



Training Proposal for:
Progressive Casualty Insurance Company
Agreement Number: ET10-0262

Panel Meeting of: **October 23, 2009**

ETP Regional Office: **Sacramento**

Analyst: J. Daunt

PROJECT PROFILE

Contract Type: Retrainee

Industry Sector(s): Insurance

Counties Served: Sacramento

Repeat Contractor: Yes No

Union(s): Yes No

Priority Industry: Yes No

No. Employees in CA: 1,196

No. Employees Worldwide: 20,000

Turnover Rate	Manager/ Supervisor
9%	18%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$327,915	\$164,131	\$163,784

In-Kind Contribution
\$405,800

TRAINING PLAN TABLE

Job No.	Job Description (by Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Management Skills	347	24-200	0-24	\$472	\$13.75
				Weighted Avg: 63			

Minimum Wage by County: \$13.69 Sacramento County

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No

Employer-paid health, dental, and/or vision benefits of at least \$2.00 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Customer Service Representatives	
Coaches	
Trainers	
Supervisors/Managers	

INTRODUCTION

In this proposal, Progressive Casualty Insurance Company (Progressive), seeks funding for retraining as outlined below:

Progressive is an affiliate of The Progressive Corporation. Headquarters are located in Mayfield Village, Ohio. After its founding in 1937, Progressive has grown to 20,000 employees worldwide. The company offers insurance coverage for autos, recreational vehicles, boats, and motorcycles, as well as various commercial vehicles. The company’s primary customers are retail and commercial policy holders, as well as independent agents that write insurance for Progressive.

Progressive operates an in-bound call center in Rancho Cordova. No telemarketing is done there. The center manages incoming calls pertaining to insurance claims, as well as all other insurance-related matters. Training will take place at the Rancho Cordova facility.

Progressive is eligible for standard retraining under the out-of-state competition provisions outlined under Title 22, California Code of Regulations (CCR), Section 4416(h) as a call center.

Progressive has two divisions. One is dedicated to servicing California customers who have written their policies through an agent for auto and motorcycle policies and the other handles incoming calls for customers who have written their policies through agents for boats, motor-homes, or travel trailers. This group also takes calls for the other 49 states that have policies written through agents for auto policies.

NEED FOR TRAINING

Company representatives state that Progressive will be going through a change in the company's processing systems that will change the mainframe program used for providing services to customers at all levels. Progressive refers to such changes/improvements to processes and procedures as Company Initiatives.

To meet the goals of the initiatives, training is required and will be rolled out to customer service representatives, trainers, coaches, supervisors, and managers to enhance their occupational skills and the values they bring to the company.

PROJECT DETAILS

Progressive has formulated a plan to train 347 employees in the following areas:

Commercial Skills will include training in a new processing system that will change the interface system used by customers and agents, as well as customer service representatives. Trainers, coaches, supervisors, and managers will receive the training. Topics will include new developments in policy services, advanced policy service issues, new and advanced products training, brand training, new initiatives, and cross-training in policy processing skills.

Computer Skills will include training in technical improvements that will keep employee skills current with technology. Specifically, training in current and advanced agency systems, operations systems enhancement, systems navigation, time keeping and new billing systems. Customer service representatives, trainers, coaches, supervisors and managers will receive the training.

Continuous Improvement provides training to address changes in processes and procedures, based on the Company Initiatives (see above). Topics include team dynamics, effective time management, advanced presentation skills, effective problem solving, and related skills. Customer service representatives, trainers, coaches, supervisors, and managers will receive the training.

Business Skills includes customer centric training designed to provide a better understanding of the wants and needs of Progressive customers. Topics will include improved communication skills, challenging calls, advanced product knowledge, quality tools and analysis, negotiation skills, advanced customer service skills, strategic planning, delivering feedback, customer

retention, and related skills. Customer service representatives, trainers, coaches, supervisors, and managers will receive the training.

Management Skills will be provided to management personnel only; this training is designed to improve the skills of experienced supervisory and managerial staff as well as those who have recently been promoted from frontline positions. Topics will include managing for high performance, transitional leadership, leadership training, facilitation skills, rewards and recognition, interview techniques, and change management.

