

Trusted Choice Agencies' Key Lessons on Managing in the Hard Market



Summary of Key Takeaways

LESSON 1

Be proactive. Get ahead of the renewal. Communicate regularly.

- Prioritize education, compassion, empathy and preemptive communication to retain clients.
- Position yourself as the client's advocate.
- Be human. Good friends deliver bad news — not just good news — to other good friends.
- Communicate early with clients about carrier renewal expectations. Educate customers to prepare them for changes.
- Don't forget your carriers:
 - Maintain strong relationships with underwriters.
 - Submit accurate, complete information the first time for quotes — your underwriters will be grateful.
 - Work to convince underwriters or adapt to their criteria when necessary.

LESSON 2

Change the conversation.

- When clients increasingly request policy remarketing due to limited carrier appetite, higher deductibles and increased costs:
 - Get the big-picture story right: Shift the focus from premium savings to coverage concerns.
 - Emphasize value over cost.
 - Encourage customers to consider self-insurance for property risk and maintain high liability limits.
 - Expand your own knowledge of the captive insurance market to provide more options to clients.
 - Provide clients with legislative updates from insurance trade associations.
- Be honest with clients and assure them you're actively trying to solve their problems.

LESSON 3

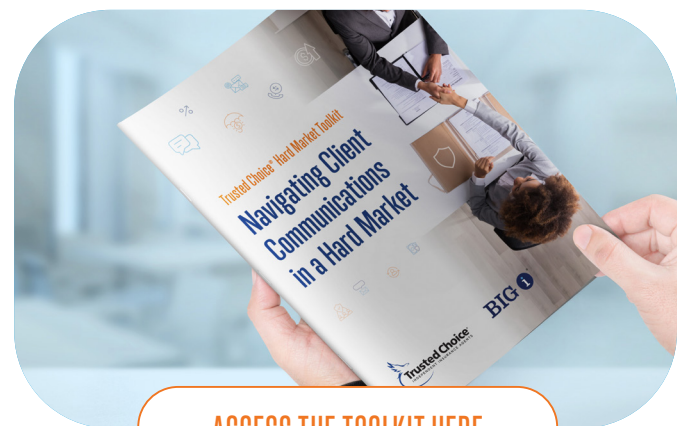
Leverage technology.

- Utilize agency management and customer relationship management tools; for example, send third-party pieces relevant to a client's business operations along with a personal note offering a summary of its relevance or questions for the client to consider.
- Think high touch: Use email and monthly communications.

LESSON 4

Take care of your associates.

- This market is tough on your staff as well. Be compassionate and empathetic.
- Maintain strong customer retention through team building and incentives.
- Be more selective about what clients the firm will take on (avoid price shoppers).
- Implement employee retention strategies, including team-building events and support.
- Anticipate concerns to make team members feel valued.
- Cross-train employees to manage the additional workload.
- Stress the importance of staying technically proficient and responsive.
- Have the right people in place in the agency.
- Invest in hiring seasoned account reps to support producers and oversee customer renewals.



ACCESS THE TOOLKIT HERE

Click or follow the URL to access the hard market toolkit:
TrustedChoice.IndependentAgent.com/HardMarket

Expanding knowledge to better serve a hard-earned network

Frank Kolovic Insurance	 <h2>AGENCY BACKGROUND</h2> <p>Frank Kolovic has had an impressive insurance career and currently advises commercial lines clients in the New York metro area. For 25 years, he has helped build the client base at what is now his former insurance agency. The firm's book has a balanced mix of personal lines, commercial lines and life and health insurance, in addition to offering employee benefits.</p>
FEATURING Frank Kolovic	
 NYC METRO	
AGENCY SIZE UNKNOWN	
<div style="display: flex; justify-content: space-between;"> <div data-bbox="625 1060 990 1123"> 25 YEARS EXPERIENCE </div> <div data-bbox="1071 1060 1396 1123"> COMMERCIAL LINES IN NY METRO AREA </div> </div>	



WHAT'S UNIQUE

Kolovic's introduction to insurance came through the life and health and employee benefits side of the business. To earn referrals, he networked with other professional advisors, such as accountants and attorneys. When he shifted his focus to property & casualty insurance, he used the same approach.



