



Insurance Agents Are Like Toasters

Insurance agents are like toasters. Let me explain...

Everyone owns and uses at least one small appliance at home. It might be a toaster, a garage door opener or a microwave oven. No doubt it's something we use every day. And yet, we can't recall the brand name of the appliance. We all know what it looks like and how it operates, but generally can't remember who the manufacturer is... until it breaks. When it breaks, we check to see what brand of "widget" it is and whether repair or replacement is covered. We decide whether we want to purchase the same brand or try a different brand altogether. It takes a problem to draw our attention to the brand – and until that time, *since we aren't really aware of the brand we're using, one brand is as good as another!* Insurance agents are essentially like toasters. We're generally not thought of by policyholders until something breaks – that is, until there's a claim.

Once there's a claim, we have the ability to really shine. We're responsive and concerned. We work to expedite things and look out for our policyholder's interests. We end up creating more of a relationship with our clients. When there's a claim, we get the opportunity to really shine in the eyes of the policyholder. ***The problem arises when everything is going well!***

When all is well and there aren't any claims (which is most of the time), we aren't thought of. And when we aren't thought of, our clients are easily persuaded to consider using another agent or finding a better rate. The real challenge with keeping clients isn't mishandling a claim. It's being faceless. The danger lies in being a nameless toaster.

***"The problem arises when
everything is going well!"***

How do you avoid the misfortune of being forgotten? Let me share a lesson I learned many years ago when I was working to succeed as a small business consultant. I have a pretty strong business background and I knew I could help most any small business in any area they needed help with – finance, marketing, systems, personnel, etc. I marketed to businesses far and wide – businesses in various industries and of various sizes. I was open to any assignment I could attract. After all, I couldn't afford to turn any opportunity away. I worked hard at developing my consulting practice, but never achieved more than mediocre results. After a few years of struggling, I ended up moving on to other things (read that as, "I had to get a job."). Just after



accepting an executive position with a company, I gained an important marketing insight. Here is the insight I got:

If you're not known for something, you're not known for anything.

I had been a toaster. People hardly thought of me. They rarely referred others to me. Only a small number of them chose to give their business to me. My mistake kept my practice in mediocrity. In order for an insurance agent and agency to thrive, they must be known for something. In order to accomplish this, one needs to have a message that's remembered, and must create and maintain a relationship with one's clients. As for the message, most agents have a message that's "vanilla". They don't differentiate themselves from everyone else. Perfect examples of messages that don't differentiate can be found in your local Yellow Pages under "Insurance".

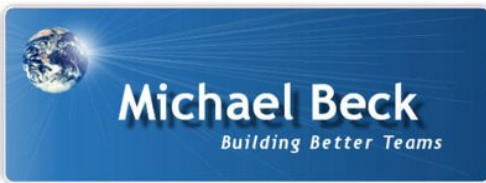
Pretty much everyone says the same thing. If you want to be remembered, you need a message which sets you apart. It doesn't need to be anything peculiar, just something that will cause people to remember you. It may be something about who you work with or something about one of your traits. Think of it as "branding" yourself; something to be associated with and remembered by.

*"Think of it as
"branding"*

As far as creating and maintaining relationships with clients goes, obviously the way to create relationships is to interact with clients. Staying in touch with clients requires both passive and active systems. Passive systems are those which are essentially on "auto-pilot" and don't require much of your personal time. Passive systems can reach greater numbers of people because they don't require your personal involvement. They can be used with every one of your clients. Some Passive Systems you can implement are:

- Printed or email birthday cards (annual)
- Printed or email anniversary cards (annual)
- Printed or email annual review reminders (annual)
- Printed or email thank you notes (annual)
- Printed or email newsletters (monthly or quarterly)
- Email thought of the week (weekly)

Active systems, on the other hand, require you to be more selective. These are systems which are dependent on your direct involvement. You'll need to be selective with who will get your personal attention. Basically, you'll want to nurture the strongest relationships with your best clients – your "A" list. These clients typically will be those who have multiple or sizable policies with you, are easy to work with, and/or have been doing business with you for a longer period of time. This group will generally comprise about 20% of your book of business.



Some Active Systems you can implement are these:

- Take your “A” list clients out to lunch for no reason (once a year)
- Personally call just to say “Hi” and stay in touch (2-3 times a year)
- Personally call to thank them for their business (annual)
- Conduct “A” list client appreciation events, open houses and seminars
- Send “A” list clients a Thank You gift (annual)
- Be a resource. Be on the lookout for non-insurance solutions clients may need.
- Ask for their help (don’t *you* feel more of a connection with someone when they ask for your help?)
- Send referrals back to clients whenever possible

In conclusion, the key to being remembered by your clients is to have a point of differentiation and to nurture an ongoing relationship. These two concepts will allow any insurance or financial services professional to boost their rate of retention, improve client loyalty, and generate more client referrals.

Keep your business and yourself from becoming toast. Don’t be a toaster.