

PERSONAL INSURANCE

QUOTATION PROCEDURE

Quoting personal insurance for prospects and existing accounts is a never ending and many times, fruitless part of a personal lines CSR/Marketer. Most agencies report that their "HIT" ratio is about 1 issue for every 10 quotes. With these kinds of results, it isn't difficult to see why the breakeven point for putting a new piece of personal insurance on the books is approximately 3 years. (You have to pay for the time it took the CSR/Marketer to quote the 9 that weren't written.

When agents and agencies are in their early development stages, business is written when it can be written. That is, when an agent is first struggling to survive, all business that can be written is put on the books with little thought to account development, etc. The agent is trying to survive. This is also the time that an agent and the agency develop their marketing habits.

The habits that an agency develops over the years are very difficult to alter. When we ask agencies why they act in a certain way, the answer is usually, "We've always done it that way." However, agencies that want to move forward and get off the old treadmill of, "Business seems to come in the front door and go out the back door", are changing their agency's habits.

It has been proven by many insurance company surveys that:

- o It is easier to sell to an existing customer than a to acquire a new customer
- o If you have multiple policies for an account, it will stay with your agency longer, be easier for the CSR/Marketer to handle and process
- o The agency will make a higher profit margin and provide better service if the agency has 500 three policy accounts, rather than 1,500 one policy accounts.

The automated agency has the opportunity to accomplish this end more readily than the manual agency, because the agency has the tools at their fingertips.

It is our feeling that the habits you create with the agency owners and employees will extend through to the customers that the agency develops. This begins with the quoting function. **THE BEST TIME TO WRITE AN ENTIRE ACCOUNT IS THE TIME THAT YOU WRITE THE FIRST POLICY.**

With this in mind, the procedures for Personal Insurance Quotations and the rest of the Personal Procedures are written.

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1. The CSR/Marketer or Producer receives a request from a prospect to quote their insurance. (Or it is solicited by the CSR/Marketer or Producer)
2. The CSR/Marketer or the Producer gathers information using the appropriate application in their computer. If this can't be accomplished the CSR/Marketer or the Producer should gather the information using one of the following:
 - o Complete the application of the company that most likely will be used
 - o Complete Form # PLCHKLSTFRM
3. CSR/Marketer or Producer secures copies of existing policies, if possible.
4. When the CSR/Marketer or the Producer soliciting the information, be sure to ask about other forms of insurance that the customer might have an exposure for or an interest in. (Also see questions on Family Risk Questionnaire) If questioned by the prospect as to the need for these additional inquiries, the CSR/Marketer or the Producer should say, "There are many ways to reduce the premiums that you pay, and I'm just trying to find ways to save you money, while at the same time providing you the best coverage available."
5. The CSR/Marketer or the Producer should avoid the tendency to just quote what the customer requests. Suggest higher limits and deductibles and additional coverages.
6. After the information is gathered, the CSR/Marketer enters data into the computer prospect file and, if necessary, into the rating computer to rate. (If not in computer already)
7. When the rating is completed, the CSR/Marketer prepares a written proposal of coverages and pricing using form # PLCOVAUFRM or PLCOVHOFRM. Included in this proposal should be all of the alternative quotes discussed with the customer in item #4.
8. If possible, the CSR/Marketer or the Producer should review the quotation with the prospect in person. If this is impossible, email proposal form (PLCOVHOFRM) or (PLCOVAUFRM) to them with Cover Letter (QUOTEPL).

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9. The CSR/Marketer or the Producer reviews the proposal with the customer and informs customer, if necessary, that quote is subject to MVRs (Auto) or inspection (Homeowners).
10. The CSR/Marketer or the Producer should inform customer of any multiple policy discounts. (Example: "Mr. Customer, did you know that we could reduce this auto premium by \$50.00 and also provide a 10% discount if we could place both policies with ABC Insurance Company? Would this kind of savings interest you?").
11. If the customer does not want to buy the policy from you, the CSR/Marketer or the Producer finds out the reason and includes this information in the note pad of the prospect's computer file.
12. If the prospect is the type of customer that the agency wishes to acquire in the future the CSR/Marketer should set up a follow up for 45 days prior to the next expiration.
13. If the prospect, in fact, becomes a customer, then proceed with the New Business Procedure.