STRATEGIC NETWORKING TO EARN REFERRALS



CHALLENGES

New York State has a heavily regulated insurance environment. Some carriers choose not to write there, reducing available insurance choices.



New York also has the strictest workers compensation laws in the nation, which presents challenges, particularly for his construction and contracting clients. The hard market is now exacerbating insurance challenges in the state.

- ! New York's Heavily Regulated Insurance Environment
- ! Reduced Insurance Choices
- ! The Strictest Workers Comp Laws in the Nation



APPROACH TO HARD MARKET

Kolovic draws on his experience and knowledge to craft solutions to help his clients weather the negative aspects of the hard market. However, “It is first and foremost about the relationship I have with my clients,” he says.

He maintains in-person contact with clients to discuss relevant aspects of the hard market. He does not employ other communication channels—except for regularly sharing third-party materials via email, such as New York State insurance regulation bulletins or explanations of the causes of higher loss costs in his clients’ industries.

“It is first and foremost about the relationships I have with my clients.”

He also reviews legislative updates from insurance trade associations and furnishes those that are directly relevant to customers’ business operations. “You have to be honest” with customers when the news is not what they want to hear, he explains, but assure them that you will be working earnestly on their behalf to help solve their problems.

EARNING LOYALTY BY GOING THE EXTRA MILE



- Prioritizing In-person Contact
- Honest, Personalized Advice
- Providing Each Client with Industry-relevant Information

LOOKING AHEAD



“I believe so strongly in the need-to-know policy forms to leverage knowledge to help clients that I am now a facilitator for classes on policy forms to educate agents so they can better serve their clients,” Kolovic adds. “And I practice what I preach—I have been boosting my knowledge of the captive insurance market, so I can present clients with even more options, particularly during the hard market.”

RETENTION AND NEW BUSINESS

Frank’s advice to other agents trying to retain and secure new business is straightforward and particularly relevant during the hard market:

“As I moved into P&C insurance, I realized I needed to take the time to learn the nuances of policy forms. Understanding the differences in policy forms among insurance companies provides the agent with alternatives to present that can mitigate the impact of pricing, underwriting restrictions and endorsements,” Kolovic says. “This background has served me well during the hard market.”



KNOWLEDGE IS POWER
Ongoing education and understanding of policy forms

- ✓ Sharpened Insight
- ✓ Smarter Alternatives
- ✓ Mitigated Impacts

HARD MARKET TOOLKIT | CASE STUDY

Investing in internal support drives value for a larger agency

<p>Anonymous Insurance Agency</p>	<div data-bbox="649 703 711 766"></div> <p>AGENCY BACKGROUND</p> <p>Commercial lines represent 60% of revenues for this Midwestern agency, and personal lines and employee benefits represent 20%, respectively.</p> <div data-bbox="1307 697 1507 827"> <p>60% COMMERCIAL 20% PERSONAL 20% BENEFITS</p> </div> <div data-bbox="1318 846 1466 982"></div> <div data-bbox="649 907 711 970"></div> <p>WHAT'S UNIQUE</p> <p>The agency is not a member of an aggregator nor a subsidiary of any other financial institution. It has grown organically by one or two acquisitions a year. Acquisitions are chosen by their fit with the agency's customer service philosophy.</p>
<p>FEATURING Head of Commercial Lines</p>	
<p>IN THE MIDWEST</p>	
<p>AGENCY SIZE 100+ EMPLOYEES</p>	

CHALLENGES

The agency is encountering obstacles especially with the mid-sized mutual carriers that it uses. Those companies are more exposed to their reinsurance underwriters — forcing them to raise prices, impose lower limits or even exit certain classes of business.

