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# Quick! What do you like best about this company?

A review of the *Company Performance Survey's* comments

By Ellen D. Kiehl, Ph.D.

**T**his summer, my cousin's daughter wed her high school sweetheart. Instead of droning a standard homily, the priest did something pretty interesting. He read the congregation some of the couple's responses to a questionnaire they'd filled out for him during pre-marital counseling.

"Why, of all men, did Erin pick Roberto?" "What does Roberto like best about Erin?" By the time they first kissed as man and wife, all their relatives knew the answers.

At the reception, I complimented the priest, who told me he got the idea from another cleric. Afterward, I've thought about why he may have chosen to copy this approach.

Repeating these important answers during the wedding ceremony, he memorialized the true basis for this couple's unique relationship. From their wedding day forward, they may be more likely to recall and act on what they've told each other.

People don't always take time to pay compliments—yet, how many of us still cherish a certain word of praise someone gave us years ago? Many find it even harder to explain constructively what the other party could do better. But avoiding confrontation lets little issues fester, till they potentially alienate spouses, friends or business partners.

## Feedback builds sound relationships

When PIA re-designed its *Company Performance Survey* in 2009, we added

space for agents to name a company's "main strength," plus something they want the company to improve. After performance-rating the company on 20 individual items, agents voice these responses in their own words.

PIA believes their comments reflect agents' *primary likes and concerns about a particular company*. We allocate each comment to one of 15 topic categories. Then, a company-unique profile is created and graphed against the survey's "typical" comment feedback so prominent strengths and needs stand out.

## What agents' responses show

This year's survey, conducted in Connecticut, New Hampshire, New Jersey and New York, captured about 6,000 comments. Agents are somewhat more likely to name strengths (and to list multiple strengths) than to identify wants. Accordingly, the 2010 comments' favorability ratio (55 percent-45 percent) is up by one percentage point, compared to 2009.

**Product and pricing.** Consistent with last year, the first thing agents tend to think about is the company's basic value proposition—product and price. This combination largely determines how easily the agent can sell for this carrier. *Over one-third of all statements mention a company's products or pricing*, with product ousting price this year as agents' most frequently chosen topic. **Product** comments grew to 20 percent in 2010, up from 12 percent in 2009. **Pricing** was the focus of 17 percent in both years.

*Some aspect of a company's product line is far more likely than pricing to be named as its "main strength."* Bucking the overall positive trend for agents' comments this year, both product and price responses are somewhat more negative.

In 2010, 72 percent of **product** comments name something product-related as a company's main strength; in 2009, 87 percent of product comments were positive. **Pricing** comments are more narrowly divided: 45 percent positive this year, down from 48 percent last year.

**Underwriting.** Another factor basic to agents' sales success—underwriting—also attracts a big slice of agent comments. These responses sort themselves out into three main areas: the company's current flexibility and appetite; underwriters themselves—their knowledge and experience ("expertise"), as well as the quality of their rapport and response; and the company's underwriting stability and consistency.

Some feature of underwriting provided 19 percent of the 2010 comments, down from 23 percent in 2009. Of these, *agents are most likely to focus on flexibility or appetite*.

**Flexibility/appetite** is the focus in 11 percent of 2010 comments. For **expertise/response** it's 5 percent; **stability/consistency**, 3 percent.

In all three sub-topics, *underwriting comments trend more positive in 2010*. However, *a majority mentioning flexibility or appetite ask to see improvements*. The flexibility comments run 53 negative this year, compared to 59 percent last

year. Underwriting **expertise/response** statements break 70 percent positive, up from 64 percent in 2009. **Stability/consistency** comments are 61 percent positive, up from 57 percent last year.

**Technology.** Mentioned in 12 percent of 2010 comments (down from 14 percent), technology remains something agents are more apt to flag for improvement than pick as a company's "main strength." Precisely the same ratio appears both years (39 percent say it's a "strength;" 61 percent say it "should improve").

**Agent treatment.** Several comment topics deal primarily with the company's treatment of agents. Fewer agents (13 percent versus 19 percent in 2009) choose to focus on the four relationship issues, and there's no clear trend to the favorability of these comments.

Here's the share of all comments that each "agent treatment" topic garners in 2010: **Service**—5 percent; **communication**—4 percent; **compensation**—2 percent; and **loyalty**—2 percent.

The biggest reversal comes in the area of **communication**, which got mostly plaudits (65 percent-35 percent) in 2009, but this year shows a negative strength-improve ratio (40 percent-60 percent). *While only about half as many agents choose communication as a topic, they are far more dissatisfied.*

Compliments about **service** are up (63 percent of service-related comments are positive in 2010 versus 60 percent last year), and so are favorable opinions about a company's **loyalty** to its agency force (they're 46 percent positive this year, up from 41 percent in 2009).

But, agents' dissatisfaction with their **compensation** appears to have grown. When this topic is mentioned, 86 percent of the comments are negative, up from 77 percent in 2009.

In order of frequency, other topic comments and their 2010 favorability ratios include: **brand/reputation** (88 percent-12 percent); **claims** (54 percent-46 percent); **billing/payment** issues (18 percent-82 percent); and **marketing message** (55 percent-

45 percent). Comments not fitting one of the topic categories are mainly positive, by a 57 percent-43 percent margin.

