

Insurance Third Party Administration Market Study

About Us

Straits Research Pvt Ltd is a leading market research firm offering comprehensive insights on market demand, trends, growth prospects and regional analysis. With over 35 years of combined experience, we provide premium qualitative insights on consumer preferences, regulatory landscape, and technological advancements along with quantitative insights on industry market size, global economic scenario and revenue opportunities. These reports are backed by high-quality data sourced from primary sources and large secondary databases. With analyst perspectives and insights included in every report, Straits Research delivers comprehensive market intelligence and detailed analysis to help clients make informed decisions.

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Regional Overview

Company Profiles

Crawford & Company

Sedgwick

UMR

Gallagher Bassett Services Inc.

Corvel Corporation

Helmsman Management Services LLC

ESIS Inc.

Maritain Health

Healthscope Benefits

Charles Taylor

Others

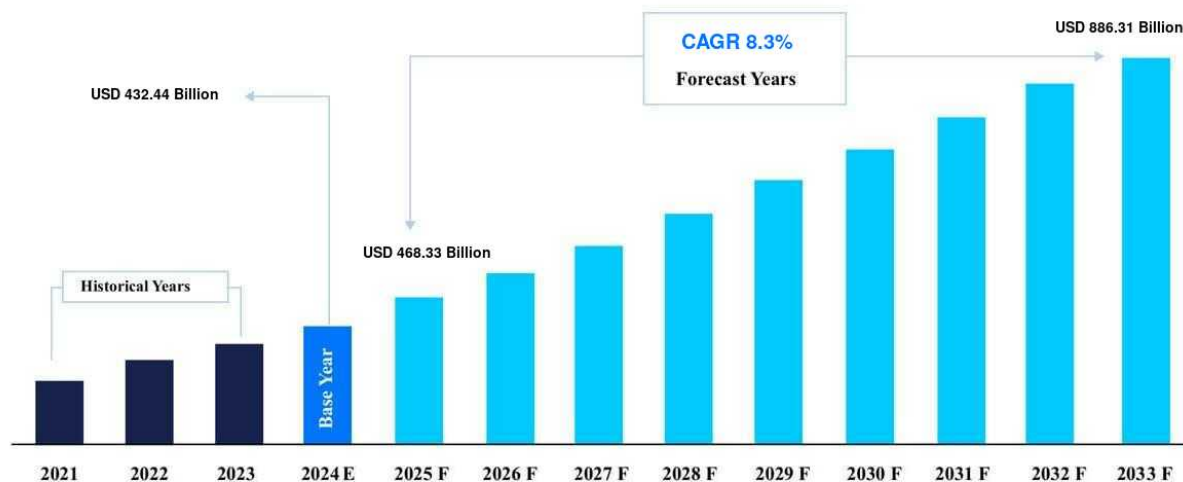
Note: More company profiles available on full reports.

Top 5 Company Market Share



Total
29%

Top 5 company market share



Source: Straits Research

Emerging Countries

United States

China

United Kingdom

Emerging Companies

Crawford & Company

Sedgwick

UMR

Market Trends

Growth Trends

- The increasing inclination of insurance companies to outsource their claim processing operations to optimize costs and improve efficiency.
- The rise in the number of insurance policyholders leading to increased demand for third-party administrators.
- Improved regulatory environment opening up opportunities for third-party administrators.
- Increasing adoption of technology by third-party administrators for efficient claim processing.
- New market entrants expanding the size of the third-party administration market.

Factors considered while calculating market size and share

- The total number of policyholders in the market.
- The number of insurance companies outsourcing their claim processing operations to third-party administrators.
- The size of insurance companies to determine the possible volume of insurance claims.
- The frequency and cost of claims made by policyholders.
- The scale of operations and geographical reach of the third-party administrators.

Key Market Indicators

- Healthcare expenditure as a percentage of Gross Domestic Product (GDP).
- The percentage of the population with health insurance covers.
- The frequency of accidents (e.g., motor vehicle, workplace accidents) leading to insurance claims.
- Average cost of processing a claim in-house versus outsourcing to a third-party.
- Incidence of fraud in the insurance industry.
- Trends in outsourcing in the insurance industry.
- The amount of revenues generated by third-party administrators.

Data privacy and security

Modern technology is an important feature of third-party administration (TPA) in the insurance sector. While this reliance has significant advantages regarding efficiency, accuracy, and scalability, it also offers weaknesses and obstacles that can affect TPA operations and growth. TPAs rely on advanced technology infrastructure to handle massive amounts of data, automate claims processing, and provide customer support. Any disruption in this infrastructure might result in significant operating delays and critical data loss.

