

KAIZEN RESULTS

From 100 days to just 12.5 days:

Complaint resolutions are faster than ever for insurance consumers

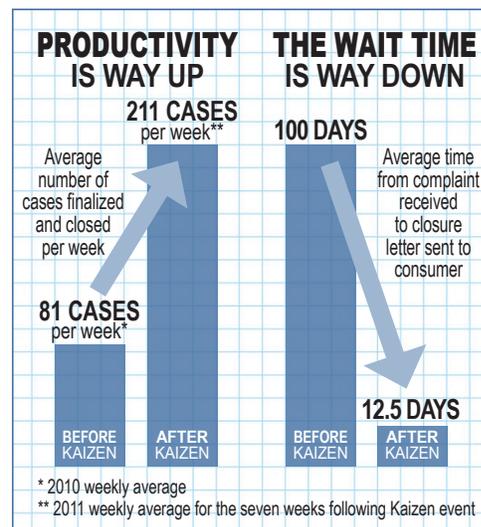
IN BRIEF: If you have a complaint regarding an insurance company or insurance agent, you can turn to the Department of Insurance for a thorough investigation – and the work will get done faster than ever, now that a Kaizen team has streamlined and simplified everything.

QUICK SERVICE: The process is moving 88% faster. It now takes an average of 12.5 days to go from “complaint received by Consumer Services” to “closing letter sent” – compared to 100 days before the improvements.

GREATER CAPACITY: The number of complaint cases being resolved and closed each week has nearly tripled – from 81 per week (2010 average) to 211 per week (since the Kaizen event).

BYE-BYE, BACKLOG: Staff have chopped the backlog by 88% in just seven weeks – and are on pace to eliminate it within nine weeks of the Kaizen.

MONEY MATTERS: The streamlined process is saving an estimated \$53,000 each year. Included are direct savings of \$19,400 from a reduction in hard-copy letters and mailing, because the new process takes full advantage of electronic communication.



DETAILS

All of us count on insurance to protect ourselves, our families, and our businesses. So it's good news for everyone that the Ohio Department of Insurance has made one of its core processes simpler, faster, and better.

Let's say you have an issue with an insurance company or insurance agent. You can file a complaint with ODI's Consumer Services Division – and staff will gather key information from all the parties, conduct a thorough review, then issue a letter that spells out their findings.

It's an important process, and it has improved significantly thanks to a week-long Kaizen event. Before, it was taking an average of 100 days from when the complaint arrived at the agency to when the closing letter was sent to the consumer. With the improvements, the process is now averaging just 12.5 days. That's an 88% reduction in processing time – and it means that consumers now get resolutions within 2 weeks rather than 14.

With skilled and dedicated employees working a process that they themselves improved, productivity is through the roof. Since the Kaizen event, 211 cases are now being finalized and closed each week. That's nearly a threefold increase over the previous year, when the number of cases closed averaged 81 per week.

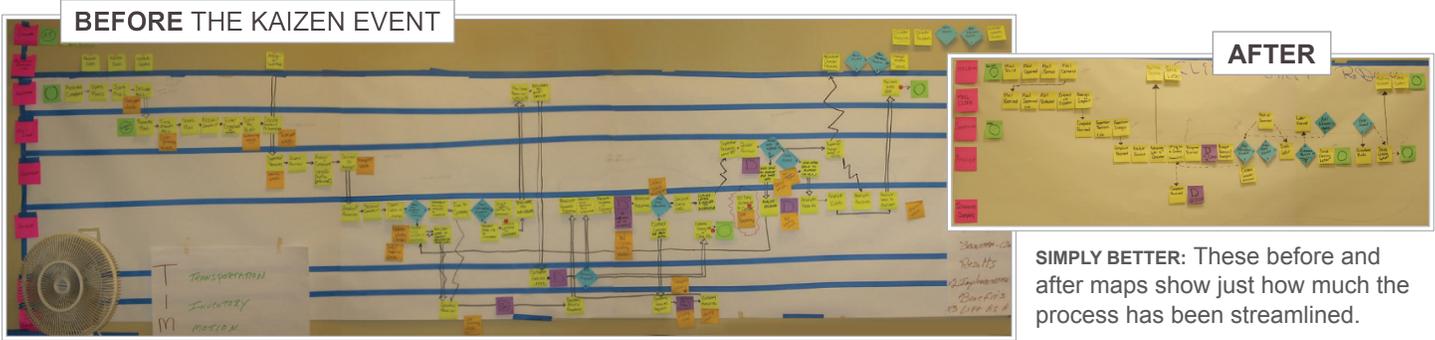
The backlog has met its match as well. When the Kaizen team did its work in October 2011, there was a backlog of 1,098 complaint cases. Seven weeks later, thanks to staff-developed improvements to the process, the backlog is at 136. Two more weeks and the backlog will be gone for good.

