

Effective Agency Procedure Manual Development

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1


Why do we need a Procedure Manual?

TO SET AGENCY STANDARDS FOR EVERY WORKFLOW IN THE AGENCY!!!

2

Embrace Technology

- ▶ Clean up your downloads
- ▶ Make sure Activity Descriptions are consistent
- ▶ Think about putting screenshots of the agency management system manual in with various activities
- ▶ Use your rater
- ▶ Use docu-sign, email, & EFT as much as possible
- ▶ If your system has the capabilities, offer client access to COI's, ID Cards, Policy Document Copies



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3

Document, Document, Document

1. Document all contact in your notes/activities
2. Attach All emails
3. Attach all imaged documents and any other correspondence
4. Create proper documentation when a function is performed
5. Document all verbal conversations and indicated the name of the person on a timely basis
6. Details should include language that anyone reading the file can understand
7. Use only agency management approved abbreviations
8. Reference the details to the policy it pertains to in the notes/activities
9. Documentation is Permanent. Never alter or try and change it.



4

Errors and Omissions

1. Maintain Professional Demeanor
2. Ask for help if you don't know the answer.
3. Take policy changes ONLY from the insured. Be careful of a divorce or separation situation.
4. Confirm your understanding with the insured before you make any changes.
5. Get a signature on rejections or removing coverage
6. Document every conversation with the insured
7. Complete apps carefully
8. Promptly forward all apps, change requests, claims, etc. or process in the system.
9. Understand carrier eligibility and processing guidelines
10. Do not bind coverage unless you have the authority to do it
11. Never confirm or deny coverage for a loss
12. Use your suspense system, follow up, notify your supervision if you are 10 days behind.
13. Notify management if any incident takes place that might cause an E & O.
14. Stay organized, notify your supervisor if any condition prevents you from completing your work.



5

Telephone Standards

1. Return calls promptly
2. Change the voice mail daily to state where the call recipient is - meeting, out of the office, etc.
3. Make sure ALL Voice mails have the disclaimer that coverage cannot be bound, altered, or cancelled via voice mail.
4. Make sure your out of office voice mail gives a time of return or instructions how to reach someone else in the organization.
5. Don't screen!
6. If you are meeting with another employee at your desk, answer the call. Customers first!
7. Prioritize your outside calls over your internal calls but still return them promptly.
8. Do not use the speaker phone in open areas!
9. Call phones - private, reaching out of office??




6

Irate Customers

1. Listen, empathize, don't take it personally
2. Apologize if there was an error made. Don't blame others. Be careful how you state it.
3. Let the customer know what you can do to resolve the problem
4. Rudeness and Verbal Abuse

Irate Customer



Happy Agent



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7


Cancellations

1. Process Immediately
2. If insured initiated, LPR should be signed and processed in the management system.
3. Carrier Cancellations
4. Explain the direct bill procedure so you don't have to be involved
5. DO NOT CALL THEM on overdue accounts
6. Reinstatements
7. If agency bill and non-payment is an issue, ask the carrier to issue the DNOC
8. Send closing notice

8

Certificates of Insurance

1. Evidence to third parties
2. Be prompt unless it is complex and requires underwriting resolution
3. Make sure the holder information is correct.
4. Double check the information against the policy
5. Verify Wording
6. Automatic Additional Insured
7. Waiver of Subrogation
8. Send a copy to the carrier and the insured
9. Stay within your authority
10. Master Certificate
11. Document and attach final certificate
12. E & S Certs



9

Claims Procedures

1. Report to agency or directly to carrier - DO NOT confirm or DENY coverage
2. Third Party Claims
3. Promptness
4. Advise
5. Work Comp Claims
6. Summons and Complaints
7. Follow carrier guidelines for reporting
8. Total Losses
9. Follow your procedure
10. Reserves or large claims
11. Problems
12. Log it in the system and suspense if follow up needed

10

Agency Standards for New Commercial Business

1. Review the Exposures and make appropriate recommendations (Checklist)
2. Present the quote in a timely manner
3. Agency Standards for liability limits, Higher limits may be available verbiage
4. Clear Building Values or Signed Statement of Values
5. Document, Document, Document (all conversations, broader coverages, rejections)
6. Double check accuracy (quotes against apps, proposals)
7. Signed Application
8. Know your binding authority
9. Know the Carrier's Am Best Rating



11

Small Commercial New Business


1. Set up Prospect in Agency Management System
2. Gather Information (Commercial Checklist)
3. Either submit through the carrier's website.
4. OR
5. Submit your accord applications to the carrier with documentation and open a suspense activity.
6. Review the Quotes
7. Present the quote
8. Sale or No Sale
9. Change from Prospect to Customer. Attach all documentation
10. Signature, form of payment FA, GET the deposit
11. On Line Processing or submit final apps and docs via email or through carrier portal
12. Complete the final transactions - evidence, id cards, certs, invoicing, processing finance agreement
13. Suspense
14. Review
15. Correct if need be
16. Deliver
17. Attach documents
18. Set up future activities required



