

## Educating Customers on Market Conditions Can Pay Off in Retention Rates

*Agents Offer Tips on Growth, Profitability in Today's Market*

EVERETT, MASS. — Independent agents have learned a lot of lessons in the three years since the COVID-19 pandemic began, including that growing their books of business and profitability are in reach — even in today's hard market.

Consumers are bombarded by daily TV ads from direct writer insurance companies, promising to save them money

and time when buying insurance. Internet giants, led by Amazon, have made buying products faster and easier than ever. Successful independent insurance agents need to get better at blending excellent customer service and sales to remain competitive.

For Greg Kline, owner of ASK Insurance in Stratford, Conn., relationship building is key as is acknowledging

that small agencies simply cannot compete with those companies and should not be trying to.

"It's a different market entirely," he said. "When I think about how we grow our agency and how to continue to evolve, I'm thinking more about the relationships that we can build in our local communities. I focus entirely on building those relationships and those centers of influence that are going to be sending us referrals. The more you focus on your centers of influence, the better you're going to do."

Taylor Haines, owner, Encompass Agency Inc. in Buffalo, N.Y., agreed that focusing on relationship building is the key to success. He suggested that agents focus on building relationships with customers and prospective customers by networking within the community and beyond to find ways to bring in new business. He has done that, in part, with multichannel marketing. "You need to be available the way your customers want you to be," he said.

Being in front of as many people as possible, earning their trust and proving your insurance knowledge is something that direct writers do not do nearly as



*(Left to right) Tom Lizotte, COO, SAN Group, served as moderator for a panel discussion with agents Taylor Haines, Jenish Thakkar and Greg Kline at the SAN Group's annual business meeting and conference.*

well as independent agents, according to Jenish Thakkar, owner of Thakkar Insurance Agency in Burlington, Mass.

## Taking a Profitable Business Approach

Property-casualty insurance is in the midst of a hard market cycle, making finding ways to achieve profitable growth more challenging.

Haines said that on average his agency quotes between 150 and 200 policies per month. One of the key strategies he has implemented to grow and remain profitable is to “clean up the underwriting up front” at the point of sale. Gathering answers to all of the questions at the beginning of the process creates efficiencies by having to service the account less later.

“Keep the underwriting tight up front. Get the customer where they need to be and move along. You’re saving yourself a lot of time, aggravation and cost by doing the correct job on the front end.”

Making sure business is placed correctly can save agents headaches later in the process. Equally important is knowing when a client is not a good fit for the agency. “You have to know when to turn somebody away. Not every piece of business belongs on your book,” said Kline.

Some pieces of business simply are not profitable, and it is okay to tell clients to turn to another agency for solutions.

## Retention Strategies

Given the volatility in the current market environment, agents may find themselves working harder to retain their clients.

Thakkar has found that reaching out to clients 45 days in advance of policy renewal has helped with retention rates. Additionally, she has encouraged clients to think about telematics programs to take advantage of discounts.

Customer education is playing a particularly important role this year as insureds are facing rate increases due to higher reinsurance costs, inflation, natural catastrophe events and ongoing supply chain issues.

“Where we’ve seen most of our success is simply explaining insurance to people, telling them how insurance actually works,” said Haines.

Few clients study the insurance market closely, so they may be surprised to hear that their premiums are rising even if they have not experienced a claim. “If you can explain to them up front that the costs of goods and the cost of labor are rising and what the losses from hurricanes in the south mean to the market, it will save you on the back end,” said Kline.

Educating customers at the point of sale can serve to set expectations, so that in six or 12 months, that initial conversation can be referenced. “Not everyone will remember, and of course, not everyone will care, but a lot of them will. I think it’s going to make it easier and soften that renewal increase and keep the relationship going because they are going to trust you because you’re telling them the truth,” said Kline.

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— Taylor Haines,  
Encompass Agency Inc.

## Lasting Effects of the Pandemic

Much has changed about the way insurance agents do business since the COVID-19 pandemic began. Thakkar opened her agency doors in early 2020. Although it was terrible timing in one sense because of the state’s shelter in place orders, it allowed her time to hone her business skills. Thakkar’s husband has been a life insurance agent for more than a decade, and she worked to cross sell products to some of his clients to help establish her agency.

Kline did not experience having to shut down his agency because it opened in 2021. The biggest shift for him was moving from a heavy personal lines focus to more commercial lines accounts.

Haines had been in business for seven years at the start of the pandemic, so his

agency was more established than the other panelists. He pivoted more toward a commercial lines focus as well to the point where his agency works with few personal lines clients now.

The other big change for Haines was developing social media strategies as a channel for sales. He believes having a consistent online presence is an important way to drive sales. He suggested that even simple posts about community events or agency initiatives can yield positive results.

Both Haines and Kline offered advice for other young agents who may be thinking about pivoting from a personal lines focus to a commercial lines focus. Haines suggested choosing an area of business that interests you. For example, if you enjoy getting your haircut, barber shops and hair salons could be a good place to start. A direct mail campaign could target these types of businesses in the local community as well as follow up with in-person visit. “Start small and slow,” said Haines.

By getting to know his personal lines clients better, Kline was able get referrals for business clients.

“A lot of your personal lines clients own businesses or have significant others or friends who do.” It works in reverse as well. Kline found that some of his landscaper clients have been able to introduce him to condo associations, which has helped him grow his book of business. “Your commercial clients will refer you out as long as you’re taking care of them.”

Kline added that people often spend time with like-minded people, which can be a great way to get referrals. “Store owners, landscapers, landlords — they all know other people in the same industry. So once you get one and have a good relationship, you can continue to build.”

## Investing in Technology

Although he does not consider himself to be terribly tech savvy, Kline does understand the importance of technology in building his agency. Basic approaches work best for him, and he relies heavily on Google reviews from customers who

have had good experiences doing business with his agency. When he sends a link to a Google review, his customers respond almost immediately.

Automated processes, such as drip campaigns and welcome, birthday and holiday emails, bring consistent touchpoints in reaching out to clients, noted Kline.

Having an active Facebook page and using as many resources from carrier partners as possible has helped Thakkar reach her clients. She has been pleasantly surprised by the response she received after posting her agency's grand opening photos online. "Some of the responses were from our clients, but some were from people I didn't even know. Many people commented on it and messaged me. It was great," said Thakkar.

Haines leans heavily into technology to automate as many processes as possible,

while balancing innovative tools with the human touch. He uses subscription based Software as a Service (SaaS) models to manage other software as well as multiple social media channels.

"Use the technology to assist you in doing your job. Don't let it do your job," said Haines. "Your human capital — your employees and yourself — are your best investment."

A virtual assistant has been a vital part of Kline's team for the past several months. The assistant handles one aspect of the business — advertising and marketing.

"Just because he's not sitting in our office selling insurance or a licensed agent or a customer-facing representative of the company doesn't mean he's not [an important] part of our team," said Kline.

Kline said he was initially reluctant to hire a virtual assistant, but when his business partner pushed for it, he

decided to give it a try.

"I didn't think it was going to be a great idea, but I was very wrong. Definitely keep an open mind to it. I think it's a great way to expand your agency."

## Using Data Effectively

The SAN Group has invested heavily in technology and would like to see its member agencies using data to make better business decisions and drive their business strategy.

Kline and his team carefully review automated weekly, monthly and quarterly reports to make sure they are on the right track. He wants to know the commission rates, loss ratios, how far away they are from a company bonus and which customers they should be targeting.

"If you're not looking at your data all the time, you're missing opportunities," said Kline. ■

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