



**BIG i**

# Navigating the Hard Market

**HOW INDEPENDENT AGENTS ARE REACTING**

**AGENT SURVEY + REPORT**



# Survey Respondent Profile

## AGENCY SIZE

- 60%** have fewer than 10 employees
- 22%** have between 10 - 25 employees
- 18%** have more than 25 employees

## TIME IN INDUSTRY

- IN BUSINESS FOR ...**
- 52%** OVER 21 YEARS
- 19%** 11 - 20 YEARS
- 14%** 5 - 10 YEARS
- 15%** LESS THAN 5 YEARS

## LINES OF BUSINESS

- 70%** sell both commercial and personal lines
- 16%** sell personal only
- 14%** sell commercial only

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- 42%** in catastrophe-prone areas, 11% unsure

## Survey Methodology

► Sent via email to verified agents who downloaded the Hard Market Toolkit (selection of 2564)

► 225 responses - 8.5% response rate

## IMPACT ON AGENTS

**Independent agents are adapting to a hard market by finding new ways to add value to their customers and building strong relationships with carriers.**



# How are you handling these challenging times?



*“Reminding the team that we aren’t alone and reassuring them that it will get better at some point, at least I hope so! We now have a bell in the office for agents to ring when they write a policy, not matter how small the premium is, just trying to make the agents feel good about what production we do write.”*



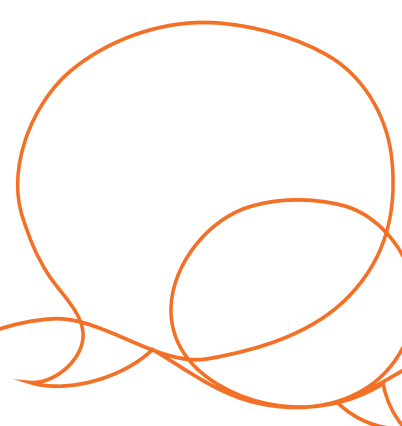
*“With laughter and lots of high fives; it is really frustrating”*



*“Just trying to make a living and survive”*



*“Trying to keep morale high, but I cannot keep employees. They are either unable to meet the metrics and quality standards we set, or ghosting us, or finding another job with more pay.”*





