

MEMORANDUM

State of Alaska
Department of Administration
Division of Personnel

To: Mila Cosgrove
Director, Division of Personnel

Date: February 1, 2006

Thru: Sarah Brinkley
Classification Study Manager

From: Diane Larocque
Human Resource Specialist

Phone: 465-3837

Fax: 465-1029

Email: Diane_Larocque@admin.state.ak.us

Subject: Consumer Complaints Specialist Study

Introduction

The Department of Commerce, Community & Economic Development (DCCED) Division of Insurance submitted a study request for the Consumer Complaints Specialist job class. The study request included an analysis of the work and a review of the current salary range. In addition, the division requested that consideration be given to revising the current job class title and establishing a new supervisory job class for this series.

History

In January 1977 the Consumer Complaints Technician (Insurance), SR 12 was established. Personnel, functional, and budgetary reorganization within the Division of Insurance created the need to establish a job class to assist insurance consumers with resolving complaints.

In May 1978, a little over a year after the initial reorganization, the role of the Consumer Complaints Technician evolved from the original intent and a request to re-evaluate the functions and salary range of the job class was submitted. The classification review resulted in revisions to the Consumer Complaints Technician that included a title change and salary range increase, and the Consumer Complaints Specialist, SR 14 was established.

Since 1978, there have been no revisions made to the Consumer Complaints Specialist job class.

Scope

The study consisted of three Consumer Complaints Specialists and one Insurance Analyst II who serves as supervisor. All positions are located within the Division of Insurance. The scope of the study included reviewing and analyzing duties, revising the class specifications, establishing a new supervisory job class, allocating positions, and conducting an internal alignment.

Contacts

The Director of the Division of Insurance served as the primary contact to provide information and feedback throughout the study process. All four incumbents were interviewed. Since three Consumer Complaints Specialists perform the same duties, they were interviewed together. The Section Supervisor was interviewed independently and provided information on her work as well as the work performed by subordinates.

Study Method

The Consumer Complaints Specialist Study was a small study, limited in both scope and number of positions. This allowed for a less formal approach in conducting the study. Rather than holding a formal planning meeting, the various milestones, expectations, and phases of the study were discussed telephonically with the Division Director. Updated position descriptions were submitted and received for each position. The work performed by the Consumer Complaints Specialists was researched, the position descriptions analyzed, and all incumbents interviewed. Class specifications were drafted and provided to the agency for review and comment. Conducting the test allocation session was not necessary since the study consisted of only two job classes and four incumbents. Following the agency's final review and agreement to the class specifications, positions were allocated using the new class specifications. The revised job classes were analyzed for internal alignment and the draft results were provided to the agency. Agency comments were received and taken under consideration, the study results were documented, and the study was implemented.

Analysis

In order to evaluate the positions accurately, the eight standard classification factors were used as the basis for analyzing the type and level work for each position. Using the eight factors helped to ensure proper allocation was instrumental in creating a new supervisory level, and was an important component in determining internal alignment. The classification factors included:

- *Nature, variety and complexity of the work*

The Consumer Services Section is in part responsible for regulating the insurance industry by responding to insurance inquiries and complaints. The Consumer Complaints Specialists facilitate the communication process between consumers and industry representatives. During this process, education is a large component of the job since Consumer Complaints Specialists provide clarification and information to both consumers and insurance industry representatives. The responsibility requires comprehensive review and analysis of complaints lodged by either side, gathering and evaluating evidence and contracts that are often complex and multi-faceted, and analyzing the insurance industry's response. Incumbents ensure statutory and regulatory compliance through the investigation and analysis of complaints. Mediation between parties occurs to help resolve complaints at an informal level. In cases where violations have been identified, detailed synopses of complaints filed against the insurance company are written and submitted to the Director.

- *Nature of Supervision Received*

Consumer Complaints Specialists work independently with supervisory assistance available if needed. Although the section supervisor implemented performance measures and may provide "spot checks" to ensure quality control, the expectation is that the Specialists exercise sound judgment and discretion to accurately perform all facets of the job.

- *Nature of available guidelines for performance of work*

While the manner in which a complaint is investigated or information is obtained may be left up to each specialist, the subsequent analysis and ability to determine compliance violations is dependent upon the incumbent's ability to accurately interpret and apply insurance contracts, statutes, and regulations. Although a variety of guidelines are available (i.e. Alaska Statutes and regulations, Attorney General Opinions, Federal Law, insurance manuals etc.), ultimately it is the skill used to analyze circumstances, evidence, and contracts against the guidelines coupled with the ability to make informed decisions based on evaluating the total body of knowledge that distinguishes this work as professional rather than technical.

- *Initiative and originality required*

The ability to analyze individual complaints, contracts, and circumstances from both the consumer and industry perspective, and the ability to successfully assist with disputes require that the incumbent develop and adapt methods, approaches, and procedures to facilitate understanding or effectively recommend action or resolutions for each unique case.

