

Hard Market Toolkit Expansion

Enhanced Communication and Retention Strategies



Hard Market Toolkit Update

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IMPORTANT DISCLAIMER: PLEASE READ BEFORE YOU USE THIS TOOLKIT.

This toolkit of sample communication templates (“Toolkit”) has been prepared for general information purposes only and should be tailored according to all legal, business or other requirements applicable. There shall be no liability in any way for reliance on or use of the resources in this Toolkit. This Toolkit is not intended to constitute and should not be considered legal or other professional advice, nor shall it serve as a substitute for obtaining such advice. If specific legal or other expert advice is required or desired, the services of an appropriate, competent professional, such as an attorney, should be sought.

INTRODUCTION

Welcome to the Hard Market Toolkit 2024 Update for Independent Agents

In today's rapidly evolving economic landscape, navigating the complexities of a hard insurance market has become increasingly challenging for independent agents. As several key economic factors continue to reshape the insurance industry, agents are faced with both obstacles and opportunities for growth and adaptation.

For independent agents, staying informed and agile is crucial. This toolkit provides you with the latest updates on market trends, economic indicators, and strategic insights to help you thrive in this challenging environment. Our goal is to equip you with the knowledge and resources needed to effectively navigate the hard market, support your clients, and sustain your business growth.

We understand that each agent's situation is unique, and our toolkit is designed to offer flexible, actionable insights that you can tailor to your specific needs. As the market continues to evolve, staying proactive and informed will be your greatest asset.

Let's embark on this journey together, armed with the tools and knowledge to succeed in today's evolving hard market.



SECTION

01

Hard Market Update

What is influencing today's hard market and the resulting challenges and opportunities for independent insurance agents.



State of the Market and Consumer Trends

From a pricing and coverage perspective, the property & casualty insurance market forecast is increasingly complex, influenced by higher repair costs for electric vehicles, the rising incidence of nuclear liability verdicts, the escalating frequency of catastrophic events and other elements.

How will these challenges impact the p&c industry's future?

A Look at the Lines

The hard market has not only been about pricing. Rather, claims exceeded forecasts, which led to operating losses. As a result, insurance companies exited certain lines of business, tightened underwriting and added exclusions. That left agents scrambling to replicate coverage options as best they could.

The impact was most severe in catastrophe-prone states and in certain lines of business, such as commercial trucking, where the frequency and severity of nuclear verdicts—jury verdicts in excess of \$10 million—were experienced.

Let's take a closer look at four key p&c insurance markets that are impacted.



NUCLEAR VERDICTS:
Jury Verdicts In Excess
of \$10 Million

4 KEY P&C INSURANCE MARKETS THAT ARE IMPACTED

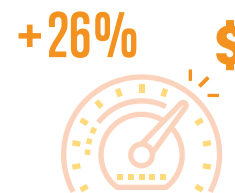


+ 14.6%

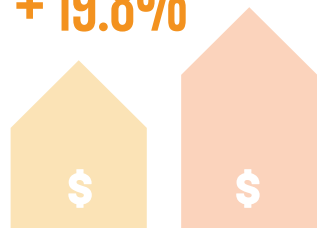
Excess & surplus: An important trend likely to continue is the growth of the nonadmitted market and excess & surplus (E&S) lines as agents need flexibility to place business with the coverage features their clients require. E&S premiums grew by 14.6% in 2023, which was on the heels of a 24% increase in 2022, according to the [Wholesale & Specialty Insurance Association \(WSIA\)](#). Commercial property and liability constituted \$51 billion of the \$73 billion in premium written in 2023.

Auto: Private-passenger automobile insurance represents one-third of all p&c insurance premiums, including commercial lines, according to the [Big "I" Market Share Report](#). Auto insurance attracts the most media attention due to its broad impact on consumers. It is a significant household expense, accounting for an average 3.41% of income across U.S. households, according to [Bankrate](#).

Auto premiums rose 26% from 2023 to 2024, according to Bankrate, with the average cost of coverage now \$2,543. Five states saw increases of more than 40%. While the rate of increase is expected to be lower for late-2024 renewals, most consumers will experience higher premiums at renewal.



+ 19.8%



Homeowners: Homeowners insurance rates rose significantly during 2023, with the average annual rate increasing by 19.8% between 2021 and 2023, from \$1,984 to \$2,377 [according to analysis from Insurify](#). The leading catalysts behind the higher rates were climate catastrophes and inflation and Insurify projects a 6% increase in 2024. But, due to catastrophe exposure, there are wide variations in pricing and consumers in catastrophe-prone states will see higher rates at renewal.

Commercial: Most commercial lines premium increases have been in the single digits in 2023 and through the first quarter of 2024, according to WTW's 2024 first-quarter ["Commercial Lines Insurance Pricing Survey."](#)

However, commercial auto liability and commercial property segments are still challenged and expect to see proportionately higher increases than other lines. Workers compensation and directors & officers insurance have been abating for the past two quarters. The rate activity has been choppy by line of business and agents should anticipate that trend to continue.



Current Economic Conditions

Following the pandemic, the U.S. economy, including employment and productivity, has made positive progress. In 2024, inflation has improved from peak levels, according to the Bureau of Labor Statistics' May 2024 [Consumer Price Index](#), although it still exceeds the Federal Reserve's 2% target.

This impeded the Reserve's ability to lower interest rates, straining household finances, especially when combined with inflation.

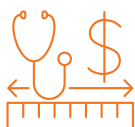
4 CONSUMER SPENDING TRENDS

Housing. The median home price in the first quarter of 2024 was \$420,800, according to the [Federal Reserve Bank of St. Louis](#), a significant increase from the median of \$329,000 in the first quarter of 2020. This translates into higher homeowners premiums.



Cars. The average price of a new vehicle is \$47,218, according to March 2024 data from [Kelley Blue Book](#). While new vehicle prices declined 5.4% from the market peak in December 2022, the increase in interest rates has raised the borrowing costs. Add in auto insurance increases and automobile ownership is eating more of a household's disposable income.

College. The high price of post-secondary education is rising. The average cost of attending college increased by 4% from 2023 to 2024, according to an [annual U.S. News survey](#). For students and graduates with federal student loans, the interest rates are the highest they have been in 10 years, as reported by [CNBC](#).



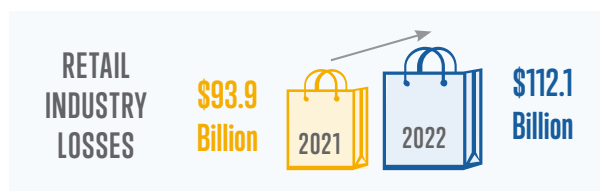
Healthcare. Already a large family expenditure, medical costs are predicted to rise by 7% in 2024, exceeding the 6% rise in 2022, according to [PwC](#).

Issues Impacting P&C Insurance

Although some aspects of the hard market are subsiding, challenges remain. Here are four areas that will continue to impact property & casualty insurance:

Social inflation: Social inflation describes how insurers' claims costs are increasing due to increasing litigation costs brought by plaintiffs seeking large monetary relief for their injuries. This ultimately influences the price of coverage.

Crime: Particularly in urban areas, so-called "retail shrinkage"—shoplifting, employee theft and return fraud—is plaguing businesses, resulting in closed retail locations and lost jobs in urban locations. Shrinkage accounted for \$112.1 billion in retail industry losses in 2022, according to the "[2023 National Retail Security Survey](#)" from the National Retail Federation, up from \$93.9 billion in 2021.



Updated catastrophe models:

More areas of the U.S. face perils of hail, flooding, higher temperatures, and wildfire. Catastrophes were one of the factors that led to a \$21.1 billion p&c industry underwriting loss in 2023, according to Verisk and [The American Property Casualty Insurance Association](#). Also, catastrophe models now include non-weather-related risks, such as terrorism and cyberattacks.



Increasing complexity of coverage:

Consumer advertising touts the ease of self-service while purchasing insurance; however, the knowledge gap grows as new risks emerge and carriers narrow coverage terms. More than ever, the consumer is unaware that, like icebergs, much of the value of insurance is below the waterline and not easily observed until there is a claim.