## What agents want

So much for the statistics—what are agents actually *saying*? Well, they always want more products, better pricing, more flexibility—that's what helps agents sell insurance. (For example, this "main strength:" *"Finds ways to write business, production-oriented."*)

When companies view their agents' feedback, they'll see a lot of opinions on these issues. Yet, they are largely company-specific, subject to frequent change and variable according to market region. So, there's little to report here of general, practical use.

Little—except this one word of advice (on pricing): *"I can sell proper coverage, company stability, reputation and service at plus 10 to 15 percent, but not 40 percent higher than [the competition]."*

## Can this marriage be saved?

Other, less obvious reasons for a company's lack of growth can be harder for them to learn about. For instance: *"I really do not like this company and use it only as a last resort."*

What could make an agent say this? As we look at some tips, let's remember the agency-company relationship is all about writing insurance, yet it's based on human-to-human cooperation.

### Value your relationships.

Contrasting with the "last resort" comment: *"I use [company] whenever possible because my underwriter works with me on everything."* Going by agent feedback over two years, it's hard to overstate the value of this relationship. Companies suffer when they don't preserve it: *"Underwriter continuity—we have had three in the last year. You just get a relationship going and they change underwriters and you have to start from scratch again."*

**Build trust.** Here's a formula proposed by one agent: *"Designate an underwriter to an agency. Let the underwriter get to know the agency and become more flexible."* An accolade that may lead to mutually profitable business:



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*“Underwriter listens to you based on each account and does not use a model to make decisions.”*

**Be decisive.** Of course, to make decisions, underwriters must be empowered. Which company is more likely to waste its agents’ time? *“Underwriters and immediate supervisory staff appear to be fearful of making a decision.”* Or, *“Underwriters can make decisions. Not afraid of taking a risk.”*

**Share information.** Another time-waster: Unclear direction from the company. *“Message is always clear,”* one agent says approvingly. Another yearns for *“Clarity on what they write and how to write it.”*

**Know who you are.** Clarity is tough to come by, if the company doesn’t have a strong identity. *“Very strong in the areas they wish to be strong in.”* *“Fit their niche very well and don’t need to improve.”* Companies clearly earn agents’ respect this way.

**Be consistent.** Agents get frustrated if companies keep changing randomly: *“Constantly trying to re-identify themselves. Stop changing appetite for certain lines of business.”* Here’s what agents like: *“Even-keeled, always open for business. Does not flip-flop year to year.”*

**Spend time together.** It’s hard to convey a clear, consistent message without face-time. *“Marketing person keeps us well-informed and stops in often.”* *“Field rep is here every month.”* Field visits cement agents’ understanding of the company’s needs: *“In the five years I have been running this agency, we have only seen our marketing rep once. I have no idea what they are doing or not doing.”*

**Listen and learn.** Talk with agents shouldn’t all go one way. Agents know the market and the competition. *“Great auto rates in our area. They listened and got the numbers right! The company is flourishing in our office!”* *“They respect their agents. They listen to us, take our suggestions and implement them. Very rarely do you see that happen.”*

**Stay in touch.** Quality face time won’t compensate for playing hard to get when you’re apart. Here’s a good way to miss a business opportunity:

*“Underwriters do not call or e-mail back.”* For agents, this is more like it: *“It starts with the call into the company—the phone is answered by a live, very friendly person.”* *“Marketing rep always available.”*

**Know your stuff.** Accessibility isn’t everything, of course; the quality of the response matters: *“Not just passing things off to different departments. It is very difficult to get questions answered.”* *“Train their customer support better. They seem lacking in common insurance laws and knowledge.”* Underwriting quality means smarter competition: *“Underwriting knowledge and ability to listen to a situation and judge on a case-by-case basis.”*

**Make things easy.** Finally, relationships go best when day-to-day interactions run smoothly. Which commercial market is more likely to be quoted? *“Very, very difficult to rate with them.”* Or, *“The easiest rating system out there.”* Download requests also are up this year: *“They need to download more lines of business.”*

## What “the whole package” looks like

A strong bond with agents rests on more than just one factor. Every year, PIA sees robust “strength” comments

describing a well-rounded company and a great business relationship. We’ll close with these two:

- *“Very responsive to the agency. Excellent underwriter/agency relation, which helps to get it written. Very easy quoting. Competitive pricing. Wonderful company to write for.”*

- *“Product and customer service; claims; everything is great. I love writing [company name]—100% in my book.”*

As face-to-face planning for 2011 growth gets underway, PIA hopes these comments and other data from the 2010 *Company Performance Survey* (see insert in this issue of *PIA magazine*) will help agents pay sincere compliments to their carriers (you get more of what you praise)—even as they explain any business or relationship needs that could be better met. ■

Kiehl is PIA’s senior research analyst.

*Editors note: During the course of the survey, OneBeacon Insurance Group completed its transformation to a specialty-lines company. OneBeacon sold the renewal rights to its non-specialty commercial business to The Hanover Insurance Group effective Jan. 1, and sold its personal-lines business to Tower Group Inc. on July 1.*

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