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INDUSTRY TRENDS
**BUT SHE RETURNS MY CALLS:
CHOOSING AN INSURANCE AGENT**

But She Returns My Calls: Choosing An Insurance Agent

Written by Leslie White, CPCU, CIC, ARM, CRM

While talking with an association executive about his insurance program (I'm quite a hoot at cocktail parties) he described his insurance broker as good because he returned calls promptly. Responsiveness is the most common criteria for judging insurance agents and brokers but there are other factors to consider. Timely responses are desirable but the quality of the answers, the other services provided and the appropriateness of the insurance coverages recommended are critical to protecting your association.

For full disclosure, I am not an insurance agent or broker (tried it for six months, not a good fit) but assist clients in managing their property and liability insurance programs including broker selection. I always answer insurance questions by telling people how important it is to have a knowledgeable, qualified insurance agent to safeguard their association or nonprofit.

Why is a good insurance agent so important? Because associations and nonprofits depend upon their property and liability insurance program to protect their organizational assets. An uninsured fire, auto accident, employment-related allegation, liability claim or lawsuit can bankrupt an organization. For something so important to your organization's well-being it's surprising how little time some executives spend on choosing their insurance professional.

For whatever reason, most association executives do not consider their insurance agent as a valuable, trusted business partner. Many are quick to call an attorney but rarely remember to call the agent to discuss the insurance implications of opening a new office or moving, having remote employees, buying a new vehicle, introducing a new program, product, service or event, or before signing a contract. Your insurance agent can't advise you if you don't keep him or her informed. No one wants an uninsured claim especially if insurance was available but not purchased.

Here's what I think is important in judging and selecting your insurance agent or broker.

- **Knowledge of Industry** – Associations and nonprofits are unique so the agency should have extensive experience with that sector.
- **Account Team Qualifications** – Remember the person you see is the “producer,” the sales person. Find out about the “back room”, the people working on your account.
- **Knowledge of Account** – How much do they know about your organization? Have they done any research or just providing generic information about their services?
- **Account Handling**
 - Responsiveness – How quickly do they respond to your calls or emails?
 - Timeliness – Are they there even when you don't know you need them? Set up pre-renewal meeting, account reviews, claims issues, etc.
 - Credibility – Do you believe them? Do you trust them?
 - Commitment – Willing to do what it takes to meet your needs?
 - Claims Handling – Are claims handled promptly? Are they your advocate?
 - Accuracy – Insurance companies are notorious for issuing policies incorrectly. Is the account team catching the errors? Doing what you asked? Is their proposal error-free?
 - Results – Are you getting the results you want and deserve? Price is a poor method of evaluating your coverage and your broker. A very low price may mean extremely poor coverage and/or service.

My advice is to conduct a broker selection process rather than have multiple brokers get quotations for your account. In June 2007 I wrote How Many Agents? Bidding Your Insurance, an article about selecting an insurance broker. Your insurance program is too important to your association's survival to be left to the person with the best sales technique or returns your calls quickly.

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