📂 Third Party Administrator (TPA) 101: Your Outsourced Claims Team

The gist: A TPA is a specialized firm that handles claims administration for your insurance program—freeing you to focus on running the business.

🔍 What It Is

A Third Party Administrator manages claims on behalf of self-insured companies, captives, or even insurers. They handle everything from intake to investigation to resolution.

🧾 What They Do

Service Type	What It Includes
Claims Processing	Intake, investigation, and settlement (at your or your insurer's direction typically)
Regulatory Compliance	Meeting state/federal reporting requirements
Loss Data & Analytics	Identifying trends to reduce future claims
Litigation Management	Coordinating defense counsel when needed

💡 **Pro tip: TPAs can be highly specialized—choose one with experience in your industry.**

🆕 What's Changing

- **Data-driven decision-making –** Advanced analytics shaping claim strategies.
- **Integration with risk tech –** TPAs working with AI tools to speed resolutions and make claims handling more efficient.
- **Greater transparency demands –** Clients expect real-time claim status.

🛒 Selection Tips

1. **Match expertise to your claim types –** Workers' comp TPAs differ from liability TPAs.
2. **Review service-level agreements (SLAs) –** Set expectations for speed, accuracy, and reporting. Additionally consider life of contract or life of claim agreement.
3. **Check tech capabilities –** Portals, dashboards, and automation improve efficiency. Consider the TPA's technology and roadmap.

📌 Bottom Line

A good TPA can save you time, improve claim outcomes, and provide insights that reduce future losses.