Dear Christi,

Technologies, product lines and communications may have all changed radically since you started your career, but the importance of sales to your success is eternal. That's why we decided to focus this month's issue on that topic. While much of this is information you've most likely received at one point or another, the opportunity to get back to the basics often gives an agent a welcome burst of renewed confidence. And you may find inspiration to share with your newer producers in the material below.

As we head into fall, the season of fresh air and fresh starts, PIA of Kentucky continues to work with and for you to be the leaders in our independent agency system.

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Why Prospecting Fails

And What To Do About It
by John Graham, thinkadvisor.com

Prospecting is arguably the hottest topic in sales.

In spite of all the seminars, podcasts, training programs and books, not to mention pressure from managers, most salespeople are prospecting excuse experts. Even when cajoled, pushed and incentivized, salespeople have a tough time getting their prospecting engine to run on one cylinder - at most.

Why is there so much resistance to getting out and finding new customers? Why do people who enjoy selling find it so difficult to sell themselves to prospects? The answer may be that selling and prospecting require two different skill sets. Even those who are good at closing sales never have enough leads. They balk at prospecting. This may seem strange, but it isn't.

Think about it. Ask salespeople what they want most and most will say, "referrals." If that's true, then why do so few ask for them?

Don't worry about failures, worry about the chances you miss when you don't even try".

Jack Canfield
Here's the point: salespeople are most confident when the path is prepared for them, whether it's a referral or some other qualified lead. This tells us that instead of spending time trying to find prospects, it's much more productive if prospects find the salesperson. Now, keep on going: You must make the impression before you give your presentation. In other words, prospects must have a positive picture of you before a meeting takes place.

While many salespeople may consider this counterintuitive or even nonsense, it makes sense to customers. They want to know, trust and feel comfortable with a salesperson before they buy. It's easy to understand why some of those in sales say that getting customers to find them sounds like a lot of work. And they're right, it is. But wait a minute. Spending time trying to find prospects and getting negligible results is also a lot of work - wasted work. Even if you get in front of a few, the chances are that the timing is wrong, they're not interested, or "something came up."

If a prospect doesn't know the salesperson, it's so easy to say "no thanks." To illustrate the point, three emails arrived while writing this article. Two asked for an appointment, and the other was a follow up to a previous request for a meeting. No one has time to meet with someone they don't know. That's not all. It doesn't make sense for a salesperson to use valuable time being turned down- and probably for the wrong reasons.

It's easy to blow it, so don't make the deadly mistake of asking for an appointment or, if that doesn't work, the name of someone they may know that you can contact. If you do, you're just another salesperson looking for a quick hit. This is how good prospects are lost.

So, why not take a different approach - one that's more consistent with how prospects think and what they expect from salespeople. It's Pull Prospecting, making it possible for them to find you.

1. Get your head straight.
   In one sentence, describe why someone should do business with you. Why it's in their best interest to spend their money with you, and why should they trust you? Now, read it out loud - slowly. Are you satisfied with it? Would you do business with someone who said the same thing?
   This isn't about an "elevator speech," and it's not about what you sell. It's what you do for your customers that keeps them coming back. It's what sets you apart from the competition. Or, are you just another salesperson?

2. Develop a mindset for creating customers.
   What do you want to accomplish? Find someone who will listen to your spiel? Get through the door? Sell something? If that's what you want, then you're in trouble; selling isn't about the salesperson, it's about the customer. Here's what happens. No matter how genuine you may be or how much you try to avoid sounding like a "salesperson," prospects see you differently. What they hear is not what you're saying. They sense you want to sell them something, and they get their guard up.

Takeaway: Your primary job as a salesperson is to create customers who know, understand, and trust you, so they want to buy from you.

   It's a salesperson's workspace, figuring out what prospects want, what they worry about, and the challenges they face. This is where you do the work of wooing them. It's also where salespeople come to life and where they're understood and valued.

What's the picture prospects have of you? Is it fuzzy, confused or negative or even neutral? Or is it positive and compelling? If it isn't - if there's nothing special about you - you're just another salesperson trying to get an order. Prospecting isn't about getting through the door; it's about shaping the way prospects think of you, so they will want to do business with you. It's all about pulling them into your orbit.

