



Third-Party Risk Management Case Study

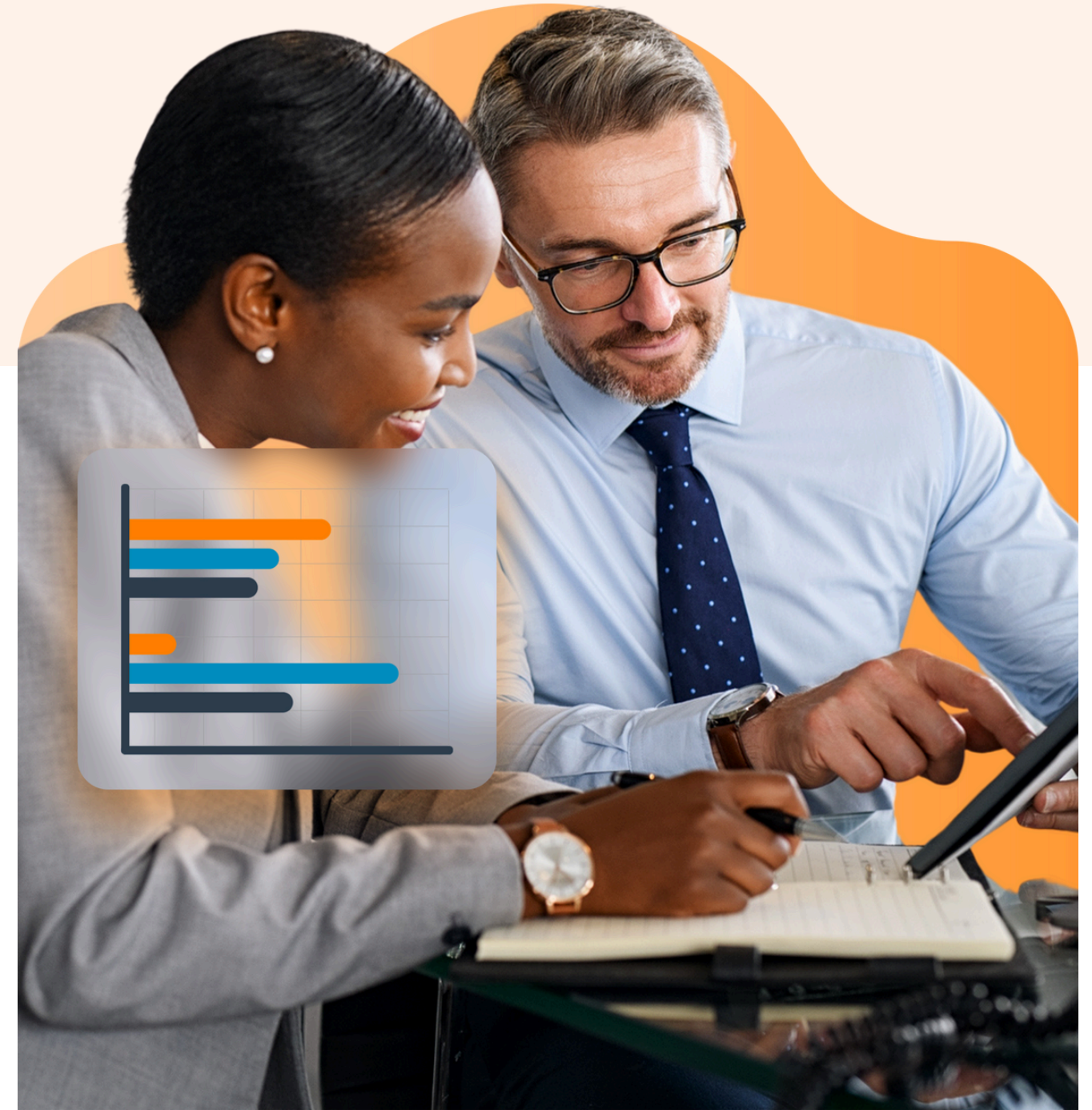
National Insurtech Company

Texas, United States

Founded in 2006, this company is the nation's leading independent distributor of life and health insurance products.

