The Written Procedures Manual

SEMINAR HANDOUT

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Class Description: You cannot maintain database integrity without a written procedures manual. If you have dedicated the time necessary for data cleanup, then don't miss out on this equally important process. The value of procedures, suggestions for how to start, and the all-important distinction between procedures and workflows will be discussed.

Learning Outcomes:
After attending this class, participants will:

- Understand the importance of a written procedures manual and its direct effect on data integrity.
- Have a template to customize per his/her agency's staff and default codes (activities, attachments, formletters)
- Know how to conduct staff meetings to quickly and efficiently design procedures for the day to day operations of the agency.

Assumptions: This seminar is based on the following
TAM Version 10.X
Microsoft ® Word Version 2007

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Introduction

Many agencies, like many small businesses, often overlook the importance of a written procedures manual. Written procedures are crucial to every business, regardless of size.

There are many benefits of written procedures, some of which include:

- The agency will operate with greater consistency (both internally and externally)
- The agency will benefit from greater E&O prevention.
- The agency staff more than likely will experience increased morale and retention.
- The agency's ability to grow will be enhanced.
- The agency will be forced to be explicit and honest about its operations.
- The agency will have a concrete start and its services can be refined.

Definitions

Procedure

(as defined by Wiktionary)

1. A particular method for performing a task.
2. A series of small tasks or steps taken to accomplish an end.
3. The set of established forms or methods of an organized body for accomplishing a certain task or tasks.

So in essence a procedure is a *specified* series of actions (steps, decisions, processes) to be performed in order to acquire the same (or similar) results. The key word in the previous sentence is *specified*. Leave no room for guesswork.

Procedures vs. Workflows

(as defined by AB Solutions, Inc.)

Procedures are the what

A procedure should be designed around the guiding principles of an agency and based on the agency's current goals. Procedures provide the framework and necessary steps for performing a routine task such as renewing a policy.

Workflows are the how

Workflows, on the other hand, are the step by step processes (click steps) that show *how* to perform an action within the procedure.

For example, Step one in a renewal procedure might be to run an expiration report. The procedure would answer questions like: "does the agency run an expiration report 90 days out or 120 days out?" "Who is responsible for running such a report?" "How is it distributed?" But it would not explain how to run the report. For that you would refer to a workflow on running reports.

Both components are necessary in an effective procedures manual. However, they should be kept separate in the manual (preferably linked) as opposed to combining them into one long set of instructions. This is critical not only for readability, but also for future updates.

Elements of a successful procedures manual

A written procedures manual should:

1. Be structured
2. Be accessible
3. Be trained
4. Be reviewed and updated
5. Be auditable

Structured
We recommend that the manual have three components: The Procedures, The Workflows, and The Rules. As defined earlier, the procedures section will contain the steps necessary to perform a routine task such as renewing a policy. The workflows would include any needed step by step instructions pertaining to the steps in the procedure*. And the rules would be an appendix that outlines specifics on areas such as: how the agency handles DBA's, what activity codes are to be used and when, what fields are required when completing detail screens, etc.

*Note: because we do not recommend incorporating workflows directly into a procedure, we suggest using a hyperlink in the procedure that would point to the step by step workflow.

Accessible
There are two definitions of accessible that apply here.

1. Easily understood
   The procedures should be written specifically and plainly. Let the staff know what the expectations are.
2. Easily available
   While some agencies may still print, bind, and distribute a procedures manual, it is recommended that the manual be made available in a digital format only. Staff members can access the digital file via the network or the agency's intranet, if applicable. Make sure to have a single public copy as well as at least one backup copy. The public copy will be the "in force" version of your procedures. As updates are needed, make changes to a backup copy and then replace your public copy. This single source method eliminates the need for updating multiple paper (or digital) copies.