You can use these six prospecting principles to bring them closer to you:

- Focus on what prospects want and need, not what you want
Demonstrate your competence by sharing your knowledge.
Cultivate prospects by staying in touch with them regularly.
Maximize your visibility by seeking presentation opportunities, authoring blogs, and acquiring testimonials.
Never stop building your prospect database.
Communicate regularly by email, LinkedIn and Facebook.

Turn Over Some Rocks

Reveal Hidden Prospects
by Anthony Iannarino, from thesalesblog.com

When I started back in the family staffing business, my sales manager gave me a list of companies I was forbidden from calling. She and her sales reps were worried about one of the owner’s sons being given preferential treatment, and they wanted to protect their turf.

Honestly, they didn't have a firm grasp on how a family business works. In most family businesses you are expected to do more than anyone else, whether or not it is "your job," and regardless of what you are paid-or not paid. That is exactly the preferential treatment I was given, and I never expected anything different.

The list they handed me had all of the most well-recognized companies in and around Columbus, Ohio. You would still recognize many of these names. They cherry-picked what they believed to be the biggest and best prospects, and they walled them off from me. At the time, I didn't think anything of it.

Not being able to call on what everyone else was calling on forced me to call on companies with names no one would know. The Internet wasn't what it is now, and I dialed through the business pages of the phone book. I literally started at the letter A, and I dialed number after number, unless it was clear that we couldn't serve them. I skipped churches, auto repair shops, and day care centers.

I got a lot of appointments. When I got to M, I found a company called Murfin. Murfin was tucked away on the middle of a road that had a gas station at one end and apartment complexes on the other. Because the building was surrounded by residential areas, you would never suspect a plant to be located deep in the neighborhood.

The small building that housed the business was no indication of what they spent. They were spending millions of dollars on temporary employees. No one would ever happen upon this client by chance. I won their business because I was ridiculously disciplined about cold calling.

On the way out of Murfin, I noticed another building across the street. I wrote down the name, Weathersfield, and upon arriving back at my office, I called them and scheduled an appointment. Weathersfield was spending a couple million dollars when I won their business. Two hidden companies resulted in millions of dollars in business.

These two companies became anchor accounts for our office. I would not have found them had I not called companies without knowing whether they used a service like mine. I turned over a lot of rocks to find these accounts, because a lot of prospecting is simply turning over rocks to see what lies beneath.

You should have a list of known targets. You should have another list of your dream clients. But you should also turn over rocks to see if there is anything there. You never know what you'll find.

Get Even More Referrals

7 Ways
by Bill Cates, referralcoach.com
Some call these folks Centers of Influence. I like to call them Referral Partners or even Members of your Referral Team. Financial professionals look to accountants and attorneys to be members of their Referrals Team. Coaches look to other business consultants and trainers as sources of referrals.

Here are 7 steps to getting all of these important people to contribute to your business.

7. **Identify all the players.** If you haven’t already done so, you want to make sure you’ve identified all the types of business professionals who might work with or meet your ideal clients. Then, systematically work to meet and build a relationship with at least one person from each of these categories. Since the first person you contact may not be interested in a relationship with you, you probably want to identify several people in each category.

And what's the best way to meet these folks? Through your current clients and centers of influence.

6. **Be transparent.** Be candid and transparent with these folks. Let them know that you believe in your value, you’re looking to bring that value to more people/businesses, and that you would value their help. Don't assume that this will have to be a reciprocal referral relationship. While some folks may expect to start getting more referrals in return from you, many will be thrilled just to have a resource like you to send people to.

5. **Communicate your value - more than once.** Schedule plenty of time to make sure they understand your value - what you do, who you serve the best, how you do it, why you do it, and how people benefit from your work.

You simply MUST become referable in their eyes if you want to start getting more referrals and introductions from them. And this isn't usually accomplished in one meeting. It takes time for it to sink in. They need to see value in your process and in the results you produce. They also need to like and trust you (especially trust).

If appropriate, have the same conversation with them about their business.

4. **Teach them who you serve the best.** These members of your referral team need to know for whom you do your best work and how to recognize these people/businesses. Teach them the demographics and psychographics or your ideal clients. What would an ideal prospect for your business be talking about, complaining about, or trying to accomplish?

3. **Don't wait for referrals or introductions.** Doing the previous steps may generate a few passive introductions, but if you really want productive relationships, you have to be appropriately proactive from time to time.

If you can identify specific people you know that they know, ask for specific introductions. If not, suggest categories and generally brainstorm with them. This is something you can probably do with these folks 2-4 times per year.

2. **Secure effective introductions.** Don’t settle for word of mouth or “Call George and use my name.” Discuss how you are going to introduce folks to each other. Will these introductions be in person, over a meal, with an email handshake?

The best way to view any introduction is with the same criteria the Food and Drug Administration uses to evaluate a drug for the market; is it safe and effective? You want your referral source and the new prospect to feel "safe" or comfortable with how you are introduced. And you want to have the prospect's curiosity piqued a bit to at least get them open to hearing from you.

1. **Create a contact-management plan.** These are not set-and-forget relationships. You know the old expression: Out of sight, out of mind. These relationships need continual nurturing to get them to a
productive stage and to keep them there. Agree with each person who often you're going to meet and review expectations, etc.

Build It and They Will Buy

Your Sales Machine
by John Chapin

The "how-to" behind building a highly-effective, competition-dominating, sales juggernaut is actually fairly simple. What isn't simple is executing the steps and sticking to the plan. The dedication and resolve necessary to start and complete the process is where the majority of people fail. That said, if you're ready to skyrocket sales in your organization, here are the steps to get it done.

Step 1: Super-intense Sales Training

The most important tool a salesperson can have in their arsenal is great sales skills. Yet, while most organizations spend tens or even hundreds of thousands of dollars on a new producer, send them to product training, and load them up on technical skills, most balk at investing a fraction of that on the most important training: sales training. Poor sales skills is a key reason why most salespeople end up with mediocre or bad sales results.

When considering how to train your people, let's start with the gold standard. In the best case your training would look like what my dad got from I.B.M. The first six months were spent at I.B.M.'s main office where new salespeople trained half the time on product and half the time on sales. Everyone was given a sales play book that included all scripts for what to say and how to handle all sales situations. Next, that play book was memorized, practiced, and drilled until they had every single sales situation embedded in their brains. When my dad finally returned from training, he was with his manager and one of the top sales reps out in the field for three more months. They practiced, drilled, and rehearsed everything before, during, and after live calls. Finally, after nine months he was allowed to go on calls by himself.

If you're like most people reading this, you don't have the resources of an I.B.M. and you probably can't invest nine months doing the training mentioned above. In that case, you want to do something similar to what I do when training brand new agents in the insurance industry. The first thing they do is spend two days in one of the top insurance producer schools. When they get back, I give them a play book with reinforcement CDs, all the scripts, and everything else necessary to handle all sales situations and scenarios they're going to encounter when they're out prospecting and chasing new business. They memorize these and we practice and role-play. After a very short period of time, once they have the basics down, they start calling on live prospects. They learn most of what they learn by getting their nose bloodied out calling on small accounts.

After weeks of internalizing everything they learned in the first school and from me, I send them to a second school. We follow the same reinforcement process as we did above. Next, I send them to a third school and once again, the process is repeated.

By the time they've completed the above process, their sales skills are better than about 97% of the people they are competing against. As a result, because sales skills are the most important skills by far, they are doing a significant amount of business at this point.

Step 2: Activity

Although activity is actually more important than sales skills, it is second in chronological order. Before I send someone out to make calls, I want them to have a general idea of what they're saying so we train on sales skills first.

Step 2 is all about massive activity and tracking that activity. The insurance agents have a quota for new people they have to attempt to contact every week. At the end of the week I want: the number of new
people called on, spoken to, prospects, appointments, follow-up calls on prospects not reached, sales, and several other items.

While the most important tool a salesperson can have is great sales skills, the most important attributes a salesperson can have are: hard-working, persistent, and an ability to persevere. This is all about making a ton of calls and staying after it no matter how badly they get beat up.

**Step 3: Continuous practice and reinforcement of sales skills.**

Your people have to constantly be reading the scripts, listening to sales CDs in the car, role-playing, and otherwise practicing, drilling and rehearsing everything they've learned. As a leader you want to test them by throwing objections and different situations at them along with going on some calls. It's also important to work on sales skills in sales meetings.

This also means resending your people to training. An insurance agent will go to each of the producer schools three times the first three years they are working with me. Each time they learn something they missed the first time and the ideas they do remember get further reinforced and improved. Every time they come back there is an instant bump in sales.

