

# Progressive insurance company

[Business](#), [Company](#)



1. 1 Progressive Insurance Company offers its services to over 10 million people, making it one of the largest auto insurance companies in the U. S. A. There are various initiatives devised by Progressive to improve service quality under the five dimensions of service quality which are following. Reliability: a. Progressive offers a high-tech method for calculating auto insurance premiums on a pay-as-you-go basis to perform the promised, customized and differentiated services. b.

Progressive group introduced Comparison Quotes: 1-800-AUTO-PRO, a technologically advanced auto insurance rate comparison-shopping service. c. A major innovation is Progressive's implementation of fast service. With immediate response, Progressive could do their things better and reduce cost in business. Responsiveness: a. Progressive's auto insurance policy is loaded with special features such as local response claims service, 24/7 live support and concierge level of claims service, without any additional fees. b. Progressive furnishes attractive discounts to their customers.

These discounts can largely benefit people, who are good students, mature drivers or have a good driving record. c. Progressive's innovative Gold Card could be broken in half, facilitating the exchange of information between drivers after an accident. Assurance: Progressive group offers auto insurance to all types of drivers. It respected for the customers and had effective communication with customers. Customers choose Progressive automobile insurance for its extensive coverage options, competitive rates and specialized claims service.

Empathy: a. Since its inception, Progressive has followed an innovative approach to auto insurance. For customers who were unable to pay one  
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annual payment, it allowed them to pay their premiums in monthly installments. b. Drivers who signed up for Autograph were offered an additional set of services that were unrelated to insurance. These service features, which included theft recovery, remote door unlocking, travel directions, low-battery detection, and emergency assistance help, were caring and sympathy to customers. Tangibles: . Progressive owned 350 local claims offices, which shared the information on the accident and customer through a centralized database, and 1400 IRV used for immediate response service. b. Progressive used Immediate Response Vehicles which were Ford vans outfitted with a desk, file cabinet, drapes, cell phones, generator, computer and printer, chairs, fax machine, and small refrigerator. The white vans, with the Progressive name emblazoned in blue, are tangible evidence of the care and service exhibited by Progressive. c.

In the Houston office, a team consisted of ten persons with five in the field doing Immediate Response and five in the office answering phones , dispatching agents, and processing long-term claims. 1. 2 There exist two initiatives which either address the service dimensions not tackled by Progressive or may further enhance the initiatives they have devised. a. Progressive could set up a department of service quality which is responsible for supervising the process of offering services, collecting the complaints of customers, and improving products and services from high quality perspective. . Progressive could attach more importance on human resource management through a comprehensive set of training, evaluation and incentive mechanism. Therefore, it is significant that stimulating claim representatives to work actively and newer reps to grow faster. 1. 3 a.

Autograph relied on GPS satellites, mapping technology, and internal computers to determine when and how much a vehicle was driven. This information was uploaded monthly to Progressive's database. b.

Progressive's ability to segment depended upon its sophisticated underwriting software, which allowed agents to set rates at finer levels than its competition. c. Advances in technology, particularly wireless technology and cell phones, made Progressive's leap into 24/7 service possible. d. IR system facilitated the seamless flow of information and enabled Progressive claims representatives to work up estimates immediately. e. Progressive's price segmenting consisted of data mining and extensive statistical analysis of customer behavior. f.

Claims representatives relied on their cell phones in the early days of IR calling dispatchers to relay data and retrieve coverage information from the claims center and the company's mainframe. 1. 4 Progressive Insurance has been selling reasonably-priced car insurance since 1937. They started by offering car insurance policies through independent insurance brokers. These brokers sold a variety of car insurance policies from various insurance companies. The initial policies were designed to provide insurance to consumers who were considered high-risk because of their driving record.

