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Make your carrier your best friend

Strong agent-carrier relationships



One of the challenges of running a professional, independent insurance agency is maximizing carrier relationships. Insurance companies provide the necessary products and pricing, while agents provide the growth and profit essential to their carriers. As with any partnership, when it is running smoothly, great things can happen. To keep it that way, there are certain expectations to meet.

Agents rely on their carriers to offer the insurance products to fit their markets and that have enough flexibility, so they can expand into new markets to grow their business. They need to have strong relationships with all of their carriers, so they can offer their clients the best possible insurance policy to fit their needs. Additionally, they also need carriers that will provide them with stability and the services they need to make sure they can hold up to the promise they make their clients: To be there when they need them the most. They need their carriers.

Carriers rely on their agents to provide a local perspective on what their insurance products offer the insurance-buying public. Clients trust advice that comes from a local agent, who is a part of their community. This means the independent agency system continues to be a force to respect. They need their agents.

However, when it's not running smoothly, frustrations can flare up and both parties can miss opportunities to write and retain more business. And, in a worst-case scenario: Carriers can cancel an agency's contract and an agency can move its business to a different carrier. To avoid this scenario, both parties need to work to make sure each other's needs are met. Consider the following to help keep your agency-carrier relationships flourishing.

The submission

While there are many factors that can affect how carriers and agents feel about each other, the submission process can cause many headaches. Often, the only time a carrier's underwriter interacts with an agency's producer is during the submission process. This can make or break a relationship.

If the agent follows the carrier's application submission process to the letter, all is well and the client benefits from a quick turnaround that produces an insurance policy. However, if an application is incomplete or the agent is unfamiliar with the particulars of a specific insurance policy, problems can arise. Underwriters also have problems with producers who ask for similar quotes each year and then are unable to sell the policy to the potential client; or who block the markets with their submissions. Problems also surface when underwriters work with unethical producers, who may provide false information on applications. [EDITOR'S NOTE: For the errors-and-omissions implications of this unacceptable practice, see the E&O article in this issue of *PIA magazine*.]

If the carrier's underwriter does not answer an agent's calls or emails promptly, or if the agent needs to go through other people to get a risk approved, the agent can get frustrated, too. Agents also like to meet with carrier representatives who have underwriting authority or who can offer information and services that are value to how the agent would like to run his or her business.

Goals and expectations

To keep the relationship between agents and their carriers strong, both sides need to meet to discuss realistic goals both sides can achieve. When carrier or agency representatives say they will do something, it needs to be done (i.e., not canceling meetings or failing to show up for events).

Both carriers and their agents need to outline their strategies for growth and share their business plans. These planning sessions will help each side determine where they can focus their sales efforts, so that each can meet their goals. A carrier's business plan should explain how it will identify its agencies with the most growth potential and explain the resources it will provide to them to help them reach their goals. An agency's plan should outline its growth potential and how it will differentiate itself to potential and current clients. Both the agency and the carrier should set goals to work out areas of frustration that each may be experiencing.

Communication

Carriers need to make their organizational structures easy to navigate, so agents can find the contact information and resources they need without difficulty. Carriers that effectively communicate information changes and that assist agencies to work through them are more likely to maintain strong relationships.

Agencies need to communicate how their organization sells and places business and who is responsible for carrier relationships. This will reduce the number of unnecessary emails distributed by both agents and their carrier representatives.

Additionally, establish a chain of command so agents work with their regional representatives and avoid having to contact the corporate office to receive or overrule a decision.

Technology

Currently, there are 70 agency management systems available. These systems offer an abundance of options and flexibility—from

systems that support a couple of customer service representatives to agency automation systems that support hundreds of users. While an agency would be smart to have the latest in technology because it improves work-flow efficiencies and productivity of staff members. In the end, even if an agency selects the right agency automation system, and it is considered by a carrier, everyone involved understands that the technology will continue to evolve and most likely will become "second fiddle" within a few years.

Your agency is not going to get an appointment from a carrier if you have a specific AMS or a competitor—these factors aren't really important to the carrier unless it affects the agencies' bottom line. Most appointments made are not made based on agency automation. More important criteria will be considered first. However, if your automation is 25 years old; your furniture is 30 years old; and your human resources philosophy dates back to the 1950s, all these combined factors may make getting an appointment with a progressive carrier more of a challenge. In this case, it's possible for agency principals to upgrade their systems.

Products and procedures

Agents lose trust in their carriers if they don't offer the products they are marketing. If a carrier presents itself as a specialist for a certain risk, but only offers the same products that other companies offer, there isn't a reason for the agent to work with that company on that specific risk. However, if the carrier's product is unique, the agent could develop a

niche in that market, which will help the agency to grow both its and its carrier's business.

Many carriers have agency councils, but the agency feedback does not reach the appropriate home office people. Before it implements a major change in its policy or procedure, a carrier should solicit feedback from its agents and work with them to address procedural problems in the current policy.

Agencies need to develop efficient procedures for placing and remarketing business to complete submissions that are pre-qualified and that meet the carrier's appetite.

Education and recognition

Typically, a carrier trains its employees on the company's products and its approach and underwriting appetite. However, most carrier employees are not trained in agency operations and the agency sales process. Carriers that include these processes in its training classes help their employees to understand their agents better. This allows them to work more effectively with them.

Although agencies provide training to their staff in many areas of insurance and agency procedures, they also need to provide them with training in the carrier's products and procedures and the use of its computer systems. This will help the agency's staff make sure that it provides the carrier with all the necessary information in the correct way.

Carrier compensation plans and trips provide rewards to agency owners and senior managers, but it does not reward the many other people who worked on the accounts. Carriers could provide smaller rewards or awards to show their appreciation to service staff or to agency owners who will not qualify for the big trips. Conversely, agencies who recognize the efforts of underwriters and marketing people who do their jobs well will build stronger relationships.

Strong relationships are vital to the success of the professional, independent agencies and their carriers. By working together in a successful partnership, they can alleviate frustrations on both sides; they can help grow their businesses; and they provide products that benefit the insurance-buying community. Who doesn't want that? ■

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