PROFESSIONAL INSURANCE AGENTS

The Partnership

AGENCY RESOURCE GUIDE

TAKE THE QUIZ

INVOLVE YOUR AGENCY

INSTRUCTIONS & WORKSHEETS

3 STEP PROCESS:

Step 1 - Decide who needs to take the quiz
Step 2 - Each person completes the Q&A Form
Step 3 - Meet to discuss

Step 1 - Decide who needs to take the quiz

Take the "small - medium - large" approach. Either taken in steps (sm. med. lg.) or choose one or another as a place to start (sm. med. lg.)

- Small: Try it out with one or two employees. Since the survey involves individual's experiences with insurance this would most likely be PL CSRs or producers.
- Medium: Involving more people in the agency would help get the discussion going - especially if it includes both PL and CL staff.
- Large: Having everyone in the agency take the quiz and discuss the survey results can make it more about "agency culture" - what everyone share in common.

Use the Quiz Status Form on page 3.

Step 2 - Each person completes the Q&A form

Obviously, the first and most important rule is "No looking in the back of the book for the answers." If anyone has already gone online and taken the quiz, they can skip this step and go to step 3.

Another suggestion would be that each person take the quiz individually - not discussing their responses with others. That comes later, in step 3.

Copy and distribute the Q&A Form on pages 4 - 6.

Step 3 - Meet to discuss

This step could involve either one-on-one conversations or meeting as a group.

Use the <u>Discussion & Next Steps Form</u> on pages 7 - 9

First, everyone should have their own Q&A form in front of them.

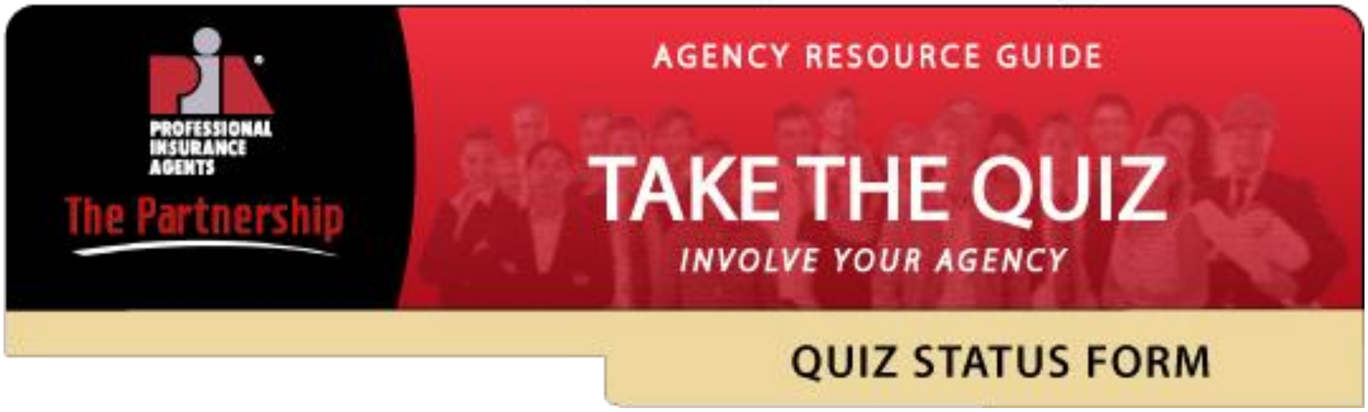
Then, distribute the **<u>Quiz Answers & Survey Key Findings</u> on pages 10 - 22** and discuss how the survey findings compare to their own answers to the quiz.

Next: Receive input based on the following general discussion points:

- Do they disagree with the survey's key findings?
- If so, why?
- Is the survey wrong?
- Are "their" customers different?
- Could the survey results introduce a different way of looking at things?
- Are there things they would like to change, supplement, or do differently...
  - For themselves
  - For the agency

List action items (takeaways from the meeting)

Consider which TOOLS & RESOURCES from our **http://AgencyTouchPoints.com** website could help.