FOR EXAMPLE, one regional carrier that had been writing \$1 billion-plus in personal lines for the agency has now exited personal lines. Another carrier that had been writing the agency's foundry business customers has also exited the market. The firm has had to remarket its entire foundry line.

CARRIER OBSTACLES



- Higher Prices
- Lower Limits
- Fewer Carriers per Business Line

INNOVATIVE SOLUTIONS

One of the agency's approaches for commercial lines customers is to "build a story and history with the carrier." This is not a set-and-forget tactic. Rather, agents strive to create a relationship so that when unique risk situations arise, the carrier has the confidence in the customer to provide some underwriting latitude. However, the hard market is resulting in some situations where a customer's budget cannot tolerate the size of the rate increase or new underwriting or policy restrictions. In those cases, the firm is remarketing the business. As a result, the agency must engage the carrier 120 to 150 days out from renewal for a preliminary quote instead of the typical 90 days. The agency needs the extra time to apprise the client and seek other bids if warranted.

Of note, the firm also has specifically hired seasoned account representatives whose sole responsibility is to lessen the time-consuming service burden on producers and to oversee customer renewals. This has required an investment by the agency, but one that its principals believe will pay dividends in retention and new business.



Enhancing Relationships
with Regional Carriers



Proactive Renewals
120-150 Days (vs. 90)



Invest in Support Staff
Reduce Task Burdens



APPROACH TO HARD MARKET

“A lot of education” is the centerpiece of the agency’s approach during all types of market cycles. The firm recognized that most companies’ budget cycle is months before their fiscal year begins. During regular customer meetings and calls, producers tell clients what they believe the customer can expect regarding pricing, policy and underwriting restrictions during the upcoming cycle.

When the agency learned more than a year ago that their carriers were receiving higher reinsurance renewals and coverage restrictions, producers began informing their customers that the hard market was coming. The principals believe the message about the hard market is sinking in. Producers strive to give customers more time to react, and if need be, will remarket an account to avoid a frenzy between the carrier, agency and client.

FULL-CIRCLE CLIENT SUPPORT



- ✓ Increased Education
- ✓ Proactive Communication
- ✓ Setting Honest Expectations on Approaching Impacts



The firm’s communication channels include social media assets, especially LinkedIn. Agency marketers craft agency-specific content to make communication as relevant as possible for their customers. Recent efforts have highlighted the hard market and legislative or regulatory initiatives, especially workers compensation.



RETENTION AND NEW BUSINESS

One strategy for generating new business the agency is pursuing is to seek **cross-selling opportunities** for commercial lines business through the employee benefits side of the agency.





“We have long set up a referral aura among our business lines,” the firm’s commercial lines director says. When a benefits client expresses dissatisfaction with the commercial coverage they were procuring through a different agency, the benefits account reps offer to introduce their commercial lines colleagues to see if they can be of help.

LOOKING AHEAD

“We believe that eventually the hard market will diminish but our investment in account execs—focusing on service to free up our producers—will result in account growth that we would not have otherwise obtained,” the commercial lines director says.

HARD MARKET TOOLKIT | CASE STUDY

Proactive & meticulous actions to overcome today's adversities

<p>Cupo Insurance Agency</p>	<p> AGENCY BACKGROUND</p> <p>The agency's business mix is about 75% commercial lines, including general liability, auto, property, employment practices liability, and workers comp. The team focuses mostly on habitational and property risks, retail and wholesale, as well as some contracting. Annmarie Westerfield has been in the insurance industry for more than 30 years and with the Anthony S. Cupo Agency for the last decade.</p> <p>75% COMMERCIAL LINES</p> <ul style="list-style-type: none">  Habitational and Property Risks  Retail and Wholesale
<p>FEATURING Annmarie Westerfield Chief Operating Officer</p>	
<p> NEW JERSEY</p>	
<p>AGENCY SIZE 10 EMPLOYEES</p>	

 **WHAT'S UNIQUE**

Cupo The firm has significantly grown its commercial book over the last decade and now writes some larger mid-to-large size commercial accounts, including condo associations and apartment buildings.

Westerfield has been through one other hard market in her career but says the current one is much worse.

30+ YEAR
INSURANCE
VETERAN



PREVIOUS
HARD MARKET
EXPERIENCE

 **CHALLENGES**

The agency has always ensured clients are getting the best product and price at renewal time and doesn't remarket accounts unless it is a true benefit to the clients. But for larger accounts such as apartment buildings and condos, renewals have been extremely difficult with much more limited coverage, higher premiums and additional exclusions.

On one renewal, the carrier added a sublimit for snow and ice claims, about which Westerfield says,

“ That was really the only option we could offer to them. I've never come across that before, and it worries me that I am going to see more of it.”

RENEWAL DIFFICULTIES



- Higher Premiums
- Significantly More Limited Coverage
- Additional Limits and Exclusions



APPROACH TO HARD MARKET

The agency is communicating with clients early about what they should expect at renewal time, so they are aware and prepared for what may come. In the past, Westerfield says, producers may have been afraid to say too much too early out of fear that clients will start shopping their account with someone else.

That is no longer the case, she explains:

“It’s much better right now to get in front of it and help them understand the process, and that we are trying to get the best result for them.”

She also focuses on ensuring producers are turning in thorough and accurate submissions, so underwriters will actually quote the business. “Companies are getting inundated with submissions,” Westerfield says, “so if you don’t have all the information up front, and it’s not accurate, you’re not going to get a quote.”

MAINTAINING MINDFULNESS

- Early Communication and Setting Expectations
- Raising Awareness and Preparedness with Clients
- Ensuring Thorough and Accurate Submissions

RETENTION AND NEW BUSINESS

The firm hasn’t had to change its approach to servicing clients, as it has always been very hands-on. But they also recognize responding quickly and efficiently is even more critical, especially when it comes to helping clients deal with claims.

EXAMPLES IN ACTION



- After a fire at a client’s property recently, an agency producer, an adjuster and a clean-up crew were onsite the same day to assist. Now, the agency is already strategizing how to approach the client’s renewal, which isn’t until early next year.

KEY TAKEAWAY: *It’s never too early to start strategizing a renewal after a claim.*

- The firm was able to save another client with several large apartment buildings about 5% on their premium by advising them to raise their deductible and working with the mortgage lender to ensure the higher deductible was acceptable.

KEY TAKEAWAY: *Coordination with multiple parties and attention to detail are critical.*

Though it is challenging, maintaining good relationships with underwriters and clients is essential during these tough times. “I’m trying to get through this keeping my relationships intact,” Westerfield says.

“We all want to be able to come back to the table when the hard market is over and say we rode it out together. This too shall pass.”

LOOKING AHEAD

Westerfield points out that the current market challenges have taught her that no matter how long you are in the business, there will always be the possibility of dramatic and drastic change. So, you can’t get complacent. “This market is reminding us how technical this business really is and how on top of things we really need to be. I think we lost a little bit of that in the soft market,” she notes.



HARD MARKET TOOLKIT | CASE STUDY

Emphasizing value over cost by changing the conversation

<p>Anonymous Insurance Agency</p>	 <h2>AGENCY BACKGROUND</h2> <p>Having a close alliance with the real estate industry, this agency focuses primarily on personal lines. The firm has a footprint in six states. The sales team works on new leads, and account teams work on existing account service and retention.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div data-bbox="646 1081 889 1176"> <p>ALLIANCE TO REAL ESTATE INDUSTRY</p>  </div> <div data-bbox="917 1081 1177 1176"> <p>MAIN FOCUS PERSONAL LINES</p>  </div> <div data-bbox="1209 1081 1437 1176"> <p>GEOGRAPHIC FOOTPRINT 6 STATES</p>  </div> </div>
<p>FEATURING Operations Manager</p>	
<p>PENNSYLVANIA</p>	
<p>AGENCY SIZE 30 EMPLOYEES</p>	



CHALLENGES

Higher deductibles, increased policy costs and more underwriting restrictions have driven many clients to ask the agency to remarket their coverage. “Folks seem to be paying more attention these days,” says a division operations manager.

