

INSURANCE JOURNAL



AGENTS' VIEWPOINTS

What property/casualty independent insurance agents think about their own businesses, customers, partners, technology and future...and why.

— SCROLL MOUSE DOWN —

Contents

FALL 2015



Carriers

- 3 Independent Agents Seek Business Opportunities with Carriers
- 4 What Makes Agents Switch Carriers?
- 5 What Insurance Agents Want from Carriers



Customers

- 6 Marketers Have Lost Control of Insurance Buying Process
- 7 Google Dupes Insurance Buyers: Big 'I' Leader



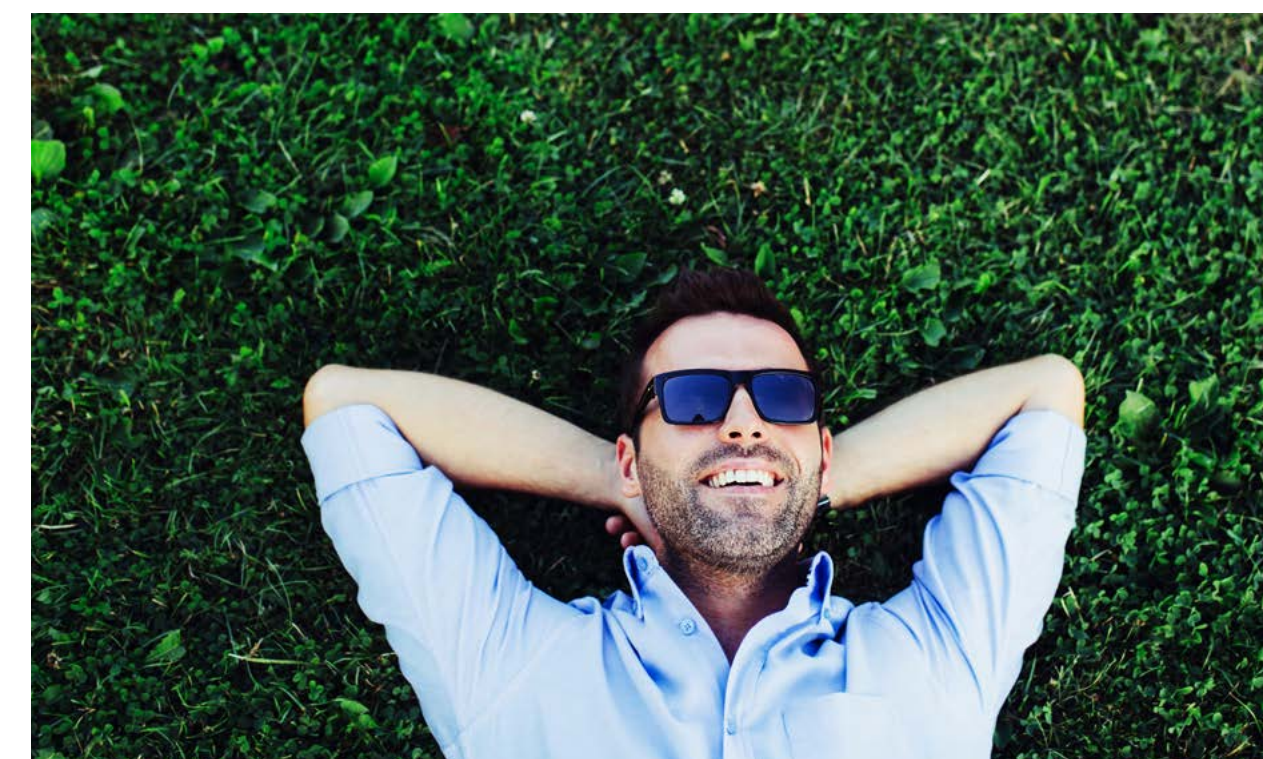
Technology

- 12 Independent Agents See Carriers' Online Sales As Major Threat
- 13 Agencies Using Technology More Enjoy More Growth
- 14 Young Agents Rate Flexibility, Career Growth Over Technology