In light of this tenuous environment, the need for guidance from a professional, independent insurance agent—a Trusted Choice® agent—is greater than ever. Agents should never lose their empathy for a consumer or business owner facing tough financial decisions. Trusted Choice agents can help customers mitigate risk prudently without jeopardizing their financial stability.




SECTION

02

Selling Strategies in a Hard Market



Selling Insurance in a Hard Market

By: Kelly Donahue-Dino Agency
Performance Partners 

The hard insurance market has provided the world's greatest prospecting opportunity. However, with limited placement options, rising customer expectations and producers faced with splitting time between new business and retention, selling insurance has become an obstacle course.

Here are the core challenges for acquiring new business in the hard market:

- Reduced carrier appetites
- Slower underwriting
- Diverse business opportunities that are not all writable
- Overwhelmed team
- Split time between retaining customers and acquiring new customers

Even with these obstacles, this is a once-in-a-lifetime opportunity to train a new producer to cross sell insurance. The insurance agency just needs a long-term strategic plan to capitalize on this market.

For many years, an age-old debate has persisted in the industry: Is an agency a sales or service shop? There were very contentious arguments between the two types of agencies. Sales shops had little care for the client once sold, and service shops had anemic sales velocity.

But what if the agency focused on being a growth agency? Where the focus is on good, clean, stable growth from sales, retention and organic growth. Being a growth agency appears to be the most fun and stable option.

[Let's explore ways to become a growth agency](#) 



Revving Up Prospecting

With rates increasing, non-renewals and agencies scrambling to stay ahead and on top of renewals, now is the time to make the most of prospecting.

However, it should be noted that this is not described as the greatest selling opportunity. It is the perfect time to engage a new producer to set appointments for new business because there may not be another time when so many excellent commercial accounts are willing to consider a second opinion.

The biggest challenge agencies face in the hard market is a lack of time. Long-term producers are spending a great deal of time defending their books and are growing increasingly burned out because opportunities that would have been a slam dunk are now getting rejected. However, a new producer doesn't have a book and all they will know is this market. Imagine what they can do if they harvest expiry dates and build relationships when the market shifts.

For current producers, it is imperative to maintain designated time blocks for prospecting to avoid regrets when the market shifts. Generally, producers need to continue doing what they do best, getting out and making new relationships.

A sample [cold-calling script](#) has been included for agents to utilize in meeting new prospects.

Downloadable Resource:

Click to download a sample cold-calling script to utilize with new prospects.



COLD-CALLING SCRIPT



Building an Acre of Diamonds

While it may not be possible to assist with every new opportunity that comes up, there will be future opportunities to capitalize on from a list of vetted expiration dates. Of course, there is an intention to move forward with any feasible opportunity. However, the recycling opportunity should not be overlooked.



When the market shifts, opportunities will remain for agencies to harvest their acres of diamonds. The acre of diamonds refers to the expiration dates that can be nurtured for success. Think of it as planting little lead seeds.

To capitalize on building an expiration list, you will need:



- ▶ To identify clear expectations with the team on the prospecting requirements.
- ▶ A location to log and store expiration lists, such as an agency management system or customer relationship management system.
- ▶ A plan to stay in contact via phone, as well as automated email touchpoints.
- ▶ A written plan for when to reach out and what to say.

Consider reviewing the process pack on how to go back after past unsold quotes.

Don't overlook the readily accessible opportunities that may exist within the agency to build the expiration list:



- ▶ Qualified lost customers
- ▶ Unsold quotes
- ▶ Cross-sales
- ▶ Referrals
- ▶ Certificate requesters
- ▶ Cold calling
- ▶ Networking events

Downloadable Resource:

Click to download the Agency Process Pack



AGENCY PROCESS PACK

Prequalifying Your Leads

In a hard market, there are more opportunities in the marketplace but not everyone is qualified or worthy of agency expertise. To manage time efficiently, agencies must vet opportunities, focusing on what can be written and recycling and nurturing what cannot currently be written as a lead for the future.

Every agency should set a new business standard.

This empowers all team members to understand what to focus on and what to reject. In insurance, there are a lot of times when the answer is “it depends.” For example, if a VIP client refers a non-qualified opportunity to an agency, the agency’s standard should outline how this situation is handled.

A sample of agency standards for [personal](#) and [commercial](#) lines has been provided. In addition, it is recommended that agencies place their standards on the quote sheet to remind the team. It is important to note that agents who fail to follow these standards may face consequences, such as withholding commission.

Downloadable Resource:

Click to download a sample of agency standards for personal & commercial lines

 [Agency Standards • Personal](#)

 [Agency Standards • Commercial](#)



PRO TIP

Include your agency standards on the quote sheet to remind the team and note the consequences agents who fail to follow these standards may face.



Building Rapport



Building rapport and qualifying a lead can go hand-in-hand. Building rapport must be done before diving into underwriting questions. After all, agencies must sell themselves first and then proceed to underwriting.

Effective rapport building not only opens more opportunities but also reduces the likelihood that prospects will contact competing agencies. Too many agents dive directly into their quote sheet and overlook critical rapport and qualification questions.

Rapport-building questions should be positioned upfront on the quote sheet.

Here are some sample rapport-building questions that are highly valued:

- ❓ How did you hear about us?
- ❓ Why are you shopping your insurance today?
- ❓ Other than price, what is important to you in selecting your new agent?
- ❓ How many other agents have you contacted?
- ❓ Other than the policy requested, do you have any policies with other agencies?
- ❓ When and how will you be making your final insurance decision?
- ❓ When was the last time your insurance was reviewed or shopped?

Identifying Pain Points Beyond Price

Many sales agents work to find a pain point. Examples may include price, non-renewal or new exposure. In a hard market, the best plan of action may be an agent of record (AOR) or broker of record (BOR) agreement but agents must identify reasons other than price to compel clients to make a move

In addition, clients may need to pay more for their insurance to be accurately insured. By identifying pain points, agents can establish a reason to change agents even when the client may need to pay more.

Here are some common pain points clients may be experiencing with their current agent to consider:



- No proactive contact with prior agent
- Frustration with current point of contact
- Change of agency ownership or point of contact
- Claims experience
- Client workload from agent
- Lack of communication
- Unmet service expectations
- Consistent rate increases
- Mistakes

When agents can establish three of these pain points, it can confirm that moving agents isn't just about price, it's about making sure the insurance experience is excellent.

Clients for Life

Clients may be shopping for a policy that was non-renewed or increased in premium, but the goal is to acquire a client for life. When markets are tight and time is at a premium, every lead should be a “complete” client to qualify to work with the agency.

Too many agents leave money on the table by only quoting what the client requests. However, in this market, agents earn the right to look at all of their policies. There may be some policies agents may not want and that’s okay too! The opportunity to look at them is valuable.

Can agents quote four lines on every account? Think about it. If they can’t, is the lead qualified for the agency? While quoting may not mean that the client purchases the umbrella or life insurance, the prospect knows these offerings are available and agents can continue to work those opportunities at renewal.

This is a mindset where agents level up their expertise and earn a client for life. Agents can be coached that the account remains in an active sales cycle until they have all insurance with the agency and the client provides a referral.



Presenting the Quote

When agents quote a piece of business, they may come in higher, lower or not have any options other than a broker of record play. Therefore, how the quote is presented is incredibly important. Agents are encouraged to set up a video call quote presentation.

Of course, visiting the client is preferable for a larger commercial account. However, after COVID-19, it has been found that personal lines and small commercial accounts are far more comfortable on video calls. Clients don't have to show their faces but the team should! This certainly sets an agency apart from other agents clients may consult.

✓ **DO** Present the quote via video call – or in person if the client prefers

DON'T Absolutely do not email the quote without speaking with the client.

One absolute no-no is emailing the quote before speaking with the client. When a quote is emailed, the only thing the client tends to look at is the price and they'll decide if they ever want to speak with the agent again. The agent's job is to educate the client and part of that is walking through the quote with the prospect. A video call goes more smoothly when screens can be shared and the agent can walk through what is recommended.