The company has grown significantly since 1937 and now offers a wide variety of car insurance policies to all consumers. Progressive Insurance's service oriented strategy has recreated the standard for how car insurance is sold and how claims are handled. --External customer Actions: Progressive enhanced customer satisfaction through various service manners. First, Progressive was one of the first insurers to enter the non-standard market, in <https://assignbuster.com/progressive-insurance-company/>

which it quickly became a dominant player. , to offer their services for high-risk customers.

Progressive's strength lay in its ability to finely segment its customer base. Second, a major innovation was Progressive's implementation of Immediate Response, which is one of the best ways to enhance customer satisfaction. Their mobile claims offices and Immediate Response Vehicles could verify information, soothe policyholders and expedite the claims process at the site of an accident. Third, Progressive's Comparison Quotes provided prospective customers who called Progressive's toll-free number with rates from Progressive and up to three competitors.

In such way, they provided the multiply choice for consumer to compare different insurers. Measurements: The amount of complaints and advices collected from customers should be seriously considered. Besides, questionnaires could help Progressive know the first-hand information about the degree of customer satisfaction. --Financial Actions: Progressive set aside portion of the premiums collected from policyholders to cover losses. They invested funds set aside for loss reserves, unearned premium reserves, policyholders' surplus, and shareholders' equity.

According to the Exhibit 2 table of Auto Insurance Costs and Profits, Progressive focus on cost reduction in several aspects including commissions fees, costs of operations, state premium taxes, and dividends to policyholders. Measurements: From Exhibit 5 table of Progressive Selected Financials, loss ratio, expense ratio, combined ratio could be necessary measurements for Progressive Insurance to understand the cost problems. -- Internal business operations Actions: Progressive's auto insurance was sold <https://assignbuster.com/progressive-insurance-company/>

through both dedicated and independent agents as well as directly to the consumer via telephone and Internet.

Meanwhile, Progressive made efforts on shortening the process of dealing with the customer request of car accident and other claims. Measurements: Progressive consequently set out to encourage policyholders to report accidents immediately. It instituted a Claims Reporting Index (CRI) that monitored how long it took a customer to report an accident. --Learning and growth Actions: Progressive had two simple operating principles: “ hire the best” and “ pay the most” for expressing employee satisfaction. They put their employees through crucible that is a highly competitive and challenging place to work.

What’s more, Progressive was willing to train new representatives to help them grow faster to be more experienced ones. Measurements: Progressive had the best people in the industry as measured by education, intelligence, initiative, work ethic, and work record. Progressive could also utilize Employee Satisfaction Index including data from employee survey, focus groups, absenteeism, and voluntary terminations. 1. 5 The company is customer-oriented and has developed new business practices that use information technology with a customer focus.

These IT practices are designed to provide high quality customer service and to create an environment in which the customer can quickly and easily purchase car insurance and handle their insurance claims. --Customer For external customer, purchase a boat or motorcycle policy on the Progressive website, customers can cut through the time and paperwork usually required to insure these vehicles. File a claim or manage the policy on Progressive <https://assignbuster.com/progressive-insurance-company/>

website, customers can file your claim and monitor the settlement without having to phone or write to a claims representative.

For internal customer, Progressive's claims representatives relied on advanced technology, particularly wireless technology and cell phones to shorten turnaround time in responding to urgent accidents. --Financial For IT services provided to external and internal customers, Progressive focused on both revenue and cost. Progressive absorbed the cost of installing in the policyholder's automobiles a GPS transponder, cellular communication system, and small computer as well as cabling and connectors (roughly \$500 per vehicle). Besides, IT services provided by Progressive attracted more customers and increased revenue. -Internal IT operations Progressive should focus on how to optimize IT operation. The seamless flow of information facilitated by the Immediate Response system enabled Progressive to work up estimates immediately. Progressive could take actions to reduce downtime through better database capacity planning. --Learning and growth Progressive was committed to technological leadership in an industry that was growing increasingly excited about employing technologies such as GPS and cellular modems for enterprise growth. Progressive should provide more technical trainings to administrators.