12

Large Commercial New Business


1. Set up Prospect
2. Gather Information (Commercial checklist)
3. Complete your submission
4. Go to Market
5. Work Comp
6. Suspense
7. Marketing Folder
8. Save Quotes
9. Review
10. Select
11. Prepare Proposal and Present
12. Sell or No Sale
13. Notify carrier to issue, request binder if applicable
14. Update to Customer status, Document, Document, Document
15. Signatures, form of payment, FA, GET the deposit, some carriers want it processed on line
16. Complete the Final transaction - evidence, ID Cards, certs invoicing, process FA.
17. Final Submission to carrier, acknowledgement
18. Suspense
19. Review and Correct if need be
20. Deliver
21. Attach Documents
22. Set up future activities



13

Agency Standards for Personal Lines New Business


1. Producer or Account manager Quotes
2. Timely manner
3. Compare but follow standards
4. Don't recommend - let them choose
5. Explain pros and cons between policies
6. Document conversations, use coverage declined forms
7. Name both Spouses if married
8. Signatures (Must be the insured, not on their behalf)
9. Payments



14

New Business Personal Auto Standards


1. Liability Limits - no less than 100/300/100 or 300 CSL
2. Uninsured/Underinsured Motorists - equal to liability limits
3. Rejections or lowered limits - signed declination
4. Verify titleholders
5. Include options



15

New Business Homeowners Standards


1. Recommend higher liability limits - \$300,000 or higher
2. Offer replacement cost contents and sewer backup, equipment breakdown
3. Replacement cost Dwelling if qualifies
4. Offer an HO3 (open perils) or broader coverage
5. Offer broadening endorsements
6. Personal Injury
7. Condo policies - HO6
8. Flood
9. Signed Coverage Declination forms.



16

Quoting Personal Lines New Business


1. Collect information and add to the management system
2. Use your checklist to uncover exposures and determine eligibility
3. Obtain Driver's license, Birthdates, tell them you are running a credit score
4. Timeliness
5. Rating
6. Prepare and Present Quote
7. Document the management system
8. If accepted - go to App procedure, if not create a follow-up



17

Personal Lines Application Procedure


1. Explain, complete, signatures, money
2. Verify Agency Standards are met
3. Non-bindable
4. On Line Apps
5. Attach info and Update Management system, suspense
6. New Business Activities/Welcome Letter



18

New Policy Receipt Procedure


1. Downloaded
2. Paper
3. Review and Attach - If errors, follow policy change procedures
4. Close Suspense
5. Log new Suspense to follow up with Account review



19

Standards for Policy Changes/Endorsements


1. When taking the changes verbally, always explain the consequences.
2. When taking an auto change, verify the titleholder
3. Verify any change with the named insured if it comes from another party
4. Document, Document, Document
5. Deleting Coverage
6. Adding Coverage - know your authority
7. Commercial Lines - Verify the party requesting the change is authorized to do so.
8. Personal Lines - Divorce, Separations, Changes by relatives without written authorization or copy of power of attorney.



20

Request the Policy Change


1. Obtain the details and document any emails or verbal requests in the management system.
2. Adding a vehicle (Title holder, leased?)
3. Who is requesting?
4. Removing Coverage
5. Binding Authority
6. Process on line and suspense or request the change. If not an on-line carrier, request the change to the carrier per their requirements.
7. Suspense and follow up



21

Process and Review the Endorsement


1. Confirm and Compare
2. Close the open suspense
3. Forward if need be, bill if necessary
4. Correct if necessary



22

Commercial Renewals - Agency Standards


1. Check your expiration list. Review 90-120 days out and make remarket decision.
2. Follow Agency's Remarket Strategy
3. Compare all renewals with expiring
4. Check the forms
5. Check the expiration at the end of the month to make sure all the renewals have been resolved and resolved.



23

Small Business Renewal Steps


1. Follow 90-120 days prior to renewal agency standards
2. Meet with Producer if necessary, decide if you need a renewal quote or if you need to remarket
3. If you are going to remarket, go back to your new business steps for small business and disregard any steps that apply to new business
4. If not remarketing -
5. Either reach out to the customer via email or letter and tell them the renewal is coming up, send them a summary of coverage, ask for any changes, updates to drivers, insurance to value, any new purchases, etc. Ask for an updated cert list if required. Suspend it for 10 days and follow up with an email or phone call if they have not responded.
6. Process any changes on line to the carrier or notify the carrier if the policy has already been issued. An endorsement may be required.
7. When the renewal is received, close any outstanding suspense activities and log that the renewal was received.
8. Verify accuracy, if any corrections are needed, follow the procedures for policy changes and endorsements.
9. Process the renewal
10. Update the management system
11. Generate an invoice/FA if agency bill
12. Process Certs
13. Process ID Cards if necessary
14. Deliver policy if necessary, file a copy in the management system