**Step 4: Continue to improve and innovate.**

Once you find what works, don't rest on your laurels. Continue to look for ways to improve and get better. Look for better ways to compete, better answers to objections, better ways to communicate and build relationships, and in short, more effective and efficient ways to operate.

**Step 5: Remove obstacles from the sales process.**

Obstacles come in several forms. It can be support people not doing their jobs, inefficient systems or processes, tedious, unnecessary, extra items that you ask your people to do or even having salespeople doing items that support people should be doing. Keep an eye out for anything that seems to be taking your salespeople away from "new business" activities.

**Step 6: Remove negativity and slackers from the environment.**

The key to all of the above is to develop and follow a proven system that trains and reinforces sales skills and ensures your people are doing tons of the right activities the right way.

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**The 3 Risks**

**Every Insurance Sales Produce Must Face**

*by Brent Kelly, PropertyCasualty.com*

If you have been an insurance sales producer longer than 10 minutes, you know all about risk. Risk is defined as "exposure to danger." Danger surrounds insurance producers everyday. It could be in the form of a manager, company, prospect, client, product or service. That list could go on and on, but the key point is that risk is clear everywhere you turn.

I believe you could categorize sales risks into three areas.

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The 3 Risks
1. Risk of rejection.
2. Risk of failure.

These three risks highlight that even though the sales profession is the highest paid industry in the world, only a small percentage of the population enters this line of work. Furthermore, this is why even a smaller percentage of sales producers survive. I have dealt with these three risks consistently in my own sales career. Although the context of these three risks has evolved over the years, the consequences have not.

**Embrace risk**
While the fear of failure, rejection, and financial hardship are real, they are often prevent you from taking the necessary risks to overcome them. As Jeffrey Gitomer says, "Some people say no risk, no reward. I say no risk, no nothing." There is nothing in sales that doesn't require a certain level of risk. There is also nothing positive in sales that can occur without taking a risk.

1. **Risk of rejection**
This is the most common risk in sales. Rejection isn't just part of the sales process, it is the sales process. Prospects will say no. Prospects will say no often. Prospects will sometimes reject you in a way that will make you want to crawl up and go hide in a deep, dark hole.

So what?
If you get one "yes" for every nine "no's", that means that every rejection is one more no closer to getting the yes that you want. Plus, every "no" is a learning experience that will improve your 1 out 10 ratio to 2 out of 10, or possibly 3 or 4 out of 10.

2. **Risk of failure**
The risk goes a step beyond rejection. It's one thing to be rejected, but another thing to fail. Ultimate failure only occurs from inaction or quitting.

- If you take no action because you are paralyzed by the risk of failure, then you have failed.
- If you give up because of rejection or other negative experience, then you have failed.

Everything else is just part of the process. Daily purposeful actions mitigate the risk of failure. In fact, daily purposeful actions destroy the risk of failure.

Why?
As long as you are moving with purpose, even at a snail's pace or temporarily backwards, you are still moving. The only way you are motionless is when you haven't started or when simply stop. Temporary failures are not permanent unless you allow them to be. You control the risk of failure, never let it control you.

3. **Risk of financial hardship**
The last high-level risk that sales professional face is the risk of financial hardship. Simply put, this means no sale, no money. Whereas the first two risks or emotional, this risk is tangible. There are bills to pay, obligations to meet, and in many cases, others family members to give for and protect. While this is fear is often a reason people decide not to go into sales at all, it's also the reason others make a tremendous income in the sales industry.

**Fear can be paralyzing**
While fear can be paralyzing to some, fear is motivating to others. It's not to pretend that this risk doesn't exist, it means the opportunity outweighs the risk. In no other profession, do you have full control of your destiny. No, you can't control every outcome, but you can control your attitude, work-ethic, and daily actions.

Your opportunity awaits, but it's up to you seize it. Dare to risk!

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What Works
by Nancy Grover, PropertyCasualty360.com

It is no "small" question: How do you sell insurance products to a company that doesn't understand its exposures, that doesn't have a lot of capital, and whose owner often doesn't want to do much beyond "point and click" when it comes to purchasing the coverage they do buy?

And why should agents consider trying to sell to these prospects, considering the amount of premium (and commission) to be gained versus the amount of work they may have to put into it?

