



ODI
Ohio Department
of Insurance

Enforcement Process

Steve Cole



March 19, 2015

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OHIO DEPARTMENT OF INSURANCE

- ODI is a regulatory agency that protects consumers while providing a competitive environment for insurers
- Ohio insurance industry employees 95,000 people
- ODI regulates 1,631 insurance companies that write \$64.1 billion in insurance premiums
- Monitors the conduct of 188,000 insurance agents
- Monitors the conduct of 16,000 insurance agencies
- 13 divisions
- 250 employees
- Lt.Governor Mary Taylor is Director





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ENFORCEMENT PROCESS

- Every person who sells insurance in Ohio **must be licensed and adhere to conduct standards**
 - When an insurance agent's **conduct falls below those standards**, Enforcement will **conduct an investigation**
- An agent who violates an insurance law may **lose his/her license** or be **subject to a fine and/or other sanctions**
 - If the agent's conduct is criminal in nature, the case is also referred to local or federal prosecutors for **potential criminal prosecution**



PROCESS BACKGROUND

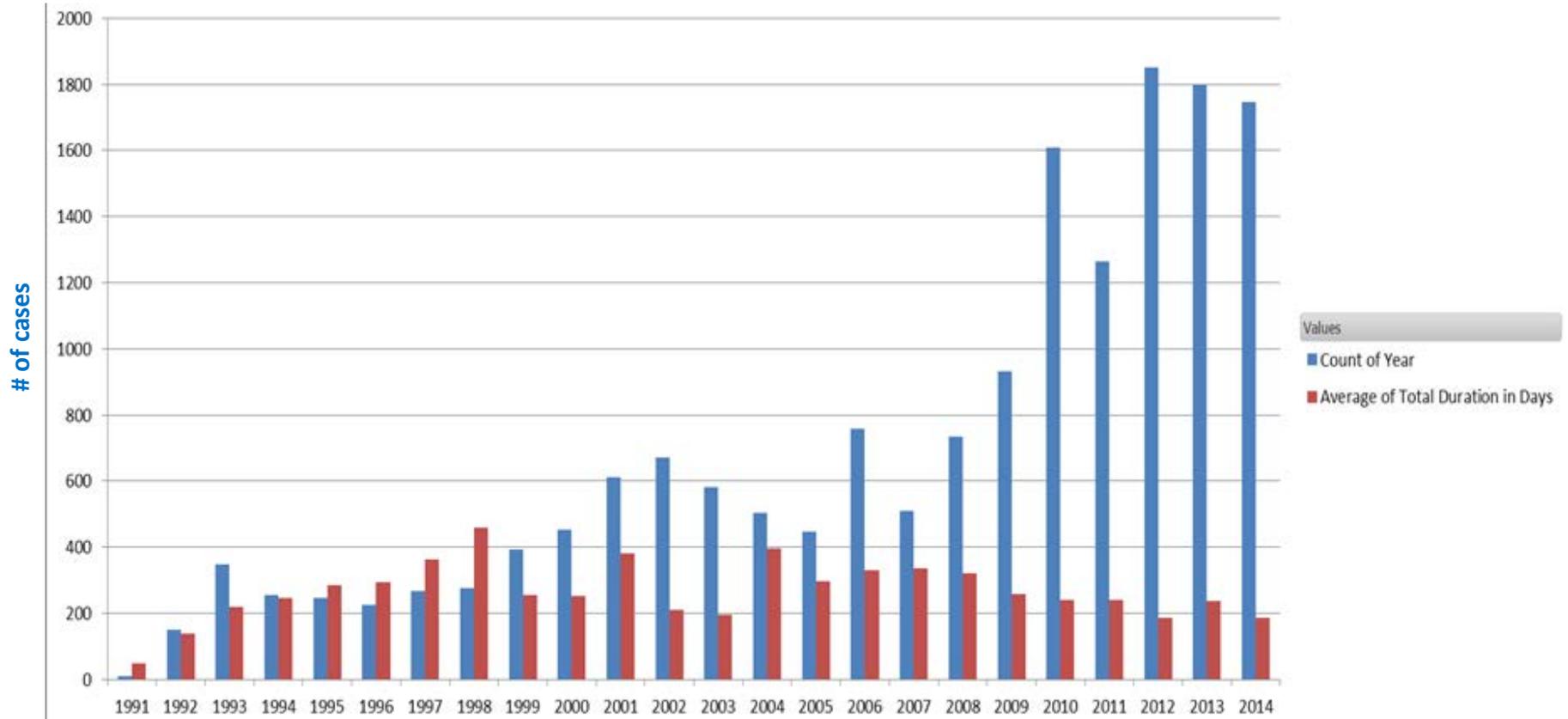
- (4) divisions participate in the Enforcement Process
 - Enforcement
 - Legal
 - Licensing
 - Fiscal
- Current process was time-consuming
- Paper-based
- Multiple tracking systems
- Lack of transparency / accountability
- Silos of information



“I’m sending you to a seminar to help you work harder and be more productive.”



ODI IS WORKING HARD!



The Enforcement caseload per year has been steadily rising while the number of days that cases remain open has been decreasing