Lastly, when presenting the quote, prepare at least two options, such as different coverage levels with the same carrier. This allows agents to demonstrate how a small investment can improve the client's coverage.



Asking for the Business

Emailing a quote makes it hard to ask for the business. After all the underwriting has been done, the quote is presented and it's time for agents to ask for the business.

Many agents default to offering to send the quote. But how about sending an application instead? The goal is to get a yes on the video call. From there, the application can be sent and coverage bound. Sending a quote can add extra steps to the process. More steps equate to a higher likelihood of deflection.

Two examples of excellent ways for agents to ask for the business:

Which of the two options provided is the best fit?

Would you like to set this up as pay-in-full or EFT?

Agencies should empower their team with a clear closing line and practice it. Many team members may find asking for the business to be pushy but it's not, it's honoring their time and hard work.



Overcoming Objections

Great sales professionals learn to embrace objections—it's a sign that the prospect wants to buy. Agencies just need to help them work through their perceived challenges. For this reason, agents must become adept at anticipating what objections they may face, clearing them out in advance, and working through them when they arise.

For this reason, the CENT Principle was developed:

- **Confirm** I understand completely.
- **Engage** You're on the same team.
- **Neglect** What would happen if we neglected this opportunity?
- **Teach** The best teachers ask questions.



Here is an example of how it looks in action:

CLIENT OBJECTION

"I am not interested in your quote."

Confirm *I understand completely.*

Engage *I know moving your insurance may seem a bit overwhelming.*

Neglect *However, I'd hate to see you spend more money and time on your insurance than you have to.*

Teach *In looking at the quote and coverage we provided, may I ask what it is about the quote you are not interested in?*

Top objections that agents may face and strategies to overcome them have been compiled in [this guide](#).

The hard market presents a selling opportunity that is unique and different from what sales professionals are accustomed to. But different isn't bad. It means that professionals must be nimble. Sales professionals exist to solve their clients' problems and, sometimes, they also need to solve their own sales challenges by changing course and finding the opportunity.

Downloadable Resource:

Click to download a guide to review strategies for overcoming common client objections to purchase.

↓ **OVERCOMING OBJECTIONS**

SECTION

03

Enhance Your Communication Strategy



As the industry transitions into a less volatile insurance market, your firm should take the time to revisit your communications strategy.



Enhance Communications to Grow Your Agency in a Challenging Market

An effective agency communications strategy is critical to protecting client relationships, bringing in new business and, ultimately, maintaining or growing the firm's profitability.

The last few years have tested client relationships as many agents bore the brunt of the confusion and anger over rate hikes, coverage restrictions and policy cancellations. Retaining business was difficult but many agencies were able to do so by proactively communicating their value as a trusted resource and advisor.

As the industry transitions into a less volatile insurance market, your firm should take the time to revisit your communications strategy. **This includes:**

- Evaluating current methods of communication with clients.
- Understanding where and how communication could be improved.
- Investing in more efficient communication tools for growth.



Cross-Selling and New Business

Different segments of personal and commercial lines of business require different forms of communication. The first step to communicating effectively is to establish your business goals and the audience you want to reach. Be very specific in your planning.

Once you've determined your goals and audience, narrow down what communication will best help you reach these goals, like the two examples below.

If you want to grow your current business by cross-selling to existing clients, you may provide information on the following:

- Current marketplace conditions and how they impact coverage availability and costs.
- The importance of reviewing policies and reevaluating coverage needs as the client's family needs change or the client's business evolves.
- Coverages to consider as market conditions change.
- Coverages required to meet loan or licensing requirements or to mitigate exposures.
- Ways your agency can help clients identify exposures, what risk management steps they can take to mitigate those, and any potential premium savings.

If your goal is to grow through new business, your firm should focus its communications on:

- Highlighting your agency's expertise and experience in different coverage areas, market cycles and economic conditions. Keep in mind to carefully avoid using words like "expert" or "excellence". For more tips visit: eoguardian.com.
- Feedback and reviews from existing clients.
- What value-added resources, tools and other services your agency offers.



Keep the Conversation Going

Do not underestimate the importance of ongoing and proactive communication with clients.

Most insureds are not thinking about their policies unless they need to file a claim or pay a bill. You must continually provide useful information and resources to clients, not only when they have a problem. This helps build your reputation as a trusted advisor and increases client retention.



You can proactively communicate with clients to highlight your value and expertise in several situations:

- Before a natural catastrophe, provide insureds with information on how they can manage their risk or who to contact to ask coverage questions.
- After a natural catastrophe, provide insureds with information on who to contact to file a claim and the documentation they'll need.
- Explain how the insurance market or the economy can impact coverage. For example, when a company pulls out of a region or market and how that could affect the client's renewal.
- Give clients a checklist of life events that may change their insurance needs or exposures, such as buying a new car or home, or starting a business.
- Update clients on new insurance legislation or regulations that could impact coverage availability and affordability.

Be Accessible

In today's digital world, consumers expect to be able to do business and reach their key business partners whenever they want. Insurance is no exception.

Agencies that are not offering enhanced communication tools for clients to have questions answered quickly, find out policy information or get a quote will lose out.

Customer experience is a strong predictor and driver of financial and organizational outcomes, according to a recent McKinsey study of more than 8,500 insurance customers. Yet, over 30% of respondents said they are not satisfied with the digital channels available from the insurance industry.

Agents have a huge opportunity to improve the overall customer experience through digital communication platforms, such as a website chat tool or text messaging service.

30%

of respondents said they are not satisfied with digital channels available from the insurance industry.



Up Your Communications Game

There are a number of communication resources that will help your agency effectively reach its audience and differentiate itself from the competition.

These may include the following:

- ▶ Social media
- ▶ Texting/SMS
- ▶ Email marketing
- ▶ Website or blog
- ▶ Newsletters
- ▶ Paid advertising

These platforms are also a great way to promote your agency's core values and communicate why it's a great place to work, which can help recruit new talent.

If you don't already have someone in your firm who is comfortable with writing, designing and distributing agency communications to your client base, particularly through digital mediums, you should invest in such a person. Even hiring part-time support or outsourcing to a local consultant could be the spark you need.

Trusted Choice® offers a variety of customizable marketing and communication resources that help highlight your value as an independent agent.

Preview creative assets and learn about our robust marketing resources on the next page →



UP YOUR COMMUNICATIONS GAME

Marketing Resources, Creative Assets, and Educational Toolkits

Check out a variety of customizable marketing and communications resources and creative assets to highlight your value as an independent agent.

Creative Resources:

Leverage video, digital display ads, social media graphics, print marketing, and more.

- Customize these creative assets with your personal or agency contact information.

[LINK TO HARD MARKET CAMPAIGN](#) →

Educational Toolkits

We offer a variety of resources that equip agents with the knowledge to leverage today's latest technologies and reach clients in innovative ways. Two examples:

[AI Marketing Toolkit](#)

[Google Business Guide](#)

[LINK TO EDUCATIONAL RESOURCES](#) →



SECTION

04

Showcasing your agency's community involvement provides an opportunity to connect with prospects, clients and potential new hires on core values.

Community Involvement



TELL YOUR STORY BETTER:

Showcase Your Agency's Community Involvement

As an insurance professional, it isn't easy to project a positive image given consumers overall skepticism and even cynicism about the industry. And it's made even more difficult as exclusive agency insurance carriers spend billions annually on promoting their own brands in consumers' eyes.

As an independent agent, you have the challenge—and terrific opportunity—to advocate for your agency's brand and how you are able to provide customized solutions from more than one carrier.

Reputations and relationships matter.

Since insurance is an intangible product, building trust and credibility is vitally important. In the age of advertising “puffery,” how can your agency instill trust and credibility, particularly among your primary target audience?

President Theodore Roosevelt said: *“People don't care what you know until they know that you care.”*



So what is a meaningful way to convey that you care so it resonates with consumers?

→ **Highlighting your agency's community involvement.**





Community-based marketing is similar to cause-based marketing.