Yet a number of major carriers - and many savvy agents - are currently targeting small business with renewed vigor, devoting extensive resources to this difficult-to-crack market. Some are using technology, social media, and predictive analytics; others are leveraging their relationship-building skills. Small business, they maintain, is the great untapped market that holds a bounty of promise for the P&C industry.

Small businesses underserved
"One of the largest and most positive opportunities is to write small business insurance in America," says Tom Barrett, president of the Midwest and Southeast regions of the Strategic Insurance Agency Alliance (SIAA). He adds, there are thousands of businesses "overlooked by the insurance and broker communities that are totally underserved."

Many insurance carriers are likewise bullish on the small business sector. "We love the small business market; it's the backbone of America," says Mike Seling, vice president of business development/regional operations for Accident Fund Insurance Company of America, a mono-line company in Lansing, Mich., that specializes in workers' compensation coverage. "What's more," he adds, "it is tremendously profitable. "From a retention perspective, it stays around longer; it's not shopped," he points out. "We want to write more of it."
Knowing your prospect

The first step to tackling this market is gaining a thorough understanding of both the needs of the small-business owner and the products available to them.

Many insurers offer Businessowners' policies (BOPs), which are "uniquely designed to serve a small business owner," explains Mike DeHetre, vice president of underwriting and product development at Travelers. Although BOPs typically include general liability, property and business interruption coverage, some larger insurers often try to customize the BOPs for the particular business. Clients need to be informed from the start that BOPs do not provide professional liability, auto insurance, workers' compensation or health and disability coverage.

Pressed for money & time

Small-business owners are often pressed for two things: money and time. The former, says Christine Sadofsky, a managing principal at Integro U.S.A. Inc. in New York City, "is a catch-22 issue because if a loss occurs, they don't have the financial backing to defend themselves," so it's imperative that they allocate the right funding to cover the major exposures.

Additionally, "That owner is wearing many hats, concentrating on the business 12 to 14 hours a day," said Steve Tombarelli, vice president of the SIAA's Business Insurance Advantage program. Knowing that small-business owners are understandably stingy with both time and funds is important to bear in mind when approaching these prospects, for this set will part with neither of those things unless they first have your trust.

Perseverance & dedication

"Get involved with the local community and organizations that are industry-specific," says J.P. Delaney, sales manager at Louisville, Ky.-based Logan Lavelle Hunt Insurance Agency LLC. "If you focus on restaurants, get involved with the restaurant association, or the small-business association. The more you get involved, the more you are the face of your company, the more that you're going to get in return."

Delaney says it takes perseverance and dedication. "There will be many days when it's 90 degrees and sunny out, and you don't want to go to one of these meetings. But those are the days you need to," he stresses. During those meetings and in all interactions with prospects, it's important for agents to position themselves as go-to experts on all matters of insurance. "You've got to build that trust from day one," Delaney adds. "Without trust, there's nothing there."

Once that's established, small-business owners are more likely to purchase insurance products once they understand the agency has the client's best interests in mind. Sometimes, that can extend beyond the traditional set of business products, though that depends on both the level of trust achieved and the buyer's appetite. Delaney's firm includes a wealth-management division, benefit division and P&C division. "During my sales process I talk about all those things we have to offer and round out the whole account."

Be more aggressive

Agents looking to ramp up their small-business market share need to be more aggressive than they have in the past, according to several experts. Working one-on-one with small-business owners can also lead to the purchase of additional coverage, such as personal-lines products. It takes focus and dedication.

"In the small commercial market, relationships are really important," says Tombarelli. "It's the ability for the business owner to validate they're working with the right agent, then to make sure the agent is servicing their needs and is not just a touch point at renewal time; that they understand the business and the needs of that business, and they are part of that community. They are also a small-business owner in that community."

You're Sending Customers to Your Competitors!

Why?

by John Graham, PropertyCasualty360.com
It could happen, but it's ridiculous to even think you're doing it deliberately. Why would any insurance agent intentionally send good clients to a competitor? It doesn't make sense - or does it? As it turns out, a lot of insurance agents are doing just that with their auto and homeowners customers.

**Why customers leave**

In fact, it happens every day. They don't need to take the time to text another agent - "I have a great client for you. Low maintenance. Never questions or complains. Always pays on time. Let me know." There's no need to even send the message. Before you can whip out your iPhone, you get a text that the account is already there. And why not? Although you had sold the policy, you made no investment in the customer.

