

Key Words and Phrases

Define or describe the key words and phrases listed below.

"Invisible figures"

Complaint log

Moment-of-truth chart

Change chart

Cause-and-effect analysis

Fishbone diagram

Pareto analysis

Histogram

Control chart

Stakeholders

Questions and Exercises

1. Distinguish between visible and invisible figures.
2. Distinguish between common and special causes of variation.
3. List two advantages of using data as the basis for making decisions.
4. Colleen Reagan, a CSR in an insurance agency, notices that she has recently received several complaints about mistaken information on homeowners policies recently processed. She tells you, as her supervisor, about the complaints. Outline the course of action you would take.
5. A claim supervisor in an insurance company branch office is informed by the home office that the total cost of settling claims in November of the previous year were exceptionally high. Describe what the claim supervisor might do with this information. Which process improvement tools, if any, would you encourage the supervisor to use, and why?
6. Declining to write business is not only a necessary part of an underwriter's job but also a moment of truth for the insurance company.
 - a. If you were responsible for the underwriting function, what guidelines would you establish for handling declinations? Why?

- b. Would your answer differ if you worked for an insurance company that used independent agents compared with one that solicited business directly by phone, mail, advertising, and so on? Explain.
7. The risk manager of a large construction company notifies you, the loss control specialist assigned to the risk manager's account, of data that shows a steady increase in workers compensation claims among the construction company's plumbers. Would you find this information of value? What would you do with it? Why?
8. The term "stakeholders" is said to be broader than stockholders. Why?
9. You are invited to a meeting of supervisors and managers to consider the organization's response to a petition signed by many owners of businesses and residences near your office. The petitioners are complaining about congested roads and parking problems. One of your colleagues suggests that the petition should be ignored. "After all," the colleague says, "they don't pay the bills here." How should you respond to your colleague? Support your response using concepts from the reading material.
10. The process improvement team at Insurespec found that it could decrease but not eliminate the non-value-added activities in the underwriting process. Explain why this would be true.
11. Compare the approach to process improvement taken by Insurespec with the six-step process improvement model you studied in Assignment 6.

12. Delbert Wilson, the marketing vice president of a commercial lines insurance company, has an intuition, a gut feeling, that the sale of business owner policies has recently declined. Which of the following could help him determine whether his hunch is right?
 - a. Complaint log
 - b. Histogram
 - c. Moment-of-truth chart
 - d. Change chart
13. The claim vice president tells you that you should form a team that will be responsible for reducing the time it takes to settle claims. A control chart based on claim activities shows that the process is statistically stable, that is, there is no sign of special causes of variation. Assuming the problem has already been identified, what is the next step?
 - a. Study the process.
 - b. Construct a histogram.
 - c. Report that the process cannot be improved.
 - d. Perform a Pareto analysis.
14. A group of underwriting assistants find they spend an increasing amount of time looking for “lost” policies. They ask you to help them find out why. You decide to:
 - a. Brainstorm with them using a fishbone diagram.
 - b. Help them construct a moment-of-truth chart.
 - c. Attribute the problem to a special cause of variation and do nothing.
 - d. Maintain a complaint log.
15. State insurance departments are stakeholders primarily because they are:
 - a. Customers
 - b. Financial stakeholders
 - c. Employees
 - d. Part of the community
16. You start the day by listening to voice mail messages left over night. Some of these messages end with a complaint about your hours of operation. Which of the following combinations of process improvement tools would help you make the most of this information?
 - a. Histogram and control chart
 - b. Complaint log and moment-of-truth chart
 - c. Pareto analysis and change chart
 - d. Cause-and-effect analysis and fishbone diagram
17. Data collection tools assist with process improvement by:
 - a. Gathering data to use in process analysis.
 - b. Replacing opinions with data.
 - c. Identifying problem areas.
 - d. All of the above.

Faster Is Not Enough

Bill McNeil, an underwriter, is feverishly trying to complete a quote on a commercial account he has promised a producer, when the phone rings. “Now what?” Bill demands of his computer screen. When it becomes clear that the phone will not stop ringing, Bill lunges across the desk, picks up the phone, and barks, “McNeil.”

Bill’s reaction is not surprising. He no doubt views preparing a quote as doing his job and answering the phone as an interruption. Still, if he answered the phone this way on a regular basis, it is likely that he would soon have fewer quotes to prepare.

Some organizations and departments determine what words should be used when answering the phone. Others leave that decision to employees. Either way, those words—the greeting—help to determine how a conversation will go.

The appropriateness of a greeting depends in part on the relationship between the caller and the person who receives the call. A switchboard operator may represent the first contact of a wide range of people with Bill’s company. The operator could appropriately greet callers this way: “Good afternoon—IIA Insurance—Where may I direct your call?” If the caller is transferred to customer service, the representative could appropriately greet the caller this way: “Customer service. My name is George. How may I help you?” If the caller asked for commercial underwriting, an appropriate greeting would be, “Commercial Underwriting. This is Bill McNeil. How may I help you?” And if the caller asked for Bill McNeil, an appropriate greeting would be: “Bill McNeil. How may I help you?”

In his book on customer service, *How May I Help You?*, Stephen C. Broydrick points out that the key ingredients in these greetings are “where” in the case of the switchboard operator and “how” in all other cases. We never can know the situation or emotional state of a caller in advance. These terms focus the caller’s attention on the business that is to be transacted in a way that is both helpful and professional.

Imagine that Bill’s caller was the producer asking about the status of the quote. If Bill picked up the phone and said, “Bill McNeil. Can I help you?”, the anxious producer might be tempted to respond, “I’m beginning to doubt it.” The phrase “May I help you?” is little better—it requests permission to help and the caller may simply answer “Yes.”

Some people think “Commercial underwriting. This is Bill McNeil. How may I help you?” is a mouthful and takes up too much time. This can be an advantage. Whether phone calls come in a constant stream to customer service representatives or at random to people who are usually occupied in other ways, the greeting can set the tone for the conversation and give the receiver time to make the transition from the last call or other activities. In the example we started with, Bill might have barked “commercial underwriting,” but by the time he asked “How may I help you?” he probably would have meant it and been ready to be of help. Faster is not necessarily better.

1. Do your calls come through a switchboard or do you receive them directly?
2. Can you distinguish outside calls from calls placed within the organization?

Before You Go On

_____ I have achieved the educational objectives for this assignment.

_____ The one idea from this assignment I want to try immediately is