While the two approaches may overlap, the chief distinction with cause-based marketing is that the agency aligns with a social, charitable or otherwise worthwhile cause for a specific immediate need. For example, helping a family displaced by a fire; an annual event, such as “Toys for Tots” during Christmas; or a long-term sponsorship, such as the Special Olympics. This may be a better fit when the community your agency serves is more regional, national or even international.

Aside from current and prospective customers, another important audience for your agency’s community involvement is inside your own doors: Agency staff and potential hires.

It’s worth noting that an Ernst & Young survey found that almost two-thirds of Generation Z workers feel it is “very” or “extremely important” to work for employers that share their values. Their work life is defined by value, not money.



TWO-THIRDS

of Generation Z workers feel it is “very” or “extremely important” to work for employers that share their values.

Assess What Is Working

If you haven't done it in a while, now is an excellent time to audit your agency's community efforts.

Get your team together—in a smaller firm, that might be everyone—and let them play a key role in deciding:

- What local, regional or national causes do they enjoy supporting and working with the most?
- Which new or different causes could your agency support?
- Are there some you might consider moving away from due to lack of recognition, follow-up, results or overall energy around them?

One agency owner said he supports only the causes he hears feedback and thanks from throughout the year. His rationale is that he seeks a two-way street of interaction. He wants to ensure each cause is aligned with the agency, customers, prospects and community.

Another agency whittled down its many local causes to one large one—now it is the primary sponsor of an annual, high-profile 10k race for charity. The associates are enthusiastically involved throughout the year in fundraising and support.



Create a Report Card for Sharing Community Efforts

While it may seem surprising, many independent agencies overlook the cumulative impact of their associates volunteering. This can encompass a variety of roles: serving on nonprofit boards; youth sports coaching; volunteering activities related to hunger and homelessness; animal rescues; hosting charitable events and fundraising.

There are three primary reasons why independent agencies often fail to communicate their community involvement:

1. **Public perception.** Some associates feel it is disingenuous to publicize their individual or their agency's charitable involvement.
2. **Not a complete picture.** Many firms don't perform that holistic "audit" of their community involvement and thus fail to capture all of their staff's volunteer efforts.
3. **Failure of communication.** There is no one tasked to oversee and execute using the agency's communications assets on a regular basis.



Where to Start

One of the communications challenges that your firm may experience is developing fresh content. Highlighting community events and cause-based marketing initiatives provides fresh and compelling content for your agency's marketing materials, social media and newsletters. And don't overlook the opportunity to reach out to local media—they relish covering community-based efforts, especially when a personal story is involved.

A few of the ways that your agency can share your community activities include:

- 1. Website.** Dedicate a section of your site to your community involvement. Include photos and testimonials from community members and details about the causes you support.
- 2. News releases.** Send news releases to local newspapers, magazines and online news platforms about your agency's local support, community involvement and upcoming volunteer activities.
- 3. Newsletters.** Feature stories about your community work in email newsletters to clients and prospects.
- 4. Events and sponsorships.** Sponsor local events or host your own community service events. Use these opportunities to engage with the community and showcase your local commitment.
- 5. Client communications.** Mention your community involvement in client meetings, proposals and other messaging to highlight your agency's values.
- 6. Social media posts.** Regularly share photos and stories of your associates participating in community events or volunteering. Use hashtags and tag local organizations to increase visibility and remember to ask associates to repost the agency's posts on their social media.



Note that your agency's social media presence isn't a nice-to-have tool. In his research, British biological anthropologist and evolutionary psychologist Robin Dunbar found that an individual typically can maintain only 150 meaningful personal relationships. He also posits that social media does not expand that limit even though the average American user of social networking sites has 634 social ties and spends more than two hours a day scrolling through their social media.

The independent agent must work to find a place among their customers' 150 meaningful personal relationships: Not only must they market the agency on social media, but they also must present it with the authenticity that consumers demand.

Maintain Other Critical Internet Objectives

Highlighting community involvement should not detract from other media goals, such as generating customer reviews on Google, Yelp, the agency's Facebook page, Trustpilot and Glassdoor.

And while some businesses will make a specific pledge, "I will donate 10% of my real estate commissions to the XYZ cause," you cannot predicate a contribution directly tied to a sale, as that would violate your state's anti-rebate rules.

Be extra sensitive on political-related alignment or causes that may be seen as divisive. Since different people have different filters, a smart approach is to ask a few people representing different age groups and backgrounds to serve as an informal sounding board—or an actual board of advisors—for your firm. That way, you can avoid unintended consequences.

IMPORTANT

Be mindful to not violate anti-rebate rules. See below for examples on what to avoid saying and what you can share instead.

DON'T *"Our company donate 5% of all sales to ABC cause.."*

✓ DO *"We support local! Our team donates time/money to these causes and organizations..."*



Mind Your Reputation

Lastly, reputations matter as much as meaningful relationships. Highlighting your community involvement aids in building both.

Communicate loudly, but sincerely about what you're doing to help families and businesses. You are making the community and the world a better place. The inevitable commission revenue that comes your way will be a bonus.

SECTION

05

Communication Strategies for Commercial Accounts

The hard market continues to add new challenges and opportunities to commercial insurance. Refine your communications strategy to drive retention and highlight your agency's expertise.



Communicating with Commercial Accounts

The hard market has brought a new set of challenges to commercial insurance. But it has also offered the opportunity for independent agencies to demonstrate expertise and creativity in resolving the impact of large premium renewals, cancellations and policy exclusions.

Positioning Accounts

The current outlook suggests that the market is stabilizing—albeit with variations by lines of business. And there are still existential headwinds generated by cyber-related threats, explosive jury verdicts and increased catastrophe activity.

Given the varied size of commercial accounts, your agency's marketing-communications tactics should reflect the unique characteristics of their respective markets.

How does your agency approach the market? The typical client account segments and characteristics include:

- **Business owners policies and small commercial accounts:**
 Under \$100,000 in premium.
 Local presence and community involvement are important factors.
- **Middle-market accounts:**
 \$100,000 to \$500,000 in premium.
 Commercial lines expertise and dedicated customer service representatives matter.
- **Large commercial accounts:**
Over \$500,000 in premium.
 Specific risk and insurance knowledge, agency service capabilities, and substantial experience are critical for these sophisticated buyers.



Communications Approach and Tactics

The businessowners policy (BOP) niche requires your agency to consider the time to write, service and renew accounts. For effective communications, you must clearly understand your target.

BOPs can present a nice cross-sell opportunity for personal lines, which can generate more commission revenue than the BOP itself. But cross-selling personal lines does not happen in a vacuum and should be part of a consistent, outbound communication effort. The same concept holds true if you offer life, health and employee benefits. Continually asking for the business is key.

A successful communications strategy follows the same discipline as sales. Producers are typically required to have a set weekly number of new client appointments, leading to agency of record (AOR) opportunities, quotes and bound policies. Similarly, you should decide who is responsible for generating or coordinating consistent communication. This will support client retention by providing industry updates, as well as save time for account reps to keep clients informed.

COMMUNICATION CONSIDERATIONS:



The Target Audience Sets

Communications should not be one size fits all. Divide the customers and prospects based on needs.



The Communication Methods

What is the best way, or ways, to reach those targets?



Frequency of Communication

Implement a frequency of customer touchpoints that will be doable and affordable for your agency.

THE AGENCY'S COMMUNICATIONS ASSETS SHOULD ALWAYS INCLUDE:

- Website Content and Blogs
- Social Media Postings
- Drip Email Campaigns



Agencies should segment email campaigns so current clients don't receive the same message as prospective clients. Doing so runs the risk that a client will ignore a vital update.

The agency's content must be fresh and interesting. Demonstrate that you're a thought leader using podcasts, webinars and blog posts, and lead with education. Business owners and families all face risks, so talk about those and the coverages they should consider.

Every staff member needs to be engaged in the effort, reposting agency content on their social media, particularly LinkedIn, and including their community volunteer activities, industry participation and recognition.

How can smaller agencies create content and consistent communications when they have to divert staff from client sales and service work?

Content and Resources:

Trusted Choice offers an extensive library of marketing, communications, and educational resources including:

- Content to share, social media resources, calendars, marketing campaigns, technical information and brand information on what independent agents offer.

