

The Source

Client Satisfaction Survey Yields Impressive Results

In 2008, the Client Satisfaction Survey yielded some tremendous results. Your feedback has been instrumental in helping us improve our service and processes to provide you with the highest level of client satisfaction.

According to Mark McElroy, president, Financial Institutions Division, "Exceeding our clients' expectations is a top priority. We are committed to providing them with a world-class customer experience at every opportunity." He adds, "While we saw a significant improvement in our scores over the course of last year, our goal for 2009 is to score perfect 10s in all areas. Some would say this is a lofty goal, but that's just how important our customers are to us. Simply being good just isn't good enough."

We have already made changes based on your feedback. For example, in January a Quality Improvement forum was established to ensure processes and procedures are consistent across all departments, while also providing the opportunity to share best practices. Additionally, the ihaveinsurance.com Web site has been redesigned to be more user-friendly. In a future enhancement, the site will no longer require users to have a letter reference code to gain access.

"We are very excited to serve our clients and continually exceed their expectations. 2009 is already off to a great start, and what we learn from this year's surveys will no doubt make us even better," McElroy says.

Arizona Associates Move to New Building

In March, more than 800 Balboa associates in our Tempe, AZ, office moved to the nearby Chandler, AZ, campus. The relocation allows them to work more closely together and provide our clients even better service.

"The new building features a state-of-the-art tracking mailroom and a floor plan that allows associates on the same business team to easily work closely together to better serve our clients," says Sue Hughes, vice president, Business Support.

To schedule a tour of the new facility, please contact your strategic account executive.

Upcoming Industry Conferences

Lender Processing Services Conference Orlando, FL	April 26 - 29
Fiserv User Conference Reston, VA	June 23 - 24

The Source is published three times a year by Balboa Insurance Group™ to keep you informed about the industry and Balboa's latest efforts on your behalf. Please let us know your thoughts and ideas by contacting your strategic account executive.

Area of Service	Q4 '08 Satisfaction Percentage	Q4 '08 Improvement from Q1 '08
Lender Services	96 percent	up 15 points
Sales	95 percent	up 4 points
Customer Care	93 percent	up 13 points
Tracking	91 percent	up 10 points
Claims	91 percent	up 6 points
Overall Satisfaction	91 percent	up 5 points

New and Improved Client Satisfaction Survey for 2009

Our Client Satisfaction Survey is an important way for us to learn how we are doing in areas that matter most to you and your business. This year, we have made improvements to the survey that will make it easier for you to provide your feedback. These include:

- Shortened survey
- Ability to provide more direct feedback
- A larger rating scale by which you can more precisely gauge our performance

You received our new survey in April. Thank you for your participation and we look forward to reviewing your responses.

Balboa Boosts Catastrophe Readiness

continued from page 2

season and significantly increase the size of our first response team." By hiring and training the staff in advance, Balboa can dispatch adjusters faster so they can focus on settling claims immediately following a catastrophe.

In preparation for the projected increase, Balboa is examining our current supervisor-to-associate ratio to determine if decreasing the ratio will further improve the claims process and customer service.

We will continue to provide updates about our catastrophe readiness plans, such as advances in processing claims, through Catastrophe Manager and other valuable sources, including our 2009 Catastrophe Preparedness booklet.

FROM THE TOP

Improving Our Operations to Provide Superior Quality and Service

In February, 2009, Balboa Insurance Group™ consolidated its tracking operations and customer



Mark Ulmer
Executive Vice President,
Operations

care units to better serve our clients and their customers. "With the recent retirement of Larry Driscoll, executive vice president, Customer Care, whose efforts have brought us this far, the consolidation seems like a natural progression of our longer-term vision," says Mark Ulmer, executive vice president,

Operations. "The merging of these two key business units will take us to the next level and continue our tradition of being top-notch in terms of quality and service."

By combining these two operations, Balboa will optimize its infrastructure and take advantage of resources from all levels and areas throughout the company. Ulmer states, "We've always been focused on continuous process improvement as well as teamwork. The new organization will not only continue to foster these values, but will better encourage ideas to flow freely."

New CPI Direct Repair Program Is a Win-Win for Clients and Customers

Since Balboa Insurance Group™ introduced our direct repair program a little over a year ago, our clients have begun seeing positive results. The program is intended to help our collateral protection insurance (CPI) clients and, more importantly, their customers in the aftermath of a collision.

