

Industry **Life and Disability Insurance**
Business **Insurance; Risk Management**

Title **Assistant Vice President of Credit Life and Disability**
Interviewee **Ed D.**

Ed is in his mid to late 30's and has been in sales/marketing positions for the past 10 years. He received a Bachelors of Science in Economics from the University of Wisconsin-Madison and, after working in a family-owned business for a couple years, Ed earned his MBA from the University of Wisconsin-Milwaukee with an emphasis in Product and Operations Management. While attending graduate school he worked as a telemarketer at a local insurance company. During his employment at the telemarketing firm, Ed was fortunate to find an opportunity exclusively for MBAs at Mutual of New York Insurance Company. He worked in direct sales for two years, but desiring to work with the financial aspect firms he shifted roles and became involved in projects that included economic modeling and forecasting and accumulating statistics of departmental efficiency. Ed eventually assumed the role of Director of Care and Management, traveling to area hospitals and other health care providers to negotiate rates of incoming premium and outgoing claims costs. He accomplished these negotiations by using forms of risk-sharing tactics and incentives for cost effectiveness. After seven years in the industry, Ed was hired by his current company. As Ed notes, it is important to have a belief in yourself...

You need to be confident that the diverse experiences you gain from various positions can be put to use in helping a company prosper – this confidence is not arrogance. Rather, it is a sense of certainty that you have the skills and wherewithal to soundly guide your business...and the good sense to know when you need to turn to others for help

Entering the Profession

In order to be hired by his insurance company, a candidate must submit a resume and go through an extensive interviewing process. A candidate is first interviewed by the department manager and supervisor, followed by an introduction to the workers within the department. At this time, the candidate will be interviewed with the Director of Operations for the final approval. According to Ed,

...an ideal recruit will have the following characteristics: he/she will be a "self-starter" not needing much direction from management, an analytical thinker, and an open and honest communicator. The candidate will also need to be extremely dependable and convey information and thoughts clearly and consistently to his/her manager.

Ed also explained the importance of consistent employment, higher level education, and proficiency in computer software.

Training

The firm offers a variety of training opportunities, including basic insurance terminology and procedures, meetings to familiarize employees with the future direction of the company, and cross-training of employees in separate departments. The employee also has the opportunity to attend seminars and tutorials pertaining to software programs or diverse business operations. On occasion, an external representative will be brought in to present basic skills in general employee expectations. For example, a transition to a new accounting software program brought experts in from around the country to train on the updated version. According to Ed,

Our firm invests in the training of the employees. We understand that the only way we can prosper is through the development of our people and by making sure this commitment is clearly understood by everyone in the company.

Performance Determinants & Compensation

Good performance is determined by quality of work, production efficiency, and dedication to the company. These qualities can be rewarded by gift certificates, increases in salary, or company acknowledgement. The reward system varies with the positions offered. The entry-level positions are offered competitive hourly wages while upper level management receives a salary. Upper level management also has the opportunity to partake in profit sharing plans and an impressive 401k retirement plan. The firm also employs agents who are compensated on a commission program entirely based on net premium sold.

The performance of employees is vital to the health of the company and the staff is duly compensated for their efforts toward a growing business.

As a cautionary note, there are strict policy guidelines for behavior that all employees must follow. For instance, being on time is seen as an essential attribute for all employees and anything less will not be tolerated. The first violation of this rule does not have any ramifications while the second offense leads to a verbal warning and the third infraction results in the termination of the employee.

For Ed, his primary responsibilities include preserving existing business, growing the company at a controlled rate, and signing new agents in a profitable manner. In addition to these responsibilities, Ed is accountable for the internal workings of the Credit department. This includes holding informational department meetings, presenting goals, and maintaining open lines of communication between all employees. He is also responsible for the integration of the Credit department with other divisions of the company, such as accounting, actuary, compliance, and claims.

Though not interested in advancing further at this time, if promoted, Ed would maintain his dependable character, continue to learn about the company, contribute to its long-term success, and preserve his degree of job satisfaction.

Greatest challenges

One of the most difficult challenges Ed and his staff face is maintaining the identity of the firm after its recent purchase by another firm. From prior experience in takeovers, Ed has seen the hardships that can arise from a buyout of a smaller firm. Although the buyout can lead to a loss of identity, Ed realizes having a large parent company and its resources can strengthen the credibility of his smaller company. Perhaps the greatest challenge now faced is keeping open lines of communication between parent and subsidiary

Communication is a significant factor in the growth of both entities.

In addition, Ed sees an important role for himself in being an exemplar for his people. In particular, Ed

...emphasizes having a positive attitude and believing in the product to create an easier decision-making process and to enable the company to function effectively. To be certain, a professional in this market

must have confidence in upper level management if they are to stay with the business and work hard to complete their tasks. The bottom line – we need everyone in the company to be moving forward together.