Agency Management

- 8 Shopping for E&O Coverage
- 9 High-Growth Agencies Build Businesses Differently
- 10 How Agents View Agency Aggregators
- 11 The Agency Producer Activity Gap and How to Close It

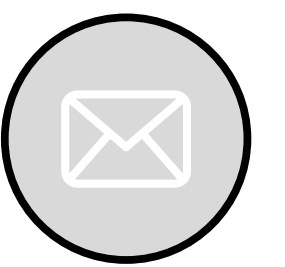


The Future

- 15 Understanding Diversity Is Key to Agency Growth
- 16 Large Agencies More Optimistic About Future Growth

From the Editor
A special digital collection of agents' viewpoints, videos and podcasts.

Send an email to the editor



Carriers

Independent Agents Seek Business Opportunities with Carriers

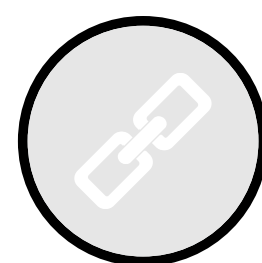
Independent insurance agents are impressed by the carriers they place business with – but most also are interested in adding new company partners.

So says a national survey of 2,200 independent agents conducted by Channel Harvest Research and sponsored by Insurance Journal.

Fully 82 percent of are either “extremely satisfied” or “very satisfied” with their top personal lines carriers, while 73 percent feel the same way about their top commercial lines carriers.

Seventy-four percent are interested in adding new carriers to grow. They are also interested in targeting niche markets of professionals and millennials.

[Click link to read the rest of the story](#)



What Makes Agents Switch Carriers?

Insurance agents stick with their top personal lines and commercial lines companies for years, although they are less-than-satisfied in a number of carrier-performance areas, says a survey of agents conducted by Channel Harvest Research and sponsored by Insurance Journal.

Among those who changed their No. 1 personal lines carrier over the past year, the most frequent reason was rates were “not competitive.”

Click link to read the rest of the story



Carriers

What Insurance Agents Want from Carriers

Agents like what they get already but see room for improvement in field operations, agent education and marketing support provided by carriers, according to a survey of 1,400 agents conducted by Channel Harvest Research. In this interview, Channel Harvest's Peter van Aartrijk reveals that one thing agents want is "quality field reps" who do more than "drive-by appointments."

Agents would like more flexibility and online options in the training provided by carriers, according to the annual survey sponsored by Insurance Journal. Also social media training is one of the educational tools agents said they are seeking.

What Agents Want from Carriers: Education

[Click link to watch video](#)



Customers

Marketers Have Lost Control of Insurance Buying Process

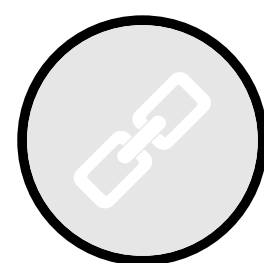
After careers spent controlling their companies' messaging to customers, insurance marketing and advertising professionals have lost control. Customers and prospects have taken over.

Today's customers care more about what other parties have to say than they do what an insurer or agency says.

"Today's consumer will leverage pretty much everything except brand-centric content including social influence, ratings and reviews. They're going to look at the wealth of information that's out there, available on the Internet, that is published by someone other than the brand," according to Kevin Brandt of Trusted Choice.

Traditional marketing and advertising no longer work as well as they did. Inbound marketing and content marketing are helping to reach consumers who prefer to find information on their own.

