



Training Proposal for:
HUB International Insurance Services Inc.
Agreement Number: ET15-0199

Panel Meeting of: July 25, 2014

ETP Regional Office: San Diego

Analyst: K. Campion

PROJECT PROFILE

Contract Attributes:	Retrainee Job Creation Initiative HUA	Industry Sector(s):	Insurance Financial Services Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Statewide	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 686	U.S.: 3,985	Worldwide: 6,900
<u>Turnover Rate:</u>	4%		
<u>Managers/Supervisors:</u> (% of total trainees)	9%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$312,450		\$0	\$0		\$312,450

In-Kind Contribution:	100% of Total ETP Funding Required	\$517,500
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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	Computer Skills, Commercial Skills, Continuous Impr.	677	8 - 200	0	\$450	\$14.90
				Weighted Avg: 30			
2	Retrainee Job Creation Initiative	Computer Skills, Commercial Skills, Continuous Impr.	13	8 - 200	0	\$600	\$12.19
				Weighted Avg: 30			

Minimum Wage by County: Job Number 1: \$16.25 per hour for Contra Costa, Santa Clara and San Francisco counties; \$16.04 per hour for Los Angeles County; \$15.98 per hour for Orange County; \$15.60 per hour for San Diego County; \$15.59 per hour for Sacramento County; and \$14.90 per hour for Kern, Ventura, Tulare, Placer, Riverside and San Bernardino counties.

Job Number 2 (Job Creation): \$13.55 per hour for Contra Costa, Santa Clara and San Francisco counties; \$13.37 per hour for Los Angeles County; \$13.32 per hour for Orange County; \$13.00 per hour for San Diego County; \$12.99 per hour for Sacramento County; and \$12.19 per hour for Kern, Ventura, Tulare, Placer, Riverside and San Bernardino counties

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

Up to \$3.60 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
JOB NUMBER 1 – RETRAINEE		
Admin & Accounting Staff		55
Client Consultant		129
Client Representative		367
Sales Associate		58
Supervisor & Manager		68
JOB NUMBER 2 – JOB CREATION RETRAINEE		
Admin & Accounting Staff		4
Client Consultant		3
Client Representative		6

INTRODUCTION

Founded in 1988, HUB International Insurance Services Inc. (HUB) (www.hubinternational.com) is a full-service insurance brokerage company that provides commercial insurance, personal insurance, employee benefits, individual life and disability contracts, and risk management services. Its customers range from small to large businesses as well as individuals clients. HUB’s parent company, HUB International West Holdings Limited, is located in Chicago.

HUB's regional California office is located in Riverside, and the Company has 24 additional HUB offices across California in the cities of: Bakersfield, Concord, Del Mar, Downey, Folsom, Hemet, La Palma, Los Angeles, Mountain View, Newport Beach, Oxnard, Redlands, Roseville, Santa Barbara, San Diego, San Francisco, San Ramon, Santa Maria, Visalia, and Westlake Village. Employees from all 25 locations will be trained under this proposal.

HUB reports some of its competitors are sending processes and jobs overseas to save money and reduce budgets. HUB prefers to keep jobs in California; therefore, to compete, must find ways to increase company efficiencies and productivity across the entire organization. In addition, HUB is expanding its business through continued acquisitions of new companies, and expansion into new customer industry markets to insure, such as the Entertainment industry.

PROJECT DETAILS

ETP training will assist the Company achieve excellent customer service, superior knowledge and advanced employee performance to compete in the marketplace. These skills are critical to the retention of its current clients, and the ongoing growth and acquisition of new clients.

A formal needs assessment shows critical skill gaps need to be addressed to meet the above business objective. HUB has created a comprehensive training program with three main training objectives: 1) critical computer application skills training in the Company's new "EPIC" system for all staff; 2) advanced sales training for sales professionals, and 3) insurance skills/knowledge training for insurance professionals.

HUB estimates it will spend over \$1M in new computer equipment as it implements a new automation system, EPIC, in 2015. EPIC will replace the Company's current agency management system, designed with built-in workflows, to streamline operations and simplify business processing. The successful implementation of EPIC will result in all offices being on the same platform to enhance the customer service experience and help control operating costs.

