



Setting Staff appraisals in
the insurance industry

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- **I have trained more than 2,000 individuals to become ACII qualified**
- I have trained over 50% of the individuals in the last 8 years that have gone onto achieve the highest ACII pass in the whole of the UK.
- I train to a pass rate of more than 96% in all CII qualification levels. Certificate , Diploma and Advanced Diploma.
- I have delivered the Allianz scholarship and academy programmes in both the UK and Ireland and the Ask Alan facility for Zurich.
- I have delivered training throughout Europe for many major brokers and insurers.
- I have trained students who have won national prizes in almost all ACII subjects including Insurance Law (MO5), Liability (M96), Commercial Property and BI (M93), Personal Lines Insurance (P86), Business and Finance (M92), Underwriting Practice (M80), Advanced Underwriting (960), Claims Practice (M85), Advanced Claims (820), Marketing (945), Advanced Broking (930) and Advanced Risk Management (992).

Alan Chandler's **Remote** Technical Training Courses alanchandler@uwclub.net

- D&O in a plain English nutshell
- GDPR/Data Protection
- Insurance Distribution Directive
- Vulnerable Customers
- Ogden update
- The perfect storm - Understanding how Covid-19, floods, solvency margins and Ogden are changing your insurance market place
- How broker E&O claims are increasing and how these can be mitigated
- The missed opportunity – how UK employments trends are changing yet the financial services sector is lagging behind
- Financial awareness for account executives and handlers
- Leadership in insurance
- Commercial property insurance
- Business interruption insurance
- Construction insurance
- Liability insurance (EL, PL and Products)
- Professional Indemnity insurance
- Motor Trade insurance
- Directors and officers insurance
- Motor Fleet insurance
- Engineering insurance
- Package insurance
- Legal Principles of insurance
- Household insurance
- Private Motor insurance
- How liability can arise under the law of tort
- Examination Techniques workshop

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At Certificate Level

- IF1 Insurance legal and regulatory
- IF2 General insurance products
- IF3 Insurance underwriting process
- IF4 Insurance claims handling process
- IF5 Motor insurance products
- IF6 Household insurance products
- IF8 Packaged commercial insurance

At Diploma Level

- MO5 Insurance Law
- M92 Insurance Business and Finance
- M93 Commercial property and business interruption insurance
- M96 Liability insurances
- M80 Underwriting practice
- M85 Claims practice
- M86 Personal Lines insurance

At Advanced Diploma Level (ACII)

- 530 Economics and business
- 820 Advanced claims
- 930 Advanced broking
- 945 Marketing insurance products and services
- 960 Advanced underwriting
- 992 Advanced risk management

- Basically I can set up an entire training programme to take people from nothing to fully ACII qualified.

Why doing great staff appraisals matter – the cost of someone leaving

- The cost of hiring a new employee including the advertising, interviewing, screening, and hiring.
- Cost of onboarding a new person, including training and management time.
- Lost productivity—it may take a new employee one to two years to reach the productivity of an existing person.
- Lost engagement—other employees who see high turnover tend to disengage and lose productivity.
- Customer service and errors—for example new employees take longer and are often less adept at solving problems.
- Training cost—for example, over two to three years, a business likely invests 10 to 20 percent of an employee's salary or more in training
- Cultural impact—whenever someone leaves, others take time to ask why.
- Surveys show the cost of this is between 50% and 75% of an annual salary

Understanding Metrics

- Metrics have been used in accounting, operations, and performance analysis throughout history.
- They can be financial or non-financial

Management by objectives = everyone pulls in the same direction.

This is about co-coordinating all plans so they are joined up.

- Short term plans link with long term.
- Efforts of different departments are joined together.
- Staff → Junior Management → Senior Management are linked.

Essential features of management by objectives.

- Clarification of results and KPI's with each Manager must be achieved.
- A quantifiable job improvement plan must be agreed with each manager.
- Conditions which will help managers achieve key results must be in plan such as any flexibility that is allowed, local management discretion that can be taken to achieve targets etc.
- A systematic performance review to be in place.
- Development of training plans to improve management skills.
- Motivation of managers by linking success to salary, bonus and career development.

