



RETRAINEE - JOB CREATION

Training Proposal for:

Esurance Insurance Services, Inc.

Agreement Number: ET16-0382

Panel Meeting of: February 26, 2016

ETP Regional Office: Sacramento

Analyst: K. Smiley

PROJECT PROFILE

Contract Attributes:	Retrainee Job Creation Initiative Veterans	Industry Sector(s):	Insurance Services Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	San Francisco, Placer	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 2,846	U.S.:35,135	Worldwide: 38,343
<u>Turnover Rate:</u>	14%		
<u>Managers/Supervisors:</u> (% of total trainees)	18%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	=	Total ETP Funding
\$204,620		\$0		\$204,620
		(High Earner Reduction)		
		\$0		

In-Kind Contribution:	100% of Total ETP Funding Required	\$250,000
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TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, Mgmt Skills	700	8-200	0-7	\$210	\$18.00
				Weighted Avg: 14			
2	Retrainee Job Creation Initiative	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, Mgmt Skills	50	8-200	0-7	\$1,060	\$18.00
				Weighted Avg: 53			
3	Retrainee Veterans	Business Skills, Commercial Skills, Computer Skills, Continuous Impr, Mgmt Skills	15	8-200	0-7	\$308	\$18.00
				Weighted Avg: 14			

Minimum Wage by County: Job Numbers 1 & 3: \$15.60 per hour for Placer County; \$17.02 per hour for San Francisco County. Job Number 2: \$12.77 per hour for Placer County; \$14.19 per hour for San Francisco County.

Health Benefits: Yes No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: Yes No Maybe

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Claims Associate		160
Manager		155
Sales Associate		75
Administrative Staff		150
Information Technology Staff		105
Marketing Staff		55
Job Number 2		
Claims Associate		9
Manager		5
Sales Associate		5
Administrative Staff		5

Information Technology Staff		24
Marketing Staff		2
Job Number 3		
Claims Associate		5
Manager		1
Sales Associate		3
Administrative Staff		1
Information Technology Staff		4
Marketing Staff		1

INTRODUCTION

Esurance Insurance Services, Inc., a Subsidiary of the Allstate Corporation (Esurance) (www.esurance.com), was started in 1998. The company provides personal auto, motorcycle, renters and homeowners insurance directly to consumers online and through select online agents, nationwide. The Company has three locations in California. Two will participate in training: San Francisco and Rocklin. Although these two locations participated in prior ETP Agreements, training will not be repeated.

The facilities in San Francisco and Rocklin, employing some 2,000 persons, provide significant internal support services to Esurance locations in other states (greater than 25% of workload). As such, this proposal qualifies for standard retraining for “corporate support” under out-of-state competition regulations. (Title 22, California Code of Regulations, Section 4416(e).)

PROJECT DETAILS

This will be Esurance’s third Agreement in the last five years. The first Agreement (ET11-0254) focused on increasing product knowledge and customer satisfaction. The last Agreement (ET13-0408) focused on business expansion into renters’, homeowners’ and Motorcycle insurance services.

This proposal will focus on increasing software knowledge and improving employee skills to open up promotion opportunities within. Esurance recently set an in-house goal of promoting incumbent staff to fill 70% of vacancies. Trainees will receive diversified skills through cross-training and software skills to improve help with transitioning to new software.

Additionally, Esurance is dedicated to using technology to improve customer service experience. The Company recently implemented the Life Cycle Management System. This system allows staff to manage accounts more effectively and efficiently. Training is needed to fully employ this new system. Also, the Company developed an “insurance app” for smart phones in 2015. This software application app allows clients greater access to accounts, pending claims, and policy information. It also allows clients to file a claim, track a claim and receive roadside assistance. In August 2015, Esurance developed and released the Video Appraisal tool portion for this app in two states. This tool allows clients to upload photos and videos necessary for appraisals as well as receive step-by-step instructions to file claims. The Company plans to release this tool nationwide in March of 2016. This new tool requires that staff receive training to understand and properly market this new feature.

Retrainee - Job Creation

In support of job creation, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Esurance is increasing existing business capacity, hiring employees to manage the new Video Appraisal tool described above. As well, the Company is anticipating increased business with the nationwide release. The Company has committed to hiring 165 new employees (Job Number 2). These trainees must be hired within the three-month period prior to Panel approval or during the term of the Contract. The Company represents that these trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Business Skills (25%): Training will be offered to all occupations. Training will improve management of accounts and increase flexibility among incumbent staff. Course topics will include Project Management, Change Management and Coaching for Success.

Commercial Skills (38%): Training will be offered to all occupations to enhance product knowledge and skills that will lead to more promotional opportunities for incumbent staff. Course topics will include Auto Fundamental Skills, Fraud Training and Liability Training.