INDIVIDUALS TAKING QUIZ	STARTED	COMPLETED	INDIVIDUAL MTG.	GROUP MTG.
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TAKE THE QUIZ

INVOLVE YOUR AGENCY

QUESTION & ANSWER FORM

Question #1

Prospects care mostly about price - not what we can do for them.

True or False? _______

Why do you say that?

In dealing with different customers, what percentage of the time could your answer go the other way? _______

Question #2

Customers don’t want or have time for coverage reviews.

True or False? _______

Why do you say that?

In dealing with different customers, what percentage of the time could your answer go the other way? _______

Question #3

The biggest advantage for people doing business with our agency is that we represent more than one company.

True or False? _______

Why do you say that?

____

____

____

____

____

In dealing with different customers, what percentage of the time could your answer go the other way? _______

Question #4

Customers believe that most personal lines home and auto coverage is the same.

True or False? _______

Why do you say that?

____

____

____

____

____

In dealing with different customers, what percentage of the time could your answer go the other way? _______

Question #5

Customers prefer to be left alone and pestering customers makes them go away.

True or False? _______

Why do you say that?

____
____
____
____
____

In dealing with different customers, what percentage of the time could your answer go the other way? _______

Question #6

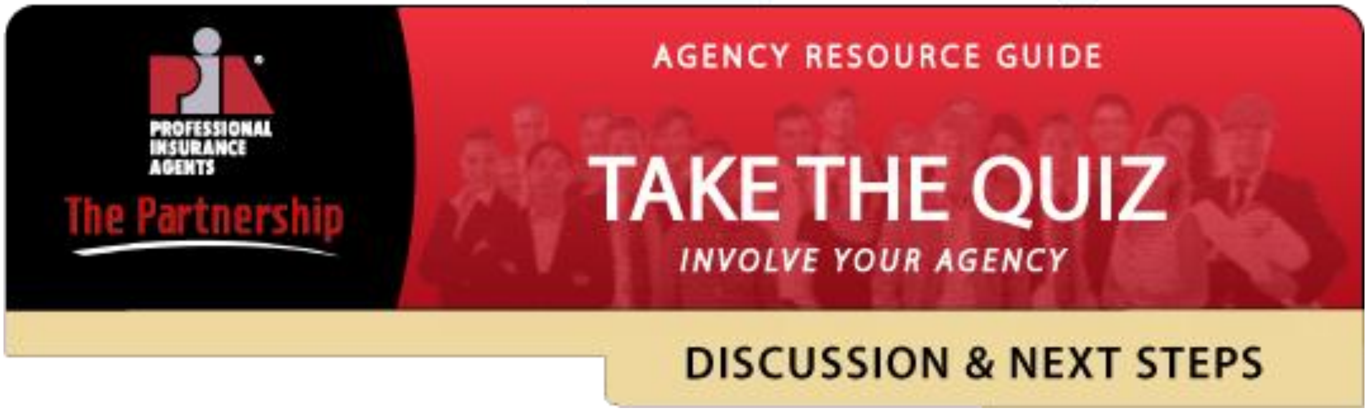
Customers don't want a sales pitch when calling for a quote or service.

True or False? _______

Why do you say that?

____
____
____
____
____

In dealing with different customers, what percentage of the time could your answer go the other way? _______



This step could involve either one-on-one conversations or meeting as a group.

First, everyone should have their own completed Q&A form in front of them.

Then, distribute the <u>Quiz Answers & Survey Key Findings</u> document on pages 10 - 22 and discuss how the survey findings compare to their own answers to the quiz.

Next: Input and general discussion points.

- **Do they disagree with the survey's key findings?**

  ____
  ____
  ____

- **If so, why?**

  ____
  ____
  ____

- **Is the survey wrong?**

  ____
  ____
  ____

- **Are "their" customers different?**

  ____
  ____
  ____

- **Could the survey results introduce a different way of looking at things?**

- **Are there things they would like to change, supplement, or do differently...**
  - **For themselves**

  - **For the agency**

- **List action items (takeaways from the meeting)**

____
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- **Review the TOOLS section of our website for help**

  http://AgencyTouchPoints.com

QUESTION #1

True or False? Prospects care mostly about price - not what we can do for them as an agency.