Further, new sales drive the Company's business and are responsible for its growth. Therefore, advanced sales skills and specialized insurance training is critical to retention of workers and the viability of the Company. To remain competitive and retain customers, staff must respond quickly to claim questions and guide clients through the claims process. Employee training in claims procedures will help address these needs.

Training Plan

All training will be conducted via class/lab as follows:

Computer Skills (55%): Training will be provided to all occupations. Trainees will learn the new EPIC system. Some trainees will also receive training in HUB's current Benefit Point and ImageRight software systems. Admin and Accounting Staff, Client Representatives and Client Consultants will also receive training in MS WORD and Excel (Intermediate and Advanced) to work effectively with current documents from clients, such as driver listings, vehicle schedules and location listings.

Commercial Skills (35%): Training will be provided to all occupations. Although sales professionals currently receive training in selling techniques, ETP training will include Advanced sales skills. Additionally, Client Representatives and Client Consultants will receive specialized training in new product knowledge and insurance to better serve customers and provide correct advice in regards to claim issues.

Continuous Improvement (10%): Training will be provided to Sales Associates, Client Consultants and Supervisor/Managers based on job functions. These trainees will be provided with communication, customer service and leadership skills to improve communication and leadership abilities of staff.

Retrainee - Job Creation

In support of Job Creation, the Panel is offering incentives to companies that commit to hiring new employees (higher reimbursement rate and a lower post-retention wage). Trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

As a result of its aforementioned expansion into new customer industry markets, HUB projects that its sales revenues will grow by 13% over the next two years. Respectively, HUB expects to hire approximately 60 full-time staff, of which 13 are included in this proposal (Job Number 2) to service its new customers.

Impact/Outcome

The training program will broaden trainee skills and knowledge. EPIC training in new workflows and processes will ensure HUB can continue to meet its client's needs. Educating its employees in industry best practices and state-of-the-art automation will enable HUB California to remain competitive and to grow its business, resulting in the hire of new employees.

High Unemployment Area

Approximately 43 trainees in this proposal work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company has four facilities in an HUA in the cities of Bakersfield (Kern County), Hemet (Riverside County), Santa Maria (Santa Barbara County) and Visalia (Tulare County). However, HUB is not asking for a wage or retention modification.

Commitment to Training

HUB spends approximately \$400,000 annually for training in California that includes new-hire orientation, sexual harassment prevention training, continuing education certification training, sales related training, systems-related training, and on-the-job training.

The proposed ETP-funded, mandated training outlined in this proposal is customized to meet HUB's current training objectives and is projected to increase and enhance its current training efforts. ETP funding will upgrade HUB's training program.

➤ Training Infrastructure

The Human Resources Administration Department in the regional office in Riverside will oversee the ETP training. The majority of the training will take place in 13 centrally located HUB offices across the State. Therefore, 13 management level HUB employees have been selected as education/training contacts, one for each group of offices where training will be conducted. These individuals will ensure that all training is captured and documented on the approved ETP class/lab attendance rosters. HUB will utilize a subcontractor for ETP project administration.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Training Funding Source (TFS) in Seal Beach assisted with development of this proposal for a flat fee of \$14,500.

ADMINISTRATIVE SERVICES

TFS will also perform administrative services in connection with this proposal for an amount to not exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

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

8 – 200

Trainees may receive any of the following:

COMPUTER SKILLS

- EPIC Application Skills
- Adobe
- Benefit Point
- Customer Relationship Management Skills
- ImageRight Application Skills
- Microsoft Office (Intermediate & Advanced)
- Kronos Workforce Productive Software Skills
- VoIP Application Skills

COMMERCIAL SKILLS

- Advanced Sales Skills
- Accounting Knowledge
- Benefits Insurance
- Claims Knowledge
- Commercial Lines Insurance
- Entertainment Insurance
- Marketing Skills
- Personal Lines Insurance
- New Product Knowledge and Updates
- Risk Management

CONTINUOUS IMPROVEMENT

- Conflict Resolution
- Communication Skills
- Customer Service/Satisfaction Skills
- Leadership Skills
- Problem Solving
- Team Building
- Time Management

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