

**Agency Name** \_\_\_\_\_

New       Recertification – Last Review Date \_\_\_\_\_

## Criteria and Measurement

Each Certification Area will be graded by individually measured components, which will produce an overall Criteria Score. The overall scores of these Certification Areas will factor into the overall Best Practice Evaluation score and recommendation.

## Scoring

Each component of the following Certification Areas will receive a Score of 1 through 5.

- 1 – Does not have or perform
- 2 – May have or perform but use is very limited
- 3 – Has functionality or structure and uses to expected capabilities
- 4 – Has functionality and uses to an above average capability
- 5 – Has and uses to the maximum designed capabilities

## I. MANAGEMENT PERFORMANCE (Evaluation Factor: 20%)

- A. Fully executed PA/Carrier contract that includes elements of ownership of records, expirations, and claims info, exclusivity, termination provisions, binding authority, payment, commission and profit share terms
- B. Organizational structure in place, i.e. CEO, CFO, Managers and other defined positions
- C. Personnel has expected Experience and Expertise  
Turnover of Management, Producers, Underwriters is not greater than industry standards  
Adequate staffing to perform critical functions to administer a program?
- D. Agency is appropriately licensed
- E. Form, rate, and rule filing is documented
- F. E&S filings are appropriately managed
- G. Accounting Department and all legal and appropriate functions are in place
- H. Formal Process in place for Strategic Goal Setting, Planning and Budgeting

- I. Operational Self Audit process is undertaken and improvements implemented
- J. Workflows including specific roles and responsibilities are documented
- K. Communication from all sources specifically clients or insureds is documented
- L. Coverage needs analysis and proposals are documented
- M. Standardized forms are used
- N. Appropriate wording and implementation of Binders
- O. Underwriter's authority levels properly documented
- P. Document retention process.
- Q. Agency has an established perpetuation plan
- R. Disaster recovery plan in place for critical program data, and business continuation
- S. Five-year pro forma evaluation on each program specialty is documented
- T. Formal marketing plan employing all methods effective in reaching their specific distribution system is in place
- U. Expense management/number of employees appropriate for the size & scope of the operation
- V. Number of past E&O claims appropriate for the size & scope of the operation

**Management Performance**

Overall Score:  Section Average:

**Section Notes**

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**II. HUMAN RESOURCES** (Evaluation Factor: 10%)

Does the Member have the following and implement appropriately?

- A. Comprehensive HR Manual, reviewed on regular basis and addressing elements that include harassment, whistle blower, acceptable use of IT, ethics and procedures for corrective action plans
- B. Management Resource Planning is conducted
- C. Educational and/or technical training is provided
- D. Continuing education and licensing is supported

- E. Formalized hiring practices and strategy for talent recruitment and development is in place
- F. Formalized pay and benefits structure is in place
- G. Formalized Termination Process is documented
- H. Job descriptions, work flow processes and respective responsibilities are documented

**Human Resources Performance**

Overall Score:  Section Average:

**Section Notes**

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**III. TECHNOLOGY (Evaluation Factor: 20%)**

Does the Member have and utilize the following Technology?

- A. Effective agency management system is employed
- B. Systems that effectively perform the program functions of rate, quote, and bind are utilized
- C. Systems collect and manage data that generate information/reports critical to strategic decision making and risk selection are in place
- D. Cyber security policy and procedures are in place – staff trained
- E. Qualified IT manager on staff or outsource contractor providing oversight
- F. Systems are integrated with all functions with no "double entries" required

**Technology**

Overall Score:  Section Average:

**Section Notes**

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**IV. UNDERWRITING PROCEDURES** (Evaluation Factor: 20%)

- A. Underwriting guides are appropriately detailed
- B. Process for distributing changes in underwriting parameters to underwriters is documented
- C. Rating guides are defined and documented
- D. Policy review process is defined and documented
- E. Authority by program and line of business is documented
- F. Execution of Risk Selection and granted underwriting authority is adhered to
- G. Referral process is documented
- H. Loss control/risk management procedures are documented
- I. There is consistency with Carrier Partners, or mitigating circumstances for change exist
- J. Detailed Profiles of the Book of Business
- K. Documented parameters for Distribution of Underwriting Authority based on experience and other factors are in place

Underwriting Procedures

Overall Score:

Section Average:

Section Notes

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**V. UNDERWRITING RESULTS** (Evaluation Factor: 30%)

- A. There is ongoing collection and monitoring of data necessary for Actuarial Analysis
- B. Independent Actuarial Analysis utilized
- C. Program profitability/Loss ratio is in line with industry standards for program/line of business
- D. Loss development is monitored
- E. Incurred but not reported losses recognized and monitored
- F. Carrier loss data is provided and evaluated on regular basis
- G. There is ownership or joint ownership of loss experience data

- H. Carrier Audits are completed on regular basis
- I. Carrier audit generated suggestions/critical recommendations and satisfactorily addressed
- J. Program profitability issues addressed with carrier and management
- K. Any Claims handling process is documented and monitored
- L. There is direct Involvement on larger claims
- M. Is there direct Involvement in settling claims?

**Underwriting Results**

Overall Score:

Section Average:

**Section Notes**

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**Certification Evaluation Overall Score**  **Previous Certification Score** (if recertification)

**Best Practice Certification**

- Recommended     Not Recommended     Recommended with Qualifications

**Comments/Recommendations for next evaluation**

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**Evaluator** \_\_\_\_\_

**Date** \_\_\_\_\_