Google Resources

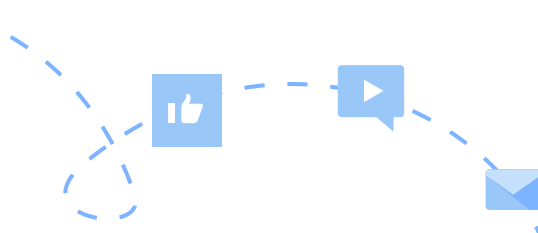
Google is a critical tool all independent agencies should be fully leveraging.

Optimize your agency's Google Business Profile and Google Reviews strategy to maximize results:

- Trusted Choice offers a variety of Google resources, including informative guides and toolkits.

[LINK TO CONTENT TO SHARE](#) ➔


[LINK TO GOOGLE RESOURCES](#) ➔



Demonstrate Your Agency's Commercial Lines Chops


For small accounts, communications themes should highlight the agency's brand, including its client service philosophy and community involvement. For program business, highlight specific industry expertise.

For midsize and large commercial accounts, your marketing content can focus on the following agency attributes:

- ▶ Offer risk management tips and updates.
- ▶ Topics that would interest commercial lines clients' "centers of influence." These are accountants, lawyers, trade associations and local business groups to build awareness and credibility.
- ▶ How you leverage relationships with wholesalers to deliver innovative products and unique policy forms. This might be more important if your firm is smaller and lacks specific industry expertise to compete with large brokers. 
- ▶ Other agency capabilities, like online certificates, loss-prevention tools, such as telematics and inspections, and employee loss-control seminars.



To improve commercial lines retention scores, develop an evergreen communications blueprint with these strategies:

- ▶ **Don't wait for 30 or 60 days before the policy expiration date to start the renewal conversation.** Communications should focus on emerging trends regarding pricing, coverage options and regulatory updates. 
- ▶ **Do not rely solely on email as the communications vehicle.** Social media is an important ingredient. Clients will follow you if they value your content. LinkedIn is an excellent tool to reach business owners.
- ▶ **Utilize blog posts and website content.** Share helpful information such as the use of different financing techniques. For example, explain self-insured retentions (SIRs), higher deductibles, risk retention groups (RRGs) and captives as avenues that can be cost-effective. Then, offer to have a feasibility conversation.
- ▶ **Don't provide networking opportunities only to "seasoned" staff.** Encourage junior team members to develop contacts with local community and business groups, or via their nonprofit volunteer activities. Boards benefit from the risk management and insurance perspective of knowledgeable volunteers. Don't provide self-serving advice and information; focus on helping people and the results will follow.
- ▶ **Avoid communications about issues that could be seen as divisive to your audience.**

SECTION

06

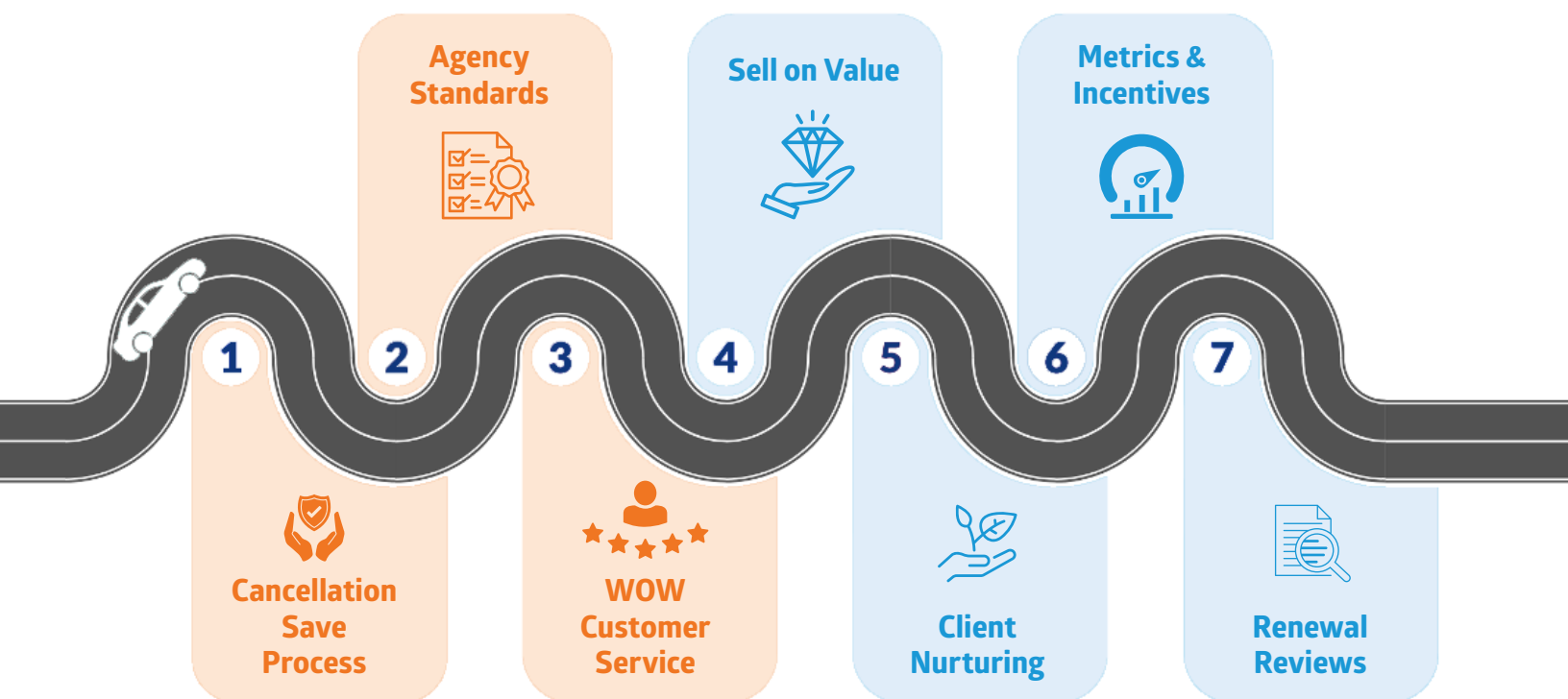
How to Drive Retention for the Long Run

Review short- and long-term strategies designed to effectively position an agency to achieve and maintain a high retention rate.



THE ROAD TO 96% RETENTION

How to Drive Retention for the Long Run



Graphic Source: Adapted from Agency Performance Partners Graphic "Road to 96% Retention"

Introduction

Retention is the key to long-term sustainable agency success. Over the years, retention strategies have evolved and changed. Back in 2009, when an agency was asked if they contacted customers at renewal time, the common response was negative. Agents often expressed a concern that contacting customers might "wake the sleeping bear" and encourage them to shop around and leave. This reflected a cautious approach to customer engagement.

As the market shifted, direct writers began investing heavily in marketing. Icons like the Gecko, Flo and Mayhem emerged, turning insurance TV commercial figures into popular Halloween costumes. Insurance agents recognized the need to adapt to retain and attract new clients. Agencies that proactively invested in marketing and training their teams started to see significant growth, whereas those who did not adapt relied primarily on hope as their strategy.

Due to the COVID-19 pandemic and the hard market, retention now requires a very focused, diligent and intentional strategy. Agencies are encouraged to develop and implement a focused plan, moving away from passive strategies.

Below are some presumptions that should guide your agency's retention strategy in the hard market:

- ▶ Clients can grow tired of the same script and message, which means creativity is necessary by the second year.
- ▶ The team is an agency's biggest asset but they often experience burnout.
- ▶ The economy is impacting clients with some struggling to make payments.
- ▶ Higher payments will lead to higher expectations from clients.
- ▶ Agency leaders need to step up and do more than manage; they must lead their team.

According to Agency Performance Partners, *Agencies that have implemented proactive retention strategies have achieved up to 96% retention rates.*



7 Strategies to Improve Retention

In-depth analysis has revealed these three key strategies that can improve retention in the **short term**:

1. Cancellation save process
2. Agency standards
3. WOW customer service

Four additional strategies provide **long-term** retention benefits, such as:

4. Selling on value, not price
5. Client nurturing
6. Metrics and incentives
7. Renewal reviews

Combining these seven strategies effectively positions an agency to achieve and maintain a high retention rate.