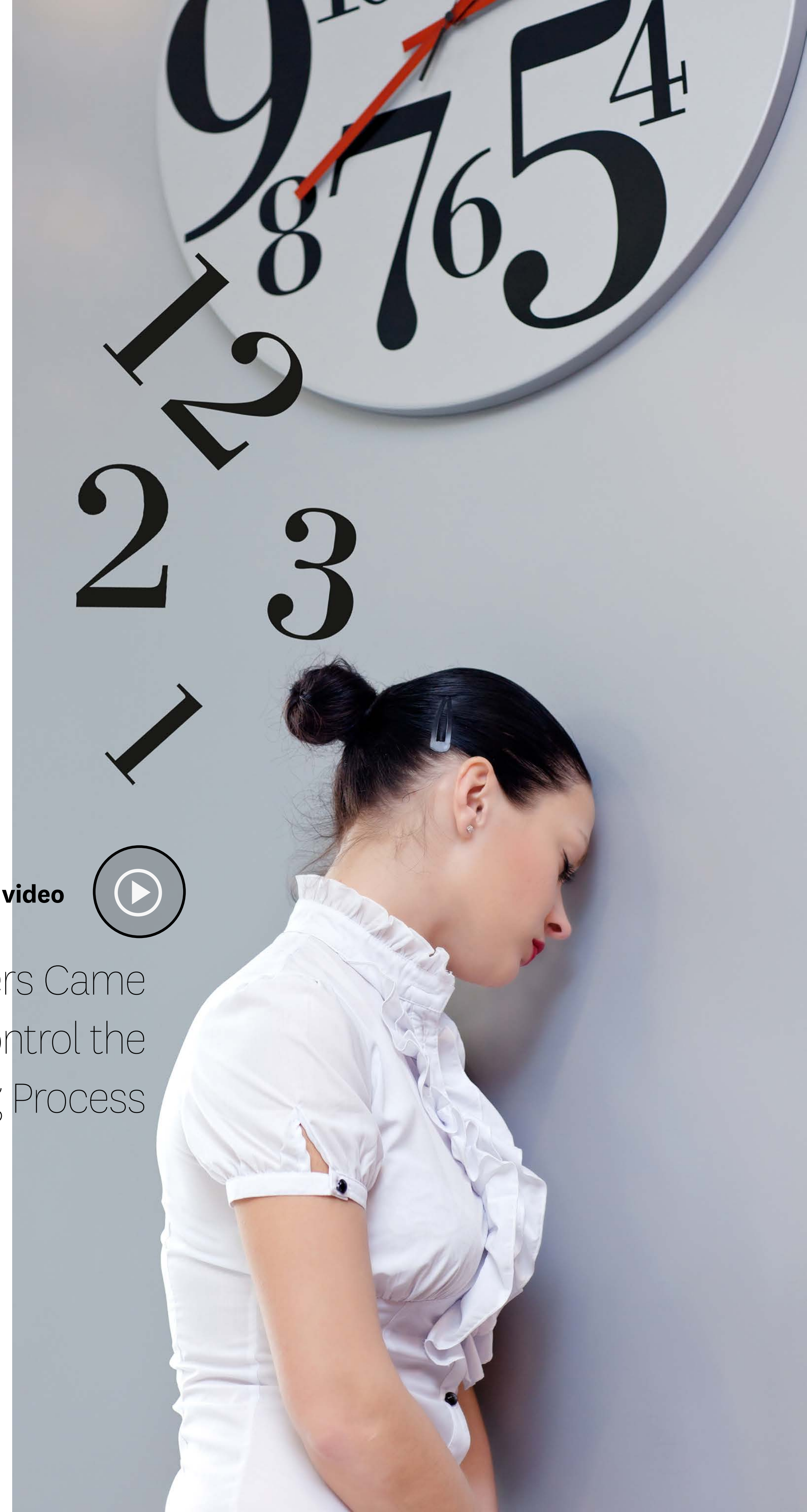
[Click link to read the rest of the story](#)



[Click link to watch video](#)



How Customers Came to Control the Buying Process



Customers

Google Dupes Insurance Buyers: Big 'I' Leader

Independent insurance agents are accustomed to competition but many are watching with heightened interest the entry of one new competitor in particular, Google Compare.

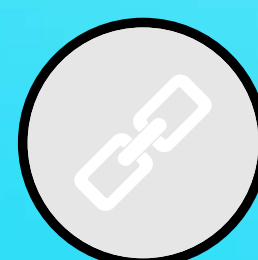
Bill Wilson, of the Big "I", contends most independent agents aren't overly concerned about Google's recent entry into insurance sales although they probably should be concerned to a degree.

He also believes captive agents should be the ones worrying about Google more so than independent agents and, in the end, consumers who buy quickly online without professional advice could be the ones to suffer.



