLUTION | SERVICED ACCURATELY | RETENTION HELD

Policyholders are serviced accurately and resolved the first time, escalations and complaints fall, and the book retains — so the carrier's servicing stops generating rework and the renewal base holds. The operation gets cheaper per resolved interaction and stickier at the same time, which is the entire promise of outsourcing servicing to people who measure outcomes, not transactions handled.

Operating parameters from PITON-Global insurance-servicing engagements, 2025–26.

In diligence, the contract is tested from the policyholder's side: pull a sample of handled interactions and measure true first-contact resolution and servicing accuracy; read the complaint log and the callback rate; trace the retention curve for the serviced cohort. 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 resolved outcomes, not transactions handled.

SECTION 04

Cost and performance: cost-per-resolved-

interaction economics and benchmarks

TABLE 1 — FULLY-LOADED COST PER RESOLVED POLICYHOLDER INTERACTION: THREE OPERATING MODELS (2026)		
OPERATING MODEL	COST / RESOLVED	VS. US BASELINE
US onshore in-house servicing team	$9.40	baseline
Low-cost offshore transaction mill (per-transaction)	$6.40	−32%
Vetted Manila team — accurate, first-contact, retained	**$3.85**	**−59%**

Basis: PITON-Global engagement pricing 2025–26; cost per resolved interaction = fully-loaded operating cost divided by interactions resolved on first contact (unresolved and reworked excluded); the transaction mill looks cheap per transaction but callbacks, escalations, and churn lift its true cost per resolved interaction; US comparator fully-loaded in-house cost.

TABLE 2 — INSURANCE-SERVICING BENCHMARKS, VETTED VS. BASELINE (2025–26)			
METRIC	VETTED TOP TIER	BASELINE	EXECUTIVE READING
First-contact resolution	**92%+**	68–78%	The only servicing number retention follows
Servicing accuracy (no rework)	**97%+**	85–92%	Right now, or handled twice
Escalations & complaints vs. baseline	**−64%**	baseline	"Resolve on first contact" — held or not
Policyholder CSAT	**93%+**	74–83%	Satisfied, or one renewal from leaving
Servicing-attributable churn	**−41%**	baseline	Retained, or off the book

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

The strategic read: the transaction mill's −32% per transaction is a false economy — callbacks, escalations, and churn lift its true cost per resolved interaction far above the per-transaction gap, and a lost policyholder's lifetime value rarely returns. The vetted Manila team's −59% is real because it is measured where the value is: the policyholder resolved on first contact, serviced accurately and kept on the book. Buy on transactions handled and you buy the right column of Figure 1; buy on cost-per-resolved-interaction and you buy outcomes — 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 insurance servicing

Servicing diligence adds one hard requirement to every step: a per-transaction price is real only when the first-contact resolution behind it survives a sample review. The funnel below is representative of a 40–90-seat policyholder-servicing search.

FIG. 3 — THE 7-STEP FRAMEWORK AS A POLICYHOLDER-SERVICING FUNNEL

	STEP	WHAT IT ELIMINATES IN A SERVICING SEARCH	FIELD REMAINING
1	**Requirements definition**	Throughput-first scoping: fixes the first-contact-resolution floor, the accuracy target, the complaint ceiling, and the retention standard the operation must meet by line of business	1,000+
2	**Market mapping**	Transaction mills: operations that bill activity and treat callbacks and churn as the client's problem, and generalist floors with no insurance-servicing depth	~50
3	**Capability screening**	Teams without the machinery: audited first-contact-resolution history, an accuracy-QA process, an empowered resolution workflow, and line-of-business coverage across your book	~15
4	**Compliance & security audit**	Weak data governance: PII/PHI protection, market-conduct and complaint-handling discipline, access controls on the policy-admin systems, SOC 2 scope covering the servicing stack	~9
5	**Operational diligence**	The sample review: measure true first-contact resolution and accuracy on handled interactions; read the complaint and callback logs; interview on how they resolve a difficult policyholder in one contact	4–6
6	**Competitive RFP & negotiation**	Per-transaction pricing: finalists bid against first-contact-resolution floors, accuracy targets, and complaint-and-retention thresholds — all carrying credits for interactions that come back unresolved	2–3
7	**Transition & launch governance**	Cold cutover: the team calibrates against your products and systems on a sample before it owns the queue, with the first-contact-resolution floor certified before steady state, PITON-Global embedded buyer-side	1

Field-remaining counts represent a 40–90-seat policyholder-servicing search, PITON-Global engagements 2024–26.

The standing guarantees hold: **vendor neutrality** — PITON-Global operates no servicing floors, handles no policyholder transactions, and takes no placement economics, so the shortlist reflects audited resolution 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.

Re-basing the operation on outcomes: a 64-seat policyholder-servicing rebuild, reconstructed

Engagement IB-044 is a US personal-lines insurer — servicing roughly 1.4 million policyholder interactions a year across billing, endorsements, and general servicing on a mid-size book — that had offshored back-office and CX to a per-transaction vendor. The transaction price was excellent; the outcomes were not: first-contact resolution sat near 72%, callbacks and escalations ran high, complaints were rising, and servicing-attributable churn was bending the retention curve. The policyholder-services VP wanted the arbitrage without the callbacks and the attrition. Identifying details are anonymized under NDA.

