Help Agents Drive Up Retention!

"The most important single ingredient in the formula of success is knowing how to get along with people." (Theodore Roosevelt)

We're in an interesting industry. People generally relate to their insurance and their agents in a manner similar to the way they relate to their garage door openers and coffee makers. Let me explain…

When things work well for us, when the garage door opener and the coffee maker work the way we expect them to, we generally don't think much about them. We take them for granted and may not even recall who the manufacturer is. It's only when they don't work that we pay attention. Then our attention gets focused on the product and the perhaps the people that made the product.

This trait of human behavior is especially important to make note of when it comes to the business of insurance. It's pretty evident that when a policyholder has a claim, your agents have the opportunity to really shine – to stand out from the crowd – to deliver more service than expected. *The challenge comes when everything is working well!* Just like the coffee maker, when things go well (as expected) they're hardly ever thought of. The insurance is just there. Its "works" the way they expect it to, and therefore the agent and the insurance are taken for granted. There's often very little connection or relationship with the agent. Some policyholders will just view them as the salesperson that was there to sell them insurance.

The bottom line is that when your agent doesn't have an ongoing connection with their policyholders, he or she is subject to being picked off by someone with a little lower rate or by someone who happens to come along at the right time and is able to build rapport with them.

Agents who retain clients in the face of rate increases, poor fund performance and increasing competition understand that they need to connect with their policyholders in ways that address some of the eight universal needs that people have. These universal needs are:

1. **Sense of Accomplishment** - People want to feel that they've accomplished something through their efforts.

2. **Sense of Belonging** - People want to be part of a winning team. Make certain that you communicate just how much your team is winning.

3. **Direction** - Communicate your purpose and provide your clients and prospects with the direction to achieve it.

4. **Sense of Empowerment** - Expect the best of people and they will rise to your expectations.

5. **Recognition** - Everyone, to one degree or another, loves recognition for a job well done.

6. **Respect** - Treat people the way you want to be treated. Understand that although we all have different hopes and dreams, we all have them.

7. **Sense of Significance** - Make sure you help your policyholders understand the significance of their efforts towards reaching their goals and achieving their purpose.

8. **Sense of Purpose** - I believe that everyone craves a purpose. We want to be passionate about something (anything!). Be clear on your purpose and develop the purpose of others.

Well, now that we've covered these eight needs that people have to one degree or another, how do we apply them in our business? We need to provide these needs in an ongoing manner. The key is for agents to continue to "tap their policyholders on the shoulder" – to continue to let them know they're still there and are thinking about them. It's a matter of doing something extra when things are going well. Typically, a good policyholder retention system is made up of a combination of passive and active programs.

Active programs are effective but are time-consuming. The benefit of an active program is that it is very personal and demonstrates that someone took the time to do something specifically for their policyholder. The active programs in a retention system should address one or more of the eight needs. If an agent develops active programs that suit his or her style and addresses some of the above needs, their efforts will provide great returns.

Passive programs are efficient, which is good, but everyone recognizes that they're automated. The benefit of using passive programs, however, is that they work while you sleep (or play) and they create top-of-mind awareness. They're a means to keep an agent and the agency in front of a policyholder. Again, if you can address one or more of the eight universal needs that people have, you can maximize the effectiveness of your passive programs.

I've compiled a list of both passive and active programs you might consider as a means of helping your agents stay in front of their policyholders. Not every idea will suit everyone and you may think of other ideas to add to this list:

- Conduct in-person annual reviews
- Stop by a policyholder's office when you're in the area for no reason other than to touch base.
- Send birthday cards
- Send anniversary cards
- Send holiday cards
- Personally call a policyholder just to thank them for their business
- Have your CSR call a policyholder just to thank them for their business
- Personally call a policyholder just to say hello
- Send a small gift [$5 - $10] (supermarket-purchased movie tickets are my favorite) for no reason other than to thank them
- Regularly hold open houses for groups of policyholders
- Send a monthly or quarterly newsletter by mail or e-mail

Implementing a policyholder retention system can be time consuming and may require some investment, but keep this in mind: **the cost of keeping an existing client is far less than the cost of finding and acquiring a new one**.

Policyholders will be far more likely to stay with your agents for a far longer period of time when an agent has made a lasting impression on them. They'll also be far more likely to refer someone to them as a client when they've made a lasting impression on them as someone who cares about people as people. The difference is in the details. It's what sets apart those who really excel from those who just do well. Help your agents to do the extra work to retain clients. Not only will they keep more business, but they'll write more lines of business and get more referrals from their current book of policyholders.

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