



Best Innovative Underwriting Services, Inc.

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Patrick Ramotar, CEO

Outsourcing Popularity and How to Make the BIUS, Inc. Transition

Outsourcing underwriting continues to gain popularity. Recently, a few chief underwriters have moved some of their work to BIUS that we never expected to see. These companies previously tried to avoid outsourcing by hiring underwriters to work from their homes. This proved to be less than ideal in each case. Within this issue of *Outsource*, we have included the story of one of these companies. Although the situation presented is real, the actual name of our client and its chief underwriter have been withheld per their request.

When companies first speak with us, many of their questions concern how to get started. Therefore, we decided to present our initial procedures here. I believe you will find the transition process surprisingly easy. Actually, we do virtually all of the work to facilitate

A Life Insurance Company Cries “Uncle” and Moves to Outsourcing

By Patrick Ramotar, President & CEO

Three years ago, we were approached by an insurance company about outsourcing a substantial portion of their underwriting to us. They made a site visit, spending an entire day at our office. During our meeting, they posed more questions than any other company has asked us to date. We expected to begin the preparation process within two weeks after their visit. This never happened.



I called their chief underwriter a couple of weeks later. To my dismay, they had decided to set up their own in-house *outsourcing* (work-at-home) department. That was the last we heard from them until May of last year.

When their chief underwriter contacted me last spring, he explained that their outsourcing department had become a financial drain. They started off by hiring just two individuals. This, however, steadily mushroomed to eleven. Thus, it became too much for him to supervise. As a result, he made his top producing underwriter his assistant and had him manage the entire workflow of their work-at-home crew. This attempt eventually ended in failure.

The reasons for their problems were as follows:

- 1) The work-at-home underwriters were employees of the company who received full benefits and, in some instances, were being paid more than some in-house underwriters. For eighteen months, the company experienced an unanticipated decline in volume. Expecting a turnaround, they kept nine of their at-home underwriters on payroll. This cost them a bundle.



Put an End to Your Underwriting Worries

BIUS Inc. is the best insurance your company can buy. Contact us today.

(661) 255-0112

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a conversion.

If you have any questions, please contact Alicia Golan, our vice president of administration, or me directly. We are here to answer your questions and to make your transition to outsourcing easy.

Patrick Ramotar,
President & CEO

A Life Insurance Company Cries Uncle. Continued from page 1

2) Their at-home underwriters proved to be over 20 percent less productive than their office counterparts. What became apparent was that some of the underwriters who had kids at home were being distracted. Children were not used to having their parents at home, so their kids were taking advantage of it and monopolizing their time. Underwriters who were becoming bored of being cooped up in the house were finding excuses to run errands and involving themselves in anything rather than keeping on top of their work

3) The down time spent training these underwriters was impacting productivity both in the time it took them to get trained before they were productive and the time spent by the trainers.

4) The underwriter assigned to supervise them became so engulfed managing the work-at-home department that his personal productivity fell to near zero. He and the chief underwriter began having trouble getting along. Eventually, this frustration caused the assistant to resign.

Today, this company is providing us with a steady flow of cases. They have also kept three of their work-at-home underwriters on payroll. It seems likely they will eliminate their work-at-home program in the future.

The chief underwriter admits he should have initially gone with BIUS, Inc. Had he done so, he probably would have kept his star producer and saved a considerable amount of money for the company. He now gets his cases done on time and pays only for the work BIUS, Inc. completes.

*If you want to determine what it will cost you if BIUS, Inc. provided the same services that you do, go to our web site (www.biusinc.com/pages/determinecost.html) and complete the Labor Burden Worksheet. **Any information you input will not be saved and cannot be seen by anyone, including BIUS, Inc. staff.***

Establishing Your Relationship with BIUS, Inc.

By Alicia Golan, Vice President of Administration



When you first contact BIUS, Inc. about outsourcing, we will adhere to the following:

- 1) Both parties will sign a non-disclosure agreement to establish equal understanding and trust, and to ensure proprietary information is handled to each party's satisfaction.
- 2) We will ask you to share a detailed description of your situation so we can propose appropriate solutions.
- 3) BIUS, Inc. will provide a proposal within an agreed upon time frame.
- 4) BIUS, Inc will furnish you with thorough information including: a) a security and disaster recovery plan, b) how we will keep your data confidential, c) the means by which we will manage your work (electronic versus paper), d) how to ensure compliance with HIPAA, and e) a menu of options to ensure we appropriately customize our services for you.
- 5) Should you decide to work with us, we will use our extensive resources to set up the interface. We provide all of the software and hardware necessary to meet your needs.
- 6) Lastly, we will create procedures to manage workflow, forms, billing procedures, etc. All you need to do is send us your cases. We will handle all of the work. If requested, we will even travel to your office to perform the setup work that must occur at your end.