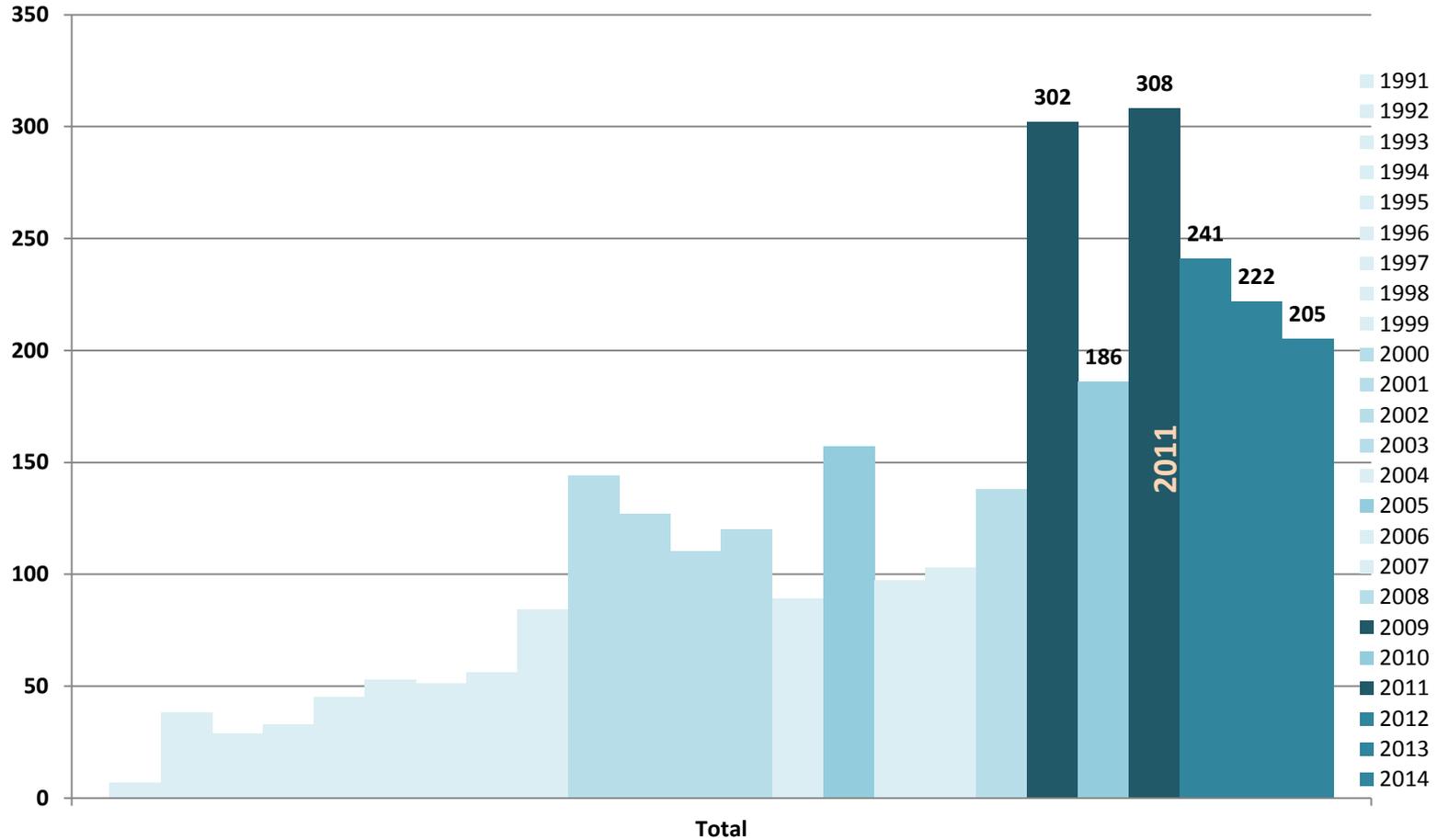
PROCESS BACKGROUND

- One of the reasons the caseload has increased since 2011 is because of an agent tax lien program implemented in May 2011
 - Joint effort between ODI, Taxation and AG
- The AG's Office sends ODI information regarding agents that owe back taxes
 - ODI proactively notifies agents that it is an ORC violation and they must pay in order to keep their license in good standing
 - Set up payment plans with the AG's office
- Since 2011 the program has recovered over \$12 million in unpaid income tax
 - Over 650 agents and agencies have come into compliance



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CONSENT ORDERS



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PROCESS IMPROVEMENT GOALS

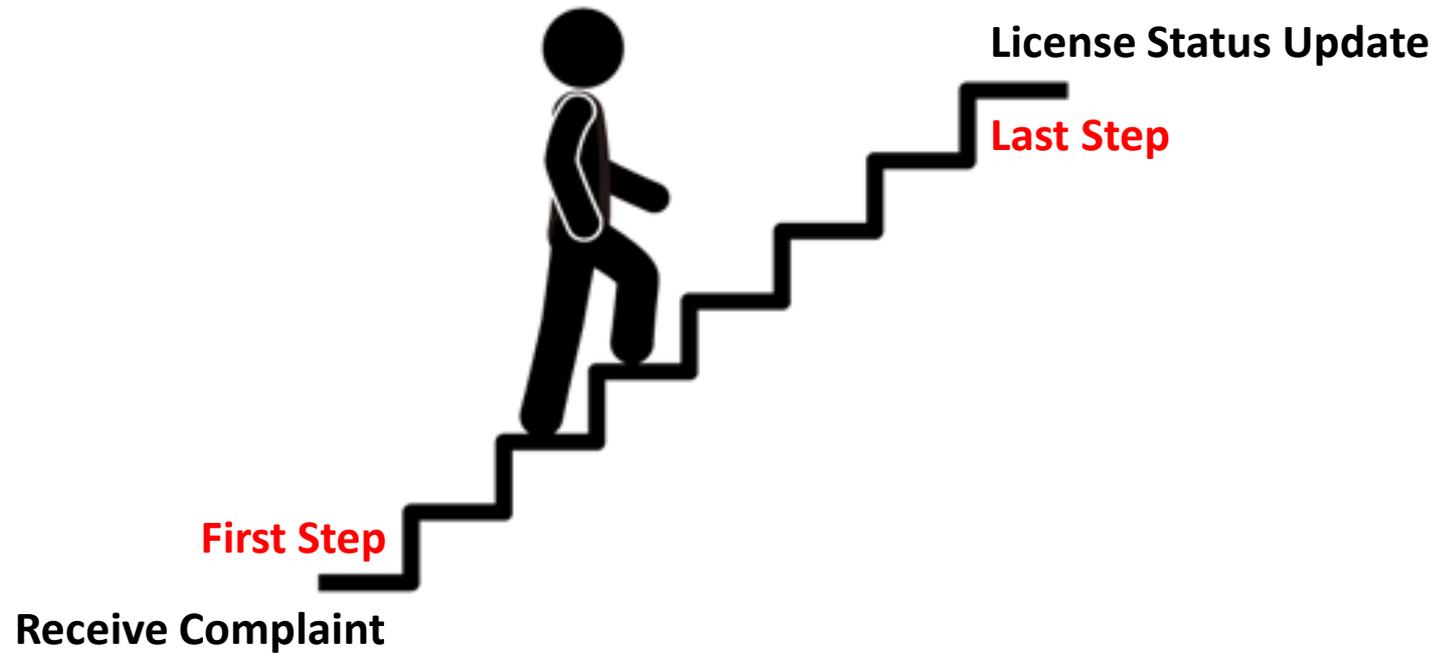


- Create one standardized process
- Reduce the amount of time from start to finish
- Improve communication and collaboration
- Prepare business requirements for IT solution



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SCOPING



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STAKEHOLDERS

- ODI Enforcement staff
- ODI Legal staff
- ODI Licensing staff
- ODI Fiscal staff
- General public
- Insurance companies authorized to conduct business in Ohio
- Licensed insurance agents
- Other State departments



"So, as you can see, customer satisfaction is up considerably since phasing out the complaint forms."



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INITIAL CHALLENGES



Hey, most climb over, but whatever works for you

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PROJECT SPONSOR LEAVES

I have an
idea for a
kaizen!



6 **months** before kaizen

Got a new
job! CYA!



2 **WEEKS** before kaizen



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TEAM LEADER LEAVES

My wife is
going to have
a baby!



6 **months** before kaizen

My wife is
having the
baby! CYA!



6 **WEEKS** before kaizen



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LEANOHIO FACILITATION

LeanOhio facilitator experienced an unexpected health issues 2 weeks prior to event. It was a tragic event for the LeanOhio network. We were forced to find a new facilitator last minute who was not familiar with the process or scope of the project.



