


All hands on deck to weather Florida's ultra-complex market

<p>Blankit Insurance Group</p>	<div data-bbox="591 701 651 762"></div> <h2>AGENCY BACKGROUND</h2> <p>The seven-year-old agency is headquartered in Tampa, Florida, and writes a mix of homeowners and commercial lines business in the state, as well as in Connecticut and Virginia. The agency also handles a small amount of group benefits.</p> <div data-bbox="1377 709 1437 770"></div> <p>HOMEOWNERS</p> <div data-bbox="1385 827 1437 888"></div> <p>PERSONAL</p> <div data-bbox="591 953 651 1014"></div> <h2>WHAT'S UNIQUE</h2> <p>Before joining the insurance industry 10 years ago, Chris Orletski worked as a real estate agent and a stockbroker, during which time he went through the real estate crash in 2007 and the financial crisis in 2008.</p>
<p>FEATURING Chris Orletski, President</p>	
<p> FLORIDA</p>	
<p>AGENCY SIZE 3 EMPLOYEES</p>	



CHALLENGES

Florida has always been a challenging market, but as most people in insurance know, the state's current market conditions are exceptionally difficult. The agency constantly is being asked to shop policies, but competition in the private market has become almost nonexistent. About a quarter of Blankit's personal lines clients are now insured by the state-run insurer of last resort, Citizens Property Insurance Corp. The firm has had many tough conversations with clients who don't understand why there is only one option available to them.

Citizens' submissions are also much more time-consuming, as the insurer has strict underwriting guidelines and ever-changing requirements that must be met. At the same time, Citizens' commissions are lower than the private market, so the agency is losing money.

"This is our worst year in seven years, but we've been able to sustain and move through because we have been selective and smart in the decisions we have made," Orletski says.

"I don't know how many other agencies will survive through this. It's death by a thousand swords."

Florida's complex market presents unique challenges

- ! Non-existent Competition
- ! Strict Guidelines and Ever-Changing Requirements
- ! Increasing Turnover Rates

For the firm's employees, feeling like they are constantly delivering bad news and fighting an uphill battle has been very discouraging. Two employees have left in the last two years to pursue other opportunities, one of which was in a different industry altogether.



APPROACH TO HARD MARKET

The agency has had to be more selective about what business it will take on and decline accounts where it doesn't make sense to spend the time because the insured is price shopping when the only option is likely to be Citizens.

The Blankit team spends significant amounts of time communicating with every client about private market policy changes, Citizens' eligibility requirements and the depopulation process—which requires a lot of extra work.

As a result of the additional workload, the agency has had to cross-train employees so they can help with responsibilities they weren't doing before. "It's been all hands on deck," Orletski says.

The agency employees often have to remember to take a step back to look at the big picture and support each other. "We are all in this together and we try to keep a team approach—so not one person thinks they are drowning in the deep end," he says.

BRIDGING THE GAP WITH ALL HANDS ON DECK

GOING THE EXTRA MILE



- Spend Significantly More Time to Increase Client Communication
- Take Extra Steps to Educate Clients on the Complex Market

- Cross-training Employees to Ease the Additional Workload
- Emphasizing a Team Approach & Increased Internal Support



RETENTION AND NEW BUSINESS

The agency's retention rate has gone down from 96% to 82%, in part because of attrition from clients selling their homes and moving to other areas.

Orletski says they consistently go to bat to successfully resolve situations that arise for clients and help them understand they are not alone when it comes to insurance challenges—everyone in the state is dealing with it.

The agency has also tapped into outside resources from the Florida Association of Insurance Agents (FAIA) and the Trusted Choice Hard Market toolkit to solve complicated issues that come up for insureds.



“There are a lot of policy questions that have come up in the last year that have never come up before. We do the best we can and be as helpful as we can, but there are certain things that we haven't experienced yet,” Orletski says.

LOOKING AHEAD

The agency is in a holding pattern until the Florida market begins to see some relief from recent legislative changes designed to return carriers to profitability. But Orletski says he doesn't believe premiums will ever return to the level they once were. Still, he is optimistic competition may increase slightly after recent news that some private carrier financials have improved.

In the meantime, the firm will continue to go the extra mile for its clients. "Sprinkled in all the terrible things, we do hear from clients, 'Thanks for doing this,' and that definitely makes it worth it," he says.