Trained
A specified set of instructions should not be delivered solely via verbal communication and left to each individual's interpretation and understanding. Nor should a procedure be delivered solely through written communication. A procedure must be written and trained. Training is absolutely necessary. As each new procedure is developed and published, a meeting with staff should be held to "walk through" the process. This allows staff members to clarify any areas of uncertainty. Training should continue as new procedures are added, updates are made, or staff changes occur.

Reviewed and updated as needed
As the saying goes, "Change is the only constant". As agencies in the 21st century, our business practices are constantly changing to adapt to new legislation and technologies. A procedures manual is a living document. It should continually be reviewed and updated to incorporate new content, software features, etc.

Auditable
One cannot evaluate performance without a basis for evaluation. To ensure data integrity and procedure compliance, audits are not optional. Auditable procedures are those that incorporate the use of measurable tools available in the agency management system to track compliance and data accuracy. If your procedures clearly define field usage, activity usage, etc., then your auditing process will be simplified.

Creating a Procedures Manual

Defining your objectives
First and foremost a procedures manual should be a reflection of your agency's vision and operating principles. Before you begin drafting the steps in a procedure, review the agency's mission statement and identify current goals. As processes are developed, review this list to make sure that the procedures support these objectives.

Some possible goals might be
- Reduce staff size / Increase volume per employee
- Begin electronic filing
- Round accounts / Eliminate single line accounts
- Automate certain routines
- Provide better "hands on service"

Design your templates

Before the writing process begins, design templates to be used in the creation of the procedures manual. These templates will be the framework for each procedure/rule.

Processing
Decide what components are necessary for your agency.
- Numbered Steps
- Timeline
- Description of each step in the process
- Individual responsible for each step in the process
- Activity assigned
    - Include specifics (Add, Update, Close)
- Efiling documentation
    - TAM Attachment Categories, Subcategories, Descriptions
    - Third Party specifics
- Formletters
- Flowcharts
- Hyperlinks

Rules
- Screenshots included
- Layout
    - Single page vs. facing pages
    - Use of tables

Determine what processes to include

Next you will want to decide what specific tasks you are including in your manual and whether or not they need to be department specific (e.g., Large Commercial, Small Commercial). Typically this list will include insurance policy processing like:

- New Business
- Renewals (Marketed and Non-Marketed)
- Endorsements
- Cancellations (Insured Request and Non-Payment)
- Audits

Other procedures you may want to include are:

- Broker of Record Processing
- Returned Mail Processing
- Payment Processing
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Determine what rules need to be defined

The rules section of your manual is key to data integrity. This is where you describe in detail how to complete TAM data screens per your agency's defined set of defaults. Pages may include:

- Rules for Client Detail Screen
- Rules for Billing Detail Screen
- Rules for Activity Detail Screen
- Rules for Contact Detail Screen

Other rules you may want to include are:

- Rules for Client Naming (including DBA's)
- Rules for Abbreviation Usage
- Rules for Phone Call Documentation
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Drafting the manual

Too often agencies complicate the procedures process by asking employees to document their processes step by step. Then they assign a committee to review the various sets of procedures and compile them into one set of steps. To shorten the time involved, we suggest conducting meetings as follows:

- Gather in the conference room
- Connect a network computer to an overhead projector (shine it on the wall if you have to!)
- Open TAM and Microsoft Word (open your template file)
- Work with 2-3 people from a department at a time
- Work for 2-3 hours at a time
- Focus on one procedure at a time
- As you discuss the steps in a procedure, type them into your template. Be sure to include activities, formletters, and attachment categories as needed.
- If necessary, go into TAM and walk through the steps. This can be a great way to train and/or cross train staff within each department.
- Depending on your staff size, rotate people in and out of the meeting to get everyone's participation, perspective and buy in. Continue fine tuning until you have one completed process.