Management Skills (8%): Training will be offered to Managers to enhance communication. Course topics will include Situational Leadership, Emerging Leader and Coaching Skills.

Computer Skills (18%): Training will be offered to all occupations to ensure that trainees understand and properly use Life Cycle Management System and Video Appraisal software. Topics will include Claims Technology, Video Appraisal and Life Cycle Management System.

Continuous Improvement (11%): Training will be provided to all occupations to increase client satisfaction and service and diversify trainee skill sets. Topics will include Consulting Skills, Cross Training and Presentation Skills.

Computer Based Training (CBT)

Esurance plans to utilize the CBT delivery method along with class/lab training. This delivery method will allow employees to train at their own pace.

Commitment to Training

Esurance spends \$1,100,000 annually on training in California. The Company normally provides training in company orientation, general safety, labor laws, employment laws and regulations, anti-harassment training and similar subjects. ETP funding will not displace the Company's existing financial commitment to training. Safety training will continue to be provided in accordance with the law.

LMS

Staff has reviewed and approved the Company's use of a Learning Management System (LMS) for recordkeeping.

Veterans Program

Esurance will train 15 veterans (Job Number 3). Esurance actively recruits veterans through their in-house EVETS program (<https://www.esurance.com/company/community>). This program

was designed to create career development opportunities for former military personnel and promote awareness of veterans' issues in the community.

Substantial Contribution

Substantial contribution is not being assessed in this contract because one facility did not earn over \$250,000 in funding.

Out-of-State Training

Esurance sends all Claims Representatives to its Dallas, TX facility for two weeks of training. The facility houses corporate trainers, training software, and simulated training environments that is vital to successful Claims Representatives. The Company will cover travel expenses.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Esurance under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0408	Rocklin, San Francisco, Los Angeles	06/24/2013– 06/23/2015	\$494,480	\$180,118 (36%)
ET11-0254	Rocklin, San Francisco	05/01/2011– 04/30/2013	\$199,500	\$199,500 (100%)

The training plan for ET13-0408 Agreement was based on a new facility scheduled to open in California. Esurance intended to promote incumbent staff into new roles, which was going to make up the bulk of training for their incumbent staff. The other trainees included Job Creation for anticipated new hires. However, after the ETP Agreement was executed, the Company decided against this new location. Due to this set back, Esurance did not complete much of the intended training.

Under the proposed Agreement, Esurance has created a conservative training plan that will focus on recently developed products and services. Also, incumbent training has been right-sized, in keeping with the amount earned in ET13-0408.

Esurance has three fulltime employees charged with administering the proposed Agreement, including a "lead" who is familiar with the ETP program and helped successfully administer the ET11-0254 project.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

8-200

Trainees may receive any of the following:

BUSINESS SKILLS

- Coaching for Success
- Negotiation Skills
- Project Management
- Diversity & Inclusion
- Change Management

COMMERCIAL SKILLS

- Liability Training
- Auto Fundamentals Skills
- Motorcycle Knowledge
- Material Damage
- Fraud Training
- Claims Overview

COMPUTER SKILLS

- Esurance Systems and Application
- File Handling & Documentation
- Advanced Safety Systems
- Claims Technology
- Video Appraisal
- Life Cycle Management System

CONTINUOUS IMPROVEMENT

- Driving Performance
- Consulting Skills
- Avoiding And Resolving Conflict
- Interpersonal Skills
- Presentation Skills
- Cross Training

MANAGEMENT SKILLS (for Managers only)

- Situational Leadership
- Emerging Leader
- New Manager Program
- Leadership and Team Building
- Coaching Skills

CBT Hours

0-7

COMMERCIAL SKILLS

- Material Damage (30 Minutes)
- Policy and Claims Overview (1 hour)
- Fraud Awareness Training (1 hour)
- Insurance terms (30 Minutes)
- Automotive Training (1 hour)

COMPUTER SKILLS

- Microsoft Office (Intermediate) (1 hour)
- Esurance Systems (1 hour)
- Java, C++, SQL (2 hour)
- SharePoint, Oracle and Cisco (1 hour)

BUSINESS SKILLS

- Project Scope (2 hour)
- Project Management (2 hour)
- Diversity and Inclusion (1 hour)
- Sales and Service Overview (1 hour)
- Business Planning (1 hour)

CONTINUOUS IMPROVEMENT

- Coaching For Success (1 hour)
- Consulting Training (30 minutes)
- Negotiation Essentials (1 hour)
- Talent Management (1 hour)

MANAGEMENT SKILLS (for Manager/Supervisors only)

- New Manager Training (1 hour)
- Leading Teams (1 hour)
- Managing Virtual Teams (1 hour)
- Mentoring Skills (1 hour)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee.