

Notes of the USA Alliance Marketing Forum July 31st – August 1st, 2017

GLOBAL CONCEPTS

1. STRUCTURE OF THE MARKETING DEPARTMENT

How is your sales force organized?

- By department?
- By territory?
- Regionalized by State?

USLI 50/50 reps –USLI pays 50% of the salary; MGA pays other 50% plus benefits

- USLI identifies the right person for the job – this has been very valuable.
- USLI does the training, the Rep markets the USLI rating tools to the agents; approximately 20 visits per week.
- Johnson & Johnson has 7 USLI reps with a good success rate, while Arlington Roe had one a few years ago

Would other carriers be willing to support marketing efforts of the MGA?

What kind of 50/50 program could the MGA create with the agent?

Is it more important to brand your agency then push a carrier?

- Most agencies don't care who the carrier is

2. ONLINE PRESENCE

Tuscano Agency puts out a newsletter two times a month; it's more personal than business

Most everyone has a Facebook and/or a Twitter account

- Everyone agreed social media does not have the impact an MGA is looking for

Buying an ad on Facebook brought in new agents for SeaCoast Underwriters however this can get expensive because you pay for each click, you can set a spending cap though

No one has a dedicated social media person

How do we adapt to changing technology?

- Are websites optimized for tablets & smartphones?
- Email marketing – in five years will be equivalent of faxes today
 - No one thinks the results are worth the effort – we all delete most emails without reading them
 - Sierra Specialty sends flyers with quotes

- Google Docs is a good resource for forms
- One General Agency uses Snapchat to send ads & personal stories
- Put a “Question of the Day” on the website
- Controlling the content of social media posted by employees

Personalized info about employees, not ads, draws more response & interest

Sierra Specialty has held a pool for sporting events (NCAA, Super bowl)

Online rating – front end of website or secured area?

- There was a mix of both on this one
 - Do you deal with logins & security issues or have as few clicks as possible?
- Some offered comparative rating while others rate a product using one carrier

3. NEW PROGRAM PROMOTIONS

How are new programs being promoted?

- Email blasts
- Snail mail
- Benchmark has quarterly marketing topics that they’ve outlined at the beginning of the year that are promoted in flyers, blog posts & emails. Email tag lines are also used (which change monthly) that may include a hyper link to a flyer
- Promote an underwriter along with a topic to personalize the advertising
- A few people mentioned Ryan Hanley – he advises on how to sell on social media; I found this article that is a good read:
<http://www.ryanhanley.com/if-you-work-in-insurance-this-should-be-the-only-article-you-read-on-the-future-of-social-media/>

4. AGENTS – STATUS OF & TREATMENT OF

How are agents assigned?

- Assign an agent to one underwriter
- Have a point person by department
- Create teams with a lead underwriter & support – assign an agent to a team

How are agents scored/tiered?

- Qualifying levels are used
 - Production
 - Payment record
 - Underwriting
 - Marketing
 - Number of submissions / quote ratio / bind ratio
 - Retention
 - Underwriters suggest “up & coming” agents

- In a formal system agents can be color coded so that underwriters are aware of the agents' level – otherwise underwriters typically know who is producing & who isn't
- Important to pay attention to the lower level agencies to bring them up to a more productive status

YOU DON'T PICK YOUR CUSTOMERS, YOUR CUSTOMERS PICK YOU

How do you incentivize agents?

- Give a bonus for volume over a certain amount – extra ½ % commission
- Gift card incentives for new business
- Webinars
- Bring lunch into the office for the staff (this could also be used internally)

Bringing in new agents

- Some agencies run credit reports – LexisNexis
- How much time/money/energy should be spent on this?
- Bring in new agents or cultivate the agents you have?
- Bring agents into the office to help understand how the MGA works

What to do about “bad” agents

- Suspend for non-payment
- Review “bad” performers
- Build a profile of agents within your system
- Internal communication is key to knowing who these are
- Specialty Risk Associates has a form for the underwriter to complete

5. SALES REPS/FIELD REPS

Arlington Roe measures success by reps completing visit reports

Johnson & Johnson requires a specified number of agency visits per week, looks at the growth of the agencies

Important to have a centralized area to log results of visits

Southern Insurance Underwriters assigns reps geographically – metro /rural

What do visits look like?

- Most are scheduled, might stop in just to drop something off
- 15-30 minutes in length
- When setting up appointments begin with an email, follow up with phone call if needed
- Arlington Roe likes to email first, follow up with an email. When an appointment is made meet with the principle first, then the agents
- Keep agency visits scheduled for Tuesday, Wednesday or Thursday, use Mondays to set appointments and Fridays for follow up work
- Share production reports, hit ratios & new products
- One General Agency adopts a small group of agents at a time & grows them
 - Joint visits with underwriters

- Have an incentive plan for the underwriters to go on agency visits
 - Be sure to identify which underwriters have the personality to do the job
- Some agents may not require visits - sending them to an event or hosting an event might be more beneficial
- Benchmark has the underwriters choose which agents they would like to visit and sets up joint visits

Dynamics between marketing & underwriting

- Marketing reps tend to be YES men
- Communication between marketing & underwriting is key, leads need to be qualified & referred to an underwriter
- When companies visit the MGA marketing should be involved in those meetings
- Arlington Roe – get the underwriters more involved
 - Put a plan together & then ask for feedback from the underwriters
 - Build relationships to help grow/cultivate an agency
 - What makes a good submission?
 - What should we be asking of our agents?
 - What don't you like about an agent?
 - Would you be willing to go on visits, make calls, email?

Cost of physical visits vs phone calls

- Taking the expense of a vehicle, travel time, salary, benefits and give-ways, what is the cost per visit?
- When does cost and return become beneficial for you?
- Where is the balance between visits and calls?
- Measuring the success of visits has to tie in with the ultimate cost of marketing
- Does the absence of field reps cost more than the loss they create?
 - Arlington Roe has seen a loss in premium with the loss of a field rep
 - Do a “retirement tour” when a rep is leaving and take the new person on agency visits
- Arlington Roe likes having an agenda – production, hit ratio, submissions, ask if business is being lost to another broker or the standard market? Talk about new products, focus on an area and drive that business up.
 - Communicate with the underwriters about the agencies being visited & get feedback about the agents
- Benchmark communicates with underwriting letting them know who they're going to see, who they've seen each week
- Tuscano's dashboard includes the number of submissions, quotes & binds from an agent
- Get feedback from accounting
- Arlington Roe – best hires have been people that have worked in agencies or carriers
- Have one person calling on behalf of one carrier
- Have webinars for training on raters
- Agency visit typically about visiting the principle, calls tend to go to the CSR
- Make regularly scheduled phone calls to low volume agents

6. What do we do that differentiates us from our competitors?

- Royal Oak Underwriters - Speed in qualifying a risk, selling ourselves, personnel is hybrid underwriting & marketing
- Sierra Specialty - Service, exclusive programs, a new slogan every year
- Erickson Larsen – Online rating, access to quotes, family owned, 100+ years experience
- One General Agency – Family owned, service, relationships, “just like you” (local not national like competitors)
- Arlington Roe – echoes the same as OGA, family owned, pointing out some national carriers are owned by agency competitors, over 200 markets, support of state insurance groups (Big I, etc.), Trust in people
- Johnson & Johnson – Technology, CSR conference, unique products, relationships
- Southern Insurance Underwriters – always trying to improve partnerships, relationships, online submissions, bond with field reps, multiple platforms, technologies, family owned
- Tuscano Agency – Newsletter, customers know them, personal cell phone number made available, customer service, treating people well, core values, following up, story of the agency, 3rd generation, customer experience
- Specialty Risk Associates – being available, willing to help, culture to do things the right way, being professional, responsive, good service
- SeaCoast Underwriters – Specialty products, longevity in relationships, being available
- Statewide Insurance – Being the best to the agents, product availability, fast quoting, IT oriented, Rapid rater
- Benchmark – Local not national, 60 markets, licensed in 48 states, debunks national being better
- Brecht & Associates – Speed of service/response time, relationships, family, local, creating a partnership to work with the agent towards their success
- **Can we use these ideas to drive strategy?**
 - Branding – this is who we are
 - Communication – this is what we do
 - How do we help the agent bring in more business?
 - Market the agent
 - Get them contact lists
 - Create flyers – custom brand them for the agent
 - How do we get top of mind thought?
 - Have something new to talk to the agency about