The correct answer is FALSE.

While it's true that price is important, they need to hear about you first and not make their decision based solely on price. Consumers value the expert advice and research you undertake to provide the best rates and coverage to meet their needs. Not a commercial for your agency, but rather, that they can trust you to take care of them when it comes to insurance. In other words, what you are able to do for them in terms they understand and appreciate. Our research shows that in a world of websites and voicemail menus, customers want to be able to trust someone who will take care of them when it comes to insurance

Here is how customers rank the following in order of importance with regard to the individual or company they work with to provide their insurance:

With regard to the individual or company you work with to provide you insurance coverage, rank these factors in order of importance from 1 to 10.

RANK	IMPORTANCE TO CUSTOMER
1	Value in the rates they find for me
2	That they are taking care of me and my insurance needs
3	Trust in the person or company
4	Quick service response
5	They will "go to bat for me" when necessary.
6	Personal attention
7	They are able to offer me choices of coverage.
8	They provide me with confidence that I am making the right insurance decisions.
9	They are recommending sufficient insurance protection.
10	They are able to offer me a choice of companies.

IMPORTANT POINT: The top 3 items...
* Value in the rates they find me
* That they are taking care of my insurance needs
* Trust in the person or company

...were ranked an average of 28% more important than the other seven items on the list.

QUESTION #2

True or False? Customers don't want or have time for coverage reviews.

The correct answer is FALSE.

Actually, survey results show that customers care about coverage and rank "better coverage" as the top reason to choose between two policies of the same price. But it's also true that some agents MAKE TIME for coverage reviews and some don't. Our research shows that coverage reviews may, in fact, be more productive and profitable than other ways your staff may be spending their time. Customers care about coverage. That's why better coverage is a clear favorite in this survey question. When you make time for coverage reviews, you're giving customers what they're looking for, someone they trust who will take care of them when it comes to insurance. According to industry statistics, the average hit ratio for straight quoting over the phone is one in ten. Coverage reviews can be a much better use of time. Agencies report a positive impact on retention and incremental increases in commission.

Here is how customers rate each of the following in importance when choosing the insurance they will purchase:

If the price of two policies is nearly the same, which of these would cause you to choose one policy over another? (choose one or more)

ITEM MAKING A DIFFERENCE	PERCENT
Better coverage	71%
Lower deductible	64%
Better payment terms	46%
24/7 claims service	36%
Recognized company name	30%
Motor club or similar service	19%
Company recommended by agent	16%

IMPORTANT POINT: When asked the following...

If the price of two policies is nearly the same, which one of these would cause you to choose one policy over the other?

...71% said BETTER COVERAGE

Note: The combined average of other items chosen by customers is only 29%

QUESTION #3

True or False? The biggest advantage for people doing business with our agency is that we represent more than one company.

The correct answer is FALSE.

While it is important, it's not enough just to say that you are able "to offer them a choice of companies." Rather, as you can see in these rankings, from their point of view, what's important to them is that you deliver value in each of these areas. While you may understand that you can deliver this BECAUSE you can offer a choice of customers, they may not make that connection on their own.

With regard to the individual or company you work with to provide you insurance coverage, rank these factors in order of importance from 1 to 10.

RANK	IMPORTANCE TO CUSTOMER
1	Value in the rates they find for me
2	That they are taking care of me and my insurance needs
3	Trust in the person or company
4	Quick service response
5	They will “go to bat for me” when necessary.
6	Personal attention
7	They are able to offer me choices of coverage.
8	They provide me with confidence that I am making the right insurance decisions.
9	They are recommending sufficient insurance protection.
10	They are able to offer me a choice of companies.

IMPORTANT POINT: The top 3 items...

* Value in the rates they find me
* That they are taking care of my insurance needs
* Trust in the person or company

...were ranked an average of 28% more important than the other seven items on the list.

Rank from 1 to 6, in order of importance, the factors which give you the greatest level of trust and confidence in the individual who will help you make decisions when you purchase insurance.

RANK	BUILDS TRUST & CONFIDENCE
1	Provide value by finding good rates
2	They are taking care of my insurance needs.
3	I have confidence in their insurance knowledge and/or experience.
4	They demonstrate the ability to successfully address my insurance needs.
5	They make it a priority to tell me what I need for the right amount of insurance protection.
6	They offer me choices of insurance companies & coverage options.

Question #4

True or False? Customers believe that most personal lines home and auto coverage is the same.

The correct answer is FALSE.

Most customers DO appreciate differences in coverage.

As you've already seen, when customers are asked what would cause them to choose among policies, better coverage is the most frequent choice. If they perceive that there are differences and better coverage is important, meet their needs. It's not all about price.

If the price of two policies is nearly the same, which of these would cause you to choose one policy over another? (choose one or more)

ITEM MAKING A DIFFERENCE	PERCENT
Better coverage	71%
Lower deductible	64%
Better payment terms	46%
24/7 claims service	36%
Recognized company name	30%
Motor club or similar service	19%
Company recommended by agent	16%

IMPORTANT POINT: When asked the following...

If the price of two policies is nearly the same, which one of these would cause you to choose one policy over the other?

...71% said BETTER COVERAGE

Note: The combined average of other items chosen by customers is only 29%

Question #5

True or False? Customers prefer to be left alone and pestering customers makes them go away.

The correct answer is FALSE.

Actually, 69% of consumers want their agent to contact them when they have a suggestion to add or increase coverage if their policy is missing or has inadequate coverage. Eighty one percent of consumers want their agent to contact them when they have suggestions for ways to save money. Customers want to hear from you more than you'd expect. 73% of customers want to hear from you more often than just at renewal. They want to be able to trust someone who will take care of them when it comes to insurance.

How strongly do you agree or disagree with each of the following statements?

I want my insurance agent/co. to contact me when they have a suggestion for me to add coverage which I may be missing or increase coverage when I may be underinsured.

69 % Agree or Strongly Agree

I want my insurance agent/co. to contact me when my policy renewal date is approaching.

79 % Agree or Strongly Agree

I want my insurance agent/co. to contact me when they have a suggestion for how I could save money.

81 % Agree or Strongly Agree

How often do you want to hear from your current insurance provider?
The following shows the percentage choosing each:

19%	Monthly
32%	Quarterly
22%	About 30 days in advance of renewal
25%	At policy renewal
2%	Other

IMPORTANT POINT: The combined total of the top 3 choices is 73%

* Monthly
* Quarterly
* About 30 days in advance of renewal

Question #6

True or False? Customers don't want a sales pitch when calling for a quote or service.

Maybe...

But there's a difference between a hard sell (or even a soft sell) and helping customers identify the right coverage and price for their needs. Helping customers in ways they want to be served can bring in more revenue for the agency and more loyal customers. Customer service is about meeting customer needs. Asking open ended questions shows interest in your customer's needs, and demonstrates the value of your expert advice and counsel in providing the right coverage for their situation.

You can clearly see their needs and desire for proactive attention as you review our research survey's key findings:

Key Findings:

After good value, customers want to be able to trust someone who will take care of them when it comes to their insurance.

The fact that agents are able to offer them a choice of companies (and coverages) is not the most important thing. What's important is what agents are able to do for them.

If the price of two policies is nearly the same, they would most likely choose one over the other based on better coverage.

79% of customers want to be contacted by their insurance agent or company when their policy renewal date is approaching.

81% of customers want to be contacted when their insurance agent or company has a suggestion for how they could save money on their insurance.

69% want to be contacted when their insurance agent or company has a suggestion for them to add coverage which they may be missing or increase coverage when they may be underinsured.

67% of customers would like to receive contact from their insurance company, agent or agency every 6 months or less to inquire if there are any changes in their life or circumstances which could create the need for change or adjustment in their insurance.

63% of customers would like to receive contact from their insurance company, agent or agency every 6 months or less to conduct a general review of their insurance coverages and costs to find out if they are paying too much or lacking coverage they may need.

73% of customers want to hear from their current insurance provider more often than just at renewal.

85% of customers say it is either important or very important that you contact them by their preferred method.

NATIONAL CONSUMER SURVEY

Touch Points

The Voice of the Customer

PROFESSIONAL INSURANCE AGENTS

The Partnership

SURVEY KEY FINDINGS

The National Association of Professional Insurance Agents, through its work with The Partnership has conducted a new survey research project designed to explore consumer attitudes regarding their personal insurance.

This research has been designed to survey the broadest group of insurance customers available. For this reason, qualifications to participate in the survey focus on personal lines auto policyholders.

Qualifications for participation in the survey:

- Minimum age: 18
- Licensed to drive
- Currently own or lease a vehicle which is covered by insurance
- Either the decision maker or share the decision about their vehicle insurance provider

Two surveys were conducted online utilizing the "General Marketing Survey Panel" provided by SSI (Survey Sampling International, LLC).

The first survey collected 904 completed surveys from qualified participants between February 3rd and February 9th, 2011.

The second survey collected 915 completed surveys from qualified participants between March 18th and March 23rd, 2001.

Based on these results with the total number of personal auto policyholders set at 187,126,241, one can say with 95% confidence that the maximum margin of error is +/- 4 percentage points. This is the same level of accuracy typically cited by Gallup for their surveys.

The following demographic distribution of survey respondents tracks well with the general demographics of the US population:

- ✓ Male 40% / Female 60%
- ✓ Age distribution: 50% age 18-34 / 50% age 35-55
- ✓ Customers with current insurance in the following distribution systems:
  - Direct over the Internet
  - Direct via phone
  - Captive agent
  - Independent agent

✓ Geographical representation of individuals from every state (based on zip codes)

✓ Representative of the overall population in terms of:

- Marital status
- Children
- Employment
- Education
- Income

KEY FINDING #1

After good value, customers want to be able to trust someone who will take care of them when it comes to their insurance.

Consumers value the expert advice and research you offer to provide the best rates and coverage to meet their needs. Our research shows that in a world of Websites and voicemail menus, customers want to be able to trust someone who will take care of them when it comes to insurance.

Here is how customers rank the following in order of importance in response to the following question: **"With regard to the individual or company you work with to provide you insurance coverage, please rank these factors in order of importance from 1 to 10, where a '1' indicates the most important factor and a ‘10’ indicates the least important factor."**

CUSTOMER RANKING:

1. Value in the rates they find for me
2. That they are taking care of me and my insurance needs
3. Trust in the person or company
4. Quick service response
5. They will “go to bat for me” when necessary
6. Personal attention
7. They are able to offer me choices of coverage
8. They provide me with confidence that I am making the right insurance decisions
9. They are recommending sufficient insurance protection
10. They are able to offer me a choice of companies

Here is how customers rank the following in order of importance in response to the following question: **"Rank in order of importance the factors which give you the greatest level of trust and confidence in the individual (agent or company representative) who will help you make decisions when you purchase insurance from 1 to 6, where a '1' indicates the factor that gives you the greatest level of trust and confidence factor and a ‘6’ indicates the factor that gives you the least level of trust and confidence.**"

CUSTOMER RANKING:

1. Provide value by finding good rates
2. They are taking care of my insurance needs
3. I have confidence in their insurance knowledge and/or experience
4. They demonstrate the ability to successfully address my insurance needs
5. They make it a priority to tell me what I need for the right amount of insurance protection
6. They offer me choices of insurance companies & coverage options

KEY FINDING #2

The fact that agents are able to offer them a choice of companies (and coverages) is not the most important thing. What's important is what agents are able to do for them.

While it is important, it's not enough just to say to customers that you are able "to offer them a choice of companies (and coverages)."

Rather, as you have already seen in the previous two charts, this factor is ranked last in importance. From the customer's point of view, what's important to them is that you deliver value in each of the other ways they have ranked more highly. While you may understand that you can deliver value in all of these ways BECAUSE you can offer a choice of companies and coverages, they may not make that connection on their own.

This is why it is important to be specific and clearly advertise, demonstrate and explain to customers everything that you do for them and what you have to offer.

KEY FINDING #3

If the price of two policies is nearly the same, they would most likely choose one over the other based on "better coverage."

Survey results show that customers care about coverage and rank "better coverage" as the top reason to choose between two policies which cost about the same. If they perceive that there are differences and that better coverage is of primary importance, they are clearly saying they don't see insurance as a mere commodity and it's not all about price.

When agents demonstrate their value by helping customers make the right choices, they are giving them what they say they're looking for - someone they trust who will take care of them when it comes to insurance.

Here is how customers respond to the following question: **"If the price of two policies is nearly the same, which of these would cause you to choose one policy over another? (Select all that apply)"**

PERCENT	ITEM MAKING A DIFFERENCE
71%	Better coverage
64%	Lower deductible
46%	Better payment terms
36%	24/7 claims service
30%	Recognized company name
19%	Motor club or similar service included
16%	Company recommended by agent

Note: **71%** of customers chose "Better coverage."

The combined average of those who chose the other items in the list is only **29%**.

KEY FINDING #4

69% of customers want to be contacted when their insurance agent or company has a suggestion for them to add coverage they may be missing or increase coverage when they may be underinsured.

79% of customers want to be contacted by their insurance agent or company when their policy renewal date is approaching.

81% of customers want to be contacted when their insurance agent or company has a suggestion for how they could save money on their insurance.

The following chart shows the percentage of customers who either agree or strongly agree with each of the following statements:

I want my insurance agent or company to contact me when they have a suggestion for me to add coverage which I may be missing or increase coverage when I may be underinsured.	**69%** Agree or strongly agree
I want my insurance agent or company to contact me when my policy renewal date is approaching.	**79%** Agree or strongly agree
I want my insurance agent or company to contact me when they have a suggestion for how I could save money.	**81%** Agree or strongly agree

At first it seems surprising that 69% want their insurance agent or company to contact them when they have a suggestion for them to add coverage which they may be missing or increase coverage when they may be underinsured - especially since that will most likely mean additional premium.

But it does make sense in light of other survey responses which clearly indicate that "customers want to be able to trust someone who will take care of them when it comes to their insurance."

KEY FINDING #5

67% of customers would like to receive contact from their insurance company, agent or agency every 6 months or less to inquire if there are any changes in their life or circumstances which could create the need for change or adjustment in their insurance.

Here is how customers respond to the following question: **"How often like to receive contact from your insurance company, agent or agency to inquire if there are any changes in your life/circumstances which could create the need for change or adjustment in your insurance?"**

67%	15%	Monthly
	25%	Quarterly
	27%	Every 6 months
	30%	Just before my annual renewal
	3%	Never

KEY FINDING #6

63% of customers would like to receive contact from their insurance company, agent or agency every 6 months or less to conduct a general review of their insurance coverages and costs to find out if they are paying too much or lacking coverage they may need.

Here is how customers respond to the following question: **"How often like to receive contact from your insurance company, agent or agency to conduct a general review of your insurance coverages and costs to find out if you are paying too much or lacking coverage you may need"**

63%	14%	Monthly
	21%	Quarterly
	28%	Every 6 months
	33%	Just before my annual renewal
	4%	Never

KEY FINDING #7

73% of customers want to hear from their current insurance provider more often than just at renewal.

Here is how customers respond to the following question: **"How often do you want to hear from your current insurance provider?"**

73%	19%	Monthly
	32%	Quarterly
	22%	About 30 days in advance of renewal
	25%	At renewal
	2%	Other

KEY FINDING #8

85% of customers say it is either important or very important that you contact them by their preferred method.

Here is how customers respond to the following question: **"How important it is that your insurance AGENT/AGENCY initiate contact with you using your preferred method of contact?"**

85%	56%	Very important
	29%	Important
	13%	Neither important or unimportant
	1%	Somewhat unimportant
	1%	Very unimportant