“Ten years ago, we could take a more consultative approach, with most clients just paying their premium and assuming their coverage was what it needed to be. Now clients come to us with a lot of questions. They want to understand the increases, deductibles and changes in coverage. Most of all, they want to know how they can save money, and they ask us to remarket their policy much more often than they did in the past.”

NAVIGATING TODAY’S ADVERSITY

TOP CLIENT CONCERNS:



- Higher Deductibles
- Increased Policy Costs
- More Underwriting Restrictions

An increased number of clients are asking for remarkets.



RESPONSE TO HARD MARKET

While remarketing a policy may seem to be the best path to lower costs, the agency knows there are inherent risks. “When the primary motivation is saving money, we have to explain what they may be giving up just to save premium dollars,” explains the manager.

“We shift focus from what they’re paying to specific coverage concerns and what they may be giving up in exchange for a lower premium,” she continues. “Of course, it’s not an apples-to-apples comparison, so we’re careful to explain coverage details and make them aware of the issues they may create.”

One outcome of changing to a new carrier can be home inspections that result in a list of required repairs for maintaining coverage. “That’s enough for most clients to keep coverage where it is,” says the manager.

Another reality is that moving coverage negates policy longevity. As the manager explains, it’s the first-year policies that often get the highest increases.

“After we explain the advantages of staying the course, most clients become more comfortable with their current policy,” she says. “It comes down to emphasizing value over cost.”



RETENTION AND NEW BUSINESS

A positive communication pattern starts from the beginning. Open and regular communication about insurance carrier expectations allows for a smooth transaction to get new homeowners to closing.

The firm also relies on the templates provided in the Trusted Choice Hard Market Toolkit to produce regular client emails. “It’s a good opportunity for us to touch base, even well before renewals, and although we use automated communication using names pulled from our agency management system, the messages look personal and usually include two simple questions to prompt discussion,” she says.



The approach has elicited a positive response, with more clients following up on agency emails than ever before.

LOOKING AHEAD

An educated client understands the importance of looking beyond price. The operations manager recommends developing a regular cadence of communication using available templates. Elicit more follow-up by including a question or two. This engages the client and lets them know you value your partnership and want to start a conversation with them.

CHANGING THE CONVERSATION

SHIFT THE FOCUS FROM




\$ Amount Clients are Paying

TO

? Specific Coverage Concerns

✕ What's Lost with a Lower Premium

All hands on deck to weather Florida's ultra-complex market

<p>Blankit Insurance Group</p>	<div data-bbox="589 701 649 762"></div> <h2>AGENCY BACKGROUND</h2> <p>The seven-year-old agency is headquartered in Tampa, Florida, and writes a mix of homeowners and commercial lines business in the state, as well as in Connecticut and Virginia. The agency also handles a small amount of group benefits.</p> <div data-bbox="1344 709 1479 911">  HOMEOWNERS  PERSONAL </div>
<p>FEATURING Chris Orletski, President</p>	
<p> FLORIDA</p>	
<p>AGENCY SIZE 3 EMPLOYEES</p>	



AGENCY BACKGROUND

The seven-year-old agency is headquartered in Tampa, Florida, and writes a mix of homeowners and commercial lines business in the state, as well as in Connecticut and Virginia. The agency also handles a small amount of group benefits.



WHAT'S UNIQUE

Before joining the insurance industry 10 years ago, Chris Orletski worked as a real estate agent and a stockbroker, during which time he went through the real estate crash in 2007 and the financial crisis in 2008.



CHALLENGES

Florida has always been a challenging market, but as most people in insurance know, the state's current market conditions are exceptionally difficult. The agency constantly is being asked to shop policies, but competition in the private market has become almost nonexistent. About a quarter of Blankit's personal lines clients are now insured by the state-run insurer of last resort, Citizens Property Insurance Corp. The firm has had many tough conversations with clients who don't understand why there is only one option available to them.

