

GUILLOT, RICHARD / MNRO, 40 - OpenDesk print.

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Message.  
Subject: MGT MINUTES  
Sender: Deborah M HAMILTON / MNRO/54  
TO: Richard GUILLOT / MNRO/40

Dated: 08/16/95 at 1016.

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Part 1.

TO: Richard GUILLOT / MNRO/40

Part 2.

MANAGEMENT MEETING  
AUGUST 3, 1995

ROUNDTABLE. CHAIRPERSON - JAMES CHANCELLOR. RECORDER - DEB HAMILTON

1. BOB HARDGRAVE - KINKO'S CAN MAKE QUALITY COLOR PHOTOCOPIES OF PHOTOGRAPHS. THESE WILL FAX BETTER THAN REGULAR PHOTOCOPIES. COST IS ABOUT \$1.50 PER COPY.
2. DEBORAH HAMILTON - REATIA WEEKS CAN HELP YOU IN SETTING UP TEMPORARY ID'S IF YOU EVER USE TEMPORARY CLERICAL. INSTRUCTIONS ON HOW TO USE THE PROFILE AND KEEP IT SECURED WERE PASSED OUT.
3. LARRY CANNON - DISCUSSED CASH SETTLEMENT AGREEMENTS. WE HAVE AGREED PREVIOUSLY NOT TO USE THESE STATE-WIDE. IF THE CLAIM REP FEELS IT IS NEEDED ON AN INDIVIDUAL CASE BASIS, THEY CAN USE IT.
4. BILL BENTLEY - DISCUSSED UTILIZATION REVIEWS. HANDED OUT THE AR DEPT OF HEALTH LIST OF STATE APPROVED REVIEW VENDORS. WE CAN ONLY USE STATE APPROVED VENDORS.
5. CHRIS COON - DISCUSSED HANDLING OF MPC ONCE A CLAIM IS SETTLED. THESE SHOULD BE HANDLED ON A CASE-BY-CASE BASIS. IF THE INSURED SETTLES WITH THE ADVERSE PARTY, BUT CAN SHOW THEY HAVE NOT BEEN MADE WHOLE, WE MAY STILL NEED TO CONSIDER PAYMENT OF MPC.
6. GREG ODOM - DISCUSSED STATE FARM V. DWIGHT, NAN AND BEAVERS. YOU CAN NOT STACK W ON TOP OF YOUR U COVERAGE.
7. BOB BEATTY -  
DISCUSSED HOUSE BILL 1714.  
DISCUSSED ROSS V USAA - SUPREME COURT DECISION DELIVERED 5-22-95. USAA HAD 4 CARS UNDER ONE POLICY. DID NOT GET A SIGNED REJECTION FORM FOR U AND W. THEY DID NOT CONTEST THEY OWED W, BUT FELT THEY OWED THE \$25,000 MINIMUM LIMITS. THE SUPREME COURT SAID THEY SHOULD GET \$25,000 PER CAR AND IT COULD BE STACKED.

IF WE GET A FLEET POLICY WITHOUT A SIGNED REJECTION, WE WILL NEED TO TAKE A LOOK AT THIS.

IN HONOR OF CLAUDE'S MEMORY, BUD WANTED TO DISCUSS REFERRALS, BUT HE WAS VOTED DOWN.

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8. JAMES CHANCELLOR JOINT TORTFEASOR RELEASE -  
JAMES MCGEE AND SARAH PRESSON REVISED THE RELEASE.  
JAMES WILL SEND A COPY TO EVERYONE.

JAMES WON A LAWSUIT WHERE PRO REVIEW REVIEWED THE CLAIM. GALE MATTHEWS RECOMMENDED WE GET AN IME EARLY ON THESE CASES.

#### DICK MURRAY - PD MATTERS

LOOKS LIKE WE WILL LOSE 13 MILLION THIS YEAR. RATE INCREASES ARE EARNED AT A VERY SLOW RATE.