Appendix A: Sample Procedure (New Business)

Procedure	Who	Activity
Upon receipt of request from Prospective Client		
1. Collect initial information and enter as a Prospect in the TAM system. Complete: 1. Main Prospect Screen 2. Policy screen 3. Contact Screens 4. Current Application(s)	Various	
2. Request and obtain all information necessary for the marketing of the account: • Prior Policy(ies) • Loss History for the previous 5 years • Fed Tax ID# / Social Security # • Coverage Specific information • Non-standard applications from prospect	Account Manager	Add **DATA** (Close when received)
3. Transmit submission packet to carriers / brokers for quote: • Applications • Supplemental forms • Schedules • Loss Runs	Account Manager	Add **QTAP** **Note: A separate QTAP activity must be entered for each submission.**

As quotes are received, the QTAP activities must be updated with the quote amount in the amount field and any other pertinent information in the Add Note area.

The activity follow up date may be pushed forward to the expiration date at the Account Manager's discretion once a particular quote is received.

The QTAP activities will remain open until one of the following has occurred:

1. **The carrier declines to provide a quote – in this case, the QTAP may be closed immediately as UNSUCCESSFUL.**
2. **The presentation has been made to the Prospective Client and a decision as to the acceptance or rejection of a particular carrier's quote has been made. At this point, the "winning" QTAP (assuming there is one) is closed as SUCCESSFUL, all other QTAP's are closed as UNSUCCESSFUL.**

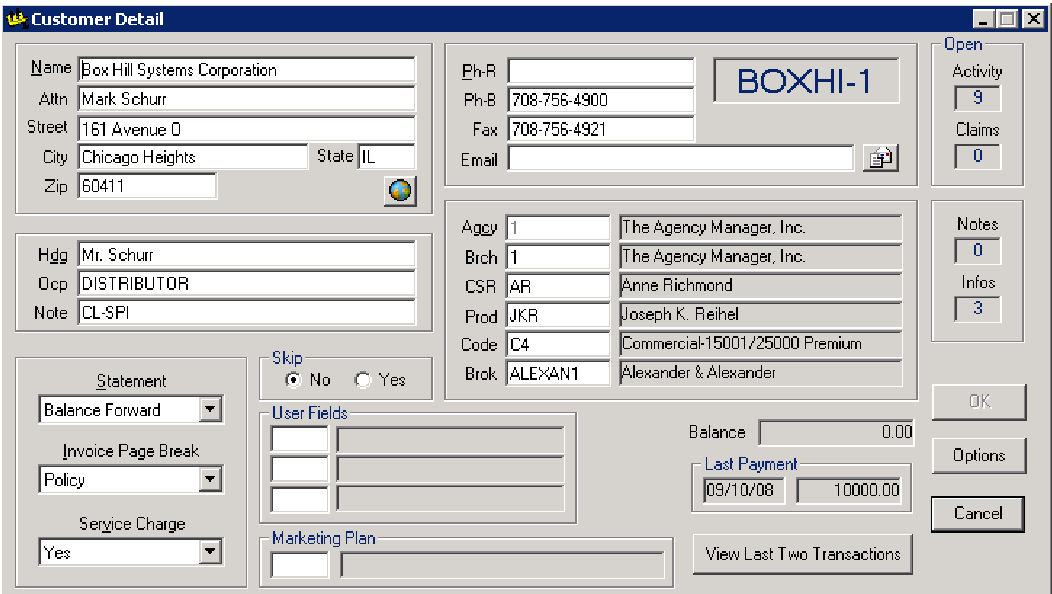
	Who	Activity
Upon receipt of quotes from Carriers		
4. Update the QTAP activity **Note:** **A separate QTAP activity must be entered for each submission.** **As quotes are received, the QTAP activities must be updated with the quote amount in the amount field and any other pertinent information in the Add Note area.** **The activity follow up date may be pushed forward to the expiration date at the Account Manager's discretion once a particular quote is received.** **The QTAP activities will remain open until one of the following has occurred:** **1. The carrier declines to provide a quote – in this case, the QTAP may be closed immediately as UNSUCCESSFUL** **2. The presentation has been made to the Prospective Client and a decision as to the acceptance or rejection of a particular carriers quote has been made. At this point, the "winning" QTAP (assuming there is one) is closed as SUCCESSFUL, all other QTAP's are closed as UNSUCCESSFUL.**	Account Manager	Update **QTAP**
5. Prepare draft of Proposal for presentation to the Prospective Client. Deliver draft to Account Manager or Producer for review, markup, and revision prior to delivery	Account Tech / Account Manager	Add **DRFT**
6. Transmit Proposal to the Prospective Client **Note: The activity code used for this step should reflect the action taken and not how the Proposal was delivered (e.g., appointment, Email, Fax, Mail)**	Producer / Account Manager	Add **PROP**