Citizens' submissions are also much more time-consuming, as the insurer has strict underwriting guidelines and ever-changing requirements that must be met. At the same time, Citizens' commissions are lower than the private market, so the agency is losing money.

"This is our worst year in seven years, but we've been able to sustain and move through because we have been selective and smart in the decisions we have made," Orletski says.

"I don't know how many other agencies will survive through this. It's death by a thousand swords."

Florida's complex market presents unique challenges

- ! Non-existent Competition
- ! Strict Guidelines and Ever-Changing Requirements
- ! Increasing Turnover Rates

For the firm's employees, feeling like they are constantly delivering bad news and fighting an uphill battle has been very discouraging. Two employees have left in the last two years to pursue other opportunities, one of which was in a different industry altogether.



APPROACH TO HARD MARKET

The agency has had to be more selective about what business it will take on and decline accounts where it doesn't make sense to spend the time because the insured is price shopping when the only option is likely to be Citizens.

The Blankit team spends significant amounts of time communicating with every client about private market policy changes, Citizens' eligibility requirements and the depopulation process—which requires a lot of extra work.

As a result of the additional workload, the agency has had to cross-train employees so they can help with responsibilities they weren't doing before. "It's been all hands on deck," Orletski says.

The agency employees often have to remember to take a step back to look at the big picture and support each other. "We are all in this together and we try to keep a team approach—so not one person thinks they are drowning in the deep end," he says.

BRIDGING THE GAP WITH ALL HANDS ON DECK

GOING THE EXTRA MILE



- Spend Significantly More Time to Increase Client Communication
- Take Extra Steps to Educate Clients on the Complex Market

- Cross-training Employees to Ease the Additional Workload
- Emphasizing a Team Approach & Increased Internal Support



RETENTION AND NEW BUSINESS

The agency's retention rate has gone down from 96% to 82%, in part because of attrition from clients selling their homes and moving to other areas.

Orletski says they consistently go to bat to successfully resolve situations that arise for clients and help them understand they are not alone when it comes to insurance challenges—everyone in the state is dealing with it.

The agency has also tapped into outside resources from the Florida Association of Insurance Agents (FAIA) and the Trusted Choice Hard Market toolkit to solve complicated issues that come up for insureds.



“There are a lot of policy questions that have come up in the last year that have never come up before. We do the best we can and be as helpful as we can, but there are certain things that we haven't experienced yet,” Orletski says.




LOOKING AHEAD

The agency is in a holding pattern until the Florida market begins to see some relief from recent legislative changes designed to return carriers to profitability. But Orletski says he doesn't believe premiums will ever return to the level they once were. Still, he is optimistic competition may increase slightly after recent news that some private carrier financials have improved.

In the meantime, the firm will continue to go the extra mile for its clients. "Sprinkled in all the terrible things, we do hear from clients, 'Thanks for doing this,' and that definitely makes it worth it," he says.



Maintaining focus on our value despite complex local challenges

<p>Insurance Resources</p>	<p> AGENCY BACKGROUND</p> <p>The agency's revenues come from 75% personal lines and 25% commercial, and have shown consistent growth in commercial each year. The firm is a member of a very large aggregator, facilitating access to as many carriers as possible given the restrictive insurance market in Florida. Brian majored in risk management at Florida State University and received his MBA from the University of Tampa. He spends most of his time on commercial lines accounts and worked at three independent agencies before joining the family agency, representing the second generation.</p> <p>MEMBER OF A VERY LARGE AGGREGATOR  Provides access to as many carriers as possible in a restrictive market.</p>
<p>FEATURING Brian Ford, CPCU, CIC Principal and Agent</p>	
<p> FLORIDA</p>	
<p>AGENCY SIZE 11 EMPLOYEES</p>	

 **WHAT'S UNIQUE**

Back in 1999, four spouses of State Farm agency principals started the agency to provide another homeowners option when State Farm started non-renewing coastal property in Florida after Hurricane Andrew

 **CHALLENGES**

The agency is in coastal Florida, which brings unique challenges due to recent hurricanes, increased costs of reinsurance, and a litigious environment. Legislative initiatives hopefully will mitigate those issues, but the hard market reality is quite evident. "We were well ahead of the other parts of the country with the hard market," says Brian Ford, principal and agent, Insurance Resources. "Some carriers began pulling out or reducing limits about four years ago."