PD AND COLLISION COSTS - IN 1992 COSTS STARTED ESCALATING UPWARD. HOW ARE WE GOING TO MANAGER OUR COSTS? AS A MANAGEMENT TEAM, WE NEED TO COME TOGETHER AND EMPHASIZE THESE AREAS.

#### PROBLEMS:

1. FLAT RATING - ARE WE FLAT-RATING ALL ESTIMATES?
2. AGENT PHOTOS VS. OUR OWN INSPECTIONS.  
WE ARE NOT LOOKING FOR LKQ AND AFTERMARKET PARTS.
3. MANAGEMENT NOT BEING INVOLVED ENOUGH IN THE FILES.
4. TOTAL LOSSES - ON NEW VEHICLES, WE SHOULD BE CERTAIN WE ARE CHECKING WITH LOCAL DEALERS AND SECURING THE INVOICES. MANAGEMENT SHOULD BE ACTIVE IN THE FILE.
5. BEFORE AND AFTER VALUE - WE NEED TO WORK WITH OUR REPS. WE MAY OWE BEFORE AND AFTER VALUE, BUT NOT AS MUCH AS MANY ARE DEMANDING.
6. RENTAL CARS - WE ARE DOING A GOOD JOB IN THIS AREA. WE WERE AT \$220 ON RENTAL COSTS AT ONE TIME. NOW WE ARE UNDER \$200.
7. INVESTIGATIONS - WE ARE NOT SEEING IN DEPTH INVESTIGATIONS ON PD FILES. WHAT ABOUT COMPARATIVE NEGLIGENCE?
8. STATEMENTS - WE ARE SEEING GOOD STATEMENTS ON BI FILES. NEED TO BE SURE WE ARE SECURING STATEMENTS ON OUR PD FILES.
9. STEREOS - NEED TO TAKE A CLOSE LOOK AT HIGH DOLLAR STEREO CLAIMS. SECURE ORIGINAL RECEIPTS.
10. SIU SURVEY - SEEING A LOT OF OLDER MODEL VEHICLES STOLEN AND RECOVERED WITH MECHANICAL DAMAGE ONLY.

#### COURSE OF ACTION:

1. SELECTED FILE REVIEW - A MEMO WILL BE SENT OUT LATER WITH MORE DETAILS ON THIS SUBJECT. HOWEVER, EVERY PD CLOSED FILE SHOULD BE AVAILABLE FOR REVIEW. MANAGEMENT SHOULD REVIEW AT LEAST ONE OUT OF EVERY TEN FILES, PLUS TOTAL LOSSES AND SUBROGATION FILES.
2. NO SELECTED FILE REVIEW IF THE UNIT HAS A MA6 AND A MA4. MANAGEMENT MUST REVIEW ALL FILES.
3. IF A SINGLE MANAGEMENT PERSON UNIT, THEY NEED TO INCREASE THE NUMBER OF CLOSED FILES BEING REVIEWED. SELECTED FILE REVIEW PARAMETERS WILL BE SENT OUT.

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4. FILES TO BE REVIEWED BY ALL MANAGEMENT INCLUDE TOTAL LOSSES, TOTAL THEFTS, TOTAL FIRES, SUBROGATION AND SALVAGE FILES.
5. NEW REQUIREMENT - ALL NON-ESTIMATOR FILES ARE NOT ELIGIBLE FOR SELECTED FILE REVIEW. THESE FILES MUST BE REVIEWED BY MANAGEMENT. LOOK AT THE ESTIMATE, CHECK FOR FLAT-RATE, QRP AND LKQ USEAGE. REVIEW OF THE ENTIRE FILE WILL BE UP TO THE SUPT. AS A PART OF THE SELECTED FILE REVIEW.  
  