7 Strategies to Drive Retention

As agencies review this list, it might seem overwhelming—and rightfully so. However, these steps are not intended to be implemented all at once. Review the list to identify current practices and determine the next best steps. Take one strategy every quarter and fully execute it with your team. The goal is not simply to do more, but to fully execute and adopt each strategy effectively.

1 SHORT-TERM STRATEGY

Cancellation Save Process

When someone calls an agency to leave, typically, the client is directed to their account manager, who may not actively fight to save the account. Many account managers avoid conflict and can empathize with clients looking to save money. Additionally, if they are feeling burned out and overwhelmed, the departure of a client may mistakenly feel like a relief. While cancellations are complicated, they represent an opportunity to save the account.

Common reasons teams may not fight to save a client who wants to leave:

- Personal price bias
- Feeling overworked
- Not clear on the value
- No skin in the game
- Don't want to be pushy
- Fear of underwriting issues

Understanding these reasons in advance allows agencies to prepare accordingly.

Having a solid written process for how an agency wants to handle client cancellations is critical.

Key items to include in a cancellation process:

- ▶ **Who handles cancellations:** When someone calls in, the call should be directed to a specific person, ideally someone with the best shot at retaining them.
- ▶ **Review whether to keep them:** If an agency is losing a customer that it prefers not to retain, don't keep the relationship going.
- ▶ **Get a copy of the new policy:** Is it necessary to have a copy of the new policy? Not necessarily, but why not ask? Being able to review the new policy provides an opportunity to educate the client and potentially keep them.
- ▶ **Always, always shop them for a second opinion:** Don't just ask, proactively try to shop the account, especially if a remarket has not been conducted.
- ▶ **Warn about inspections, effective dates, and underwriting guidelines:** Clients may not be aware of the real risks involved. When they are moving agents, they are taking the risk of being underwritten again. It's important to guide the client by sharing potential risks they may encounter.
- ▶ **They are breaking up with the agency—fight for them:** A cancellation process should not be polite, it should be a mission to save the client. Sometimes, agencies are too polite, thinking the client may come back.
- ▶ **Recycle the good ones for next year:** Goodbye is temporary. If a client can't be retained this time, consider converting them to a lead for the next year.

2 SHORT-TERM STRATEGY

Agency Standards

One factor that can pull down retention is the quality of an agency's book of business. For example, agencies with a non-standard book typically experience lower retention but often compensate through a fee structure.

When agencies acquire books of business, a thorough first-year review process is always recommended to clean up the accounts and determine which ones might be shifted to automated payments, higher limits or preferred carriers. When agencies attempt to serve everyone, they often end up with a disjointed retention process.

CONSIDER THIS SCENARIO:

CLIENT 1 An agency has a client with a \$15,000 personal lines account who pays in full, has no claims and swaps a vehicle occasionally.

CLIENT 2 Meanwhile, another client with a monoline \$700 six-month auto policy, has claims, has lapsed and had to be reinstated after late payment and is frequently frustrated with rates.

In reality, the \$15,000 client likely receives less service while the \$700 auto client consumes more of the agency's resources.

Which client would the agency prefer to get referrals from?

This illustrates the importance of agency standards.

Imagine having a go-to list of the ideal client. If a client does not meet these standards, they may be better served by another agency. While this approach may initially seem alarming, it helps refine the agency's book. The primary goal of running an agency is to ensure it is profitable and not all clients fit this criterion.

Agencies are advised to implement these standards in the following key client experiences:

- New business
- Vehicle changes
- Rewrites
- Renewal reviews

Some agencies will apply these standards to the letter. Here are some examples of what can be included in an agency's standards:

- Payment plans
- Who needs premium finance
- Minimum limits
- Deductibles
- Quoting monoline business or non-standard business
- Standard water sewer backup, rental car reimbursement
- Standard EPLI and cyber coverage
- Delivery of commercial policies electronically
- Use of client portals
- Non-payment standards



Time is a scarce resource. Agencies need to think about how to optimize their book to be both efficient and effective. It is not feasible to overservice some clients while under-servicing others.

3 SHORT-TERM STRATEGY

Delivering 'WOW' Customer Service

This has always been a point of contention within the industry. Many agencies claim to provide good service, but when asked, "Great, what do you do for service?" a puzzled look often follows.

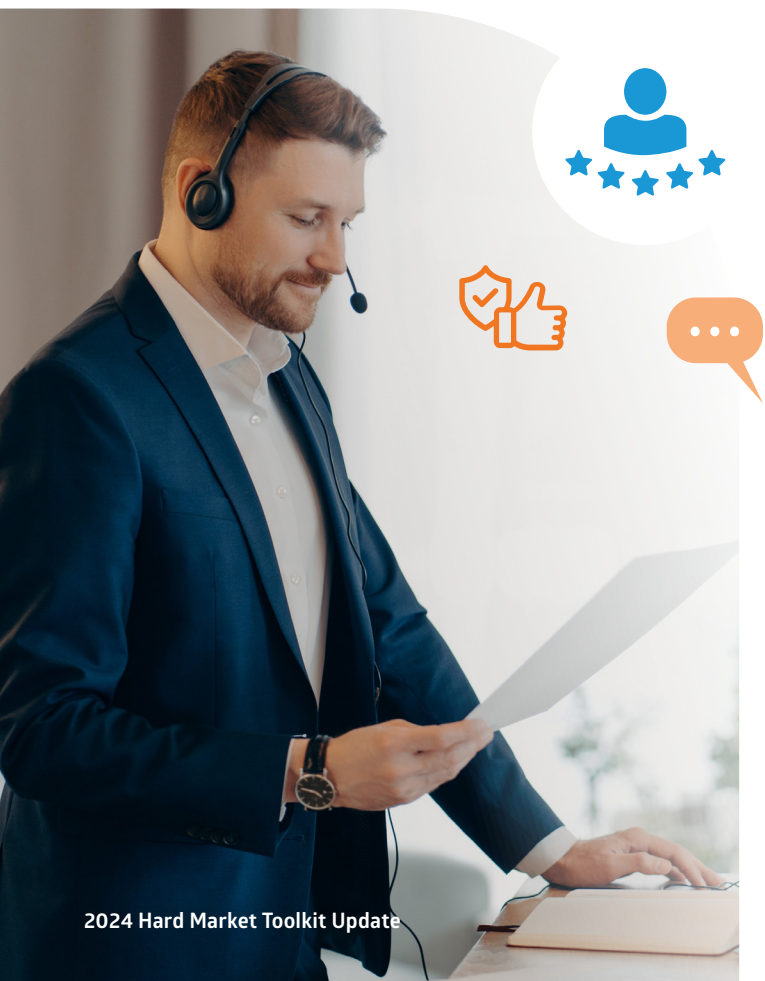
There are challenges with claiming "We give great service." The fact is great service differs from one person to another. Without written service-level standards, agencies are merely providing the best service they can each day.

Agencies have nice people, but the question remains: are they empowered with clear expectations?

Key aspects to consider in customer service:

- Is there a standard phone greeting?
- Can the team place incoming calls into voicemail?
- What is the response time for calls or emails?
- Is it clear who handles which calls?
- Does the team practice first-call resolution?
- Is everyone equipped with headsets to empower efficient service?
- Does the team document interactions in the management system in real-time to prevent any issues from being dropped?
- Is there a written plan for covering work when someone is out?
- Is the follow-up process documented, such as how many times to follow up, what to say and in what format?
- Are roleplay exercises conducted on how to handle an unhappy client?
- Is there a plan to manage the team's time and prioritize certain clients?
- Is the team skilled at encouraging late payers to enroll in EFT or pay in full to limit frustration?
- Does the team routinely ask for referrals, reviews and cross-sells?
- Is there a written claims process?

The only way to ensure that an agency is providing good or great customer service is to have documented and written expectations that are trained and rehearsed.