TRENDING WAYS AGENTS ARE ADAPTING



# Agents Are Rethinking How They Communicate

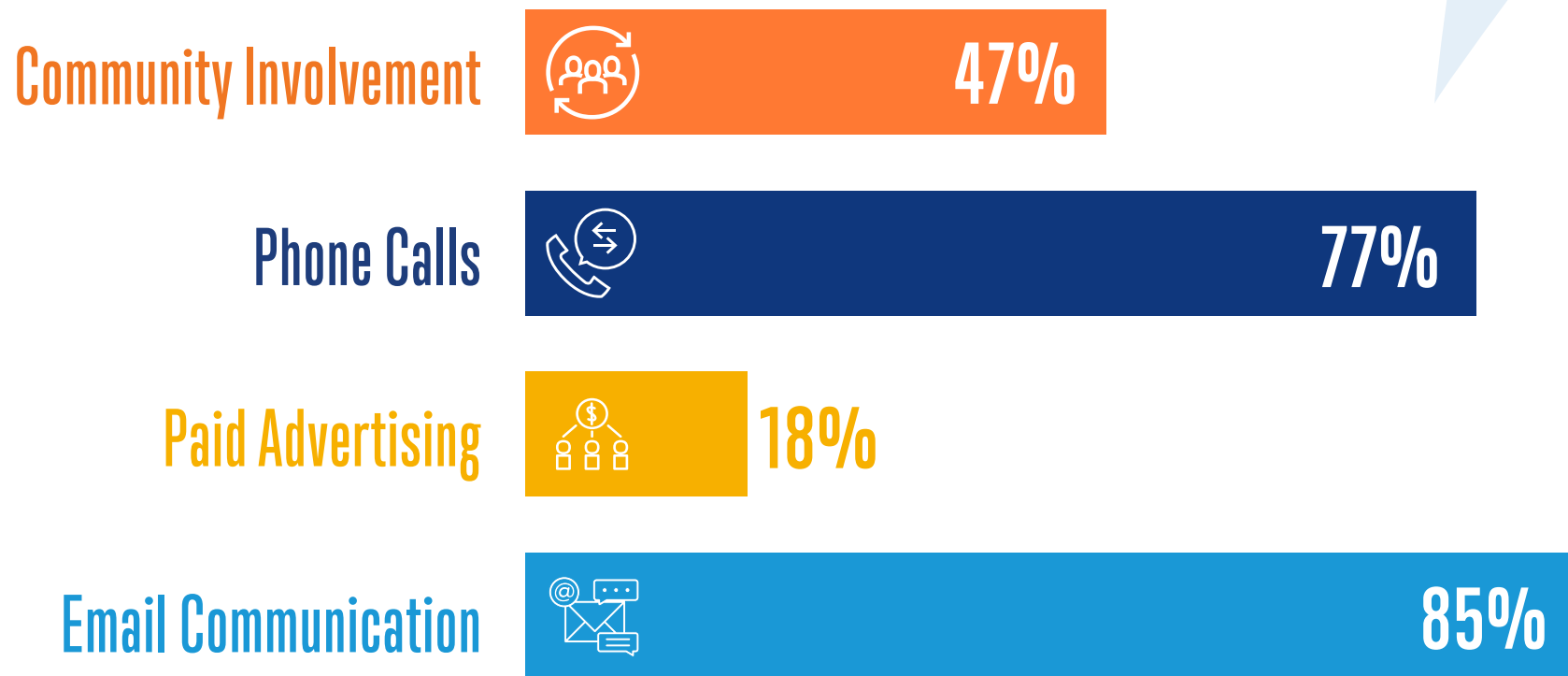




**have increased  
communication to  
policyholders**



# How have you increased your communication based on the hard market?






**75%**  
of agents have  
offered more  
educational  
content to clients



**57%**  
of agents have  
changed the tone  
of communications  
for the hard market  
environment





*This is your time to shine. You need to have a defensive and offensive strategy in your office – defensive in that you need to set up processes to retain clients. Your offensive strategy is to increase your marketing. In a disrupted market it is an ideal time to make sure you are very visible. Whatever strategies work for your agency – double down.”*

