

SELLING VALUE

A Hot Prospect

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Successful independent insurance agents and brokers have long understood the importance of building a strong relationship with their customers. Because insurance pricing is somewhat standard across the industry, a good client relationship can sometimes mean the difference between keeping a customer and losing him to a name-brand insurance corporation.

However, with more agents turning independent, the power of strong client relationships is no longer enough to differentiate agents from one another. Why should customers keep coming back to one agent when he can find the same pricing and service from another?

Agents need to sell more than price; they need to sell value. By effectively leveraging value-added services, marketing strategies and technological resources, agents and brokers can differentiate their selling propositions and create enduring businesses relationships.

Value-Added Resources

Standout agents and brokers don't just provide a good policy; they also offer value, delivering support throughout a policy's lifetime. Try combining forces with the insurer to provide the following value-added resources:

- **Improved Customer Support:** Steer your clients toward carriers that offer dedicated customer support, automated certificate generation and other conveniences. You don't want the client relationship to break down because of poor insurer service.
- **Personal Service:** Post-loss, hire a claims consultant to represent the client throughout the claim process, which will eliminate much of the frustration clients often experience when forced to deal with multiple claims representatives.
- **Intimate Knowledge:** An insurer is too far removed from a particular insured to implement loss measures on an operational level. Agents and brokers, on the other hand, know their clients well and can recommend services tailored to their clients' specific needs.
- **Better Tools:** Agents and brokers can work with the carrier, as well as consultants, to provide their clients with behavior-based tools that mitigate risk. This includes everything from up-to-date employee applications and background checks to

advising clients to reduce concentrations of risk, which is especially important in light of new terrorism-associated risks.

These additional services may seem small, but they can mean the difference between a satisfied one-time customer and a customer who returns for all their subsequent insurance needs.

Market Strategies

With the high number of companies that have exited the property-casualty market or reduced their exposure, remaining insurers are implementing more diligent underwriting practices: just as the insured wants a reliable and financially solid company, insurers are seeking quality risks. Because an agent enjoys the unique position of knowing both the client and the insurance market, he or she can position the client's account in the market to optimize deal structures.

In some situations, a broker may face a potential or even a return client with a difficult risk to place. But what the broker might know, which is not immediately obvious in a submission, is that the losses were anomalous, their cause has been remedied or the exposures are well controlled. In other words, the client is no longer a risk in person, even if he seems one on paper.

If the agent has a good relationship with a particular carrier, he may be able to work with that carrier to create a deal structure that comes to terms with that particular risk. The smart broker then can leverage his or her place in the market and turn what seems like a bad risk into a satisfied client.

Technology

In the last few years, as technology becomes more prevalent, many companies have capitalized on technology to automate and depersonalize customer relationships. The savvy agent knows, however, that technology should not be used to replace service, but to augment value.

Technology can save time, but it can also help brokers and agents know their customers and provide better service.

- **Transmit Information:** Today's technology allows for ready access to critical information about potential clients and the insurance market. Use web-based systems to access information on a potential client and create pre-qualified leads in order to save time, money and crucial resources.
- **Stay Informed:** Technology allows producers to stay abreast of the latest information about exposures, such as new or pending legislation, new case law and regulatory changes, for example. By keeping your clients informed about new developments, you become a source of key information.
- **Manage Communication:** Contact management software allows agents to maintain important client relationships while building new ones. Use software such as Microsoft Outlook, FileMaker Pro or ACT! to build client relations, track and

send email, manage phone calls and to keep positive lines of communication open.

Agents and brokers need to remember that today's market is more competitive than it has been in decades. Successful producers take advantage of the resources available to them and leverage market offerings in order to build strong client relations and strong businesses. They sell competitively priced policies and offer excellent service, but they also provide something other agents don't: value.