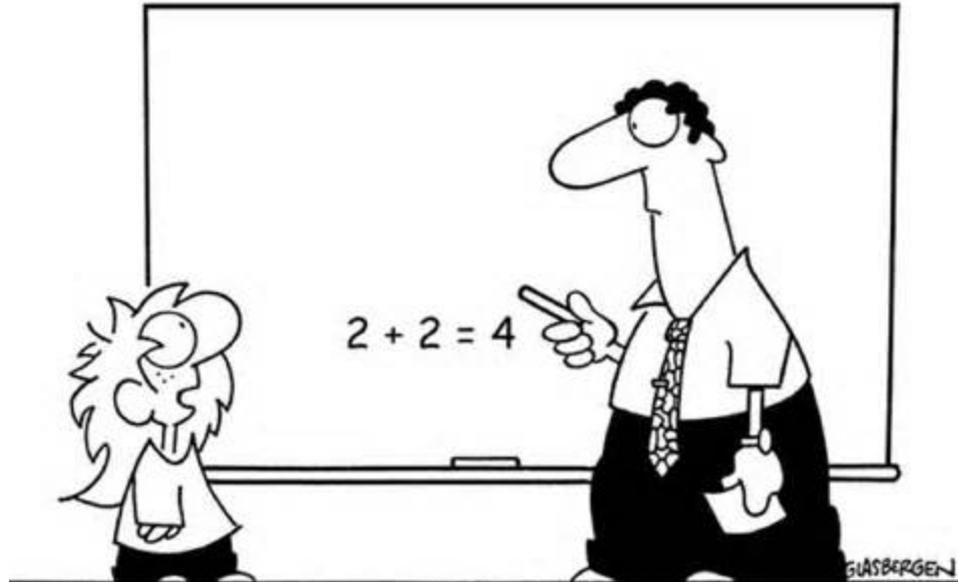
But... **Cathy Herron** stepped up!



And of course our rock...
Meghan Altier!



PULLING DATA



“How can I trust your information when you’re using such outdated technology?”

Enforcement could not generate the data reports needed. We had to coordinate with IT to pull information on over **16,000** closed cases which took several weeks. The data also needed scrubbed and had poor operational definitions.



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“HEY, WHO’S THE NEW GUY?”



Bob Schroeter

“Keep an eye on that new man—he looks like a troublemaker.”

As a **new employee** I was tasked with coordinating a kaizen event only a few months after I started. I had to overcome the new employee “**disruptor**” status

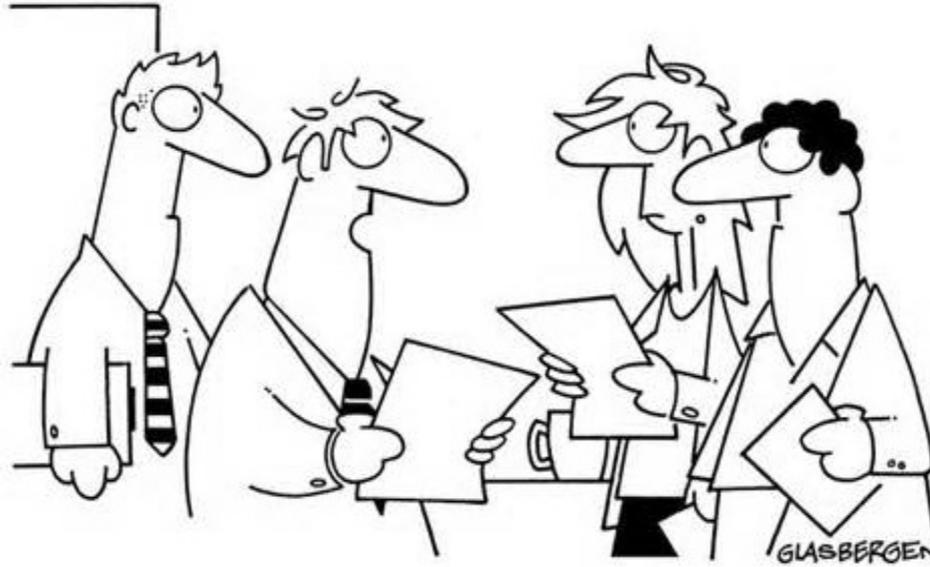
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DIVISION SEPARATION



“If we want to succeed as a team, we need to put aside our own selfish, individual interests and start doing things my way.”

Because of confidential information **Enforcement is isolated** in their own area of the building that is only accessible by Enforcement staff and a select few individuals. This created some communication barriers while scoping and coordinating the project

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FEAR OF THE UNKNOWN



"This really is an innovative approach, but I'm afraid we can't consider it. It's never been done before."

I met individually with team members before the event to help alleviate concerns, provide information about kaizens and address questions



CHALLENGES OVERVIEW

- Departure of Project Sponsor (2) weeks before kaizen event
- Team Leader was out of office for (6) weeks prior to kaizen
- LeanOhio facilitator had unexpected health issue (2) weeks before the kaizen – was forced to find another facilitator last minute
 - Unfamiliar with the process, scoping, etc.
- Challenges pulling data
- I was with the agency for (2) months when I was told to coordinate a kaizen
- Division separation and confidential nature of information
- Pushback from some team members because of uncertainty of change/lack of knowledge of kaizens/fear of the unknown

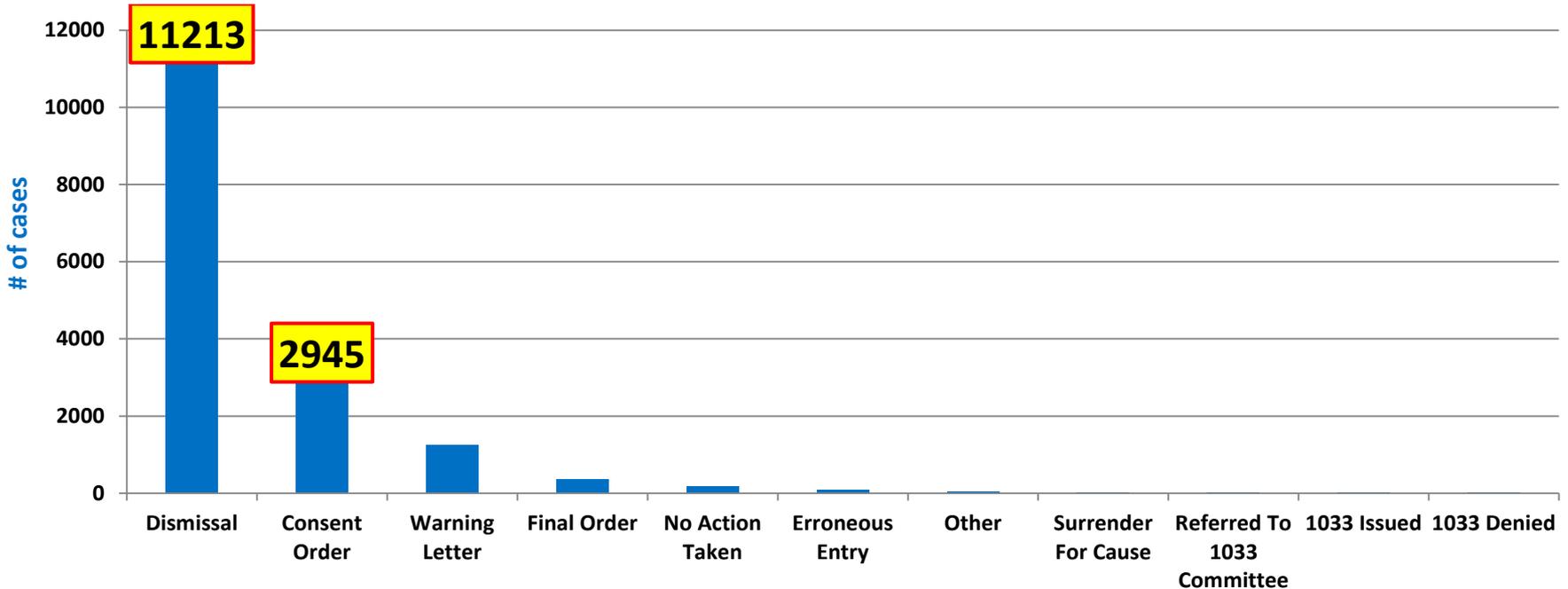


BASELINE DATA

- **Pulled 16,000+ cases from 1991- 2014**
 - Case Number, Status, Investigator, Opened Date, Closed Date, Violation Type, Insurance Type, Disposition
- **Grouped similar Violation Types into Violation Groups**
 - Poor operational definitions
 - Reduced from 282 to 64
- **Identified 11 Disposition Types (Outcomes)**
 - **Focused on most frequent dispositions for the kaizen**