4 LONG-TERM STRATEGY

Selling on Value

While many in the industry believe they sell on value, secret shopper programs tell a different story. Many agencies inadvertently make the sale about price. When the cost is lower, the approach might differ. Conversely, when asking the client to pay more, agencies typically emphasize coverage and service. **To maintain a high retention rate, every new sale needs to be driven by value.**

Secret shopper calls reveal that 85% of the time agents build no significant value in themselves or their agency.

Retention starts at the point of sale. If sales agents fail to explain their agency's value proposition, the new client only knows what they are told.

In addition, 55% of secret shoppers stated that the agent treated the call more as a transaction than a relationship.

Agencies with a written and practiced sales process not only achieve a higher closing ratio but also improve their retention rate.



5 LONG-TERM STRATEGY

Client Nurturing

When a new prospect is asked, "Who is your agent?" and they respond with a carrier name, it's an ideal scenario because it indicates they do not have a personal attachment to their current agent.

If this situation is reversed, how many of your agency's clients can state their agent's name or company name? Clients who don't remember and lack a relationship with their agent also can't reach out for referrals, questions, or cross-sales. Most importantly, without a relationship, retention will suffer.

Too many agents adopt a reactive strategy, only contacting clients when payment is due, when there is a problem or when rates increase significantly. This often means that calls are only made to deliver bad news. It's no wonder clients may fail to see their value. Clients often do not understand when to call or why, leaving many inaccurately insured and vulnerable.

Agents with the highest retention rates take a proactive approach to build relationships and automate communication. Top agencies blend phone, email and text to connect with their clients, making it their responsibility to cultivate and deepen client relationships.

Recommended touchpoints for agencies to develop and use to connect:

- Birthdays
- Anniversaries
- Holidays
- Referrals
- Renewals
- Weather
- Claims



6 LONG-TERM STRATEGY

Metrics and Incentives

Agencies with higher retention metrics invariably track and share their agency metrics, while also aligning them with compensation. Still, many agencies face challenges, which often stem from the need for clear coding of remarkets in their systems, accurate renewal of non-download policies, and ensuring that premium and revenue figures are correct in their systems.

While retention acts as the heartbeat of an agency, gathering the data can be cumbersome. Yet, many in the insurance industry love it because of the retention business model, making it crucial to master retention tracking. Each management system may track retention slightly differently, so it's vital for agencies to work with their management system to understand its retention model.

Key metrics and a calculation for agencies to track and share:

$$\frac{[\# \text{ of expirations} - \text{lost business}]}{\# \text{ of expirations}}$$

of expirations

= agency policy retention rate

Tracked by policies, premiums, and revenue.

Once the agency trusts its metrics, it can extend this calculation to a rolling 12-month number.

Additional recommended metrics to track and share:

- Agency growth
- Cancellations
- New business
- Terrible clients that were relocated to the competition
- Cross-sales
- Coverage increases
- Remarketing hit ratio
- Referrals

It's important for the service team to focus on management system accuracy but many agencies struggle with motivating and incentivizing their team. While producers may be somewhat straightforward to incentivize, service staff can present more of a challenge.

Some agencies provide a quarterly bonus based on book growth. This approach supports the service team in assisting new producers, striving to retain clients, limiting remarketing, getting enthused about large audits and cross-selling.

Distributing 10% of the department's growth as a quarterly bonus proves even more effective when agencies can present metrics like the graph below every quarter. In hard markets, when the team is working harder, this can be an excellent way to reward them as the book grows due to rate increases.

Bonus Pool	
12% Commission	
10% Growth Distribution	
Starting Estimated Premium	Current Estimated Premium
\$9,001,666	\$9,387,759
Growth Premium	Current Estimated Premium
\$386,093	\$46,331
Bonus Pool	
\$4,633	

7 LONG-TERM STRATEGY

Renewal Reviews

Renewal reviews drive an agency's retention. Being proactive is the best strategy to protect an agency's retention rates. Even though everyone might be stressed, burned out and challenged by the current market, it is critical for clients to hear directly from their agents about the options available.

Renewal reviews are also a great time to remedy several other agency challenges. During a review, staff can update contact information, increase cross-selling and coverages sold, offer increased limits, find out about new exposures, reduce errors & omissions exposure, clean up files and create referral opportunities.

The hard market has proven the need for agencies to have a strategic plan in place. Clearly documenting, training and executing a retention initiative benefits everyone, from team members to clients. Implementing one of these strategies each quarter will increase retention rates.

In a hard market, the necessity to train the team cannot be overlooked. While it may seem like there is no time or limited time to do it, that is the exact reason teams need training.



SECTION

07

How to Stop a Cancellation



Stopping A Cancellation

In a hard market, clients are increasingly shopping around, often just to validate the premium increases they're facing. Between direct writers and agents with varying coverage standards, some clients may believe they've found a better or cheaper insurance policy elsewhere.

While preventing every cancellation is impossible, a well-executed process can save many clients and retain more business. Educating clients about the coverage they have, the coverage they need and how switching agents could lead to regret are important pieces to the puzzle in trying to stop a cancellation from happening.

The first question an agency needs to address is:

Who should handle a client who is looking to leave?

The answer is straightforward: It should be the best person to save that client. Too often, this task falls to an account manager who sympathizes with the client's situation.

Agencies should establish a process to ensure clients receive education, viable solutions and encouragement to stay if they are trying to leave. Also, it's important to focus only on saving cancellations from clients who are both qualified and worth retaining, as well as recognize that a client who has already bound coverage with another agency can still be saved. Many agents may hesitate when faced with a client having to double-pay and then wait for a refund.



A solid strategy will set aside personal beliefs and fears and focus on helping the client recognize that staying with their current agency is the best choice.

Here are six steps to prevent a cancellation at your agency ➤

STEP 1

Service or Price

Clients will either contact the agency directly to cancel or provide a notification of cancellation. Either way, your first step is to connect with the client. Even if the attempt to retain them is unsuccessful, it's essential to engage in a conversation to understand their reasoning and to extend a welcoming invitation in case the new deal doesn't meet their expectations.

When reaching out to clients, ask if they're leaving due to price, a life change or service issue? If it's price, tell them that you can work with that because you have access to multiple markets. If it's a life change, find out if there is an opportunity or if you need to document their file so you do not recycle the opportunity. If it's a service issue, you definitely want to know so you can work through any issues. Lastly, confirm their contact information because you want to make sure you can get back in touch with the client.

The goal for connecting with clients is to identify the cause of the cancellation. Once the reason is clear, the agency can proceed with step two.



STEP 2

Request a Copy of the Policy

Saving a client requires a delicate conversation. The goal is to build rapport and encourage them to remain with the agency. To influence the client effectively, a few key assumptions should be established. Although the following steps are not necessary to cancel the policy, they are necessary for retaining the client. These steps are referred to as the agency's standard operating procedure.

When presented as the logical next steps, most clients will agree to proceed. If a client is unwilling to follow through, let them know their file will be documented, noting that they declined to take these steps.

A common misconception is that clients looking to cancel won't provide a copy of their new policy. In reality, if the agency simply states, "To finalize your cancellation, we will need a copy of your new policy to match the dates and coverages," clients often comply.

Having a copy of the new policy allows you to:

- ▶ Ensure the coverage dates match so there are no gaps.
- ▶ Review the coverages to potentially retain the client if discrepancies are found.
- ▶ Identify which carriers or direct writers have very competitive pricing.



Presenting this step as a logical requirement often prompts clients to provide the policy. If a client is hesitant, respect their decision and document the file accordingly.

STEP 3

Automatic Remarket

If a client is leaving due to pricing, automatically remarket the policy.

There's nothing to lose by trying.

This can be done over the phone if possible or by contacting the client with updated rates and pricing.

If pricing is the issue and a more competitive offer can be presented, there's a chance to retain them.

Some may argue that this approach takes time, which is why it is difficult to justify investing more time in a client who already lost. However, if a qualified client is walking out the door, consider what it would take to replace them. Making one last effort is worth it for a qualified client.