**– Michelle O’Connor, President**  
O’Connor Insurance Associates | North Carolina



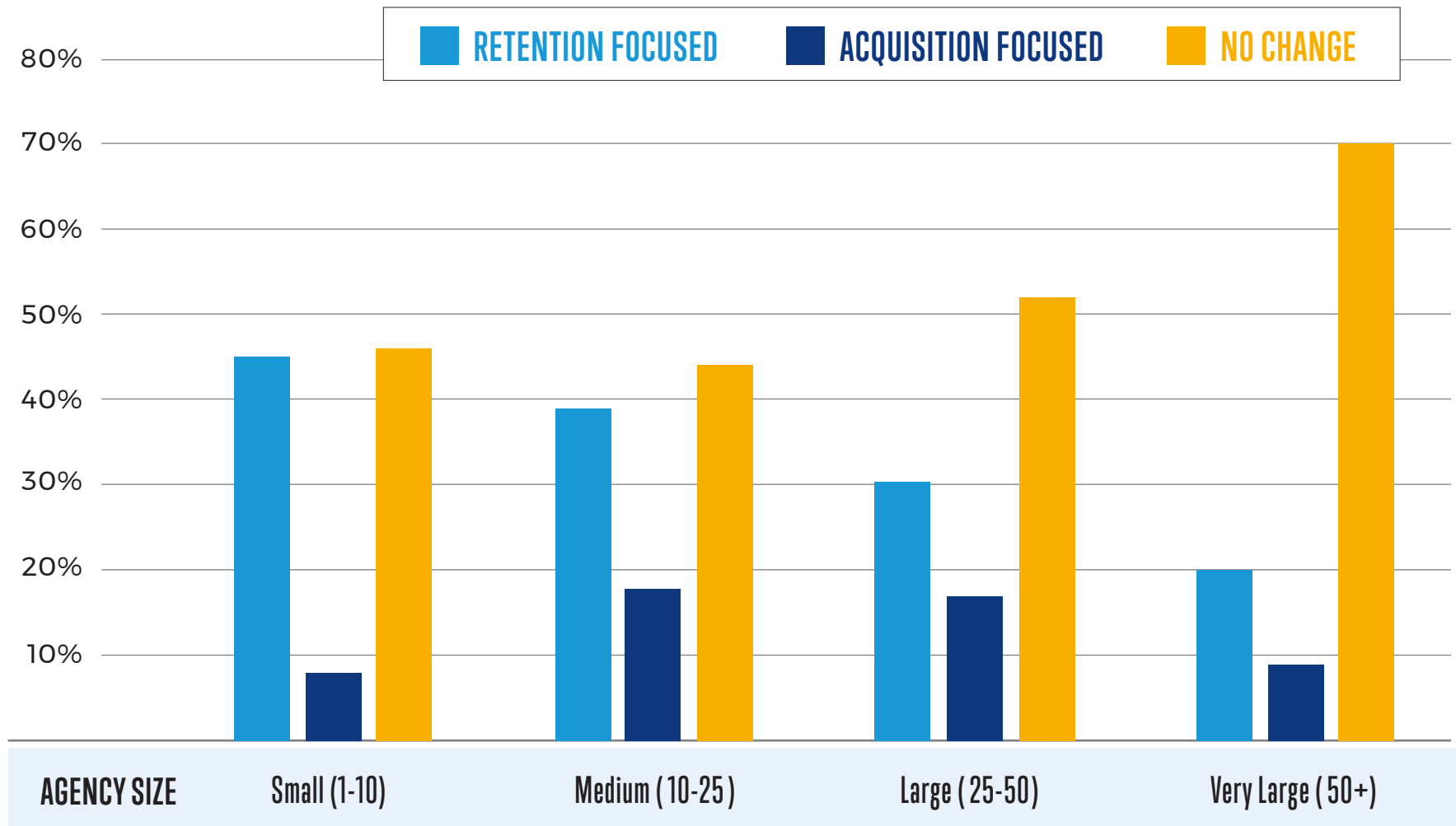




# Agents Are Focusing on Retention vs. Acquisition



# Have you shifted your focus? Retention/Acquisition?

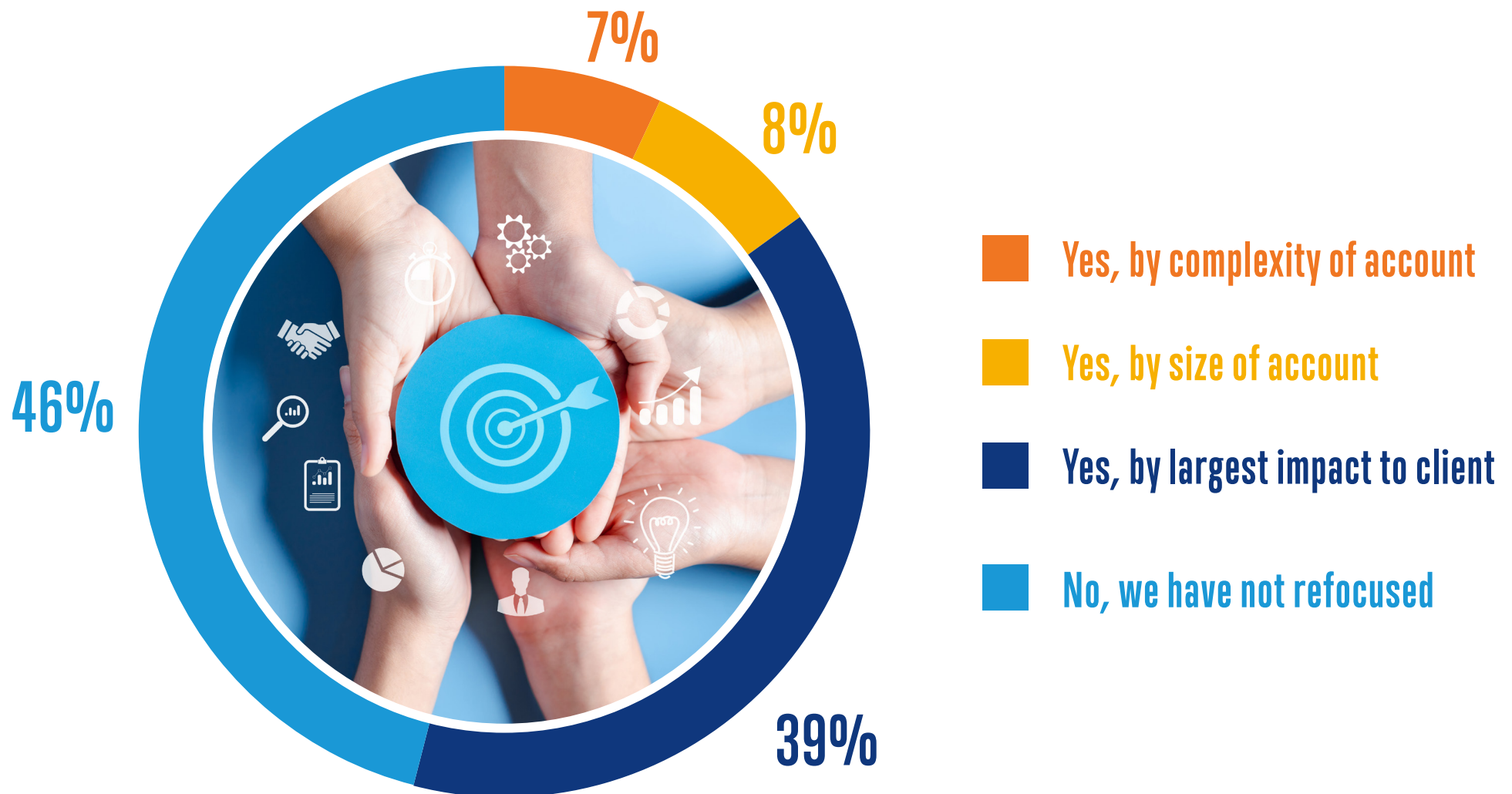




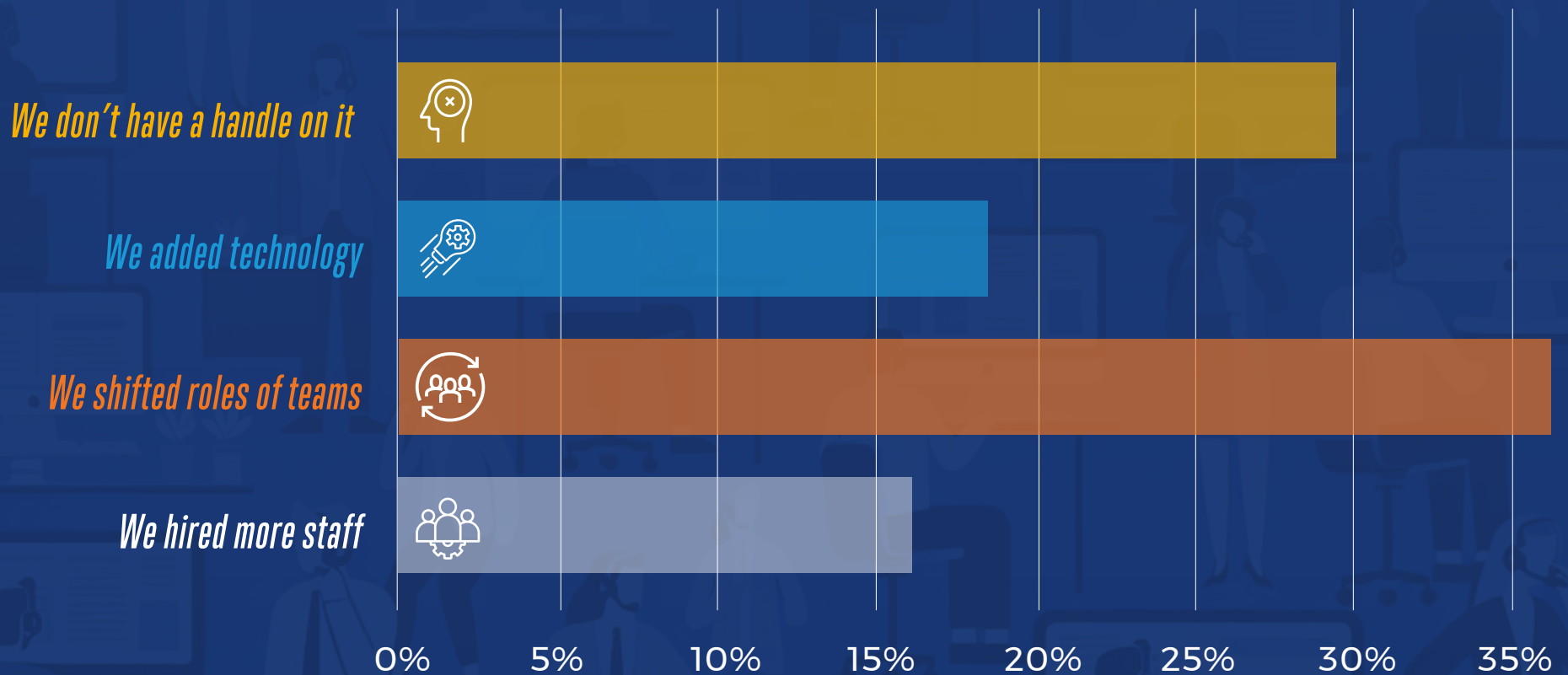
# Some Agents Are Seeking Internal Efficiencies



# Have you refocused your team to prioritize accounts?