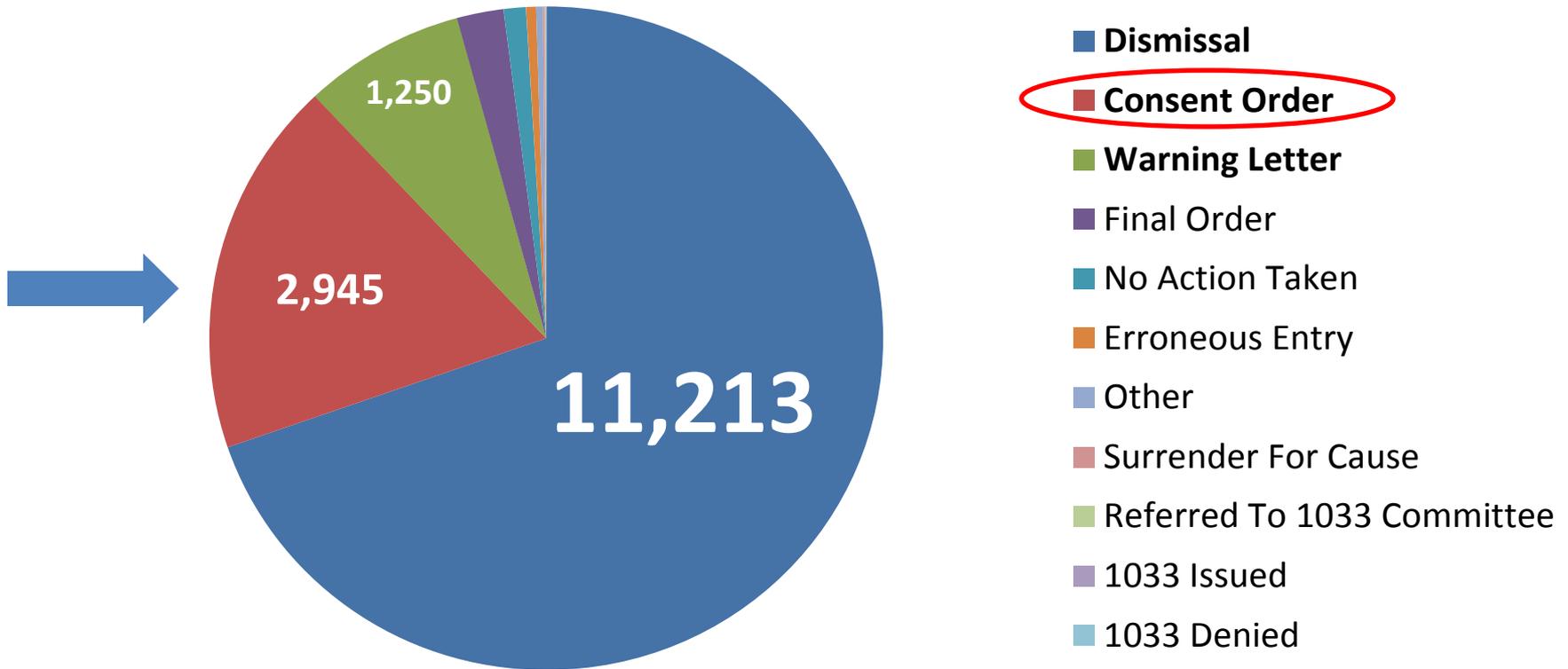
TOP DISPOSITIONS (OUTCOMES)



70% of cases since 1991 have ended in a **Dismissal**. Because of this, we wanted to target the next most frequent disposition – Consent Orders. Once Dismissals were removed, **Consent Orders** became **60%** of all dispositions. This became the focus of our kaizen.