	Who	Activity
If Prospective Client declines coverage		
7. Transmit an email to the Carriers that provided a quote letting them know that they may close their files. If appropriate, provide competitive details in the email. **Note:** **A separate QTAP activity should have been entered for each submission.** **As quotes were received, the QTAP activities should have been updated with the quote amount in the amount field and any other pertinent information in the Add Note area.** **The QTAP activities must now be closed. The presentation has been made to the Prospective Client and a decision as to the acceptance or rejection of each carrier's quote has been made.** **All QTAP's for quotes that the Prospective Client did not accept should be closed as UNSUCCESSFUL**	Account Manager	Close **QTAP**(s) **PROP** (all as UNSUCCESSFUL) Add **EMAL** & Close

Appendix B: Detail Screen / Field Requirements

Your procedures manual should also include reference tools for field codes to use in particular situations. These are often entered as Appendices. For example: Customer detail – what occupations, user fields, marketing plans are expected to be completed & how? Here is a sample of how such an appendix might look:

Client Detail Screen



1. **Client Code:**
   Let TAM create the Client code. The format is the first five letters of the name followed by a dash then a number that serves as a tie breaker.

2. **Name & Address**
   Do not use all caps in these fields.

3. **Hdg**
   This should be entered as you would have it inserted into a letter after the "Dear" but before the ":". In the example above, when merged into a letter you would get the following:
   Dear Mr. Schurr:
   Use of All caps, inclusion of the word "Dear", or the inclusions of ending punctuation are all incorrect.
   Formal or informal modes of address may be used at the Account Manager's discretion.

4. **Occupation**
   Should be left blank at this time.

Appendix C: Activity List and Usage Guidelines

CODE	DESCRIPTION	USED TO DOCUMENT	DOCUMENTATION EXAMPLE	ATTACHED ITEM	ATTCH CATG/SUBCATG
APPO	Appointment / With Whom / When	To record scheduled appointments	Mark Shoe 7/1/2010 @ 2pm		
AUID	Auto ID / Vehicle	Auto ID cards in or out of TAM	All vehicles on renewal app		
BIND	Binder, eff date, $	TAM Binder or carrier binder issued/sent	06/01/10 Pkg, Au & Umb renewal.	Carrier binder	
CANC	Cancellation, LPR, reason, explain	LPR Printed, any cancellation related activities	Home sold 6/1/00, moving out of state.	Signed LPR	
CANF	Cancellation Follow-up, describe	Any follow-up on cancellation, include how done & # of request.	Phoned co 2nd req, canc credit memo forthcoming.		
CERT	Cert to whom & describe	TAM Cert, AI Endts, etc.	To ABC Const re: I-5 job, CG2010 attached, Fax:555-1212 & mailed		
CHEC	Check Request	Check Request Given to Accounting Dept. Invoicing/Accounting Activity	ISG Invoice to SB in amount of $733.18 net-due by 04/13/03. Review CHU Statement/Reverse prior WC endt transactions prior to cutting check		
CHGR	##/##/## & describe chg requested	TAM Change requests or co software changes request	06/13/10, add 2000 Lexus & driver John Doe	Email ordering change	
CONV	Conversation with whom & describe	Record any conversation	Fr John, reviewing collision deductibles.		
DATA	Data gathering in process	Change SBAP when printing application for internal use	Printed FUT app for producer review, receive updated info?		
DOWN	Download Received	System Generated	Leave as defaulted		