Podcast:
What Agents Think About
Google Compare

[Click link to read the rest of the story](#)



[Click link to listen to Podcast](#)



Shopping for Agency E&O Coverage

While many insurance agencies stick with their agency E&O carrier for years, those that do shop around tend to do so when premiums are rising, according to an Insurance Journal survey, which also found that more agencies are shopping around.

Premiums for agency errors and omissions (E&O) insurance have been rising. According to Insurance Journal's Agency E&O Survey, 56 percent of agencies saw premiums increase.

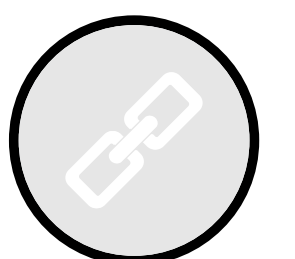
The survey found that 61 percent of agencies have had the same E&O carrier for at least the past five years, and 33



percent have had two carriers in the past five years. Of those that shopped E&O markets, 25 percent said they shopped for a lower price.

It makes sense that agents periodically shop agency E&O coverage but price alone should not drive the decision to move, according to experts who stress that changing E&O carriers is a significant decision. Agents should consider the value a long-term E&O partner brings to the table and a carrier's longevity in the E&O market.

Agencies looking for E&O insurance today have lots of choices if they decide to shop around. Yet not every market is the right market for every agency.



Agency Management

High-Growth Agencies Build Business Differently

High growth insurance firms hire differently and produce business differently than low growth firms, a survey of different insurance organizations found.

High-growth organizations also make use of specialized skills and research to build connections and networks, while lower growth firms generally do not, says Julie K. Davis, founder of Risk Communities of Austin, Texas, whose firm surveyed 32 agencies, carriers, wholesalers, law firms and claims organizations of at least \$1 million in annual revenues.

When hiring, high growth firms valued specialized skills and expertise, Davis said. On the other hand, low or average growth firms did not have specialty niches and self-identified as generalists.

[Click link to read the rest of the story](#)



BUSINESS

MAX

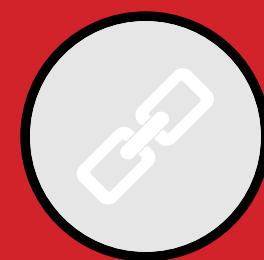
How Agents View Agency Aggregators

About a quarter of independent insurance agents say they work at a firm that belongs to an aggregator cluster. But very few whose agencies don't already belong to an aggregator want their firms to join one, a fact challenging the trend of the recent, rapid growth in overall aggregator membership.

This is from a survey of 2,200 independent insurance agents conducted by Channel Harvest Research and sponsored by Insurance Journal.

Agents are impressed by what they get from their aggregator membership and fully 88 percent of agents whose firms belong to an aggregator say they are unlikely to leave their organization in the next year.

[Click link to read the rest of the story](#)

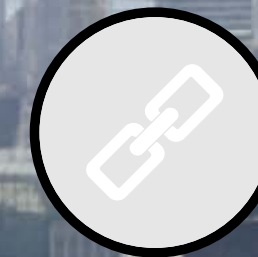


The Agency Producer Activity Gap and How to Close It

Agency producers are not spending enough of their time on the sales-related activities that they and their managers think they ideally should.

Instead they feel they are spending too much time on administration and client service, according to a survey by ReSourcePro Analytics and Insurance Journal.

Click link to read the rest of the story



Click link to listen to Podcast



Podcast:
The Agency Producer Activity Gap
and How to Close It

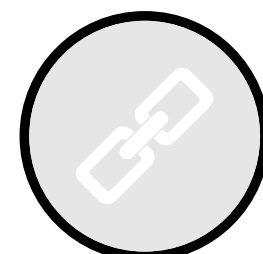
Independent Agents See Carriers' Online Sales As Major Threat

Independent insurance agents see the increase in insurance carriers' direct sales via online channels as a serious competitive threat, with 39 percent citing this as their greatest source of competition, according to an Accenture survey of 1,100 independent property/casualty agencies.

Nearly three-quarters (71 percent) of the agents said that threat takes the form of lower prices.

