

Policyholder Service Operations

Project Sponsor: **Executive Vice President**

Project Overview:

A self-financed, department-wide improvement initiative for the assimilated policyholders service centers, which support ClientCo's global clientele.

Project Scope:

1. Support
2. Updates
3. Renewals
4. Claims Intake
5. Agent Support

Benefits Achieved:

| | |
|----------------------------------|--------------------|
| Operating expenses | ▼ +15% |
| Personnel volume | ▼ +17% |
| Point of return..... | Less than 5 months |
| ROI (24 months) | 4.0x |
| Revenue production efficiency... | ▲ +12% |
| Service standards..... | +17% |

Organizational Challenges:

ClientCo is a proven leader in personal lines insurance for individuals with high net-worth, and as such a strong focus is placed on service standards in order to sustain what has become the industry's highest renewal percentages. After the implementation of a new Enterprise Resource Planning technology, **ClientCo** administration began to contract PRO regularly upon recognizing the value in additional non-technology process improvements.

Summary:

Priority was given to components that notably shape the policyholders' impression of service caliber. Since billing errors produce the most unfavorable impressions, lead to decreased renewal rates, and are the most problematic to rectify, PRO was employed to assess the PS/Renewals operational procedures.

Throughout the six-week analysis, PRO and **ClientCo's** internal teams pinpointed more than 200 activity-related improvements – 70% of which were lean, non-technology based, and short-term achievable. PRO assembled these elements into a self-financed initiative that included:

Results Summary:

Beginning just six weeks after launch of the initiative, quantified benefits began to surface from the partnership between PRO and **ClientCo's** own lean improvement endeavors.

Improvements:

1. **Policyholder Service Enhancements** – Though **ClientCo** met the conventional anticipations of their clients, many areas were discovered for them to go beyond these standards once their practices were compared to external, competitive benchmarking such as: Increased discounts for early premium payment; varied payment terms, more competitive options, etc. were among those
2. **Inbound Quality Adjustments** – When compared against their competitors, **ClientCo** experienced an inbound rate that averaged nearly 55% higher. There were many non-technology based improvements discovered that would assist in leveling this variance, such as standardizing the abundant number of field sales templates that tend to produce inconsistent data for current policyholders, renewals and new applicants alike.
3. **Modify Rework Processing** – While information acquired in a complete manner was handled efficiently (less than 15% productivity variance), information received NIGO (not in good order) was approached extemporaneously, resulting in a productivity variance greater than 65%. Modifications assisted to standardize these NIGO remediation efforts, streamline rework, and reduce productivity fluctuations