According to IBM, the global average data breach cost in 2023 was USD 4.45 million, representing a 15% increase in three years. TPAs are no different. TPAs are accountable for various participant data, including names and social security numbers.

Market Trends

Increasing complexity of insurance claims

The growing complexity of insurance claims is a significant driver of the worldwide insurance third-party administration (TPA) market. As insurance policies become increasingly sophisticated and suited to specific needs, handling and processing claims becomes more complex. TPAs provide the expertise and specialized services required to manage these complicated claims successfully.

According to the Centers for Medicare & Medicaid Services, NHE increased by 4.1% to USD 4.5 trillion in 2022, or USD 13,493 per person, accounting for 17.3% of GDP. Furthermore, Medicare spending increased by 5.9% to USD 944.3 billion in 2022, accounting for 21% of total NHE. Medicaid spending climbed 9.6% to USD 805.7 billion in 2022, accounting for 18% of total NHE. This increase reflects the growing complexity of health insurance claims, demanding enhanced claims administration capabilities.

Technological advancement

Technological innovations are important in determining the future of the insurance third-party administration (TPA) industry. By incorporating cutting-edge technologies, TPAs can streamline operations, increase efficiency, and provide better services to insurers and consumers. Predictive analytics algorithms can examine past claims data to find patterns, trends, and risk factors, allowing TPAs to make more educated decisions and better allocate resources. Crawford & Company, a major TPA, uses predictive analytics to forecast claim numbers, analyze claim severity, and deploy resources appropriately. Crawford increases claims management efficiency and lowers operational expenses by applying data-driven insights.

Furthermore, blockchain technology provides a safe and transparent platform for storing sensitive insurance data, lowering the risk of data breaches and increasing stakeholder trust. B3i was founded in October 2016 as a market effort (more specifically, a consortium) to create use cases for blockchain technologies in the insurance industry. At the time, blockchain was the most talked-about technology in the financial sector. It is logical that insurance companies take note of the trend and consider its influence on their operations. Following the debut of b3i, France Assureurs launched research into blockchain technology.

Market Segments

By Type

Health Plan Administrators lead the market with a 46-50% share, driven by the growing demand for efficient healthcare insurance management.



46-50%

Health Plan Administrators

By Service

Claims Management leads the market with 48-52%, driven by the need for efficient processing and fraud detection in high-volume insurance workflows.



48-52%

Claims Management

By Enterprise Size

Large Enterprises dominate the market, driven by their complex, high-volume insurance needs and reliance on TPAs for cost efficiency.



XX%

Large Enterprises

Market Segments

By Application

Healthcare leads the market, reflecting the sector's administrative complexity and regulatory demands.



Healthcare

XX%

Regional Overview

North America

North America accounts for approximately 40% of the market, with the United States leading the region, holding about 78-80% of the share, driven by a mature insurance sector.



78-80%

United States Market Share

Europe

Europe accounts for approximately 25% of the market, with the United Kingdom leading the region, holding about 32-35% of the share, due to strong regulatory frameworks.



32-35%

United Kingdom Market Share

APAC

Asia-Pacific (APAC) accounts for a significant portion of the market, with China emerging as the dominant country due to its expanding insurance sector and increasing adoption of TPA services.



XX%

China Market Share

Regional Overview

Middle East and Africa

The Middle East and Africa represent a smaller yet growing segment of the market, with South Africa at the forefront, supported by a developing insurance landscape and increased awareness of TPA benefits.



XX%

South Africa Market Share

LATAM

Latin America comprises a modest share, with Brazil leading the region, driven by a growing insurance market and gradual adoption of TPA services.



XX%

Brazil Market Share

Company Profiles

Companies	Websites	Headquarters	Establisheds	Key Executives	Revenues
Crawford & Company	https://www.crawco.com/	Atlanta, Georgia, USA	1941	Rohit Verma, CEO	~USD 1.35 billion
Sedgwick	https://www.sedgwick.com/	Memphis, Tennessee, USA	1969	Dave North (President & CEO)	~USD 3.5 billion
UMR	https://www.umar.com/	Wausau, Wisconsin, USA	1983	Brian Thompson (CEO, UnitedHealthcare)	~USD 2 billion
Gallagher Bassett Services Inc.	https://www.gallagherbassett.com/	Rolling Meadows, Illinois, USA	1962	Scott Hudson (President & CEO)	~USD 1.2 billion
Corvel Corporation	https://www.corvel.com/	Irvine, California, USA	1987	Michael Combs (President & CEO)	~USD 795 million

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