According to Bonnie Hickmann, senior vice president, Collateral Protection Insurance – Auto, "Before direct repair, it was up to the lender to process

Moreover, this new structure will allow Balboa to focus on delivering the best customer experience possible. "Each year we've been able to increase our overall quality. We expect this trend to continue and look forward to providing our clients and their customers with the world-class service they expect and deserve," Ulmer adds.

In 2008, Balboa achieved/exceeded our established service level agreements (SLAs) as shown by the figures below. In 2009, it is our goal to achieve even higher results and increased levels of customer satisfaction for our clients.

282 Monthly SLAs On Average

181 contractual
101 self-imposed
Achieved 99.3 percent of contractual SLAs
Achieved 99.9 percent of self-imposed SLAs
Average SLA achievement = 99.6 percent

all payments made by Balboa on CPI claims. They also had to coordinate repairs with repair shops and make sure customers got their cars back in a timely manner. In turn, customers often had to make numerous phone calls to various points of contact throughout the repair process, resulting in frustration and sometimes a less-than-satisfactory customer experience." Through direct repair, Balboa

continued on page 3

ALSO IN THIS ISSUE

ClientSource™ Receives a New Look and Feel, Upgraded Functionality

Balboa Continues to Boost Readiness for Catastrophe Claims

Catastrophe Manager Web Site – a Tool for All Seasons

Earthquakes Pose Potential Threat to Portfolios

Client Satisfaction Survey Yields Impressive Results

Arizona Associates Move to New Building

Upcoming Industry Conferences



ClientSource™ Receives a New Look and Feel, Upgraded Functionality

Recent enhancements to ClientSource expand our tradition of continually improving both the form and function of our innovative technology. ClientSource remains a password-protected 24/7 online portal that houses multiple applications you use every day to manage your portfolio workflow processes quickly and accurately.

The most noticeable change is a consistent interface for all applications on the site, introducing one-stop accessibility to make your time online more productive. “The new navigation will also make training easier for our clients when they bring new people on board,” says Derek Gee, vice president of Information Technology, Service Delivery, Financial Institutions Division. “And we’re not done yet. We’re working to make further improvements to ClientSource in the coming months.”

“The changes to ClientSource are part of our ongoing commitment to technology and serve to make the online experience better for our clients,” adds Stephen Hunckler, chief claims officer, Central Claims.

One of the more useful features is the ability to perform one search across different applications: Claims, Images and RepoSource.™ Another change that represents a significant technology upgrade was made to the Contact Us feature. You are now able to send a message and attach a screenshot of the Web page you have a question about, so you do not have to enter detailed information about the page manually. Possible errors are reduced by eliminating the need to type in the information.

We have also tailored the home and communications pages so you can quickly access announcements, articles, bulletins

and other important information. You are able to reset your password, request a username and a temporary password, and update your phone number and address all online without calling Web support.

The Tools of ClientSource

ClientSource encompasses six applications that allow you to manage your portfolio quickly and easily. For your convenience, only those applications you have access to – based on your account – will be displayed.

Catastrophe Manager – Monitor the potential impact on your portfolio through detailed reports, maps and other tools to keep you apprised of catastrophes. (Specific to lender-placed hazard clients.)

Claims – Securely report claims and view current status.

Images – Get immediate access to images of insurance records, claims records, loss drafts, customer letters and other reports.

Insurance Tracking – Track letters sent to customers, and retrieve details on loan information, current and previous insurance and comments related to insurance activity.

Reports – View or print completed reports, generated on a regular basis.

RepoSource – View electronically uploaded appraisals, photos and related information. Once in the system, RepoSource claims are processed automatically. (Specific to auto risk mitigation clients.)

Balboa Continues to Boost Readiness for Catastrophe Claims

We are proud of our preparedness and response during the 2008 hurricane season, and Balboa Insurance Group™ is currently examining ways to improve and further reduce our claims cycle times during catastrophes.

For example, during last year's Hurricane Ike, we experienced record call volume. Yet, the average turnaround time was only 3.2 days from the date a claim was reported to the date of customer contact. Upon receipt of the inspection and scope of loss, we averaged 7.8 days from the completion of the damage report to closing the claim.

As of March 31, 2009, 94 percent of the 3,834 lender-placed hazard claims associated with Hurricane Ike have been closed. We saw significant improvements in our closing rate for Ike-related claims compared to the same point 22 weeks after previous hurricanes, despite a significantly higher volume of claims associated with this event. (See chart.)

