SECTION

02

Selling Strategies in a Hard Market

Selling Insurance in a Hard Market

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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 based on 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 & commecial 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 make the 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 client's may consult.

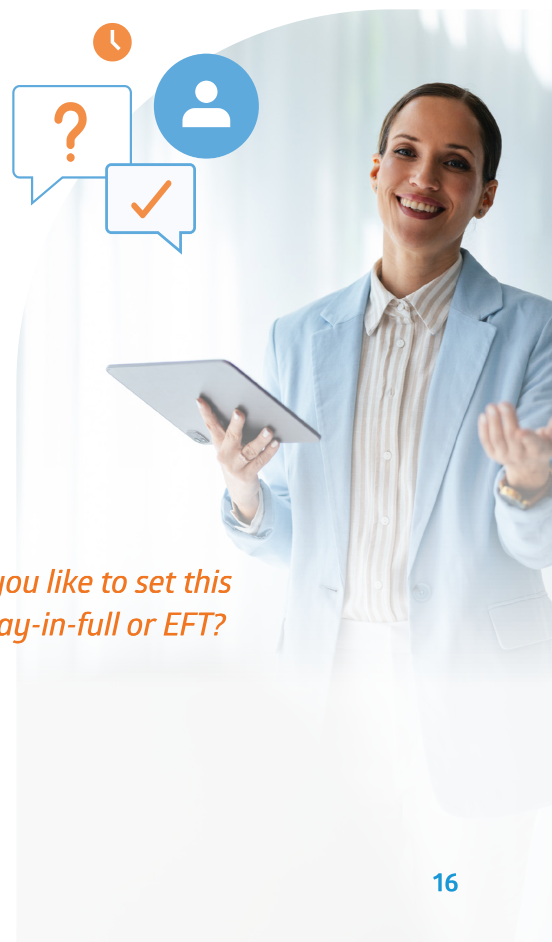
✓ **DO** Present the quote via video call – or in person if the client prefers

DON'T Absolutly 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 client's 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

Trusted Choice
INDEPENDENT INSURANCE AGENTS

BIG i

We offer resources to support your agency in the Hard Market:

Check out all sections within the complete version of the Hard Market Toolkit brought to you by Trusted Choice.

All Sections included in the complete Hard Market Toolkit Expansion:

- Hard Market Overview and Update
- Selling Strategies in a Hard Market
- Enhance Your Communication Strategy
- How and Why to Showcase Your Ageny's Community Involvement
- Communication Strategies for Commercial Accounts
- Seven Strategies to Drive Retention for the Long Run
- How to Stop a Cancellation
- Email and Digital Templates
- Extensive Appendix of useful extrnal links, downloads and resources

Download the complete Hard Market Toolkit Expansion:
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