"What do you expect?" you say. "For what we get paid for an auto, homeowners or businessowners' policy (BOP), it isn't worth the time. And besides, the internet is getting that business." Yet, a recent USA Today Vertafore survey tells a different story. It found that "78 percent of consumers prefer to work with a real person when reporting an insurance claim vs. submitting one digitally." At the most crucial moment in the insurance customer relationship - when they have a loss - customers want to interact with a person. Why? It's their stuff that's involved.

The message is clear: No investment in a client, no client. It's that simple. The personal lines problem isn't customers fleeing to the internet. That's just a symptom. The major issue is the failure to establish a relationship with personal lines clients that demonstrate an agent's value.

If clients are "handed off" to an "account manager," why not buy online where they get responsive 24/7/365 service and they never hear "Please leave your name, phone number, the time you called, and a brief message and we'll get back to you as soon as possible."

What has become painfully clear is that the online insurance operations possess a better understanding of what customers want and expect than do local insurance agents. If you have any doubts, just take a look at their ads. They're educational.

**Why customers stay**

We're all proud of what we own, and it makes no difference if our pride-and-joy is a new Porsche or a used Pontiac, a one bedroom condo or a home in a gated community. If it's ours, it means something special to us. But that's not all. We think well of those who take an interest in our stuff. This is why a "drive-by" inspection doesn't do it when it comes to building client relationships. Clients want you to see what they own, and it's also an opportunity to let them know you appreciate what's theirs.

The home "inspection," for example, is also a chance to share your knowledge and expertise - and increase your client creds. You want to leave them thinking, "This agent knows something." This is the time to point out possible discounts, not sitting in an office or asking them questions over the phone. Since you're there, you can spot potential risks that deserve attention to avert unnecessary losses - and possible premium increases.

Most important of all, this is a ready-made opportunity to answer client questions that might not (read: would not) otherwise come up, what they've thought about but never asked. And when you get back to your office, prepare a brief report of your findings and send it to the client (no jargon, please). Insurance people talk about the need to educate clients about insurance, but, for one reason or another, never get around it. This is one of the "classrooms" where it can take place. It's a way to say you care.

**Moment of insurance truth: When a loss occurs**

It all comes together at the moment of insurance truth - when a loss occurs. "Will it or won't it be covered? Will I be treated fairly or will there be a problem?" the homeowner worries. Sure, the adjuster comes by
with an iPad but doesn't say much; someone they don't know and will never see again. This also where you, the agent, belongs.

Clients want to know that you see what happened, understand the loss and are taking care of it for them. Knowing that you're prepared to represent them with the insurance company is what they expect. This is why Nationwide makes the point of having an agent appear magically at an accident scene. It reinforces the message that "Nationwide is on your side." That's what every customer wants. And, if they get it, they stay.

For some agents, all this is just too time-consuming and too much work for what they get paid or they may feel their time is better spent elsewhere. If this is how you feel, that's not a problem. Just hand off your clients to another agent. Or, you may be doing it now.

**E&O Risk Management Alert**

**Is the Carrier Providing All the Coverages You Requested?**

*by Curt Pearsall, CPCU, AIAF, CPIA, President - Pearsall Associates, Inc. and Special Consultant to the Utica National E&O Program*

In your efforts to grow your business, your agency is probably actively soliciting new business opportunities. This will eventually lead to sending new business applications to your carriers and wholesalers for competitive quotes and, hopefully, landing those accounts. The applications will reflect specific coverages, including modifications to endorsements, that you believe will be needed based on your exposure analysis.

As the carrier proposals arrive, suppose you determine that the quoted premiums look great. Is that the only extent of your focus? Are you assuming that each proposal provides all the coverages requested? Do you believe that if the carrier could not provide certain requested coverages that it would have told you?

If the answer to any of these questions is "yes," there are some potentially significant errors and omissions (E&O) ramifications. To prevent a major headache, every agency should have a detailed approach to comparing the coverages requested versus those provided.

**Perform a Comparison**

The best place to start is to presume the carrier proposal does not exactly meet the coverages requested on the application. Use a spreadsheet or checklist to carefully compare the carrier proposal to your requested coverages. Ideally, the producer working on the account should be involved because who would better know the coverages needed to sell the account? It is possible that the carrier added an endorsement that must be noted. This could include issues such as a Protective Safeguards Endorsement or a Professional Liability Exclusion.

