

## Growth in 2019: Five common themes of successful independent insurance agents

The most successful agents embody all five of these characteristics.



Independent insurance agents who average two or more contacts per year with their customers are growing 55% more than their counterparts who are not making contact with their customers.

BY DAN HALSEY

With 2018 now in the rearview mirror and the industry's focus on the road ahead, there is tremendous opportunity on the horizon for independent agents, and particularly those who are investing in capabilities that lead to more growth for their businesses.

While the industry was tested by heightened competition, developing loss trends, changing customer preferences and an increasing talent gap, our partners tell us they are

optimistic about 2019, and bullish about their long-term future. We at The Hanover Insurance Group share their enthusiasm.

### Agent counsel continues to be valued

Much of the optimism is a function of the confidence our independent agents have that the counsel they provide to their customers will continue to be valued. Some of the optimism, however, has to do with the changes independent agents are making to their operating models — changes they believe will make them easier to do business with, be more competitive and ultimately more successful.

Through our proprietary analysis of over 1,500 insurance agents, we've observed the following themes that the most successful agents are consistently

leveraging to drive profitable growth.

### 1. Engage proactively with customers.

Customers who receive two or more proactive contacts from their agency per year are 10% more likely to stick with their current agency. These touchpoints can demonstrate the value and advocacy an agent provides their customer throughout the year, rather than just before policy renewal periods.

From a growth perspective, agents who average two or more contacts per year with their customers are growing 55% more than their counterparts who are not making contact with their customers.



### Dan Halsey

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## **2. Prioritize the customer experience.**

It's no secret that customer expectations and needs are changing, with many expecting 24/7 access to service; but how can agents adapt? Successful agents are leveraging two of the biggest resources available to them — carrier customer service centers and digital self-service options.

The majority of customer transactions handled by an agency tend to be billing related, offering modest value and requiring precious resource.

By relying on carrier customer service centers, agents can focus more time on growth and gaining competitive advantage, while customers are receiving the on-demand support and answers they seek for more routine transactions, including during nights and weekends.

Also, many carriers now offer digital resources for customers to report a claim, pay a bill or view policy documents online or through an app. Agents that promote those carrier resources have found a way to leverage those tools as an extension of their agency's service culture.

## **3. Focus on account business.**

While monoline auto or home customers have an average retention rate of about 88%,

agents who have both the home and auto policies see an impressive 92% retention rate. Equally impressive is when agents package the auto and home account with the same carrier and a common effective date, they can see a retention rate of about 96%.

The Hanover estimates only about 32% of customers in the independent agent channel have package accounts with common effective dates, so this offers agents a significant opportunity for immediate growth and long-term success.

## **4. Selectively partner with carriers.**

We have found that agents who are more selective and strategic about their carrier partners and work with fewer than seven carriers have a growth rate 53% higher than agents with more than seven carriers. Additionally, they experience higher retention rates, higher average account premium and improved account rounding.

Those agencies who thoughtfully select carriers that are committed to customer and agency needs experience greater satisfaction and outcomes.

## **5. Deep understanding of agency performance.**

Agents who partner with carriers that have a deep

understanding of agency performance arm themselves with valuable information, while positioning their agencies for future success. For example, The Hanover is able to perform a multi-year analysis for our independent agent partners and provide insights in several key areas:

- Perspective on how they are performing against these key themes successful agents consistently leverage.
- A lens into the execution of their strategy — many agents are surprised that their operations are not performing as they would expect.
- Benchmarks against their peer agents that are best in class in their revenue category.

## **Take pride in accomplishments, seek growth opportunities**

The most successful agents embody all five of these characteristics, but doing so is no small feat. As we think about the New Year and its inevitable resolutions, I encourage agents to take pride in their current accomplishments and to work to earnestly seek growth opportunities, setting themselves up for a strong 2019, and beyond.

*Opinions expressed are the author's own.*