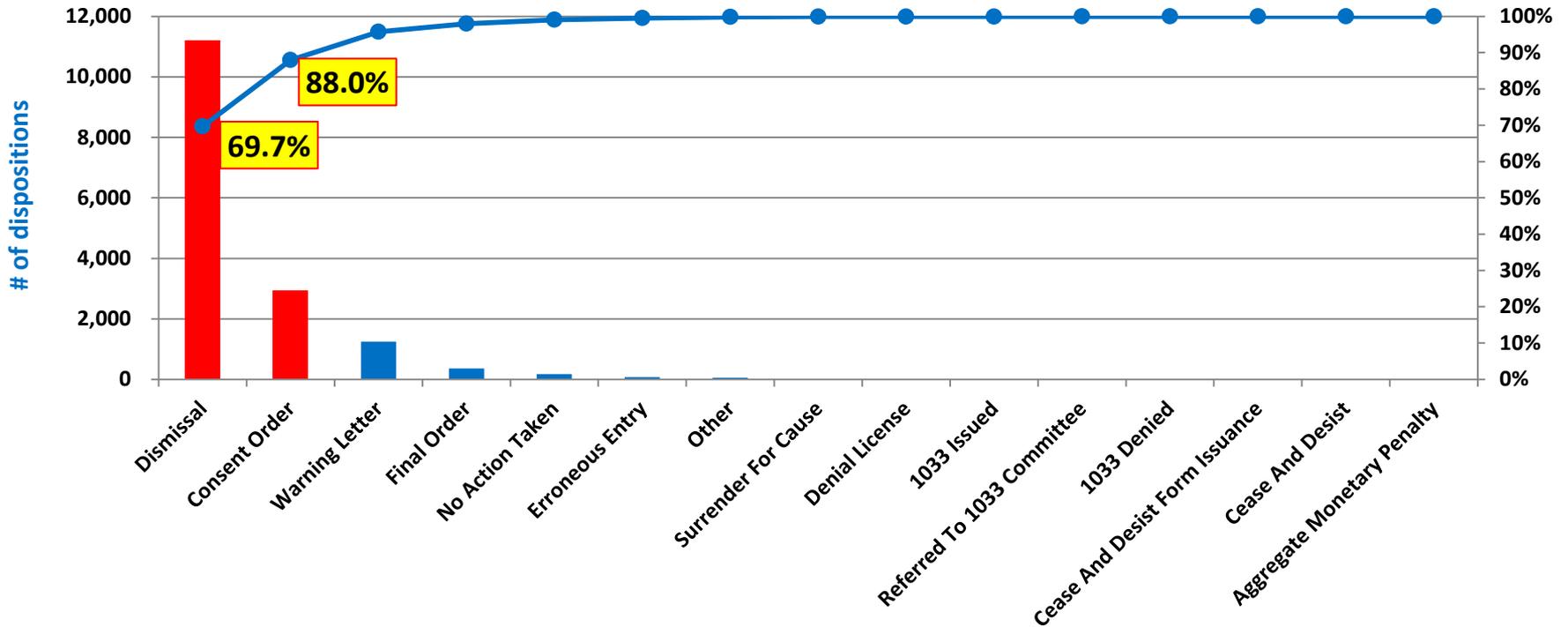


TOP DISPOSITIONS





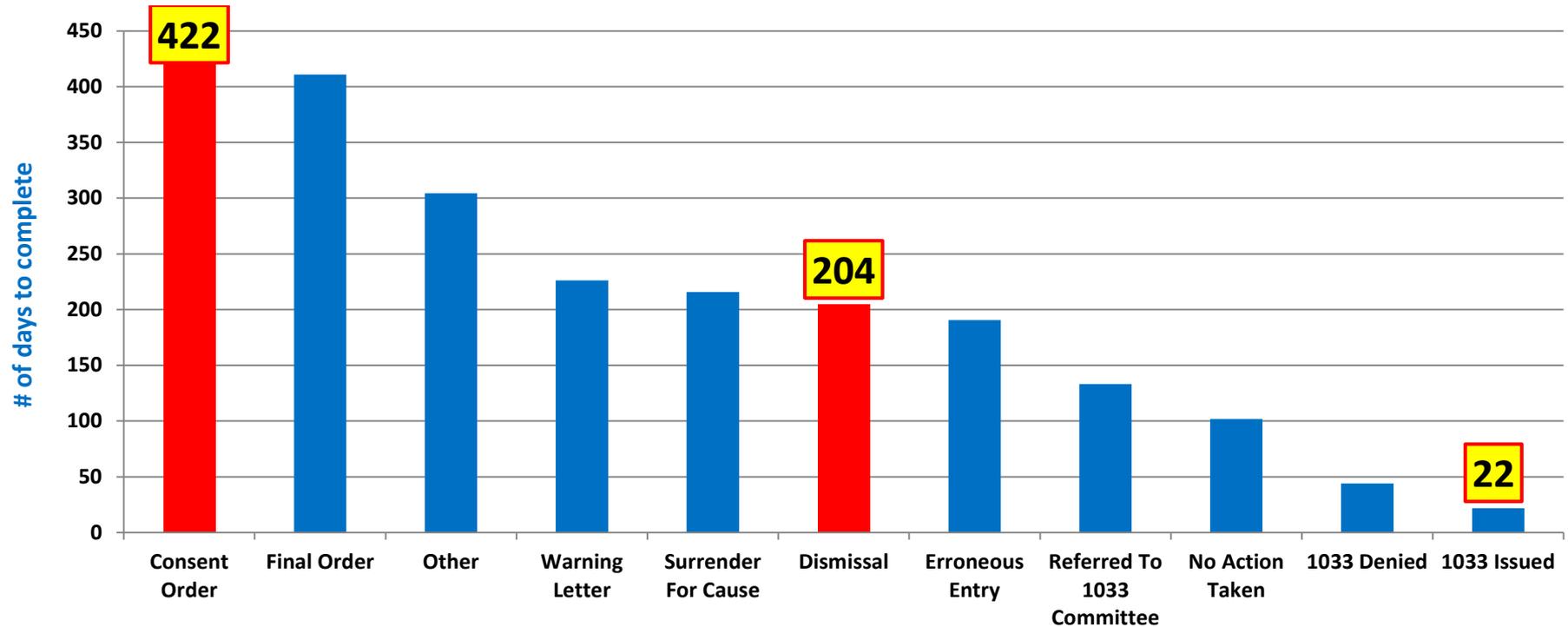
% OF DISPOSITIONS



Combined, **Dismissals** and **Consent Orders** have consisted of **88%** of all dispositions Since 1991.



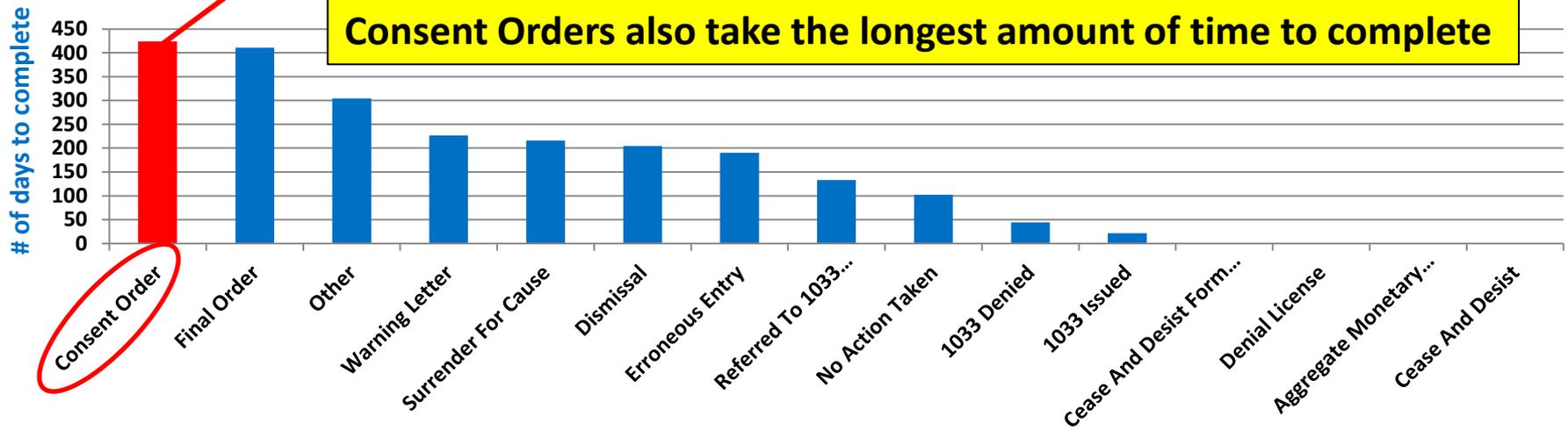
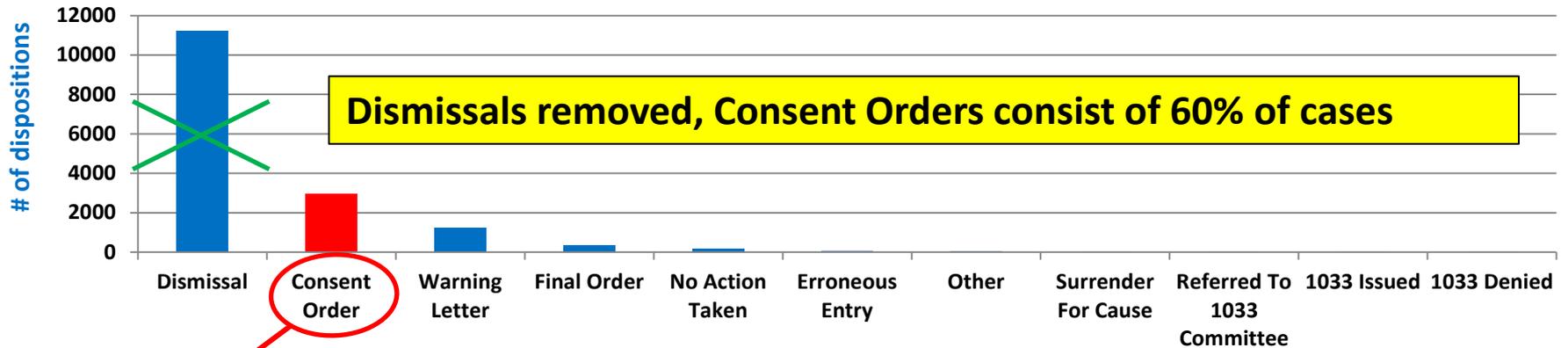
PROCESS TIME (DAYS) BY DISPOSITION