# How are you managing increased demand or inquiries from clients during the hard market?





TRENDING WAYS AGENTS ARE ADAPTING



# Agents Are Thinking About Technology



# Percent of agencies that have added technology...



**32%**

**SMALL AGENCIES**

**(1-10 EMPLOYEES)**

**45%**

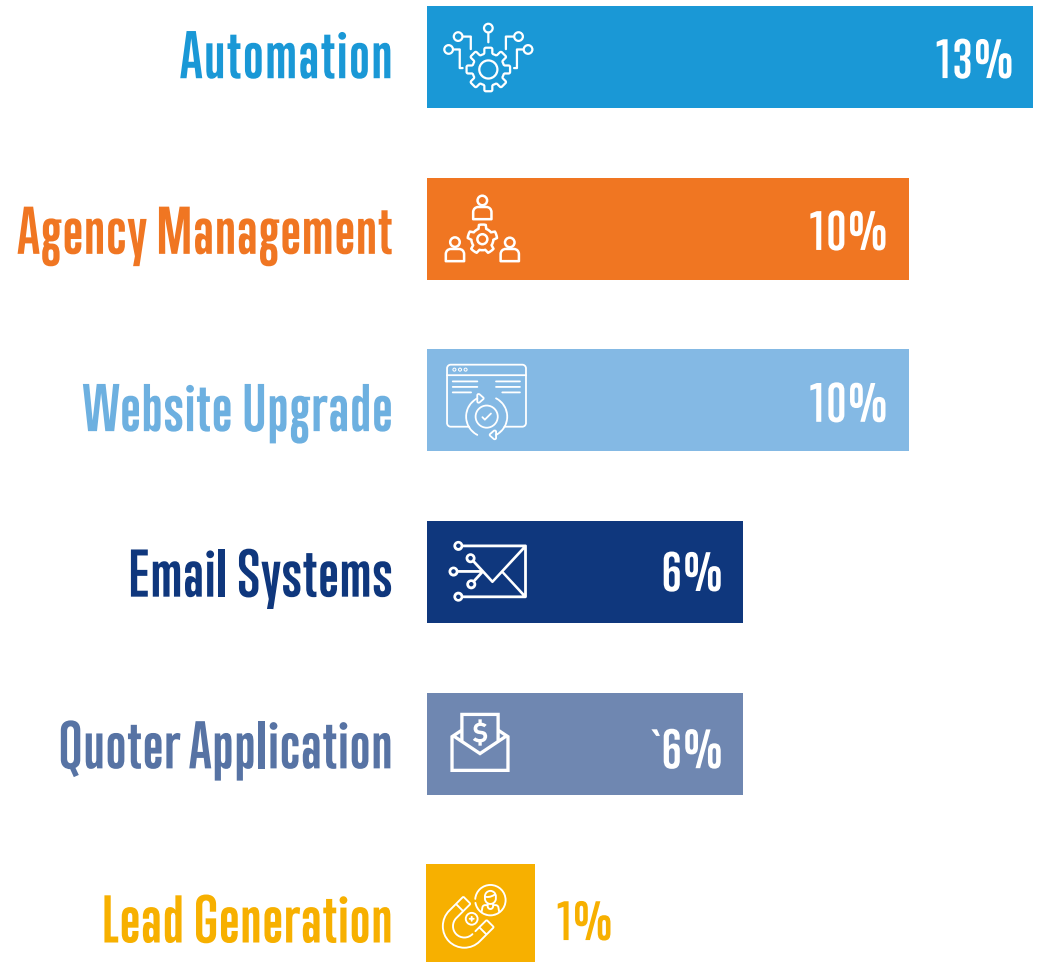
**LARGE AGENCIES**

**(25+ EMPLOYEES)**



# What types of technology have agencies added in this market?

Of agencies that have added technology, respondents mentioned these types:



# How has technology supported your agency in navigating the hard market?

*Technology has helped us automate processes that once demanded staff time.*

*Using our agency management system more – increasing usage and added a new CRM.*

*Just starting using Zoom.*

*Poorly! The more we computerize, the more work we have to do.*

*Using automated email messages for new and existing clients.*

*Can't think of a way it has helped us.*



TRENDING WAYS AGENTS ARE ADAPTING



# Agents Are Trying To Keep Team Morale High







*“We have team lunches everyday to ensure we’re on the same page as well as team incentives.”*



*“Recognizing that many of my staff haven’t been through a hard market before, we encourage our agents to talk about conversations with clients to continue to improve and learn from others via role play. As agency principals we have also given our team the power to ‘fire’ a client if necessary.”*

## **How are you maintaining team morale and motivation?**



*“Not at all. It hasn’t hit the sales agents that retention is more important than ever. It’s fallen on two licensed CSRs to do all the retention work.”*



*It is hard – and not going very well.”*



*“Keep the client’s struggles in mind when working with them. We have streamlined our platforms and carriers to work smarter and not harder. Offering incentive bonus to keep grinding. Introduced one team meeting a month where the primary function is for team building by having fun.”*



*“Small office with owner/agent and four employees. We talk every day and share our thoughts and info we find helpful.”*

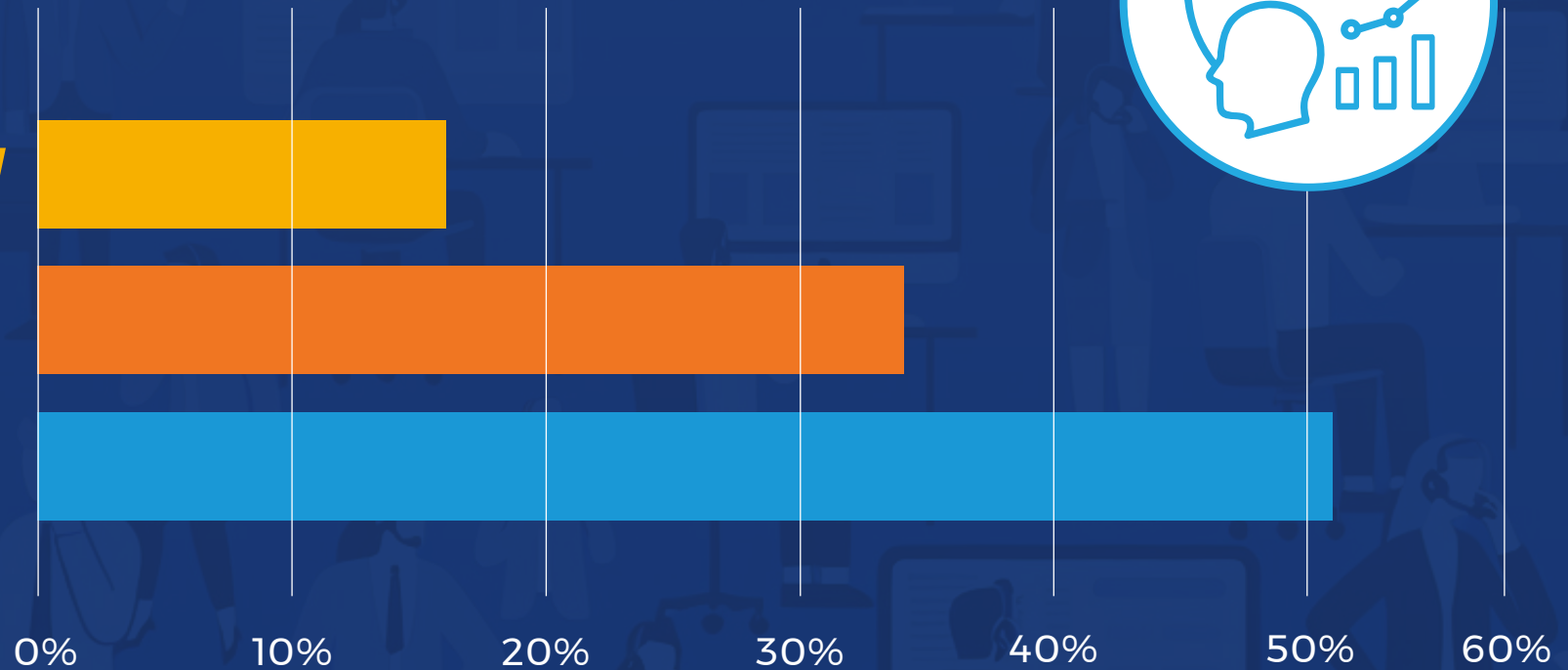
# Have you implemented new training initiatives to ensure your team is equipped to handle the challenges?