Key figures:

- More than 500,000 independent agents and advisors.
- Serving over 11 million clients.
- Over 6,000 employees.



The Challenge

This organization needed to mature their Third-Party Risk Management (TPRM) process for strategic alignment and regulatory compliance objectives. With 13,000+ vendors and a decentralized vendor process, they contacted Asureti to help mature third-party governance and operations to enhance financial control and overall risk management.

Risks associated with immature TPRM process



Strategic objectives

Immature TPRM process may pose challenges when achieving strategic objectives, and aligning with compliance and risk management requirements.



Sensitive Data Protection

Inconsistent decision-making and lack of centralized TPRM posed significant data security risks.



Missed Financial Saving

Lack of defined approval levels led to unchecked expenses and missed opportunities for leveraging enterprise agreements.

Our Approach

With comprehensive consideration of the impacts third-party management has on all operations across the organization, we leveraged our TPRM experience and process accelerators to help this client establish new and expanded workflows, and structure needed governance and reporting for related risk points.

Objective 1: Policy Program and Structure

As policies provide the guidance and standards for an organization's operations, a refresh of the third-party risk management policy was a key first step. Updates were made to address prior growth, establish standards for decentralized teams, and establish key roles and responsibilities across the organization.

Objective 2: Identify and Prioritize Third Parties

Working with a large volume of third parties requires tiering and analysis to identify critical priorities. Asureti provided recommendations on risk rating third parties across categories such as financial, operational/customer, security, and availability impact considerations

Objective 3: Design and Implement Cross Functional Review Workflow

As the organization targets continued growth, considerations for cross-functional operations at scale were required for ongoing program success. Asureti provided recommendations for process, automation, and reporting standards to meet both current and future needs.