Money is being saved as well. When all the changes are in



Team members: (left to right) Dwaine Pease, Greg Mobley, Le-onette Hollingsworth, Brian Bain, Colleen McDanel, Joyce Meyers, Daveen Goodman (ODOT), Cathy Diggs, Derrick Dozier, Leslie Short, Mugsy Reynolds, Jana Jarrett, Brent Guess, Barbara Smith Bain, and Lori Newton.

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SIMPLY BETTER: These before and after maps show just how much the process has been streamlined.

place, \$53,000 will be saved annually. Direct savings will add up as hard-copy closing letters sent by regular mail are replaced with electronic mailings; postage savings alone will total \$19,400 a year. Additional savings accrue as staff no longer spend work time on redundant steps in the process. For example, supervisors will spend 1,000 fewer hours per year to review closing letters because the new process ensures that the letters are done right early on. The supervisors' time can now be spent on other activities that add value.

When the team of 15 people mapped out the process, they found too much of everything: too many steps, too much paper, too many checks and double-checks, too many delays. No one had set out to build a cumbersome process; it simply grew over time, one additional step after another. Team members used their analysis of the current situation to come up with 56 improvement ideas. Then they selected the high-value ideas and turned them into a single plan of coordinated next steps.

Some of the improvement measures relate to IT. With the streamlined process, there will be greater emphasis on having consumers submit complaints online – for their convenience and for process efficiency.

Electronic submissions are reducing walk-around time while ensuring easier coordination of who's working on which complaint cases. As complaints come in electronically, they're going directly to the supervisors, who are assigning them right away to complaint analysts. Fading fast is the time-consuming task of taking mailed-in complaints over to this analyst or that, and then managing the paper flow over the long term.

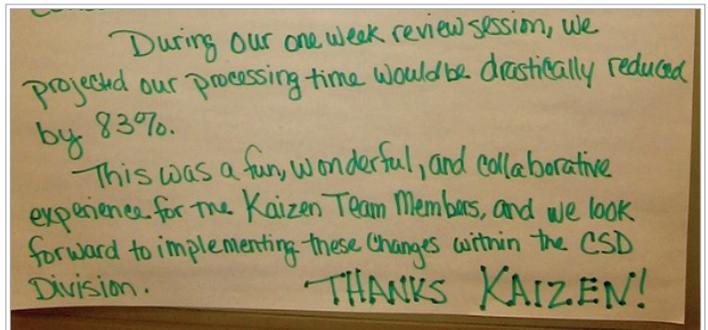
Also, various letters have been standardized and condensed, including the initial requests that are sent to insurance companies when a staff analyst needs information to process a case. These request letters have been fully revised to be clearer and more comprehensive, and to convey a greater sense of importance and urgency. This is making it easier for insurance companies to respond quickly in providing all the needed information early in the process. Now, Insurance staff seldom have to backtrack with calls or e-mails to gather missing facts.

At the team's end-of-week presentation to colleagues, team member Leonette Hollingsworth spoke from the heart. "I want



WORKING IT OUT: Above, team members discuss details as they fine-tune the new process. Shown here are (left to right) Greg Mobley, Colleen McDanel, Leslie Short, and Jana Jarrett.

Below is a flipchart sheet with the team's assessment of Kaizen: *This was a fun, wonderful, and collaborative experience.*



to be perfectly honest with you," she said. "I came into this asking, *Kaizen what?* This was an experience. When we came in every day, it was like we were running up Mount Everest. But my goodness, what has come out! I'm so excited about Monday. I can wait till I get here on Monday."

Jana Jarrett talked about unity, noting how it grew stronger each day as the Kaizen event unfolded. "The process is great," said Ms. Jarrett, who is Assistant Director of Consumer Affairs. "But what you've seen in the team, I can't even speak to."

Consumers all across Ohio will benefit from a much better process, a unified team of dedicated public servants, and a commitment to work wisely with taxpayer dollars. ●