

Alacrity: Jon Miko – contractor management program. Started in 1999 as PTC net, now Alacnet. They have 1200 contractors active at any given time. Philosophy: we only have as many contractors on the program as we have work to send them. What's working/ not working?

ARS Food & Fire Clean up: Jud – most of our work comes from insurance companies (90 – 95%) from agents, adjustors or programs

Code Blue: Paul – How do we create value for our customer? We have nearly 5,000 contractors on our program. We vet our contractors based on algorithms. They provide subject matter expertise on water mitigation.

State Farm: Greg Meier – consultant with State Farm; been with them for 26 years, started in construction, worked thru the claims system, he developed the Premier Service program to meet customer needs with a team of 20 people to manage it, process millions of transactions. They also support the field structure and are responsible for the technical side of the business (estimates, estimate writing process, and learning).

Xactware: Kevin - Leads our implementation group and maintains it over time, has a quality assurance group to monitor quality of experience & topics, there's an opportunity to learn from every call – he captures that data and gets it to the developers of the software to improve it. He's here to listen to Xactware clients, esp.

Ron Reese: **discussion about 10/10** – how can we have a good relationship when our fundamental communication is predicated by a false premise? Xactware's philosophy is to accurately reflect the market right now, goal is to be transparent as possible; if after looking at the components and 10/10 doesn't work for you, you can make your choices and change those numbers....they work really hard to be as neutral on that as we possibly can, and still give adjustability to the user. Ron: there is additional overhead than 10/10 and it doesn't provide enough to run the business and do the service as required. State Farm: bigger challenge is the industry as a whole – it's hard to break habits, as the insurance industry we want you to be successful – without you we have a problem. You have to assess your overhead needed per job, you have to be prepared to explain that to the insurers out in the industry. I'm used to seeing 10/10 on jobs, I'm not used to seeing different numbers. It's an educational process that will take time. We want it to be a fair and reasonable profit – how do you justify explaining that? A lot of the discussions that they've had in their shop are about this. At some point we have to get there.

Les: What % of completed jobs do insurance companies upload to the database and what % do the insurance companies upload to Xactware? My guess is that the insurance co's upload most of their data; and most construction companies do not.

It was 10/5 in the 60's and it took a long time to get it to 10/10.

Buz: I feel like there's no venue for me when I'm dealing with 3rd party provider to say "this feels like a one way street" – the carrier's make the rules, you read the rules and there's no place for us to have a voice. How can we get our voice heard all the way up the chain?

Jon Miko: I think the most important thing about being successful on a program is the communication piece. We have 26 regional field managers who personally know every contractor on the program in their market & meet regularly. If there is a general issue, talk to the regional field manager or call me. I do listen to their feedback. When we go & meet with the carriers, we bring this feedback up to them. If you don't want to call, give us comments and feedback (in Xact, in Alacrity)...let us know WHY there were more hours, why the price was different, etc. It is a two way street. You need to document it.

Paul: JD Powers rankings – I see more focus on the policy owner's experience from insurance companies. JD Powers just started a study and there is an absolute commitment in the insurance industry to deliver a great customer experience. I've seen the auto industry change based on their JD Power's ranking. The FNOL is the 2nd most effective driver of customer satisfaction. Many times they aren't technically related – it's about objective measures in getting in and out. Bad people skills can undermine the work done out on the job. There is nothing more important than getting the right outcome for the policy holder. JD Power is 1000 pt ranking system; standard customer satisfied ranking....how likely would you be to use ARS in the future? NPS – net promoter score goes from 0 to 11 – "based on your claims experience, rate them from 0 to 10 how well your experience was". If they are rated 9 or 10 – they are considered net promoters. They are people who will talk about their great experience. 7 or 8 are satisfied, but they won't talk about it. If they are rated 0 to 6 they are net detractors – not happy, not satisfied. They look at every company and every location of every company at these scores.

Darrell: "IICRC - Institute of the inspection, cleaning & restoration certification" now "The Clean Trust" I think the overhead portion has a lot to do with the market you are in... **Insurance Companies and Contractors all charge differently – is that because of price, quality and service?** Paul: in a free market society, you have different pricing structures – I believe in competition and the free market... Insurance companies base it differently based on actuarials – the risk is different on particular models. I don't think it is practical or realistic where everyone has exactly the same price for services. It prevails in our society. There has to be a tie to what is reasonable and customary.

What do you see in the future of the industry in the next 5 years?

Jon: this year esp – renovation of foreclosed properties – huge opportunity. I see that as becoming a big part of your portfolios.

Paul: more managed programs in the insurance industry – more focus around value creation and every component thereof....the days of going out and schmoozing will have a smaller & smaller role and it will be more performance based.

Greg: It's all about the customer & their experience – there's a fine line about quality & accuracy. A focus around technical expertise – we've lost a lot of technical expertise – efficiencies. We want to have more boots on the ground. Their goal is to look at developing the technical expertise that we used to have years ago.

Kevin: performance comes down to data points – the ability to compile and compare that data – and the customer satisfaction is so fast & easy. People will totally be looking at those ratings – your competitors are going to be throwing your numbers up there. Price has been the core, getting this data – knowing how and where you are being measured is going to be a key to success in the future – esp in foreclosed properties.

Ben Justesen: We're rated based on customer experiences – I've been on the programs that are up here – I've asked on my scores and I've found that some are based on the rep not just the customer surveys. How is it that I'm going to be rated lower by "how you feel about the eq or prices or my relationship with the claims rep" when they are discounting the client's experience?

Jon: your ultimate score is "was the customer happy at the end of the day?" At alacrity we put a high rating on that. If the customer is happy, you will probably succeed on our program.

Jud: we had a customer where our customer experience was really high – but we were taking off the program because of a rift between us and the claim rep.

Paul: we input customer data – sometimes the contractor works higher than anyone – in the cases where contractors aren't great, we aren't going to use them as much and it really is unbiased.

Greg: we don't have a way to rate this and/or a specific way to deal with it. As we look at who's in 3rd party administrator programs – there is value for the customer and for the contractor – it's a critical piece to have.

Kevin: we have to be aware of what people are judging us on – we have to manage our image.

Dottie: Changes in the PSP Program?

Greg: two changes – eliminate the material supply portion of the program. Material suppliers: we still see millions of transactions go through the program – if you think about the process – we have some participants that love it, some that don't. and eliminate the GC portion of the program....Internally, we decided this doesn't hit the mark for our customer. How do you disengage from a program that's been in place for years? We will continue to see this evolve....we want to go to the contractors that do top quality work- this is our direction today...