IF AN ESTIMATOR HANDLES THE ESITMATE, THEN OKAY NOT TO REVIEW THE ESTIMATE. THE REINSPECTOR WILL REVIEW THESE FILES. IF USING AN ESTIMATOR TO RUN THE ESTIMATE THROUGH MITCHELLMATIX AND TO CHECK FOR QRP, THEN OKAY NOT TO REVIEW THESE ESTIMATES. HOWEVER, IF THE ESTIMATOR IS ONLY RUNNING THE ESTIMATE FOR FLAT-RATE PURPOSES, THE ESTIMATE MUST STILL BE REVIEWED BY MANAGEMENT.
6. THE DCS WILL SEND THE PD SUPT TO EACH OFFICE ONCE A QUARTER. THE PD SUPT. WILL REPORT TO THE DCS IF FILES ARE NOT BEING FLAT-RATED. IF NEEDED, THE PD SUPT WILL BE SENT MORE THAN ONCE A QUARTER TO AN OFFICE.
7. SANDY AND PAT WILL DEVELOP A TRACKING SYSTEM THAT COMPARES EACH UNIT TO ITSELF IN TERMS OF COSTS.
8. ADDITIONAL REQUIREMENT ON ALL CLAIM REPS - ONE REINSPECTION PER WEEK. COLLECT THEM AND HOLD THEM IN YOUR UNIT FOR THE PD SUPT TO REVIEW WHEN HE VISITS YOUR OFFICE EACH QUARTER.
9. TOMMY AND CHARLIE WILL SEND OUT QUESTIONS OF THE DAY FOR OUR CLAIM REPS TO THINK ABOUT AND ANSWER.
10. TRAINING SESSIONS WILL BE SET UP FOR THE CLAIM REPS.

MANAGEMENT MEETING

AUGUST 4, 1995

1. BOB BEATTY LEAD IN THE INDUCTION OF GLORIA GREEN TO THE ORDER OF THE HOGS.
2. CONGRATULATIONS TO GREG ODOM ON HIS 10 YEAR ANNIVERSARY.
3. HAPPY BIRTHDAY TO DICK MURRAY/AUGUST 18, 1995.
4. SUB SWEEPS - GOOD JOB IN RECOGNIZING SUBROGATION. WE IDENTIFIED 10 FILES WITH \$30,000 SUBROGATION THAT WE ARE PURSUING.
5. SUBROGATION - DO NOT OVERCREDIT 400 COVERAGE. IF THIS IS DONE, WE CAN NOT RATE PROPERLY AND IT WILL AFFECT OUR AVERAGE PAID COSTS. BE SURE THAT EVERYONE IN THE UNIT UNDERSTAND THAT SUBROGATION MUST BE PROPERLY CREDITED.
6. BUILDING SECURITY - SECURITY UPGRADES ARE BEING PLACED IN ALL OFFICES. WE WILL HAVE CARD KEY ENTRY. OUTSIDE DOORS SHOULD REMAIN LOCKED AT ALL TIMES. OBSERVE SECURITY RULES IN YOUR OFFICE. VENDORS SHOULD NOT BE ALLOWED FREE ACCESS TO THE OFFICE.