*We need some!*

*No...*

*Yes!*



TRENDING WAYS AGENTS ARE ADAPTING



# Agencies Are Thinking Outside The Box and Getting Creative



# Overcoming market challenges by providing innovative solutions:

## FOR EXAMPLE

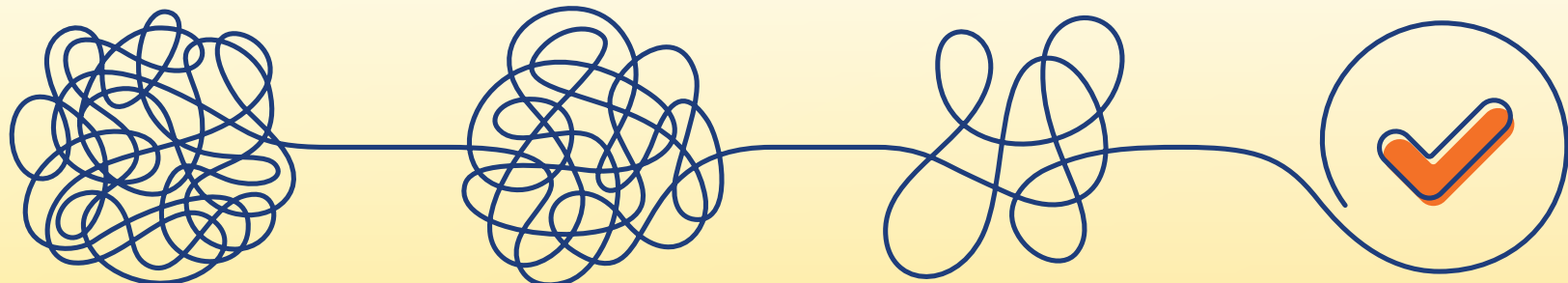
### CHALLENGE

An independent agent had a long-standing liquor store account that he wrote under a packaged policy through a single carrier. At renewal, the incumbent carrier changed its underwriting appetite, and, as a result, he could no longer offer a packaged policy.



### SOLUTION

Although it required extra work to place similar coverage in the current market, the agent used three different insurance companies to write the liability and property coverages.



# Evolving with the market



“

*Ten years ago, we could take a more consultative approach, with most clients just paying their premium and assuming their coverage was what it needed to be. Now clients come to us with a lot of questions.*

***They want to understand the increases, deductibles and changes in coverage. Most of all, they want to know how they can save money, and they ask us to remarket their policy much more often than they did in the past.”***





# Response to the hard market

*While remarketing a policy may seem to be the best path to lower costs, the agents know there are inherent risks. “When the primary motivation is saving money, we have to explain what they may be giving up just to save premium dollars.”*

“ We shift focus from what they’re paying to specific coverage concerns and what they may be giving up in exchange for a lower premium.”

*One outcome of changing to a new carrier can be home inspections that result in a list of required repairs for maintaining coverage. “That’s enough for most clients to keep coverage where it is,” says the manager.*