Another reason we wanted to focus on **Consent Orders** was because out of all dispositions they took the longest amount of time to complete at **422 days**



DISPOSITIONS VS PROCESS TIME





KAIZEN EVENT INFORMATION

- Located at Ohio Department of Insurance
- January 26 – 30th
- Facilitators: Meghan Altier and Cathy Herron
- (3) Fresh Perspectives
- (16) team members
- (4) ODI divisions represented



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EL²F

Enforcement
Licensing
Legal
Fiscal



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EVENT ROLES

Leadership	Sponsor	Team Leader	Process Owners	Team Members
<ul style="list-style-type: none">• Jillian Froment, <i>Deputy Director</i>	<ul style="list-style-type: none">• Tynesia Dorsey, <i>Chief Administrative Officer</i>	<ul style="list-style-type: none">• Todd Oberholtzer, <i>Chief, Legal</i>	<ul style="list-style-type: none">• David Barney, <i>Chief, Fraud & Enforcement</i>• Todd Oberholtzer, <i>Chief, Legal</i>• Karen Vourvopoulos, <i>Chief, Licensing</i>• Diane Wiggins, <i>Officer, Fiscal</i>	<p>Ivana Brkic Jim Burkart Beth Chase Steve Cole Melissa Chuvalas Rhonda Daniels Cameishi Lindley Archanna Manoharan Darcy Moulin Scottie Powell Lindsey Pullen Leslie Short</p>



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GEMBA WALK



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CURRENT STATE



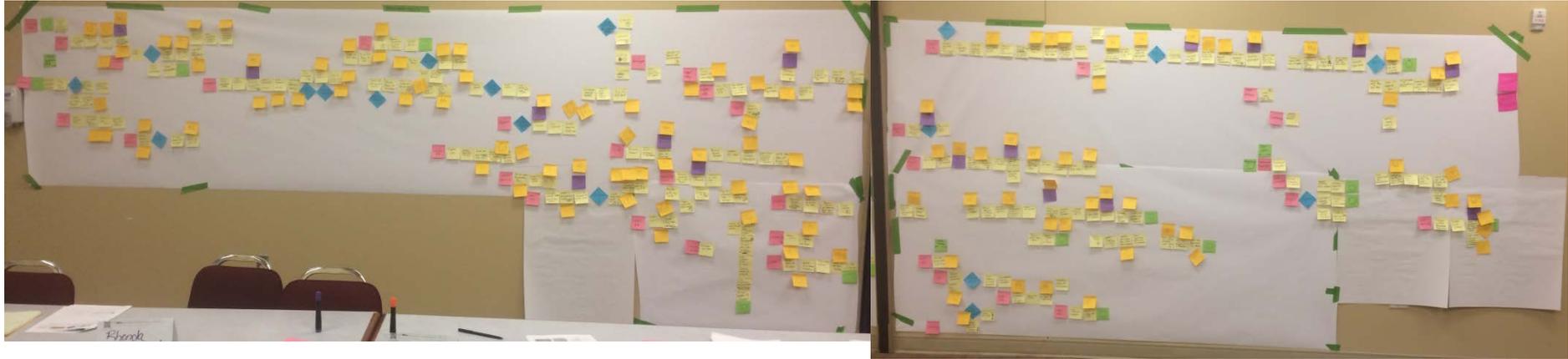
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CURRENT STATE



VS

FUTURE



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ANALYSIS



BRAINSTORMING

Category: Consent Process & Accountability

	Payoffs	Challenges
Personnel	- Consistency - Efficiency - One dept handling questions	- Increase work load - training - New work flow
System	- Efficiency - Consistency	- training - Legal using ODHS Enf.
One Dept	- Efficiency - Consistency - Accountability	- Resistance on work load & training - Increase work load - system - cross train for backup
Legal	- Easy to be found - standard system - Easy to file - Easier to track down file	- Updating ODHS - security - tracking file - Keeping in centralized area (returning file)

Make info available so all in process can answer to
 ensure compliance for all cases require AGS office to supply all the info
 Consent forms available in form
 Standard forms/ communication for each case to follow

PROBLEM SOLVING



PROCESS REDESIGN

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FUTURE STATE DEVELOPMENT

Common	Unique
Dashboards "Alerts"	Access Gateway (Portal)
One System for All one Module	Change in Wait Time
Electronic Less Paper	Due Dates on Invoices
Automated Notices E-Signatures	Change in Draft of Notices
Push Emails	Orders Meeting / Computer Paper less
System Closes Consents move to Legal Side "Less David" All Staff the Same	Manual limitations
	Automatic Assign Investigator
	Electronic Signature Dept Director

DISCUSSION & CONSENSUS

Enforcement SOP changes for Monday

* Don't be afraid, change is GOOD! *

Consent Process

- Begin using approved summary template as opposed to full report
- When consent is ~~not~~ ~~not~~ ~~not~~ returned from agent, forward to super
- Be sure to e-mail consent when possible & allow the agent three days
- When agent contact is made, utilize checklist for language

Communication & Training

- Create & begin using summary template
- Utilize approved checklist when contacting agent
- Begin brainstorming ideas on paperless policies & Challenges (need new I.T. developments to implement)
- Enforcement will provide training to Legal for ODHS
- Brainstorm with Legal activity list for ODHS
- Explore options to re-assign E-cases to Legal in ODHS

IMPLEMENTATION PLANNING



SUMMARY SCORECARD

Measure	Current Level	NEW	Change
Process Steps	174	60	66%
Handoffs	36	14	61%
Process Lead Time (Enforcement Consent Process)	60 days	15 days	75%

PRIMARY MEASURES

SECONDARY MEASURES

Simpler

- Eliminated **114** steps
- Eliminated **22** handoffs

- Loopbacks
- Decision Points
- Delays

Faster

- Eliminated **40** days in Lead Time for Consent Process

- Cycle Time

Better

- Developing central database that is accessible to all four divisions
- Dashboards/Notifications
- Automation
- Eliminate batching
- Transparency into process

- Increased communication
- Improved customer experience
- Increased employee satisfaction