- *Purposes and nature of person to person contact*

Incumbents have contact with consumers, legislators, other agencies, and industry representatives to give and secure information, facilitate settlements through education, and explain governing statutes, regulations, policies, and procedures. Incumbents may also have contact with the Office of the Attorney General and Investigators to provide some peripheral assistance with violations or controversial cases. In addition, the work requires public contact during informational/educational presentations.

- *Nature of scope of recommendations, decisions, commitments and consequences of error*

Since the primary responsibility of the Consumer Complaints Specialist is to respond to insurance inquiries and complaints and provide accurate information to consumers and industry representatives, it is imperative that the information is accurate and recommendations are sound. Incumbents exercise judgment and discretion with little direct supervision or oversight. Incumbents may mediate between consumers and industry representatives to reach a resolution, and have the authority to hold the company to operate within the constraints of the insurance contracts and state statutes and regulations, thereby ensuring that consumers are treated fairly. Consequence of error may be that of a single consumer adversely affected financially by insurance policy violations, or the oversight of improper practices by an insurance company that may negatively affect many consumers.

- *Nature and extent of supervision exercised over others*

Consumer Complaints Specialists do not have supervisory authority over others.

- *Qualifications required*

Incumbents work with a broad range of complaints and apply technical knowledge of all insurance policies and lines. As such, experience working with the insurance industry, and knowledge of insurance practices for all lines of insurance are essential. While the probationary period allows a year to become proficient, minimum qualifications require at least some substantive insurance experience and industry background.

Based on the breakdown of information under each of the eight classification factors, the following determinations were made about the kind, type, and level of work performed by incumbents:

Kind of work (occupational group)

The primary purpose of the Consumer Complaints Specialists is to advise on and perform work related to business practices, and more specifically, work related to the regulation the insurance industry. As such, this job class remains most appropriately placed within the Business, Industry, and Land Management Occupational Group (P2XXX), and the Business Regulation and Compliance family (P23XX).

Type of work

The Division of Personnel Standard Operating Procedures (Section 7-III) describes technical work as being supportive of or associated with a professional field, and involving substantial elements of the professional work but less than full knowledge of the field involved. Professional work is described as analytical, evaluative, and interpretive. Professional work requires a depth of specialized knowledge of the field, and the exercise of judgment and discretion for the application of that knowledge. Close review and analysis of the work performed by Consumer Complaints Specialists reveals that the work is

professional rather than technical. The complexity of the work and the depth of knowledge regarding the insurance industry, insurance law, and rights of the consumer are beyond that which is expected of technical level work. Further, the analytical and evaluative nature of the work, the degree to which judgment and discretion are exercised, and the level of authority for ensuring compliance also supports the determination that this is professional work.

Level of work

Division of Personnel Standard Operating Procedures (section 7-III) identifies eight levels of work: entry, trainee, developmental, journey, advanced, lead, supervisory, and managerial:

- Entry level is defined by work assignments that consist of basic or elementary tasks and duties.
- Training and/or developmental levels involve the completion of a training plan and completion of well defined projects or portions of the work for the purpose of advancing the incumbent's training.
- Journey level work is the full working level whereby incumbents perform the full range of assignments, without close supervision.
- Advanced level work consists of unusual, difficult, or exceptional assignments that most often require modifying methods or techniques to complete.
- Lead level work includes responsibility over employees while performing the same work. Lead responsibilities are not at the level of full supervisory authority.
- Supervisory level work includes those positions which have full supervisory authority.
- Managerial level applies to those positions who are responsible for a major program which includes planning, organizing, and resource management.

Analysis of work indicates that the Consumer Complaints Specialists independently perform the full range of assignments and perform at the full working or journey level. Although incumbents may handle some unusual or difficult cases, the preponderance of work can be accurately identified as journey level.

While only journey level work was identified for the Consumer Complaints Specialists, the Division of Insurance also requested that DOP examine the supervisory position for proper classification. Currently allocated as Insurance Analyst II, the supervisor performs a dual role. The purpose of the position is to provide supervision for the Consumer Services Section of the division and perform advanced level complaint analysis and response by handling the most controversial and sensitive complaints. The Insurance Analyst II class specifications describe positions responsible for conducting professional research and analysis of factors affecting the sale and marketing of insurance. This includes reviewing, approving, or disapproving rates, rating systems and policy forms used or proposed for use in Alaska by licensed insurers. Further, the Insurance Analyst II is the developmental level in the series. At this level, incumbents continue to receive on-the-job training for the purpose of eventually performing at the journey level. Since Consumer Complaints Specialists are professional journey level staff responsible for regulating insurance companies through the investigation of complaints filed by consumers, and the incumbent exercises full supervisory authority for the section while performing advanced level work, continued allocation to the Insurance Analyst II job class is not appropriate. Having recognized the supervisory responsibilities and the performance of advanced level work, it was determined that establishing a Consumer Service Supervisor was appropriate.