The biggest challenge is that the state-run Citizens Property Insurance Corporation has a significant footprint, and the private insurance market often cannot compete with its rates. Excess & surplus markets typically would be agents' solution for problems with the standard market, but the hard market has resulted in E&S markets reducing coverage and policy limits.

"One unique aspect is that when Citizens is the only viable solution, it can be difficult for an independent agency to demonstrate their value proposition to customers relative to other agencies," Ford says. "A related challenge is that many private insurers do not want to write higher auto limits as Florida recedes from its tort challenges. Some insurance companies do want to write higher than 50/100 auto limits, which is not where we are coming from in advising our customers."



APPROACH TO HARD MARKET

First, the firm has used its agency management system tools to proactively communicate and share information from outside newsletters, flyers, local articles and even Wall Street Journal articles.



PROACTIVE COMMUNICATION

- ✓ Leveraging Various Informative Resources

Second, given the amount of time spent on renewals, the agency added a dedicated account manager to address customer needs and remarket customer policies to seek out better options when appropriate.



INVESTMENT IN SUPPORT STAFF

- ✓ Dedicated to Customer Renewal Needs

“We look at all renewals and then compare Citizens, admitted carriers and the E&S markets to seek out alternatives and/or supplement the policy gaps,” Ford says. “And we are seeing more instances where our customers are self-insuring some or all of the property risk. We point out that they need to keep their liability limits as high as possible and to be aware of the risk.”

FOR EXAMPLE, one property risk was insured with a carrier with a \$19,000 premium but renewed at \$70,000. Ford sought other quotes and the best one with similar coverage came in at \$50,000.

“Ultimately, in reviewing the Citizens’ quote that had basic coverages—but not as comprehensive as the incumbent carrier—we moved it to Citizens, which kept the premium around \$20,000 with a DIC policy—with the customer understanding the difference in coverage terms,” Ford says.



RETENTION AND NEW BUSINESS

One agency strategy for generating new business is to tout their knowledge and their approach to treating each customer as an individual with unique needs. “We are definitely seeing more interest from direct writer and exclusive agency customers,” Ford says. “However, it will be some time before our insurance market will provide us with more solutions to offer. Hopefully the recent legislation will aid that effort.”

SHOW OUR VALUE TO ATTRACT BUSINESS



- ✓ Highlight Industry Knowledge
- ✓ Honest, Personalized Advice
- ✓ Prioritize Customer Service






LOOKING AHEAD



“No one wants to pay attention to insurance until it hits them in the face,” Ford says. “But given the breadth of the hard market, people have become aware of the importance of insurance in their personal and business lives. Our goal is to be that trusted advisor.”



Creating ways to say “yes” to a book of high net-worth clients

<p>Ericson Insurance Advisors</p>	 <h2>AGENCY BACKGROUND</h2>	
<p>FEATURING Carol Boucher Senior Account Executive</p>	<p>Ericson Insurance Advisors focuses on the personal and business insurance needs of high net-worth clients across the U.S., as well as some personal lines and commercial lines accounts. It has more than 5,000 clients. After joining the agency six years ago, Carol Boucher now serves as relationship manager of the agency’s private client group.</p>	
<p> CONNECTICUT</p>	 <p>HIGH NET-WORTH CLIENTS</p>	 <p>NATIONWIDE FOOTPRINT</p>
<p>AGENCY SIZE 25-50 EMPLOYEES</p>	 <p>5000+ CLIENTS</p>	

WHAT'S UNIQUE

The firm started in 1936, insuring local small businesses and farms, as well as weekenders from New York City. It now has offices in New York City, Boston, Connecticut, and West Palm Beach, Florida.