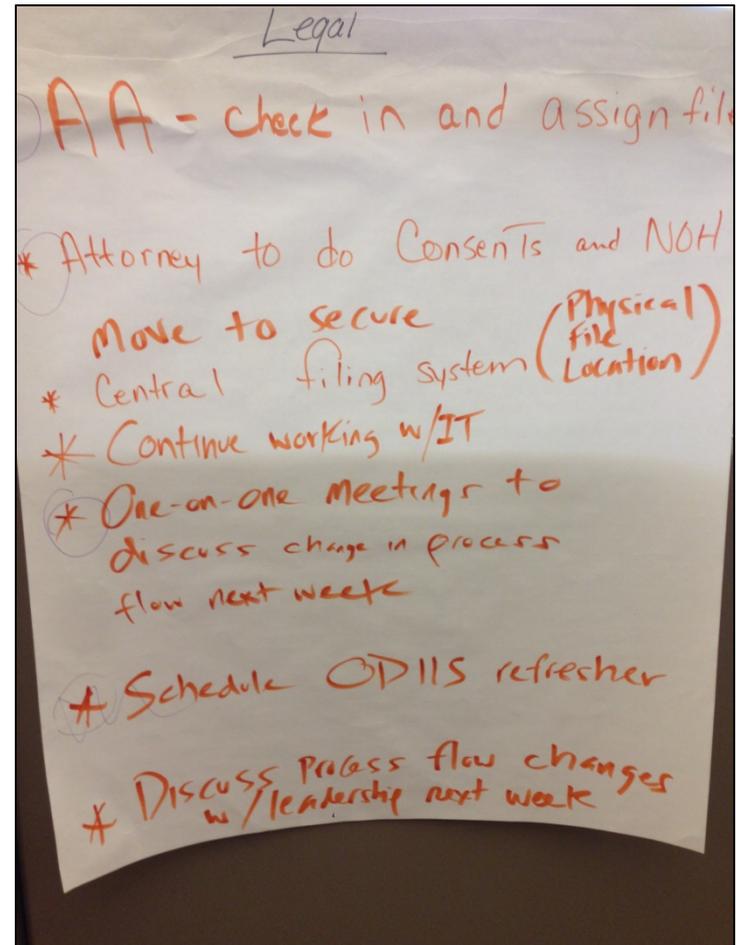
Less Costly

- Reduction of paper consumption: 170,000 pages/year
- Over 1300 hours redirected per year to focus on core mission work

- Savings in shredding, paper and postage

COMMUNICATION & TRAINING PLANS

- Each division created a communication/ training plan for the new process
- Cross training (Legal and Enforcement)
- ODIIIS refreshers





CHECKLISTS & OTHER RESOURCES

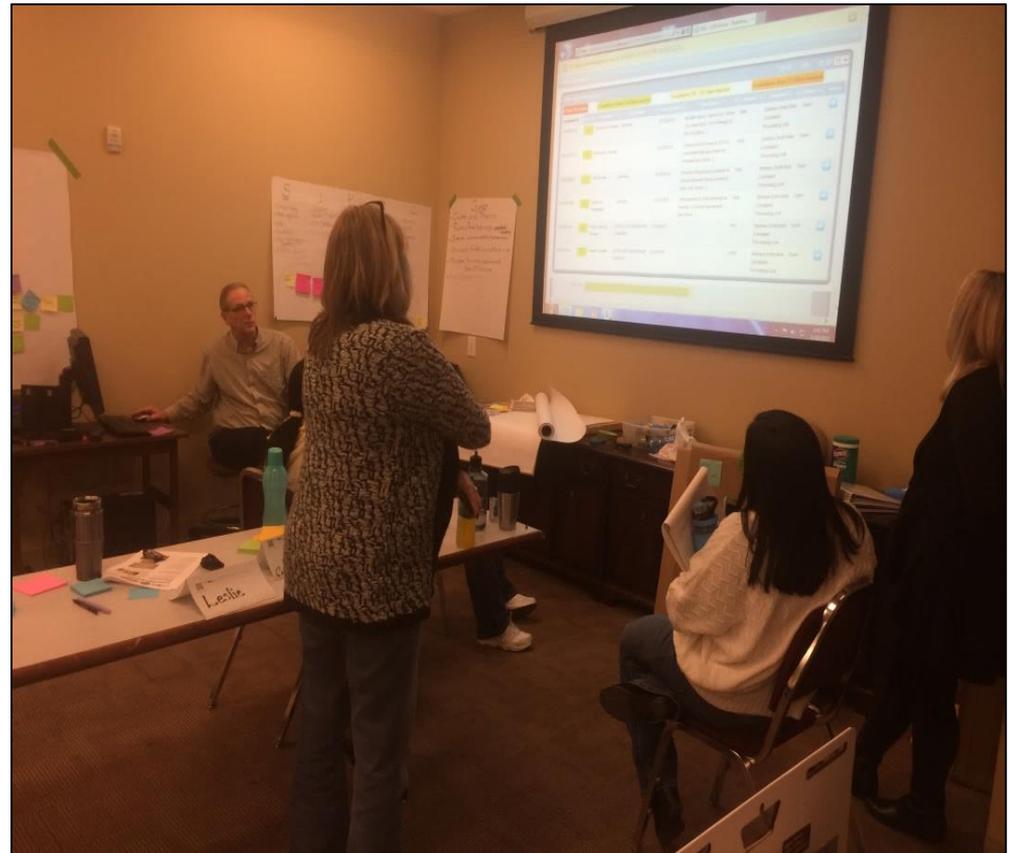
- Created checklists to add in the new process
- Created a simplified report template for Enforcement staff
- Created checklist for Enforcement when speaking to agents



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DASHBOARDS

- Created detailed requirements for each division's dashboards in ODIIS





IT PLAN

- Worked with IT to create clear ODIIS Business Requirements for all four divisions
- Working groups will meet regularly with IT until improvements are completed
- Created detailed project plan for IT implementation

Fields & Business Rules needed

What	When	Who	What	Who		
<ul style="list-style-type: none"> ① Finance ready for launch - Auto Acknowledgment - Auto assigned to the right supervisor - Auto assignment on a location 	All Four Staff		<ul style="list-style-type: none"> - Auto Acknowledgment - Auto assigned to the right supervisor - Auto assignment on a location - Filings filed (Administrative, etc.) - Licensing staff - notification bar at new case - Report ready to review notification - Trace report details - Change to reports or consent notice 	<ul style="list-style-type: none"> Complaint Supervisors Supervisors Licensing IC and Investigators Supervisor Investigator 	<ul style="list-style-type: none"> Electronic consent w/ ability to sign - notification when consent done (signed) - notification to investigator (agent digit sign within 3 days) - Atty assigned to review new page - one director signs consent - Fiscal invoice system once signed 	<ul style="list-style-type: none"> agent Investigator Invest Atty Fiscal Licensing
<ul style="list-style-type: none"> Notification that in terms suspension period has been satisfied + Lic. needs to be manually reinstated. Notification whenever legal/attorney has notified that a license needs to be reinstated other than suspension. 	<ul style="list-style-type: none"> Chief Asst Chief All Budget Staff 	<ul style="list-style-type: none"> What: Elic. System Who: Atty When: Lic. needs to be reinstated + Lic. needs to be reinstated 				

what	who	what	who
<ul style="list-style-type: none"> Legal report ready from investigator File sending to legal Legal AA assigning to Atty notification that not yet set within 30 days 30 day response from not sent file by requested system 	<ul style="list-style-type: none"> sup Legal AA Atty Atty HA (Beth) HA (Beth) 	<ul style="list-style-type: none"> Beth's process Scott Myers (AA) getting legal file ROR # order in system Order in system Atty needs to do FOI # J If green card is entered + 30 days here expired (and not request renewal) notify of time to do FOI # J FOI # done 	<ul style="list-style-type: none"> Atty's, Si Ser Licensing Atty Atty (HA) Beth, Camerishu



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WHAT STARTED MONDAY...