SMART objectives

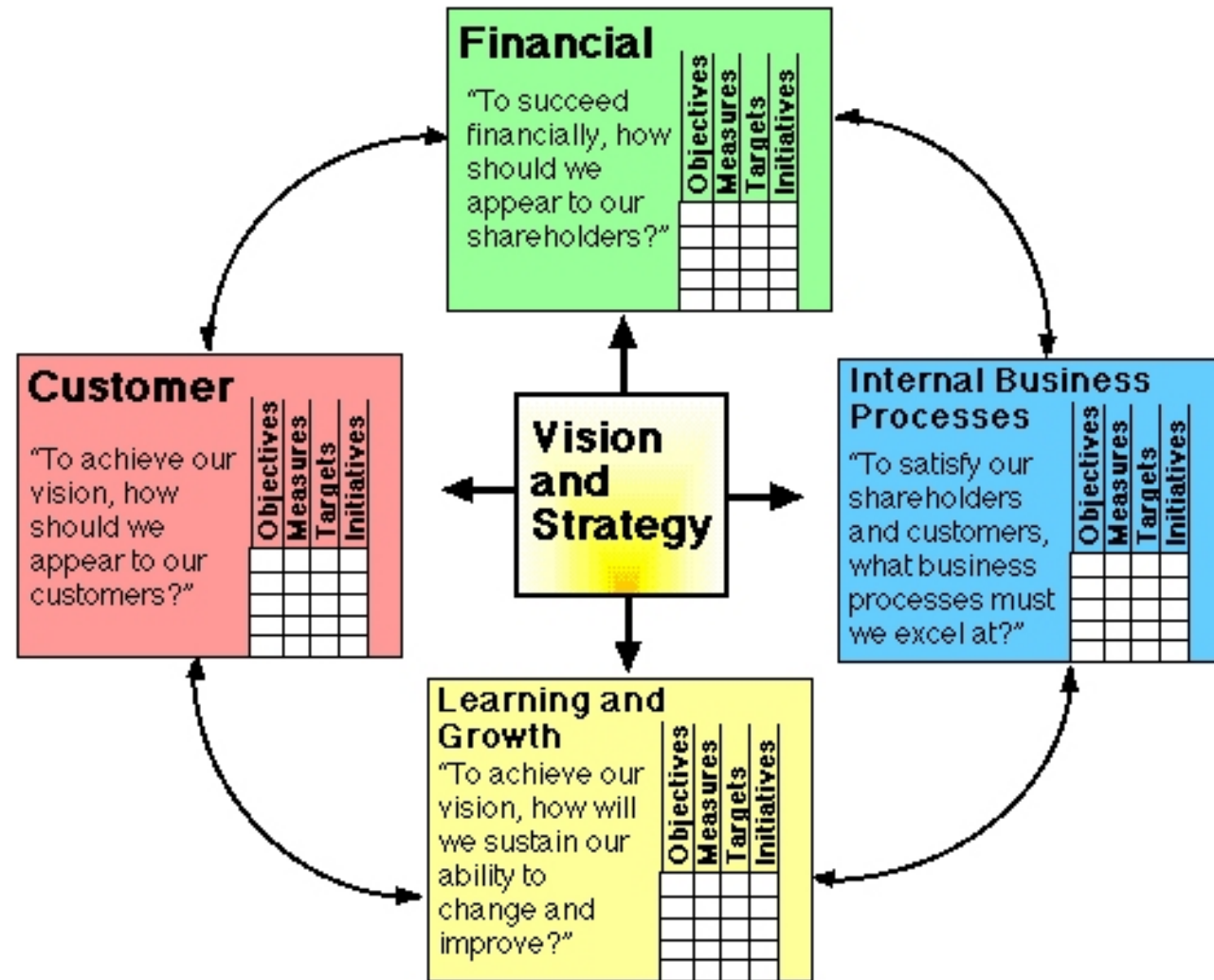
- When implementing business plans the objectives set should be SMART which stands for:
- Specific
- Measurable
- Achievable
- Relevant
- Time defined

CONTROL SYSTEMS AND MODELS

There are a number of control models available to management to enable them to monitor the achievement of their business plans.

- Management Accounting.
- Critical success factors – derived from SWOT in order to survive.
- Key Performance Indicators (KPI's), which can be results orientated (sales volume or market share) or effort orientated (number of complaints resolved or potential customers contacted)

Balance Business Scorecard



Benchmarking – Aim for Clear Blue Water



1. Internal
2. External
3. Functional



Financial Targets – Do these compliantly

- Commission
- Fees
- Retention rates
- Conversion rates
- ALL these measures must be done compliantly so file check audits must be passed. Think is it appropriate to award a bonus on a piece of new business that was sold in a non-compliant way?



Non- Financial targets

Important note. All targets long term are financial targets, this is a short term expression only.

Think about this: if you develop your staff, delight your customers and build better internal systems then long term you will have an amazing bottom line.

Non Financial Targets - Customer



INCREASE IN CUSTOMER
SATISFACTION SCORING



IMPROVE SLA'S ON THE
PHONE



IMPROVE SLA'S ON E
MAIL/CORRESPONDENCE
RETURNS

Non-Financial - Staff

- Increase in staff satisfaction score
- Increase in staff passing Cii exams and successfully completing other successful training, this could be technical training or soft skills training.
- Staff becoming multi skilled
- Staff becoming product champions
- Decrease in staff turnover rate – think how costly staff wastage is !
- Improve team morale

Non Financial – Internal Development



Staff involvement in implementing an improvement in the IT systems



Staff delivering a set amount of implemented service improvement ideas in a year



Staff involved in improving the process or internal forms

Staff appraisals – Four Touchpoints

Point one say beginning January – set targets AND training plan to support these targets. Goals agreed.

Point two say mid April – first interim to review targets and training plan – written feedback provided plenty of time to improve and still meet plan

Point three say mid September – second interim to review targets and training plan – written feedback provided, still sometime to improve and meet plan

Point four say mid December – annual appraisal. Written review of performance and training – NO SURPRISES as plenty of previous discussion on what needed to be done

VERY IMPORTANT – you must reward those who have achieved and met or exceeded plan otherwise you will undermine confidence in the whole process

5 Point Rating Scale

1 - Significantly below performance standards

2 - Barely achieves performance standards

3 - Achieves performance standards

4 - Exceeds performance standards

5 - Significantly exceeds performance standards



Plus 360 Key Features

Manager

- Communication
- Customer Focus
- Personal Accountability
- Results Orientation
- Self Management

Clients

- Communication
- Customer Focus
- Professionalism
- Service Delivery

Peers

- Communication
- Customer Focus
- Results Orientation
- Flexibility

Direct Reports

- Communication
- Customer Focus
- Leadership
- Goal Achievement
- Results Orientation

Employee