HARD MARKET CHALLENGES

Underwriters haven't just tightened their appetites in catastrophe-prone coastal areas like Florida and California but everywhere across the country, making it difficult for high-net worth clients with multiple properties.

Strategies the agency once took to find premium savings for clients—like applying automobile credits to policies or adding deductibles—are no longer available or effective as they once were. “It seems like because carriers are not profitable, they are taking away a lot of our tools,” Boucher says.

While this isn't surprising given the market conditions, having fewer tools in their toolbox has made it particularly difficult for agents to serve high net-worth clientele with property in risky areas. High-rise buildings in New York City, for example, are particularly tough because of large losses related to water damage and strict construction and permitting rules. “You can understand why insurance companies are not profitable—it’s a very difficult situation for them. But we agents get the brunt of it from clients. That’s the tough part,” Boucher says.



Supporting Clients with
MULTIPLE PROPERTIES



Less Effective Strategies
FEWER SUPPORT TOOLS

RESPONSE TO THE HARD MARKET

Communicating with clients about why their insurance costs are increasing has become even more of a priority during the hard market. “What we are spending a lot of our time doing is educating clients as to why premiums are going up so much,” Boucher says.

But, she adds, all clients are different. Some don't want to hear about why their policy costs more but just want their agent to find a solution. Others are eager to know what is going on. Being aware of each client's communication preferences is critical.



Communicating with carriers directly also has been vital, but placing business is no longer as simple as just having a strong relationship with a particular company. The agency has had to work harder to convince underwriters if an account doesn't fit into their criteria, and underwriters sometimes make blanket decisions that don't seem to make sense.

“ I find myself pushing back more than I have ever had to, and more and more we are going to underwriters to make the case for a certain client because there aren't other options,” Boucher says.

In one instance, a carrier initially declined one of Ericson's submissions because the client didn't have a heat sensor installed in their attic. The agency promised to work with the client to get it done, and within two days of the underwriter agreeing to the business, the sensor was installed.

RETENTION AND NEW BUSINESS

Because Ericson has spent more time communicating with clients about coverage changes and increased costs, and working on placing business with underwriters, they had to hire more staff to help on the back end and support their relationship managers.


The agency has relied mostly on referrals from current employees to find people with insurance experience because there is no time to train new staff. “It has been very difficult to find good people, especially high net-worth, because it is a very specialized area,” Boucher says.

The agency offers incentives like competitive compensation packages and managers work hard to stay connected with employees through daily Zoom meetings and team-building activities. The hard market conditions have been wearing on everyone, so they want to do what they can to keep morale up. “It's called a hard market because it does make everything hard,” she says.

Their work is paying off, as customer retention has been “amazing,” Boucher says, and the firm hasn't had to work hard to attract new business.

 **Investment in New Hires**
Reduce Task Burdens

 **Recruiting Referrals**
Via Current Employees

 **Prioritizing Internal Support**
✓ Employee Incentives
✓ Team-Building Activities
✓ Morale Boosters

LOOKING AHEAD

Having the right people in place has not only kept Ericson on a strong footing during the current market conditions but has helped to prepare the agency to move forward when the conditions inevitably change. Ericson has also stayed true to its mission of going the extra mile and finding ways to say “yes” to clients.



HARD MARKET TOOLKIT | CASE STUDY SERIES

Thank You

We are truly thankful to all of our Insurance Agency Partners and contributors for sharing your time and valuable insights.

FEATURED AGENCIES

Wise Choice Insurance Agency

Frank Kolovic

Cupo Insurance Agency

Blankit Insurance Group

Insurance Resources

Ericson Insurance Advisors

OTHER CONTRIBUTORS

Aatrijk Group

Click the button or follow the URL to access the hard market toolkit:

TrustedChoice.IndependentAgent.com/HardMarket

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