7. JOINT TORTFEASOR RELEASE - COPIES HAVE BEEN DISTRIBUTED TO ALL UNITS AND SHOULD BE USED.
8. EMPLOYEE CLAIMS - BE SURE THE EMPLOYEE IS RECEIVING THE SAME TREATMENT. ON EMPLOYEES, THE CLAIM REP MUST HAVE THE SUPTS. APPROVAL BEFORE ISSUING PAYMENT OR APPROVING AN ESTIMATE. A PERSONAL CLAIM BY A SUPV/SUPT. REQUIRES THE DCS APPROVAL. A PERSONAL CLAIM BY THE DCS REQUIRES MANAGERS APPROVAL. ALL EMPLOYEE CLAIMS SHOULD BE ROUTED BY THE DCS ONCE HANDLING IS COMPLETE. IT IS OKAY FOR THE ESTIMATOR IN THE EMPLOYEES OFFICE TO WRITE THE ESTIMATE. HOWEVER, THE FILE SHOULD BE HANDLED BY ANOTHER OFFICE.
9. BEFORE AND AFTER VALUE - THESE CLAIMS ARE HARD TO EVALUATE AND SHOULD BE HANDLED ON A CASE BY CASE BASIS. WE SHOULD REINSPECT THE VEHICLE ONCE REPAIRS ARE MADE. CONSIDER THE YEAR MODEL, CONDITION AND MILEAGE. ON DEALER CARS, HAVE THEM PROVE THE LOSS. IF THE REPAIRS ARE BAD, GET THE VEHICLE REPAIRED PROPERLY AND COLLECT THE MONEY BACK FROM THE 1ST REPAIR SHOP. IT IS OKAY TO TRY SOME OF THESE CASES. HAVE THE CLAIM REP TAKE A RECORDED STATEMENT FROM THE DEALERSHIP IF THEY GIVE THE CUSTOMER A QUOTE OF LOSS OF VALUE AND TELL THEM THIS CASE MAY GO TO TRIAL.
9. CONTINUED  
WE SHOULD NOT SAY THAT WE DON'T PAY LOSS OF VALUE. WE SHOULD SAY, AFTER INSPECTION, WE DO NOT SEE WHERE VEHICLE HAS SUSTAINED A LOSS OF VALUE. THE ONLY REAL WAY TO DETERMINE LOSS OF VALUE IS IF THE VEHICLE IS SOLD.
10. SHUTTLE PLAN - RENTAL CARS WILL NO LONGER BE NECESSARY, BASED ON THE SHUTTLE PLAN ESTABLISHED AT CORPORATE.
11. ANTI-TRUST - GENERAL EXECUTIVE MEMO #80 - IF YOU NEED A COPY, CONTACT SANDY. WE SHOULD NOT DISCUSS OUR STATE FARM BUSINESS OUTSIDE OF OUR OFFICE.
12. PERSONNEL POLICIES MANUAL - EDUCATIONAL BONUSSES WILL BE PAID ON COMPLETION OF A DESIGNATION, RATHER THAN AFTER EACH INDIVIDUAL PART.
13. PRESIDENTS PLANNING MESSAGE - 1996  
THIS IS AN IMPORTANT MESSAGE. IT DEFINES OUR DIRECTION FOR NEXT YEAR. BE SURE TO REVIEW THIS CLOSELY.
14. SALVAGE - NEED TO CAREFULLY REVIEW THE MEMO REGARDING PURCHASE OF SALVAGE BY EMPLOYEES. BIDS MAY NOT BE ACCEPTED BY ANYONE DIRECTLY INVOLVED IN THE CLAIM HANDLING PROCESS, INCLUDING ANYONE HAVING ACCESS TO THE CLAIM FILE.  
  
IF YOU BUY STATE FARM SALVAGE, EITHER DIRECTLY OR INDIRECTLY, WITHOUT GOING THROUGH PROPER PROCEDURES, YOU WILL BE TERMINATED.
15. CAT STAFFING - THERE WAS CONCERN OVER THE NUMBER OF PEOPLE PULLED INTO NEW ORLEANS FOR THE CAT. THIS MIX IS DETERMINED BY THE REGION. EXECUTIVE MAKES THESE DECISIONS. LA HAS BEEN HIT HARD DUE TO THE NEW ORLEANS AND SHREVEPORT CAT. SHREVEPORT WAS THE 2ND LARGEST HAIL STORM IN HISTORY.
16. ANTI-LOCK BRAKES - ANTI-LOCK BRAKES MAY NOT ALWAYS WORK PROPERLY. YOU SHOULD NOT PUMP THE BRAKES. YOU SHOULD "STOMP AND STEER".
17. SUB UNIT - NEW START-UP DATE IS 11-95 FOR ALL OPERATIONS TO BE IN MONROE.