




HARD MARKET TOOLKIT | CASE STUDY

# Maintaining focus on our value despite complex local challenges

<p><b>Insurance Resources</b></p>	<p> <b>AGENCY BACKGROUND</b></p> <p>The agency's revenues come from 75% personal lines and 25% commercial, and have shown consistent growth in commercial each year. The firm is a member of a very large aggregator, facilitating access to as many carriers as possible given the restrictive insurance market in Florida. Brian majored in risk management at Florida State University and received his MBA from the University of Tampa. He spends most of his time on commercial lines accounts and worked at three independent agencies before joining the family agency, representing the second generation.</p> <p><b>MEMBER OF A VERY LARGE AGGREGATOR</b>  Provides access to as many carriers as possible in a restrictive market.</p>
<p><b>FEATURING</b> <b>Brian Ford, CPCU, CIC</b> Principal and Agent</p>	
<p> <b>FLORIDA</b></p>	
<p><b>AGENCY SIZE</b> 11 EMPLOYEES</p>	

 **WHAT'S UNIQUE**

Back in 1999, four spouses of State Farm agency principals started the agency to provide another homeowners option when State Farm started non-renewing coastal property in Florida after Hurricane Andrew

 **CHALLENGES**

The agency is in coastal Florida, which brings unique challenges due to recent hurricanes, increased costs of reinsurance, and a litigious environment. Legislative initiatives hopefully will mitigate those issues, but the hard market reality is quite evident. "We were well ahead of the other parts of the country with the hard market," says Brian Ford, principal and agent, Insurance Resources. "Some carriers began pulling out or reducing limits about four years ago."



The biggest challenge is that the state-run Citizens Property Insurance Corporation has a significant footprint, and the private insurance market often cannot compete with its rates. Excess & surplus markets typically would be agents' solution for problems with the standard market, but the hard market has resulted in E&S markets reducing coverage and policy limits.

"One unique aspect is that when Citizens is the only viable solution, it can be difficult for an independent agency to demonstrate their value proposition to customers relative to other agencies," Ford says. "A related challenge is that many private insurers do not want to write higher auto limits as Florida recedes from its tort challenges. Some insurance companies do want to write higher than 50/100 auto limits, which is not where we are coming from in advising our customers."



## APPROACH TO HARD MARKET

First, the firm has used its agency management system tools to proactively communicate and share information from outside newsletters, flyers, local articles and even Wall Street Journal articles.



### PROACTIVE COMMUNICATION

- ✓ Leveraging Various Informative Resources

Second, given the amount of time spent on renewals, the agency added a dedicated account manager to address customer needs and remarket customer policies to seek out better options when appropriate.



### INVESTMENT IN SUPPORT STAFF

- ✓ Dedicated to Customer Renewal Needs

“We look at all renewals and then compare Citizens, admitted carriers and the E&S markets to seek out alternatives and/or supplement the policy gaps,” Ford says. “And we are seeing more instances where our customers are self-insuring some or all of the property risk. We point out that they need to keep their liability limits as high as possible and to be aware of the risk.”

**FOR EXAMPLE**, one property risk was insured with a carrier with a \$19,000 premium but renewed at \$70,000. Ford sought other quotes and the best one with similar coverage came in at \$50,000.

“Ultimately, in reviewing the Citizens’ quote that had basic coverages—but not as comprehensive as the incumbent carrier—we moved it to Citizens, which kept the premium around \$20,000 with a DIC policy—with the customer understanding the difference in coverage terms,” Ford says.



## RETENTION AND NEW BUSINESS

One agency strategy for generating new business is to tout their knowledge and their approach to treating each customer as an individual with unique needs. “We are definitely seeing more interest from direct writer and exclusive agency customers,” Ford says. “However, it will be some time before our insurance market will provide us with more solutions to offer. Hopefully the recent legislation will aid that effort.”

## SHOW OUR VALUE TO ATTRACT BUSINESS



- ✓ Highlight Industry Knowledge
- ✓ Honest, Personalized Advice
- ✓ Prioritize Customer Service

## LOOKING AHEAD



“No one wants to pay attention to insurance until it hits them in the face,” Ford says. “But given the breadth of the hard market, people have become aware of the importance of insurance in their personal and business lives. Our goal is to be that trusted advisor.”