SELECTION (WEEKS 0–8, SAMPLE REVIEWS)

Requirements fixed a 92% first-contact-resolution floor, a 97% accuracy target, and complaint-and-retention thresholds, with a mandatory empowered-resolution workflow. Mapping produced 50 claimants; the machinery screen — audited resolution history, accuracy QA, empowered workflow, line-of-business coverage — left 15; the compliance-and-conduct audit left 9. Sample reviews of each finalist's handled interactions for true first-contact resolution shortlisted 5. A Manila team won priced against outcomes and retention, with a sample review written into the reporting spec.

TRANSITION (MONTHS 2–7, CALIBRATED FIRST)

The team calibrated against the insurer's products and policy-admin systems on sample interactions and cleared the escalation backlog before owning production servicing; the first-contact-resolution floor was certified in month 3. The complaint-root-cause loop fed coaching from day one. By month 7 first-contact resolution reached 92.6%, servicing accuracy hit 97%, escalations and complaints fell 64%, and servicing-attributable churn dropped 41%. PITON-Global chaired the outcome review board to steady state.

TABLE 3 — IB-044 FIRST-YEAR VALUE BUILD-UP (US$)		
VALUE COMPONENT	YEAR 1	BASIS
Labor arbitrage on the 64-seat servicing operation	$1.92M	120.0k productive hrs × ($25.60 − $9.60)
Retained premium (churn reduced)	$0.74M	Renewal premium protected by lower servicing churn
Callback & escalation reduction	$0.34M	Repeat-contact and escalation volume removed
Complaint-handling & rework reduction	$0.15M	Lower complaint and rework load vs. baseline
Gross value created	**$3.15M**	
Less: engagement & transition costs	($0.51M)	Calibration, escalation backlog work-down, policy-admin integration; advisory fee $0 (provider-paid model)
Net value ÷ cost = first-year ROI	6.2×	$3.15M ÷ $0.51M

Figures rounded; resolution, complaint, and churn effects audit-verified. Method in Methodology & notes.

Sixty-one percent arbitrage, thirty-nine percent from retained premium, reduced callbacks, and lower complaint handling — a typical split for the series, earned because the operation was re-based on outcomes rather than transaction volume. Every line traces to a diligence step: the first-contact-resolution floor to Step 1, the outcome-based pricing to Step 6, the empowered-resolution workflow to Step 3's contract. The policyholder-services VP's line at the year-one review: "The transaction price barely moved. What moved is that policyholders stopped calling back — and stopped leaving."

SECTION 07

The executive playbook: governance for the first 180 days

A servicing transition succeeds when the team is measured and paid on first-contact resolution and retention — client in command throughout.

DAYS 0–30

Define outcomes, contract on them

Set the first-contact-resolution floor, the accuracy target, and the complaint-and-retention thresholds with policyholder-services leadership before launch, and document the empowered-resolution workflow by line of business. Contract against outcomes and retention — never per transaction alone — with floors and ceilings carrying credits. Stand up the outcome sample review as the program's arbiter of truth.

DAYS 30–90

Calibrate, clear the escalation backlog

Calibrate the team against your products and policy-admin systems and clear the escalation backlog before it owns production; certify the first-contact-resolution floor and accuracy QA. Switch on the complaint-root-cause loop from day one. Publish the outcome dashboard: first-contact resolution, accuracy, escalations and complaints, CSAT, servicing churn.

DAYS 90–180

Own production, certify steady state

Hand production servicing to the team only after it holds the first-contact-resolution floor and complaint ceiling. Review the outcome board monthly with the complaint log and retention curve on the table. Certify steady state on two months at floor including a renewal-peak cycle; hand over on documented criteria; keep the quarterly sample review standing.

THE FIVE FAILURE MODES WE ARE HIRED TO PREVENT

Paying per transaction while callbacks pile up · closing tickets instead of resolving policyholders · servicing inaccurately and reworking later · letting complaints and churn rise unmanaged · owning production before first-contact resolution is proven. All five are settled at selection and contract.

The insurance-servicing argument, in one sentence: a handled transaction is activity and a resolved policyholder is a renewal protected, and a vetted Philippine team delivers −59% cost per resolved interaction with 92%+ first-contact resolution and escalations cut by nearly two-thirds — for buyers who review the outcomes instead of counting transactions handled, and compete the finalists through a fully transparent, fair, comprehensive, and highly competitive RFP. Anyone can handle a transaction. We make sure you buy the team that resolves the policyholder.

METHODOLOGY & NOTES

How the numbers were built

Resolution and complaint figures (Fig. 1, Table 2) derive from engagement instrumentation in PITON-Global insurance-servicing engagements, 2025–26. First-contact resolution and servicing accuracy are measured on sampled interactions; escalations, complaints, CSAT, and servicing-attributable churn 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-resolved-interaction figures (Table 1) are fully loaded — wages, benefits and statutory charges, facilities, technology and servicing tooling, management and QA overhead including quality analysts and coaches, attrition-driven recruiting — divided by interactions resolved on first contact, with unresolved or reworked interactions excluded from the denominator; US comparators reflect fully-loaded in-house cost on the same basis. A resolved interaction is a policyholder serviced accurately and resolved on first contact.

The case study (IB-044) is anonymized under NDA; volumes and dates are generalized, figures rounded. Resolution, complaint, and churn effects are audit-verified; the retained-premium line reflects renewal premium protected, and the callback-reduction 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; first-contact resolution and retention 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 an outcome review?

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

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