

KAIZEN RESULTS

Faster licensing keeps qualified insurance agents doing the work of serving Ohioans

IN BRIEF: When individuals or businesses want to sell insurance in Ohio, they need to be licensed by the Ohio Department of Insurance. The agency processes more than 100,000 applications each year, including initial applications and renewals. It's a major undertaking – but it will be moving much faster thanks to a team of ODI staff members who used Kaizen to transform the process.

FASTER PROCESSING: When planned improvements are implemented, applications submitted by individual agents will be processed in 1-33½ days – compared to 9½ -97½ days with the original process.

FEWER STEPS: The number of steps in the application process for individual agents was reduced by 15 steps, for a 26% improvement. For business entities, the process was shortened by 20 steps, for a 32% improvement.

FREED-UP RESOURCES: The team estimates that when all the changes are in place, 10,931 work hours will become available for mission-critical work that requires staff and has a direct impact on customer service.

Kaizen Event RESULTS SCORECARD	BASELINE	PROJECTIONS	
	Key process measures, gathered at the start of the Kaizen event	Projected measures once all improvements are in place	PROJECTED CHANGE
PROCESS STEPS			
INDIVIDUAL APPLICANT	57 STEPS	42 STEPS	26% reduction
BUSINESS ENTITY APPLICANT	62 STEPS		32% reduction
PROCESS TIME			
INDIVIDUAL APPLICANT	9.5 - 97.5 DAYS	1 - 33.5 DAYS	
BUSINESS ENTITY APPLICANT	4 - 18 DAYS		

DETAILS

The Ohio Department of Insurance has always had a big job licensing new insurance agents to serve Ohioans. But two years ago, the job expanded significantly – with the rollout of a mandate requiring license renewals. In a 12-month period, the agency's Licensing Division received some 30,000 initial license applications, plus nearly 80,000 renewal applications.

Efficiency is a primary goal among ODI staff. So when the volume of incoming applications went from big to bigger, it became clear that the process needed to be strengthened.

Agency leadership turned to Kaizen as their methodology of choice to bring about major improvement. A ten-person team met for five straight days, using Kaizen tools to study the current process in detail – and to construct a new process that would reduce backlogs, shorten processing time, and achieve efficiencies while maintaining high quality.

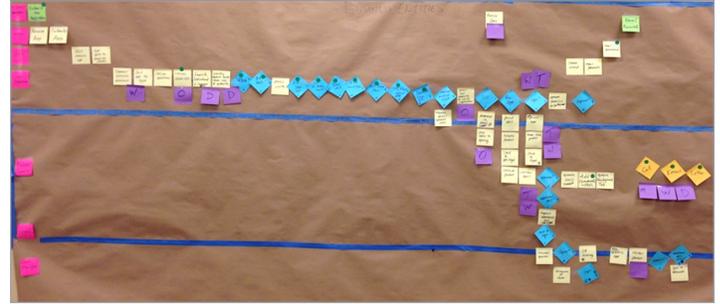
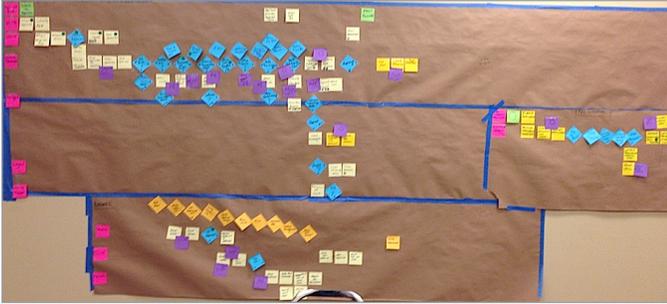
The team accomplished its goals and then some. According to team projections, when all of the planned improvements are implemented, applications submitted by individual agents will be processed in 1-33½ days – compared to 9½-97½ days with the original process.

Among the new efficiencies is a plan to have designated customer-service people work the phones – which will allow the examin-

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BEFORE

The team's map of the current process was actually *two* maps for *two* licensing processes: one for individual applicants and another for business entities.

AFTER

The team's redesign calls for one straightforward process for both types of applications.



ers to focus their time on completing applications. The Licensing Division gets about 84,000 calls per year, so this one change will make a tremendous difference right away.

In addition, staff will be empowered to make decisions that have been handled by pre-legal. This will eliminate handoffs and decision points, ensuring that the process keeps moving. A tickler system will notify processors when requested information is due and applications are deemed incomplete.

Another set of improvements will ensure that incoming application information is complete and correct the first time around. Messages, letters, emails, forms, phone scripts, and all other forms of communication are being simplified and standardized so that everything is crystal clear to customers.

When an application is missing information, the applicant will receive a checklist showing the exact items that are needed. They will also be given a submission deadline. This will be entered into the tickler system, ensuring that staff are always up to date on the status of all in-process applications.

The ODI website is a main source of information for insurance agents, so many of the communication enhancements will be seen online. The Licensing site will include clear instructions, answers to frequently asked questions, and a new set of web-based functions to make the whole application process more user-friendly. For instance, applicants will be able to check the status of their applications online. ●



All Licensing Staff Training

• New Process	KN + Jaquae	by 4/15/13
• Cross-Training	KN + Jaquae	by 5/13/13
• New ODIS updates	KN + Jaquae	4/2013 - 7/2013
• New Website Training	KN + Jaquae	by 4/15/2013
• 1 Customer Identifier		
Licensing Phone Staff		
• Phone System Training	mlg/sj/11	by 5/10/13
• Phone Standards (Etienda)		by 4/30/13
• Standard Response Training		by 4/30/13
• Front Desk Training		8/14/13 - 8/15/13
• ODIS Training		7/2013 - 4/2013
• Website Training		by 4/15/13
• Scanning/Labeling/Pepping		by 4/30/13
• Mail Handling		by 4/30/13
• Service Request Processing		by 4/30/13
Legal:		
• New License Process (Elec Application)		by 4/19/13
• Training on Accessing Lic Database		by 5/15/13
INTERNAL + External Stakeholders (Agents/Associates) Etc. - MIA/PA Agents		
• New License Process	Michelle + K.V.	4/30/13
• Website Changes		by 8/15/13

- Checklists:**
- 1) Major Lines Resident (Initial)
 - 2) Major Lines Non-Resident (Initial)
 - 3) TPA (Initial)
 - 4) Viatical (Initial)
 - 5) TPA (Renewal)
 - 6) Viatical (Renewal)
 - 7) Title
 - 8) Surety Bail
 - 9) Limited Lines - Initial
 - 10) Limited Lines - Renewal
 - 11) Surplus Lines
 - 12) PIA
 - 13) MGA
 - 14) Portable Electronics
 - 15) Reinsurance Intermediary
 - 16) Title Ins. MKT. Repr.
 - 17) PIAAs
- Buttons for each Lic Type/Category
- All information about initial/renewal located on pg
- Links to NERS System on each pg
- Front page button/link to take applicant right to page
- Include ability to check license status for applicants

Among the Kaizen team's many outputs were a training plan to support the new process (left) and identification of needed checklists to help customers.