

OVERVIEW

The Target Markets Program Administrators Association is dedicated to serving the interests of the Program Specialist. A core element of the Association's mission is to promote excellence for this most elite segment of insurance intermediaries, Managing General Agencies/Program Administrators.

Target Markets has developed a protocol and criteria to evaluate the program business operations of Association members. Participation in a best practice evaluation will encourage applicants to review their current level of functioning, look for greater efficiencies the way they currently do business, and ultimately be recognized by program business professionals as a best in class operation. The TMPAA Best Practice Designation will benefit members through critical reviews and improvements in agency function, enhanced market image, product promotion, and recognition from their peers.

All program administrator members of the TMPAA are eligible to apply for the Best Practice Designation.

BEST PRACTICE EVALUATION PROCESS

1. Application/Survey
2. Confidentiality/Evaluation Waiver
3. On-Site Evaluation/Consultation
4. Evaluation/Consultation Recommendation
5. Best Practice Committee Review
6. TMPAA Designation

It is important to recognize that only the Program Business function of agencies applying for this designation will be evaluated for this designation. Members who apply for the Best Practice Designation are expected to conduct a self-evaluation using the entire evaluation package, which includes the review criteria and scoring matrix.

The Evaluation Process begins with the completion of the Best Practice application which provides for greater efficiency during the on-site evaluation process. All on-site visits are conducted by qualified independent evaluators, contracted by the TMPAA to accomplish this task. Members who choose to pursue the Best Practice Designation will need to review and sign the Confidentiality/Evaluation Waiver, which protects the member applicant, the evaluator, and the Association itself. All evaluations will be conducted in the strictest confidence. No evaluation information or results will be released without the consent of the member applicant. Recommendations will not be released to the Best Practice Committee unless the Best Practice Designation is being recommended, and member applicant approves. The Best Practice Committee is made up of retired Program Administrators and the TMPAA Executive Director.

The Onsite Evaluation/Consultation will be scheduled with the applicant, and is expected to require no more than 7.5 hours. An Evaluation Checklist will be provided to each applicant after submission of the Best Practice Survey detailing the information and documents that will need to be available at the time of the on-site visit.

DESIGNATION DECISION

Following the completion of the on-site evaluation, the evaluator will complete a report regarding the findings of the review process. If a Best Practice Designation is not being recommended, the evaluator will provide specific reasons for the decisions, as well as solutions to remedy the functions or process that does not currently meet the standard. If the evaluator recommends the TMPAA Designation for the member applicant, the Evaluation Summary will be provided to the Best Practice Committee for approval. Once approval is granted, the member agency will be provided with the TMPAA Best Practice logo for inclusion on their agency website. Plans for press releases, inclusion on the TMPAA Website, and notification in the TMPAA newsletter will be discussed with the agency.

BEST PRACTICE RECERTIFICATION

To maintain the integrity of the TMPAA Best Practice Designation, a recertification is required every 3 years. The objective is to learn about significant changes in an agency since the original visit and evaluation.

The recertification process will be accomplished by conference call with the evaluator arranged at the convenience of the agency principal and staff that need to provide updated information. The anticipated length of this call will be between 60 and 90 minutes, and can be broken up into sections if key personnel are not available at the same time. A letter describing the required review material will be sent at the time of the of recertification.

The Best Practice Evaluator (a private independent contractor funded by the Association) has the authority to recommend that a full onsite recertification process be conducted, if they believe there have been significant changes in the agency requiring a more thorough review.

Some of these potential changes are listed below, although no one issue would automatically trigger the onsite review recommendation:

- Major change in ownership
- Substantial change in senior management (example: CEO, CUO, CFO)
- Any senior management staff convicted of felony charges
- Change in carrier(s) for more than 50% of business written
- Any program(s) cancelled or non-renewed by carrier(s) in the past 3 years based on poor performance of the PA
- Overall 3 years loss ratio exceeds 70%
- More than one E&O claim filed
- Decrease in more than 50% of business written in the past 3 years
- Bankruptcy filed
- Loss of license(s) to conduct business
- Substantial change in industry segments served (example: construction vs. transportation)
- Substantial change in lines of business written

GETTING STARTED

Association members who are interested in the designation process should review all Best Practice material, then complete and submit the Application Survey to the TMPAA Executive Director. An organizational call will follow to begin the review process.

FEES

The TMPAA Best Practice Designation fee will be assessed to cover the costs of the evaluation process and the follow up marketing of the results. Members will be invoiced for \$2,500 at the time the application/survey is received.