STEP 4

Keep them Talking

Some team members may feel overwhelmed by cancellations and will often empathize with the client's reasons for leaving. However, the important question is whether it's easier for clients to leave the agency than to obtain a new quote. If leaving is simpler, it's essential to assess if this ease is harming retention. During cancellation attempts, keeping the client on the phone is vital to understanding their perspective and maintaining a positive relationship.

Some team members believe that being courteous during the client's departure could encourage their return. While this is possible, it's also risky. Why not fight for the client? Keeping them engaged helps remind them of the agency's value.

EFFECTIVE WAYS TO KEEP CLIENTS TALKING:

- Ask why they're leaving.
- Identify where they're switching to.
- Explore what could have been done differently.
- Inquire about the new premiums.
- Conduct a policy review to uncover possible updates.
- Check if the client's specific policy features are accounted for in the new policy.
- Highlight the difference between an independent agent and a captive one, especially if moving to a direct writer.
- Confirm if they're familiar with the quoted coverages.
- Verify if deductibles match between old and new policies.
- If the agency makes proactive renewal calls, clarify whether the new agent will do the same.

Though it may feel awkward, retaining clients through conversation can be effective. The team can rise to the challenge and achieve this.



STEP 5

Agent of Record or Broker of Record

By keeping clients on the phone, a wealth of information can be uncovered. Understanding where they're headed provides a valuable clue for retention.

One of the first questions is, "Why are you leaving? Is it due to service, price, or a life change?" If the client mentions leaving due to price and reveals that they're switching to another independent agency with a carrier already available through your agency, it's a golden opportunity to Agent of Record (AOR) or Broker of Record (BOR) that policy.

The client didn't leave because of service issues but simply because they weren't aware of your alternatives. Winning back that policy could be as simple as securing a signed document.



STEP 6

Recycle with a CRM

A qualified client who makes the decision to leave isn't necessarily gone forever. Often, the grass isn't greener at another agency. While it's important to maintain a list of criteria to disqualify certain clients from a win-back effort, everyone else should enter a nurturing sales cycle designed to win them back. Using a customer relationship management (CRM) system ensures past clients hear more from your agency than from their current one, keeping your name front and center.

Since the first renewal at a new agency usually comes with a rate increase, clients who leave due to price may soon reenter the market. Some clients may initially hesitate to return but by providing a welcoming and straightforward return process, there's a strong likelihood of winning them back. Approximately 60 days before renewal, consider treating the former client like a new lead and try to reacquire their business.

RECONNECT TO RECYCLE



60 DAYS BEFORE RENEWAL



More people will shop their insurance in a hard market. Other agents may not uphold the same standards as your agency but, even if they decide to leave, truly caring for clients means taking the time to review their new policy and explain the differences. By doing so, clients will recognize your commitment and genuine concern for their well-being.

SECTION

08



Email and Digital Templates

Use these templates to streamline content development to share across digital communication channels



Email and Digital Templates

The following pages include a few email templates to send and content templates to share across digital communication channels

Each template includes basic talking points that you can customize when reaching out to clients or sharing on your website, blog, or newsletter.



Downloadable Resources:

Click to download the email templates and digital content templates



EMAIL TEMPLATES



DIGITAL TEMPLATES

EMAIL TEMPLATE 1

Referral Request

SUBJECT: Thanks for Your Business!
Who Else Might We Help?

Dear [Policyholder Name],

We'd like to extend a heartfelt "thank you" for being a valued client of our agency.

We know the last few years haven't been easy, with many insurance challenges to navigate. Our agency remains committed to partnering with you to address those challenges. We want to continue providing you with exceptional service and tailored insurance solutions.

Our work for you is never done. We are here to help, so please reach out with your questions or concerns.

We'd love to help anyone you know who could benefit from our expertise. Your referral to a friend, family member or colleague is the highest compliment we could receive.

If you would like to kindly pass on our information or forward our contact details to those you know, we will follow up with them to help protect their most important assets.

Again, thank you for your trust in our agency and team.

Sincerely,

[Agent Name] [Contact Information]

EMAIL TEMPLATE 2

Informative - Market Update

SUBJECT: How Our Agency Can Help You Navigate Rising Insurance Premiums

Dear [Policyholder Name],

We know your insurance costs have increased over the last few years. This is a result of the “hard market.” What that means is that insurance companies have restricted their coverage offerings, raised premiums, and/or stopped writing certain types of insurance altogether.

The good news: Rate increases appear to be slowing in certain areas as more competition returns.

The bad news: As economic challenges persist, premiums probably won't return to the level they were before the hard market cycle. Also, coverage is still difficult to find in many catastrophe-prone areas.

Our agency is here to help you navigate these uncertain times. We aim to see that your insurance needs are covered while staying within your budget. We regularly evaluate market conditions and have long-standing relationships with various insurance companies. That means we are aware of upcoming changes to pricing, availability and coverage terms.

Please reach out if you have any questions about whether your current policy is right for you. Let's see what risk management resources are available to help you mitigate potential issues. We may be able to secure policy discounts.

We look forward to hearing from you. Thank you for your continued partnership.

Sincerely,

[Agent Name] [Contact Information]



DIGITAL CONTENT TEMPLATE 1:

Client-Focused Content

HEADLINE: Hard Insurance Market and Rising Rates: How Our Agency Can Help

The last several years of the “hard insurance market” caused higher premiums, more restrictive terms or less availability. We know some consumers chose to cut back on coverage or eliminate certain policies altogether.

Although the market is easing for some coverage lines, many families and business owners are still facing significant rate increases and may be tempted to cut coverage—if they haven’t already.

This is a risky move. Before reducing your coverage, please let our agency perform a thorough policy review for you at no cost. Now is the perfect time to talk to us about your needs.

We can explore a variety of options to protect your assets within your current budget, including:

- Lowering your risk through loss-prevention techniques, such as telematics, online courses and enhanced security.
- Carefully raising your deductible or self-insuring some of the risk, which can lower your premium and still provide you with reasonable protection.
- Checking that you aren’t paying for coverage you don’t need or to discuss any upcoming life or work changes that may affect your policy.

Our agency continuously monitors changing market conditions and coverage options. We are here to help you navigate through these uncertain times.

Please contact us to review your risks and coverage needs.
{Call to Action / Contact information}

DIGITAL CONTENT TEMPLATE 2

Recruitment-Focused Content

HEADLINE:

Looking for a Great Place to Work?

The last few years have reminded our insurance agency staff of some valuable lessons. The top one? Insurance is never boring!

Not only was our team steadfast in serving our valued clients, we also remained committed to our supportive culture. We worked together to solve our clients' challenges and had each other's backs.

That forward-thinking, supportive and collaborative approach is how our agency differs from other places you might think of working.

Other examples that set us apart include:

- We invest in great technology to make our jobs easier and fun.
- We serve the local community and charities.
- We offer flexible hours and excellent benefits.
- We provide all sorts of ways to advance your career.
- _____Add other agency-specific info here
- _____Add other agency-specific info here

Looking for an exciting change? We invite you to learn more about the various opportunities our agency offers and how we can support your career development. You'll be pleasantly surprised!

Contact us for more information.

[Agency Contact info]



Contributors and Special Thanks

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Research Cited

- [Wholesale & Specialty Insurance Association \(WSIA\)](#)
- [Big "I" Market Share Report](#)
- [Bankrate](#)
- [Insurify 2024 Report](#)
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- [Bureau of Labor Statistics' Consumer Price Index](#)
- [Kelley Blue Book.](#)
- [www.usnews.com - annual U.S. News survey](#)
- [CNBC Article](#)
- [NRF.com, 2023 National Retail Security Survey](#)
- [The American Property Casualty Insurance Association](#)
- [eoguardian.com](#)

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Appendix of Resources

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Click to download a sample cold-calling script to utilize with new prospects

[↓ COLD-CALLING SCRIPT](#)

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Click to download the Agency Process Pack 'Winning Back Unsold Quotes'

[↓ AGENCY PROCESS PACK](#)

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Click to download a sample of Agency Standards for personal & commercial lines

Agency Standards for:

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[↓ COMMERCIAL LINES](#)

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Click to download a guide with strategies to overcome objections to purchase.

[↓ OVERCOMING OBJECTIONS](#)

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