TACTICS & STRATEGIES

1. CONVENTIONS/ORGANIZATIONS

- Why do we support Big I when they are our competitor?
 - Specialty Risk Associates does not
 - Statewide Insurance exhibits at the Arizona Big I and is partnering with a carrier this year; they will have a neighboring booth that is promoting that carriers' product
 - General consensus is no business is generated from conventions however Arlington Roe does know of an agency appointment due to their support for the Big I
 - Some prior methods of attention at a convention – margarita machine, massages, smoking rooms
 - SeaCoast does not exhibit; instead they have a casino party after the exhibit hall is closed, there is no product promotion, agents are contacted in a few weeks – more money & more impact

2. AGENCY INCENTIVES/ADMINISTRATIVE COSTS

- Statewide has a program to send agents \$5 for any personal lines submissions
- What about branding a card that can be reloaded? Starbucks will do this, but how do you reload the card without access to that account
- Benchmark gives \$10 gift cards when binding new business, there is a place on their website that the agent enters information to qualify
- Southern Insurance Underwriters started sending checks when the costs of administering gift cards got too high
- Benchmark first purchased equal numbers of Amazon, Target, Starbucks, Gas & Golf Galaxy gift cards – Amazon turned out to be the most popular. Jill orders from <http://www.svmcards.com/home/>
- Is there a vendor that would sell gift cards at a reduced cost?

3. AGENT ROUND TABLE

- SeaCoast has done them in the past & may do them again – took a bit of planning but got good feedback
 - Smaller to medium sized agencies, 8-10 people total
 - Each agency had a two year term but rolled off at different times to stagger new & old members
 - Two meetings per year, 1 in the spring, 1 in the fall
 - Meet for a few hours, dinner, then a morning meeting
- The goal is to influence behavior
- What are other markets doing? What can we do? We want feedback, does it need to be more than wanting more business?
- How can we better ask for information AND give information? Advisory meetings? State of the market? What are competitors doing that we aren't?
- One General Agency prefers three year terms for the principles
 - Sends a survey beforehand
 - Underwriters & marketing involved
 - Senior executives are also included

4. CO-OP MARKETING

- Work with retailers providing them marketing tools
- Specialty Risk Associates helped an agent with some movie theatre marketing (\$300) with an agreement of increased volume of 20%
- Provide content, suggest marketing strategies
- Create a flyer with space for agency logo but copyright for MGA
- What are retailers doing to increase business? Can we educate them on tools like Snapchat?

5. WHAT CAN WE ASK CARRIERS TO DO?

- Benchmark has a carrier that provides money every year for either branded merchandise or a party
- Statewide gets a larger booth to promote more product

6. PROMOTIONAL

- Can we get group purchasing power from a promotional products company?
- Send out (12 month 😊) calendars that are personalized with photos of MGA staff
- Some send out Christmas cards while others send a digital card and donate the expense to charity, another sends an email & if the agent responds a donation is made to a charity
- We also have to market to our employees
 - Tuscano Agency has a daycare for kids of employees 100 % funded by the agency – a photo of the kids at Thanksgiving time is sent out to agents – great employee benefit!
 - Some ideas that would market to agents and employees as well
 - End of summer party
 - Golf outing
 - Tailgate party & tickets to a game
 - Football games – can get pricey
 - AAA minor league baseball tour – be aware of game times
 - Be sure to have enough employees there to engage agents
 - Season tickets to pro games can get expensive
 - Use them for new agents or good producers?
 - Agents may start asking for them
 - A lot of work, costly & time consuming to administer
 - Erickson Larsen puts on a golf outing that is also a fund raiser to help 2nd Harvest – they've been doing this awhile & have good participation
 - Millennials tend to be very interested in how their employer impacts the community
 - Arlington Roe holds a volunteer day event – the office is closed that day and they choose a charity to work with
 - Employees can get an extra PTO day if they use it for volunteering
 - Post volunteer activities on Facebook & your website with photos
 - Get retailers involved in charitable giving

- Statewide has a water drive each winter that the employees participate in, may take this to the next level and invite agents to participate
- One of the challenges of marketing is when an opportunity is missed because something has to be passed to another person
- Another is being aware of which states agents can write in & knowing what lines they write
- Arlington Roe recommends reading “The 4 Disciplines of Execution: Achieving Your Wildly Important Goals” by Chris McChesney and Sean Covey