“While we achieved better-than-ever results, we still have opportunities for improvement,” says Michael C. Marsh, vice

president, Claims Operations. “We continue to identify these areas, and we have the advanced technology and skilled associates to implement those improvements.”

After Ike hit last year, we significantly increased our staff of adjusters by 156 percent at four locations over five weeks. All while still providing comprehensive training for each adjuster. Yet, according to Marsh, “We’re currently analyzing ways to further increase staff in advance of hurricane

continued on page 4

Improvements in Closed Claims

Hurricane	Year	Total Claims (reported as of 16 weeks post event)	Percentage Closed (22 weeks post event)
Charley	2004	2,129	74
Jeanne	2004	2,256	75
Katrina	2005	5,593	50
Wilma	2005	5,079	62
Ike	2008	8,691	91

Catastrophe Manager Web Site – a Tool for All Seasons

In advance of the 2009 hurricane season, we have made enhancements to our Catastrophe Manager Web site, which provides 24/7 access to critical information about the impact of catastrophes on your mortgage portfolio. “The changes have been designed to refine the user experience and provide more robust information so lenders get the maximum benefits of the tool,” says John Meadows, senior vice president, Product Management.

The site includes detailed information, including data that is easier to analyze and understand. “This will give clients the upper hand in making informed business decisions for the next season,” says Eric Létourneau, senior vice president, Risk Management Analytics. These enhancements include:

Increased record download capacity – Clients can download up to 1 million records.

Enhanced technology – Additional hardware has been added for load balancing, resulting in better Web site performance.

Other enhancements to the site’s functionality include improved map rendering. When you are viewing properties

in your portfolio on a map, you can now deselect your portfolio, which allows you to zoom to another location on the map without having to re-render the view.

In addition to hurricane data, the site provides information on all types of catastrophes that can occur at any time during the year. “There is no one season for catastrophes,” Létourneau says. “We’re here to help support our clients year-round.”

Catastrophe Manager Tips

Following these tips now will help you maximize all the tools Catastrophe Manager has to offer when the next hurricane or other catastrophe occurs.

- Familiarize yourself with the site
- Review previous storms from the archives
- Generate sample reports
- View new enhancements

Send questions or comments to:

catastrophe_manager@balboainsurance.com

Earthquakes Pose Potential Threat to Portfolios

New research indicates that significant earthquakes occur more frequently than previously believed along the San Andreas Fault near the central coast of California. “A large earthquake along the San Andreas Fault could cause significant damage throughout the state of California and substantially impact our clients with portfolios in that area,” according to Eric Létourneau, senior vice president, Risk Management Analytics.

The dedicated risk experts at Balboa Insurance Group™ can model various earthquake scenarios and identify our clients’ potential financial risk and exposure. This

is especially important as the California Earthquake Authority (CEA) has identified that only 12 percent of homeowners have earthquake insurance. “Our earthquake exposure risk analysis is critical information our clients can use to minimize their exposure. It should be a fundamental component of their overall loss mitigation strategy,” says Létourneau.

If you would like to receive a no-obligation earthquake exposure risk analysis performed by one of our full-time, dedicated risk associates, please contact your strategic account executive.

New CPI Direct Repair Program Offers Cost and Efficiency Benefits

continued from page 1

and our nationwide network of repair facilities work with customers from the initial claim through the completion of repairs. This results in lower processing costs for clients and fewer points of contact for customers, creating an improved customer experience. With this program, customers have access to a nationwide network of pre-approved collision repair facilities, eliminating the need for an outside appraiser.

All in-network repairs are fully guaranteed by the repair facility for quality, fit and function. Additionally, because payments move directly from Balboa to the repair provider, the entire process is more immediate, resulting in a satisfied customer. And, even better, customers can get their cars back more quickly. “The entire repair process runs more smoothly when it goes through direct repair. Also, we can

reduce our clients’ processing expenses by assuming these responsibilities,” says Hickmann. In fact, Balboa may be able to reduce the number of repairable vehicle claims you have to process by 50 percent or more with the direct repair program.

Direct repair may offer another benefit as well – less repossessions. “Often we see customer claims on vehicles that were not repaired show up as repossession claims several months after the claims are paid. We believe that by guiding the customer through the repair process early, more cars will ultimately be repaired, reducing the risk that the vehicle will require repossession,” Hickmann adds. “There is a far better chance that the customer will continue making payments if he or she is driving a vehicle that is properly repaired and in good condition.”