



Growing Your Insurance Agency

Tips and tricks to keep you at the top of your game

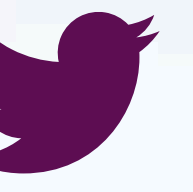


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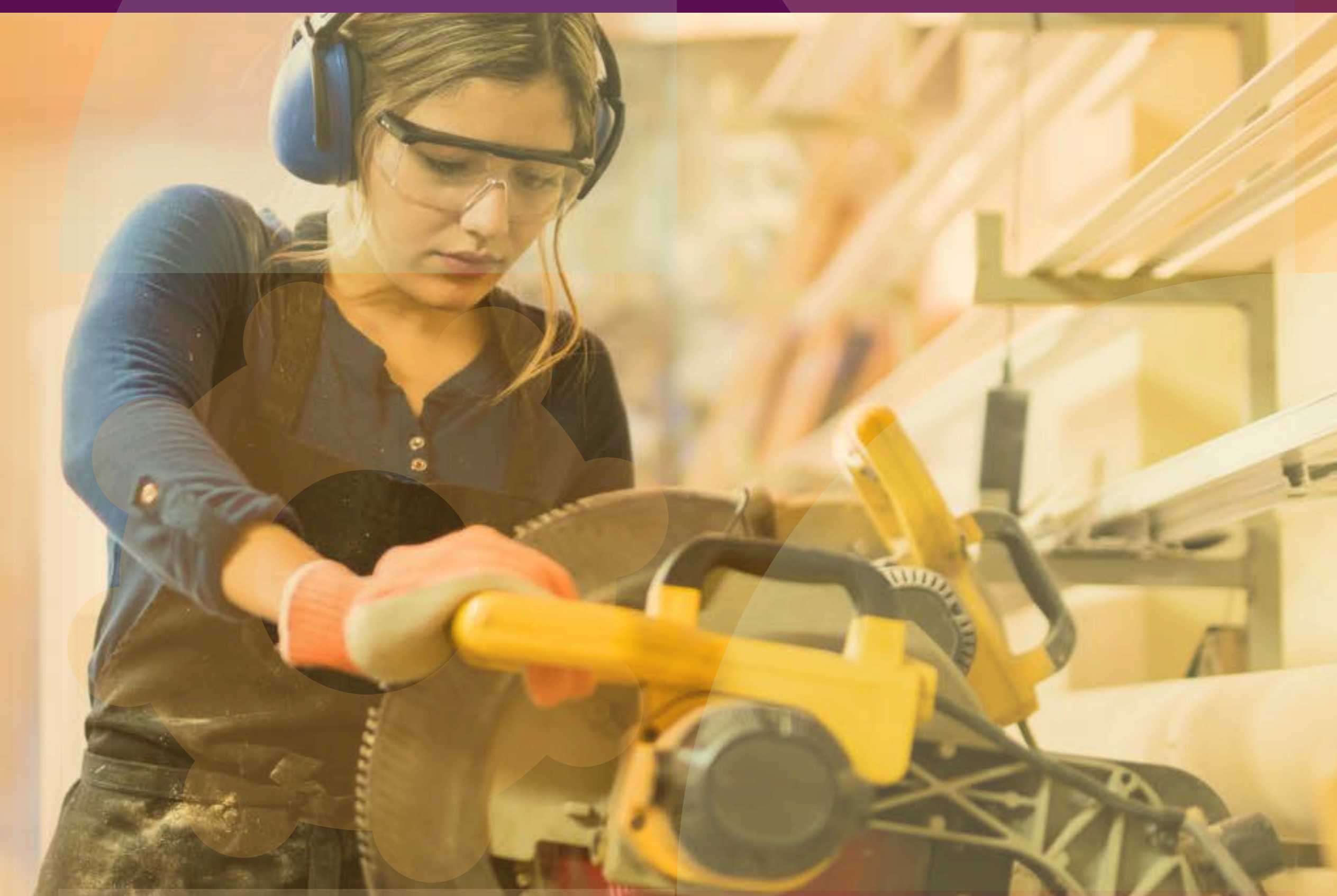
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Growing Your Insurance Agency

Tips and tricks to keep you at the top of your game

When looking to grow your insurance agency, there are many things to consider. Don't worry! We're here to help you narrow your focus to the efforts that will produce the best return on your investment so you can ensure your agency will meet its yearly goals. Supporting your agents to become star producers, automating repetitive processes, and choosing the right insurance carriers with whom to partner are just a few of the things we'll cover in this comprehensive guide to keeping your agency at the top of its game.



The right producers are key to your agency's growth

The insurance industry is currently experiencing a shakeup in its workforce. Many have gone as far as calling it a "talent crisis" as hundreds of thousands of the industry's most experienced insurance agents and other staff are retiring. As the most tenured producers leave, agencies that want to grow have to prioritize bringing in new agents to sell insurance.