Commitment to Training

Progressive represents that ETP funds will not displace its existing financial commitment to training. Indeed, Progressive anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

Progressive represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Progressive estimates that its current annual training budget is approximately \$750,000 in California.

Company representatives state that as new changes and/or initiatives are rolled out, Progressive determines the audience for training and the method of training: either classroom, web-based training (i.e., CBT) or a combination. The company then rolls out training to those who are impacted. The representatives emphasize that ETP funds will not be displacing current training structures.

The representatives acknowledge that training in the previous Agreement appeared under the same generic Curriculum headings of Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, and Management Skills as those submitted in the current application. However, they state that no training class or training module will be provided to any employee who received it under the previous Agreement. No single individual will receive the same training twice.

Substantial Contribution

Progressive is a repeat contractor with payment earned in excess of \$250,000 at its Rancho Cordova facility within the past five years. This will be the third ETP-funded project at that facility. Reimbursement for trainees at the Rancho Cordova facility will be reduced by 50% with a Substantial Contribution of \$164,131 to the cost of training in this proposal. The Panel's September 25, 2009 action requires that applicants be assessed the maximum Substantial Contribution.

RECOMMENDATION

For the reasons stated, staff recommends approval of the proposal with a 50% Substantial Contribution.

PRIOR PROJECTS

This will be the third project with the applicant. The following table summarizes performance by the company under ETP Agreements that were completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned	Completion Rate
ET05-0140	Rancho Cordova	07/05/2004-07/04/2006	\$696,800	\$332,121	48%
ET07-0174	Rancho Cordova	10/03/2006-10/02/2008	\$391,950	\$254,219	65%

Comments: Performance under ET07-0174 shows substantial improvement over performance under ET05-0140.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum

Class/Lab Hours

24 -200

Trainees will receive any of the following:

Business Skills

- Improved Communication Skills
- Challenging Calls
- Advanced Product Knowledge
- Call and Processing Center Quality Tools and Analysis
- Negotiation Skills
- Advanced Customer Service Skills
- Strategic Planning
- Delivering Feedback
- Customer Retention
- Customer Centric
- Processing

Commercial Skills

- New Developments in Policy Services
- Advanced Policy Services Issues
- Advanced Product Training
- Policy Processing – Cross-Training
- Brand Training
- New Initiatives

Computer Skills

- Agency Systems
- Advanced Agency Systems
- New Billing System Training
- Operations System Enhancement Training
- Systems Navigation Training

Continuous Improvement

- Accommodations
- Team Dynamics
- Effective Problem Solving

Management Skills (for supervisory/management personnel only)

- Managing for High Performance
- Transitional Leadership
- Leadership Training
- Facilitation Skills
- Rewards and Recognition
- Interview Techniques
- Change Management

COMPUTER-BASED TRAINING

CBT Hours

0-24

Trainees will receive any of the following:

Business Skills

- How Agency and Direct Work (10 min)
- Asking for the Business (20 min)
- Features and Benefits (30 min)
- Identifying Customer Wants and Needs (35 min)
- Overcoming Objections (10 min)
- Special Lines Mobile Home (30 min)
- Snowmobile Special Lines Product Training (20 min)
- MyRate Services 1.0 (30 min)

Commercial Skills

New Development Policy Services

- Education and Occupation Enhancement (30 min.)
- Integrated Product (8.0) (30 min.)
- New York Product Redesign (30 min.)
- Auto Advantage Package (30 min.)

Advanced Product Training

- Special Lines Advanced Motorcycle Product (45 min.)
- Special Lines Advanced Boat Product (25 min.)
- Special Lines Advanced RV Product (45 min.)

Computer Skills

- PolicyPro – Cancels, Reinstates, Nonrenewals (30 min)
- PolicyPro Basic Navigation (15 min)
- PolicyPro Follow Up (30 min)
- PolicyPro Customer View (30 min)
- PolicyPro Renewal Conversion (30 min)
- PolicyPro – Billing (30 min)
- PolicyPro – Connect (30 min)
- PolicyPro – The Introduction (25 min)
- Connect for Services (20 min)
- FAO Password/PIN Refresher (45 min)

Note: Hours per-trainee cannot exceed a total of 200, regardless of the method of delivery.