- Division **action items** for immediate implementation
- Kaizen debrief
 - Reviewed Future State process
 - Presented to IT team for input
- Scheduled IT Discovery Sessions with divisions
 - Discussed scope and timeframe
 - Functionality of specific features
 - Developed IT Implementation Plan



**Steve on
Mondays...**

ACTION ITEMS

ENFORCEMENT

- When consent is returned from agent forwarding to legal admin. for processing
- When possible, **emailing consent to agents**
- **Reply time reduced from 7 to 3 days**
- **Utilizing checklist when contacting agent**
- Stopped sending R&R to Licensing
- Investigators are **actively maintaining the documents electronically** for investigations
 - Scanning documents as they receive them so they are electronically maintained
 - Tentative month-end goal to stop sending hard copy files to legal
 - They will be accessing them electronically through ODIIIS



ACTION ITEMS

LEGAL

- Realignment of duties for Legal Staff
 - Less administrative tasks for attorneys
- One-on-one meetings with staff to discuss implementation of new process

LICENSING

- Receiving email notifications of final orders and consents
- Updated appropriate staff on new future state plans

FISCAL

- Stopped altering invoice due dates to concur with aging system
- Trained additional employee on Order Invoices
- Eliminated other steps in the process



IT IMPLEMENTATION

Phase 1 (Current)	(3) Sprints
Develop ODII Legal Module	July 2015 – October 2015
Phase 1	(4) Sprints
Consent Tracking	Nov. 2015 – February 2016
Phase 1	(5) Sprints
Miscellaneous	March 2016 – June 2016
Phase 2	(2) Sprints
Gateway Access	July 2016 – August 2016
Phase 3	(2) Sprints
E-Signature	Sept. 2016 – October 2016

Phase 1 - ODIIS Legal		
* Develop Legal Module to:		3 Sprints/Months
	* View, be assigned cases and assign cases	7/1/15 - 10/30/15
	* Add ability for Legal to scan documents	
	* Store selected documents to create legal files	
	* Group documents (enforcement, legal, AG, etc.)	
	* Add Legal Tab with "read only" capabilities	
	* Allow Legal and AG comments to be Confidential	
* Consent Tracking w/ Fees, Number of Days to respond		4 Sprints/Months
	* Fiscal tie-in with fees	11/1/15 - 2/28/16
	* View only access of certain information	
* Integration		
	* Dashboards	
	* Fiscal Invoices	
	* Notifications to Print	
	* License suspension and revocation	
* Miscellaneous		
	* Overall Communication Package	3 Sprints/Months
	* Allow divisions to communicate within ODIIS	3/1/16 - 6/30/16
	* Allow to send and share information within ODIIS	
	* Tie in to Executive Tracker (many concepts in work)	
Phase 2 - Gateway Access for External Parties		
* External view/access		2 Sprints/Months
* Authenticate Gateway for Licensing External Users		7/1/16 - 8/30/16
Phase 3 - Electronic Signature		
Team member OITS training for new solution		2 Sprints/Months
		9/1/16 - 10/30/16



30 DAY FOLLOW UP

- Concerns
 - Enforcement has implemented a new scanning process
 - Want to map the sub-process of how it will interact with the new IT solution
 - Confirm that Legal will scan docs into the system before they return hardcopy files to Enforcement
 - We scheduled a follow up team meeting to review the scanning process
 - » Bi-weekly meetings have also been scheduled to discuss status updates and address new challenges



MAJOR IMPROVEMENTS

- **Paperless**
 - Files will be uploaded into a central database that is accessible to all four divisions to cut down transfers of hard copy files. The use of the ODIIIS Gateway portal will reduce processing time.
- **Efficient**
 - Leveraged the existing automated process to include seamless routing of information and eliminate batching.
- **Centralized**
 - Give all four divisions visibility and employed integrated dashboards to track case status and provide transparency to staff. Automatic notifications will eliminate the need for manual tracking.
- **Enhanced Communication**
 - Documenting the process gave all four division's knowledge and understanding of the workflow and allowed for the workload to be more evenly distributed.

Lean Ohio Kaizen Event Fact Sheet

Issue: Currently the Ohio Department of Insurance Enforcement process is time consuming, paper based and requires multiple systems leading to a lack of consistency, transparency, and accountability.

Department	Changes to Process	Metrics	As a Result
Ohio Department of Insurance Enforcement Process January 26-30, 2015	<ul style="list-style-type: none"> Reduced steps from 174 to 60 (66% reduction). Reduced handoffs from 36 to 14 (61% reduction). 	<ul style="list-style-type: none"> Enforcement Consent Process reduced from 60 days to as few as 15 days (75% reduction). Projected redirected staff hours to core mission work of 1,300 hours per year. Potential paper reduction of 170,000 pages a year. 	Streamlined enforcement process will bring faster resolution to complaints regarding insurance agents and agencies.

Major Improvement	HOW it was accomplished
The Ohio Department of Insurance Enforcement Process will be converted to a paperless process	Files will be uploaded into a central database that is accessible to all four divisions to cut down transfers of hard copy files. The use of the ODIIS Gateway portal will reduce processing time.
Enforcement process is more efficient	Leveraged the existing automated process to include seamless routing of information and eliminate batching.
Centralized case tracking	Give all four divisions visibility and employed integrated dashboards to track case status and provide transparency to staff. Automatic notifications will eliminate the need for manual tracking.
Enhance communication among four divisions	Documenting the process gave all four division's knowledge and understanding of the workflow and allowed for the workload to be more evenly distributed.

Current Process Map



Future Process Map



Team members: David Barney, Jim Burkart, Ivana Brkic, Beth Chase, Melissa Chuvalas, Steve Cole, Rhonda Daniels, Cameishi Lindley, Archanna Manoharan, Darcy Moulin, Todd Oberholtzer, Scottie Powell, Lindsey Pullen, Leslie Short, Karen Vourvopoulos, Diane Wiggins

For more information please visit lean.ohio.gov or contact Bill.Demidovich@das.state.oh.us



SPECIAL THANKS TO...

- **Lt. Governor Mary Taylor**
- **Jillian Froment**, Deputy Director, Senior Leadership
- **Tynesia Dorsey**, CAO, Sponsor
- **Todd Oberholtzer**, Chief Legal Counsel, Team Leader
 - ODI Team Members
- **Cathy Herron**, IT Project Manager, Facilitator
- **Meghan Altier**, LeanOhio Master Black Belt, Facilitator
- **Mugsy Reynolds**, IT Project Manager, Black Belt
- **Tina Chubb**, IT Director, SME
- **LeanOhio Staff**