Internal Alignment

The salary range of a job class is determined based on the internal consistency within the state's pay plans, in accordance with merit principles, with the goal of providing fair and reasonable compensation for services rendered and maintaining the principle of "like pay for like work". In evaluating internal consistency the difficulty, responsibility, knowledge, skills, and other characteristics of a job are compared with job classes of a similar nature, kind, level in the same occupational group and job family or related job families. The Consumer Complaint Specialist job class is located within the Business

Regulation and Compliance Family (P23XX), and the job classes used as comparisons were primarily located within this family. However, since the number of comparable job classes in this family was limited, to ensure full compensatory consideration, positions outside this family that share similarities in duties and characteristics were also considered in the analysis.

The salary ranges for the Consumer Complaints Specialist and Consumer Complaints Supervisor were compared to technical, professional, and supervisory job classes in the Business, Regulation and Compliance family (P23XX), Social Work and Public Assistance family (P41XX), Special Social Service family (P42XX), Legal family (P71XX), and Law Enforcement family (P77XX). The job classes initially selected as comparable to the Consumer Complaints Specialists were Insurance Licensing Examiner II (P2345), Business Registration Examiner (P2320), Insurance Analyst I (P2357) Insurance Analyst II (P2358), Insurance Analyst III (P2359), Regulations Specialist II (P2341), Investigator I (P7766), Investigator II (P7767), Investigator III (P7768), Loan Collection Officer I (P2113), Paralegal I (P7105), Paralegal II (P7106), Human Rights Field Representative II (P4206), Wage-Hour Investigator I (P4672) and Wage-Hour Investigator II (P4673). These are classes that share characteristics and duties similar to the Consumer Complaints Series such as:

- Collecting, researching and evaluating cases and the law as it applies to the situation.
- Examines, analyzes, and evaluates evidence procured to determine if a violation has occurred.
- The work requires review or analysis for compliance with governing statutory and regulatory requirements.
- Positions provide program information and education to a variety of audiences, and serve as a resource regarding legal, regulatory or consumer education needs.
- May involve public complaints, investigation, and resolution.

It was determined after closer analysis and evaluation that the job classes most closely aligned with the Consumer Service Specialist are the Regulations Specialist II (SR16), Wage-Hour Investigator I (SR16), Investigator II, (SR16), Paralegal II (SR16). These are journey level professional positions performing research, investigation, analysis, and interpretation in a specialty field. Assignments may require a broad understanding of the subject matter or program and is controlled by guidelines such as statutes and regulations. A primary purpose and nature of person to person relationships is to serve as a resource by interpreting contracts, providing information, or explaining governing policies. Higher level professionals are available to provide guidance and direction when unusual or sensitive issues arise. Allocation of the Consumer Service Specialist job class to salary range 16 is appropriate.

The job classes that most closely align with the Consumer Service Supervisor are Investigator III (SR 18) and Wage-Hour Investigator II (SR 18). These positions perform advanced level professional work and supervise subordinates who perform professional journey level work. Incumbents are responsible for handling the more sensitive and difficult matters. Allocation of the Consumer Service Supervisor job class to salary range 18 is appropriate.

It may be worthwhile to note that although the Insurance Analyst series appears to be closely related at first glance, closer analysis of the nature and scope of the work, as well as technical knowledge and level of analysis clearly distinguishes this work from the Consumer Service Specialists. Although both require technical analysis of the insurance industry, policy, and language, the work performed by the Insurance Analysts requires a deeper, more narrowly focused analysis while the work performed by the Consumer Service Specialist requires a broader knowledge and understanding of industry principles, practices, laws, and regulations. Although both perform analytical work, the difference between the nature and complexity of the work for both series is underscored by the presence of four levels of Insurance Analysts. The first two levels are training levels with the developmental level aligned at salary range 16.

The journey level of the series is identified as salary range 18, and Section Chief at range 20. For purposes of internal alignment, the Insurance Analyst series was not an appropriate consideration.

Conclusion

Two distinct levels of professional work were identified: journey and supervisory/advanced. The class specifications accurately define and distinguish the work and provide minimum qualifications that will provide a pool of qualified applicants. The request to replace Consumer Complaints Specialists with Consumer Service Specialist is approved. Consumer Service Specialists are appropriately placed at salary range 16. The Consumer Service Supervisor is appropriately placed at salary range 18.

The new class specifications and salary ranges are effective February 1, 2006.

ecc: Sam Thomas, Director
Administrative Services
Department of Commerce, Community, and
Economic Development

Management Services - General

Technical Services – General

Employee Records (Original memo and PD)