24

Large Account Renewal Steps


1. Follow your standards and review 90-120 days out
2. Meet with the producer or team if necessary. Quotes or remarkets?
3. If remarketing, follow the New Business Steps For Large Accounts and disregard any that apply to just new business.
4. No remarket -
5. Reach out to the customer, ask for updates, driver's lists, new operators, new addresses, equipment changes, review schedules, updates the cert list. Make your recommendations. Wait for any changes in the entity, named insured or operators. Check your payroll and sales and ask about any other changes that you need to address.
6. Create follow ups per agency/producer instructions
 7. Suspense for reply and follow up in 10 days if no answer
 8. Information is Received from your client
9. Send any updated information to the company. If you need renewal quotes, make sure you ask for them. The producer may ask for a proposal to deliver with the quote.
10. Continue to keep suspense open and follow up until transaction is complete and policy is received
11. Verify necessary if corrections needed. Follow policy changes/endorsements
12. Process the renewal
13. Update the management system
14. Generate an invoice and/or finance agreement if agency bill
15. Process any certificates
16. Process any auto ID Cards
17. If you received the insured's copy of the policy, forward it to him and keep a copy in the management system.
18. Create follow ups per agency/producer instruction



25

Agency Standards for Personal Lines Renewals


1. Automatic Renewal/Download
2. Review Download
3. Review Expiration list for any special needs policies
4. Every customer will receive an account review at least every () years. (Refer to account review procedures)
5. Direct Bill - encourage EFT



26

Downloaded Personal Lines Direct Bill Renewals


1. Check your download, review your policies, see if an account review is due.
2. Add an activity that you checked and reviewed the policy with any notes about unmet standards, remarketing, etc. and contact with the insured.
3. Remarket when appropriate, present the quotes. Or if there are no options, explain that you have explored the market and you have not found any better alternatives.
4. Document, Document, Document
5. If moving to a new carrier, follow the application procedure workflow in new business.



27

Non-Downloaded Personal Lines Renewals


1. Verify
2. Agency Standards
3. Analyze the premium
4. Enter policy
5. Notes and Activities
6. Follow remarketing guidelines if necessary
7. Document, Document, Document
8. Follow application workflow if changing carriers



28

Account Reviews


1. Add a suspense or open activity when the policy is written and set up a follow update in the future to perform the review.
2. Try and catch the reviews during service opportunities
3. Document, Document, Document
4. Work your reviews in suspense, resuspend after the review for future contact
5. Checklists



29

Carrier Downgrades


1. Avoid writing business with any carrier with AM Best rating lower than A-/B+.
2. If this happens - Run Reports, create a standard letter, Notify Customer.



30

Motor Vehicle Reports

1. Do not order MVRs for personal lines unless required when writing new business through the carrier site.
2. Do not offer to do it for your commercial lines accounts - that should be a part of their hiring process and background check.
3. The agency can only order MVRs when required as a part of the underwriting procedure and employees must adhere to the law regarding the Fair Credit Reporting Act.
4. If you do run the MVR, you cannot release the information to the insured. You can only say eligible or not eligible. If the driver disputes, then they can go obtain a copy of their own record from the DMV.



31


Other Items to consider

- ▶ Accounting - this class today covered the actual steps involving the customer service and policy work with clients. As an agency owner, you might want to establish a procedure manual for your accounting department regarding billing, finance agreements, account payable processes, etc.
- ▶ Email - Email is vital to the agency so it would be recommended that you have an email policy on content, set up, agency logo, e-pay link, and disclaimers.

32

Final Thoughts.....

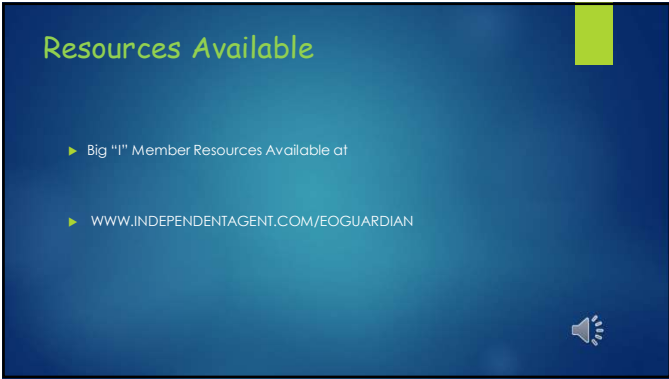
- ▶ The procedure manual is a tool to help your employees in providing the best practices in agency performance for your customers. It is a tool to help prevent errors and omissions claims and remember, "This is the Way!"



33



34



35