If the application was sent to the wholesaler market, the coverage issues could be more significant. The excess and surplus (E&S) market is known for excluding exposures they are not willing to cover and for placing significant limitations on coverages.

This comparison would identify any missing pieces and serve as the basis for dialogue with the underwriters to resolve the issues. Since this process could take some time, agencies should plan on securing the carrier proposal well in advance of the date they will be meeting with the prospect to propose the account. The carrier proposal will likely reference specific endorsements. Unfortunately, the names of these endorsements may not make it clear exactly what coverage is being offered. It is highly suggested that specimen forms be secured and reviewed.

**Prevent a Disconnect**

Performing this comparison is also key when it comes to developing the agency proposal. If a comparison is not done, there is greater potential that the agency proposal may reflect coverages that were requested
and presumed included. What if some of those coverages requested were not included by the carrier? Your proposal could be incorrect. This could be extremely damaging to the agency if a subsequent problem develops.

The responsibility for reviewing the proposal to determine how well it provides what was requested falls squarely on the retail agency. It makes no difference if you are dealing with a standard carrier or a wholesaler. In addition, contrary to the belief of many, this issue is not solely a Commercial Lines account issue. It can occur on Personal Lines accounts as well.

There are many situations where there can be a disconnect between the carrier proposal and the application. The only true way to uncover the magnitude of the issue is to perform a comparison. Make sure your agency has this procedure in place.

*The material contained in this article is for informational purposes only and is not for purposes of providing legal advice. You should contact your attorney to obtain advice with respect to any particular issue or problem.*

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**National Director’s Update**

**From:** Stan Logan, CIC, Owner Logan Lavelle Hunt Insurance Agency, LLC, PIA of Kentucky National Director

**News from National Highlights:**

- The U.S. House approved a short-term extension of the National Flood Insurance Program (NFIP) for six months, in essence a band-aid to push the can down the road.
- Legislators are discussing lowering the program reimbursement standards for the Write Your Own (WYO) program and lowering compensation that independent agents earn for administering NFIP.
- The PIA National Hartford Flood program is doing well, with 20% commissions to agents.
- The PIA Cyber Program is getting off the ground. In my opinion, a cyber policy will be of equal importance as an E&O policy. National Association of Insurance Commissioners (NAIC) is working on agent model legislation that dictates and agency’s responsibilities before and after a breach.
- There seems to be forward momentum on the PIA Buy Button initiative. PIA encourages agents to place pressure on their companies to cooperate.
- PIA National is exploring a market access program.
- For a summary of "What's New with PIA" download [download the PDF].

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**Education**
As we all know, our industry is constantly changing with new or revised coverage forms, rating plans, and organizational structures. Whether or not your organization focuses on commercial lines, personal lines, benefits, or a combination of things, the big issue is always how well the firm's resources are managed. The better managed an organization is, the more successful it will be. The Agency Management Institute is designed to be relevant to the broad range of industry professionals who attend. Each subject is presented in a way that agency owners, producers, account executives, customer service representatives, and insurance company personnel see the value and how it relates to their position within the organization.

**Topics Include:**

- Agency Organizations
- Understanding and Managing Financial Strength
- Agency Planning
- Human Resources
- Agency Productivity and Effectiveness
- Legal and Ethical Responsibilities

This institute addresses the unique insurance coverage needs of individuals, families, and family members. You will learn to handle the complexities of state-specific personal lines forms.

Other Upcoming CIC Class

**Commercial Property**
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Upcoming CISR Classes

**Agency Operations**  
October 11, 2017 ~ Louisville

**William T. Hold Seminar**  
October 18, 2017 ~ Lexington

**Commercial Casualty II-BAP, WC, Excess**  
October 25, 2017 ~ Paducah

**Agency Operations**  
November 1, 2017 ~ Lexington

**William T. Hold Seminar**  
November 1, 2017 ~ Louisville

**William T. Hold Seminar**  
November 2, 2017 ~ Paducah

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Upcoming CPIA Class

**CPIA 3: Sustain Success**  
October 25, 2017 ~ Frankfort

Live Webinars

**Additional Insureds: The Quandary**  
October 24, 2017 ~ 1:00-4:00 PM ET

**Current Trends & Changes: The Homeowner & Auto Marketplace**  
October 26, 2017 ~ 1:00-4:00 PM ET

Visit full event calendar
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