

Introducing the world's first certified Best Practice Program Administrator

Penn.-based Professional Underwriters gets coveted seal of approval; tells how to become one, too

What managing general agent or program administrator hasn't wondered whether his operation is as efficient, professional and profitable as it could be, whether it conforms to the best practices among fellow managing general agents and program administrators?

Now there's a way to find out.

The Target Markets Program Administrators Association has launched the TMPAA Best Practice designation. The association has developed a protocol and criteria to evaluate the program business operations of its members.

The association's leaders see this designation program as a way to encourage members to look for greater efficiencies in the way they currently do business and ultimately be recognized by program business professionals as a best in class operation.

The process includes surveys, onsite evaluations by experts and a final report. It costs \$2,000 plus travel for the evaluation party.

Although it's brand new, TMPAA already has its first designee. By virtue of volunteer-

ing to be the first and passing the evaluation, Professional Underwriters Inc. of Exton, Penn., has earned the distinction of being the first program administrator in the country, perhaps the world, to be certified as a Best Practice Program Administrator and able to use the coveted seal and logo. Professional Underwriters is an underwriting and program management firm serving MGAs, agents and carriers and specializing in public entity risks.

John Solari, president of Professional Underwriters, recently discussed the Best Practice process and what the designation means to his firm in an interview with *Insurance Journal's* Andrew Simpson. The following is an edited version of that interview that took place at the TMPAA midyear meeting in Baltimore. The complete interview can be viewed at www.insurancejournal.com.

First, why did you feel it was a good idea to go through this process, John?

Solari: There were a couple of reasons. Number one we wanted to, first, really have an outside organization come in and evaluate our organization, and evaluate all aspects of the organization, not just our underwriting and our processing. This process also covers other areas of the company, such as the accounting area and the HR area as well. And we looked at it as an opportunity that we would be able to earn the certification from the Best Practice Target Market group and promote that in our marketing literature. Secondly to really challenge our people in all the different disciplines in our company, and to see how they would perform under the rigors of an evaluation such as Best Practice.

What did the evaluation involve? Did people come into your office and sit down and go through everything?

Solari: There was a team from the Best Practice group that came in, about four indi-

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viduals, and they had, prior to arriving, laid out for us all the subject matter they wanted to cover and the areas they wanted to cover in all the different disciplines of our company, so there was no surprises in that regard.

Each of the managers in our organization prepared, based upon the items they had to present and respond to, and when they came, we sat down and went item by item through the evaluation process in a fair amount of detail. Again, from an HR standpoint, how we attract employees, how we retain employees, how we compensate them, our HR policies.

We talked about, from an accounting standpoint, the money flow into the organization, how we pay our bills, the checks and balances in that regard to make sure that everything is properly handled.

Then in the underwriting area we talked about our underwriting process, how we evaluate, how we do provide quality control on our business, and processes right down to servicing clients, issuing policies, endorsing policies and things of that nature.

It sounds like virtually every employee or at least every process was involved in this

evaluation. Is that right?

Solari: It was primarily the management team involved in the evaluation process, but it is safe to say virtually every aspect of the company from the receptionist right down to the mailroom individual, and how he or she does her job was evaluated in the process.

What did you learn, do you think?

Solari: I think we learned a few things in the process. I think we learned we do an awful lot of things pretty well, which we believed that would be the case. But for our organization there were a couple of areas where we actually learned that we could probably do a little better in. I would say contingency planning was one and how we really are planning for the future as far as promotions for employees, and upward career tracks for some people. As we delved into some of those areas it really gave us reason to stop and think about how we could do things a little better in the future.

How long did it take you to prepare and how long did the evaluation itself take?

Solari: There were about five different areas, disciplines, in the company that were evaluated. Managers in each of those disciplines were prepared what had to be ready to speak to and present, and it probably took each of them an hour or two to get ready for the evaluation process. If you are well prepared prior to the actual process, I think you can move a little quicker than what they expect. They had told us to anticipate about seven or seven and a half hours. In our case, it was probably about four and a half to five hours for the evaluation process, in part because we were well prepared.

How does it feel to be the world's first certified Best Practice Program Administrator?

Solari: It feels very good. We're proud to be in this position and want to encourage others to consider it in the future. ■

Highlights of the TMPAA Best Practice Administrator Process:

There are 6 steps:

- 1 - Application/Survey
- 2 - Confidentiality/Evaluation Waiver
- 3 - On-site Evaluation/Consultation
- 4 - Evaluation/Consultation Recommendation
- 5 - Best Practice Committee Review
- 6 - TMPAA Designation

Only the program business functions of agencies are to be evaluated for this designation. The process begins with the completion of the Best Practice Survey. Members who choose to pursue the designation must sign a confidentiality/evaluation waiver, which protects the member applicant and the evaluating entity. All evaluations will be conducted in confidence and no evaluation information will be released without the consent of the member applicant.

The on-site evaluations/consultations are expected to require no more than seven and a half hours. An evaluation checklist is provided beforehand.

Following the on-site evaluation, the evaluating entity reports its findings. If a Best Practice Designation is not being recommended, the evaluation entity will provide specific reasons for the decisions, as well as solutions to remedy the function or process that does not currently meet the standard.

If the evaluating entity recommends the TMPAA Designation, the evaluation summary will be provided to the Best Practice Committee for approval. Once approval is granted, the member agency will be provided with the TMPAA Best Practice logo seal, for inclusion on their agency Web site.

The TMPAA Best Practice Designation remains in effect for two years, with a re-certification paper review after the first completed year.

The certification process will need to be repeated after a period of two years.

The TMPAA Best Practice Designation fee to cover the costs of the evaluation process is \$2,000 plus travel.

For more information on the TMPAA Best Practice Designation process, visit: www.targetmkt.com. ■