



Detailed Lean Improvement Project Report

For the June 1, 2014, through December 31, 2014, reporting period

Agency name:

Utilities and Transportation Commission (UTC)

Improvement project title:

Improve Insurance Processing

Date improvement project initiated:

10/01/14

Summary:

The UTC improved the insurance verification process, resulting in reducing insurance-cancellation processing time from 60 days to 30 days.

Details:Description of the problem:

One of the commission's broad strategic goals is to increase public safety. The commission's Licensing Services division verifies that all for-hire transportation carriers maintain appropriate levels of insurance. In part, this helps to ensure the safety of Washington citizens on the roads.

When a carrier's insurance is about to expire, its insurance company notifies the carrier and the UTC. The UTC follows with a compliance letter advising the carrier its permit will be suspended by order in 30 days followed by cancellation in 60 days, if evidence of insurance is not provided. Household goods carriers receive an additional order to cancel its permit on the 61st day.

This 60 day insurance-cancellation process results in some companies operating without a permit or without insurance. The process also results in redundant work performed by staff who prepare compliance letters and multiple orders for each suspension, cancellation, or lifting of the suspension, depending on the circumstances of any given transportation company. Finally, each order created requires formal service to the companies, resulting in additional time and costs from our Records Center staff.

Description of the improvement:

Staff created a process that streamlined the insurance-cancellation process once notified that a carrier's insurance will lapse. By using lean methodology, the UTC:

- Eliminated the number of steps in the insurance verification process to shorten the time period that a carrier may be without insurance by 30 days.
- Reduced the number of orders served to carriers.

Specific results achieved:

- Transportation carriers without insurance are off the roads 30 days earlier. This results in safer roads to Washington citizens by removing carriers from the roads who have no insurance or permit.
- Reduced processing time by 30 days by eliminating suspension orders and lifting orders, going directly to cancellation orders.
- Reduced the total number of orders by 59% by eliminating 642 suspension orders and 267 orders to lift the suspension.
- Estimated savings – \$5,113 annually

How we involved customers or stakeholders in this effort:

Letters were sent to all regulated transportation carriers describing the process change and the resulting benefits. Staff was available by phone and email to answer carrier and insurance company questions.

Contact person:

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