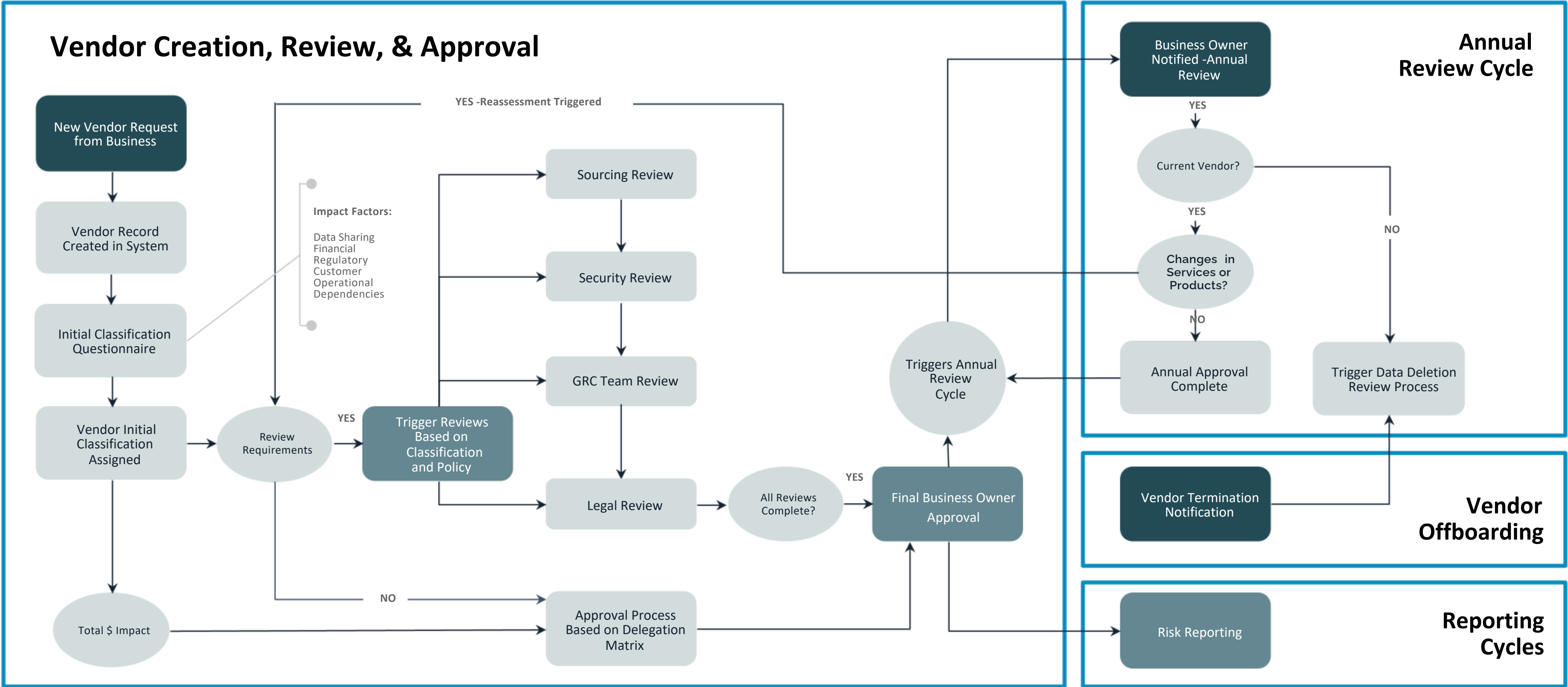
Ready-made Baseline

Asureti provided a proven workflow to jumpstart the TPRM program, streamlining initial process design time and moving quickly into solutions targeted at the client's specific concern points.

Key Workflow Benefits:

- **Eliminate reliance on spreadsheets and emails:** By centralizing data and workflows, we enabled internal teams to move away from outdated manual processes.
- **Automate vendor risk assessments and follow-ups:** Automated assessments improved response times and reduced administrative burden.
- **Assign and track mitigations and remediations:** The centralized system allowed teams to quickly assign risk mitigation tasks and track progress.
- **Collaborate using a single source of truth:** All vendor data, risks, and assessments are now stored in a centralized repository, providing visibility across departments.
- **Integrate with existing processes:** Integration with procurement, contracting, and accounts payable processes enables smooth operations and enhanced risk visibility.

Third-Party Risk Management Workflow - Design Example



Workflow Customizations

We tailored the TPRM process to meet specific needs of the client, confirming that operational workflows were efficient and manageable.

- **Consistent Processes:** The third-party risk management platform was customized to create standardized cross-functional workflows, making it easier for the organization to manage third-party risks across departments.
- **Work Queue Management:** With clear visibility into work queues, the organization was able to prioritize tasks and ensure critical risks were addressed in a timely manner.
- **Operational Workflow Visibility:** Real-time insights into operational workflows allowed management to stay informed and track progress, ensuring compliance and risk management initiatives remained on track.

Training & Change Management Support

Asureti supported the organization's transition to the new TPRM system by providing extensive training and change management support.

- **Documented Process Flows and Procedures:** Asureti created detailed documentation outlining all TPRM processes and workflows, enabling teams to operate efficiently within the new system.
- **Involvement of Key Team Members:** Key operational team members were actively involved in the design and testing phases, allowing internal team members to become key resources for questions and support.
- **Live and Recorded Training Sessions:** Asureti provided both live and recorded training sessions to accommodate different learning styles and ensure that all team members were well-prepared to use the system.
- **Post-Implementation Support:** Ongoing support and messaging ensured that the transition was smooth and that any issues were quickly addressed after implementation.

Project Recap

Through Asureti's comprehensive approach to TPRM, our client successfully:

- Formalized a TPRM process that improved risk management and compliance.
- Achieved significant cost savings and enhanced response times through standardized workflows and automations.
- Increased risk visibility and operational efficiency, preparing the organization for future business growth.

Asureti's efforts have helped position the organization for continued success, with a strong foundation for future compliance and risk management initiatives.

Similar Challenge?

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