## CHANGING THE CONVERSATION

SHIFT THE FOCUS FROM

\$ Amount Clients are Paying

TO

Specific Coverage Concerns

What’s Lost with a Lower Premium

TRENDING WAYS AGENTS ARE ADAPTING

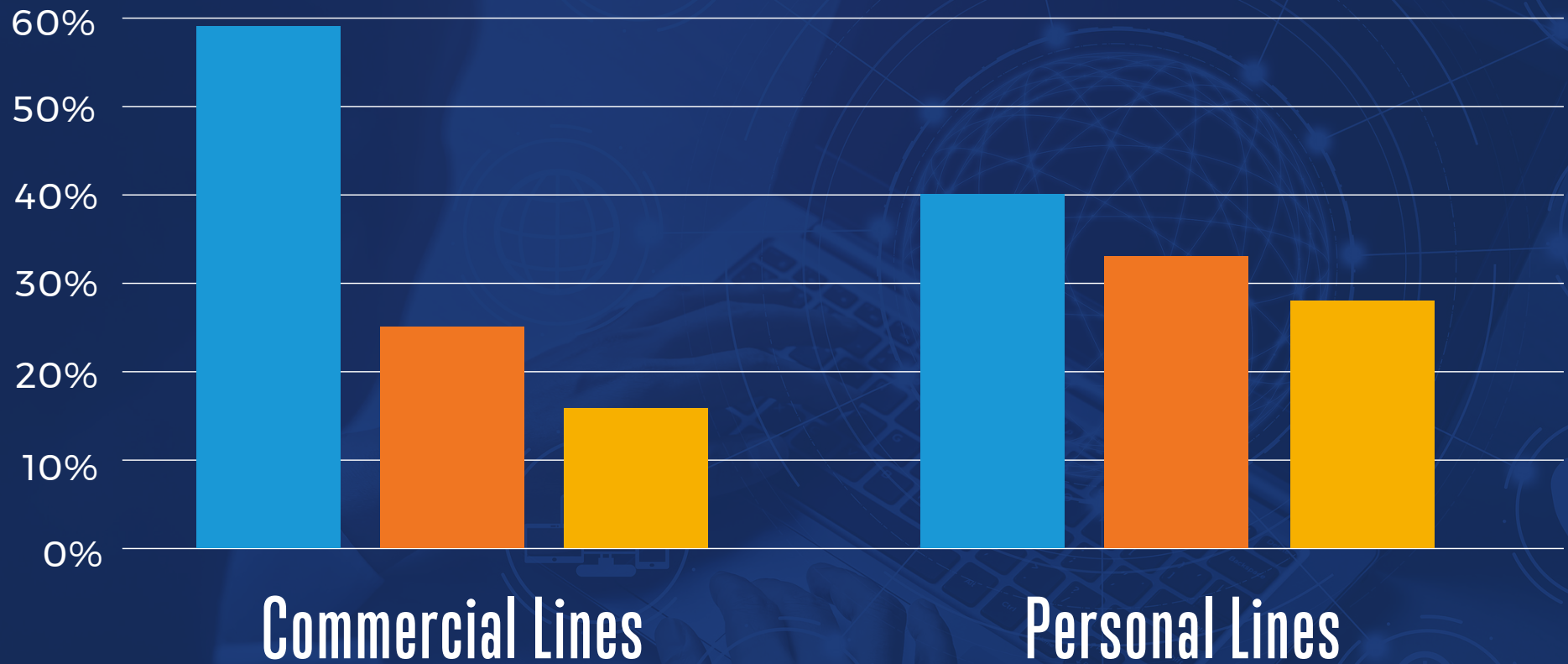


# Agents Are Thinking About Their Remarketing Strategy



# Percentage of clients being remarketed

## PERSONAL VS. COMMERCIAL LINES



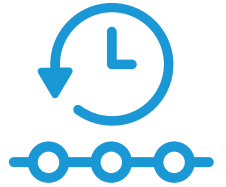
0% - 25%



26% - 50%



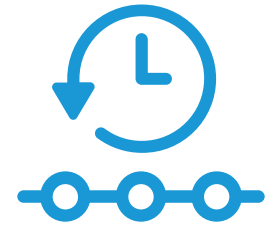
51% +



# Renewals Are Requiring Longer Timelines



# How far in advance are agencies working on renewals?



## Commercial

0-1 MONTH

1-3 MONTHS

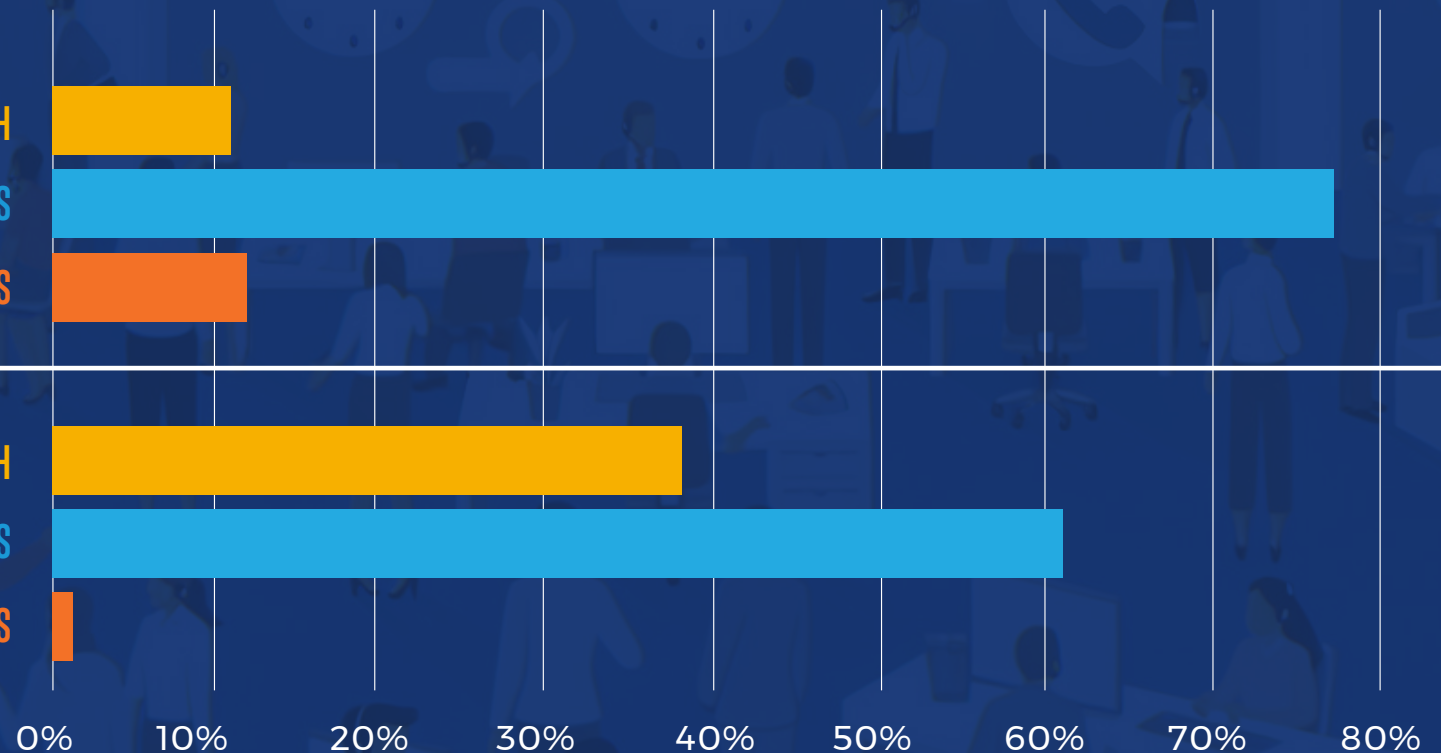
4+ MONTHS

## Personal

0-1 MONTH

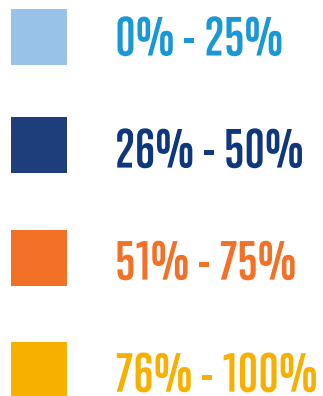
1-3 MONTHS

4+ MONTHS

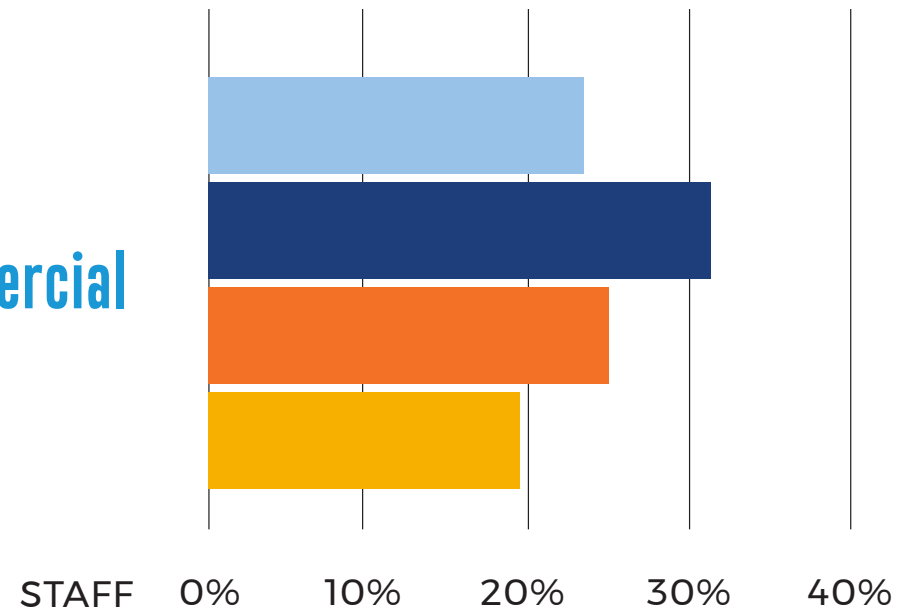


# Percentage of staff time spent working on renewals

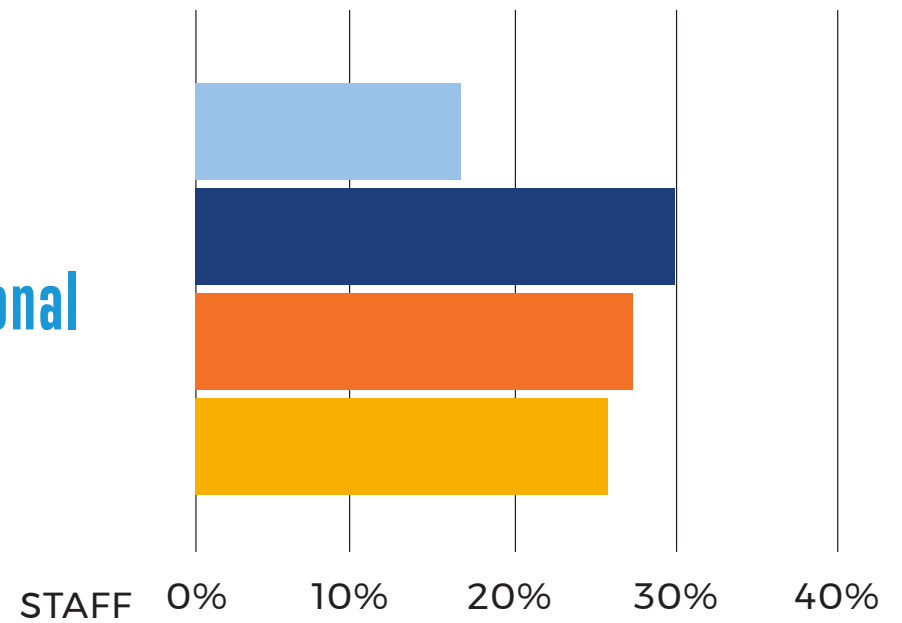
## PERCENT OF TIME

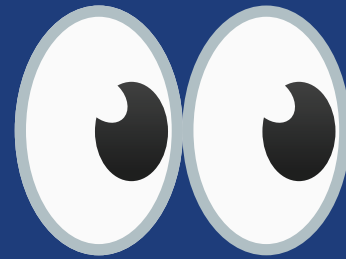


## Commercial



## Personal





# Looking Ahead





## EXPERT INSIGHT

# You can't get complacent.

One agent, Annemarie Westerfield, points out that the current market challenges have taught her that no matter how long you are in the business, there will always be the possibility of dramatic and drastic change. So, you can't get complacent.



*This market is reminding us how technical this business really is and how on top of things we really need to be. I think we lost a little bit of that in the soft market.”*





**For more resources visit:**

[trustedchoice.independentagent.com/hardmarket](https://trustedchoice.independentagent.com/hardmarket)

**CONTACT US FOR MORE INFORMATION:**

✉ [trusted.choice@iiaba.net](mailto:trusted.choice@iiaba.net)