Agents place a higher priority on keeping existing customers than on finding new business. They also view competitive products, improved customer experience and better brand recognition as competitively more advantageous than offering advisory services to customers.

Click link to read the rest of the story



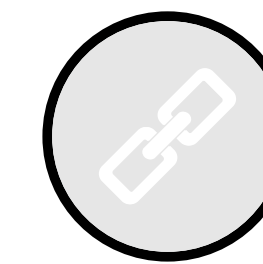
Technology

Agencies Using Technology More Enjoy More Growth

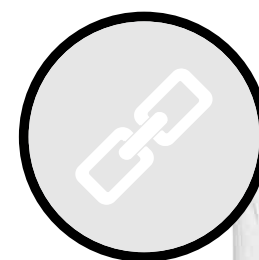
Insurance agencies that use technology in sales, marketing and customer relations sell up to 43 percent more policies per producer than agencies that rely less heavily on technology. And the gap between the two types of agencies is widening.

Stil, it's not too late for low users of technology to catch up, say Insurance Technologies Corp. and Velocity.

[Read State of Techsurance 2015](#)



[Click link to read the rest of the story](#)



Technology

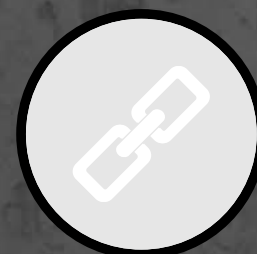
Young Agents Rate Flexibility, Career Growth Over Technology

Technology is not an incentive when it comes to attracting and retaining millennials to the insurance industry but it can provide overall job satisfaction in terms of flexibility and career growth opportunities, according to a survey by insurance technology provider, Vertafore.

Millennials said that work/life balance is more important than having access to the latest technology. They also indicated that being given the opportunity to impact an agency's performance, having their ideas heard and a say in the approach to how the business is run were other big factors in the decision to stay on the insurance career path.

Insurance Journal's
Young Agents Survey 2015

[Click link to read the rest of the story](#)



[Click to watch this video](#)



The Future

Understanding Diversity Is Key to Agency Growth

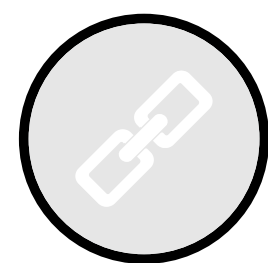
Older white male businessowners are coming to terms with the reality that much of the country and many of their future customers don't look like them or necessarily share all their values.

While whites make up 64 percent of the U.S. population today, by 2041 whites will be a minority in the country, multicultural marketing expert Kelly McDonald told the Independent Insurance Agents and Brokers of America.

Agents must learn how to market to diverse populations so that they have an agency fit for the future, McDonald said her presentation titled, "How to Market to People NOT Like You."



[Click link to read the rest of the story](#)





The Future

Large Agencies More Optimistic About Future Growth

Optimism over the future growth potential of independent agencies ties closely to the size of the agency, with larger agencies feeling more optimistic about future growth than their smaller counterparts, according to a Vertafore study conducted with analysts at Aite Group.

Nearly 50 percent of fast-growing agencies are investing in advanced technologies, diversifying into other product areas, and expanding strategic partnerships with carriers.

[Click link to read the rest of the story](#)



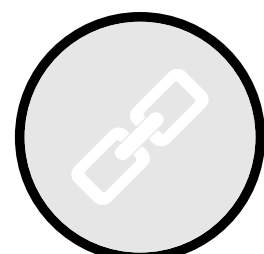
The Future

Agents to Walmart, Overstock: 'We Aren't Dead or Dying; We are Evolving'

Announcements by Walmart and Overstock.com that they are entering the insurance sales game have elicited responses. Some agents expressed frustration that their way of doing business may no longer be relevant, while others acknowledged the industry is changing and that they must, too.

Agents were particularly irked by Insuritas' CEO Jeff Chesky's comment that consumers don't want a relationship with an agent. The problem with Chesky's thinking, said agents, is that not all insurance products are the same and not everything is about price.

[Click link to read the rest of the story](#)



Big "I" Chairman Walker on Future
for Independent Agents

[Click link to watch video](#)

