

ACTION ITEM

Market Accountability Advisory Committee Meeting, June 19, 2018
Board of Governors Meeting, June 20, 2018

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CONTRACT ID:	AGENT PERFORMANCE MANAGEMENT STANDARDS
BUDGETED ITEM	N/A
CONTRACT AMOUNT	N/A
PURPOSE / SCOPE	<p>During the December 13, 2013 meeting, the Board approved Performance Management Standards for agents and a program of discipline for violations of standards in an effort to reduce “late submissions” and “binding violations” on the part of agents. All violations of the Performance Management Standards were labeled as either “binding violations” or “late submissions.” Binding violations were further subcategorized into four violations that were monitored.</p> <p>Under the current program, Citizens staff tracks the number of late submissions and binding violations committed by each agent and applies gradually increasing discipline based on threshold numbers of violations, the number of the agent’s new business submissions, and the history of prior violations. The standards and disciplinary measures are attached hereto as Attachment A.</p> <p>Since the Board approval of this program, the number of binding violations and late submissions that have been observed has decreased dramatically. Currently, Staff seeks to modify the Performance Management Standards to address additional errors and violations on the part of agents that are not currently being tracked. Specifically, Staff requests that the Performance Management Standards be amended to refer to “binding violations” as “performance violations,” to better reflect the types of violations being tracked, and to begin tracking the following violations as performance violations:</p> <ol style="list-style-type: none">1) Failure to upload a Premium Finance Contract when applicable.2) Incorrect application of credits, discounts, or surcharges.3) Failure to acquire necessary policyholder signatures. <p>This is being brought before the Board because the Citizens Agent Appointment Agreement, approved in March 2016, requires Board approval of Performance Management Standards. This proposal does not change the thresholds previously approved.</p>
CONTRACT TERM(S)	N/A

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PROCUREMENT METHOD	N/A
RECOMMENDATION	<p>Market Accountability Advisory Committee (MAAC) reviewed and recommends that the Board approve the following:</p> <ol style="list-style-type: none">1) Amending the Agent Performance Management Program to refer to<ol style="list-style-type: none">a. "Binding Violations" as "Performance Violations"; andb. Tracking the following as "Performance Violations" and applying applicable agent discipline based on standards:<ul style="list-style-type: none">• Failure to upload a Premium Finance Contract when applicable;• Incorrect application of credits, discounts, or surcharges;• Failure to acquire necessary policyholder signatures.2) Authorize staff to publish and communicate standards as necessary.
CONTACTS	<p>Steve Bitar, Chief - Underwriting and Agency Services Carl Rockman, Director – Agency Management</p>