This can be done through a combination of finding and training people who are new to the insurance industry, as well as enticing experienced producers to move from their current agency to yours.

There are pros and cons to each approach, and a combination of the two might be the best route.

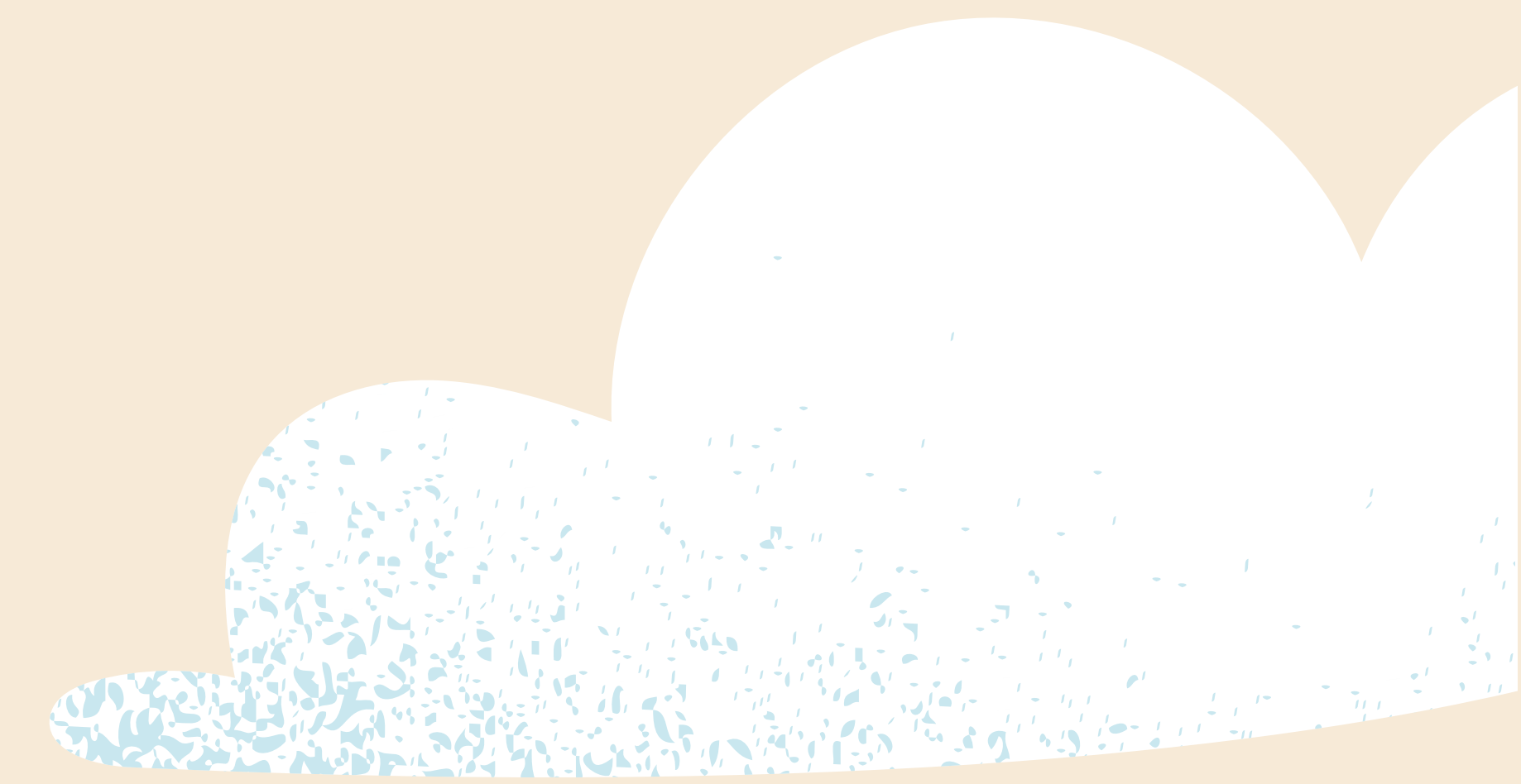


Bringing experienced producers to your insurance agency

While many of the most tenured insurance agents are reaching retirement age and making their exit, there are still a good number of early-to-mid career insurance professionals who may be looking for new opportunities. You can be that opportunity! At this point in their careers, they may be looking for a better commission split, more flexibility in work hours and location, or better company culture.

Recruiting producers with a few years of experience, who've already obtained their insurance license in at least their resident state, and who have an existing book of business, can be beneficial to your agency's growth goals. Sure, this approach may be more expensive upfront because you'll need to buy that agent's book of business from the current agency. However, you won't spend time waiting on the producer to get licensed or have to train them from scratch on how to go about soliciting business.

If your agency has something unique to offer to experienced producers, you can leverage those benefits to entice already-successful insurance agents to join you.



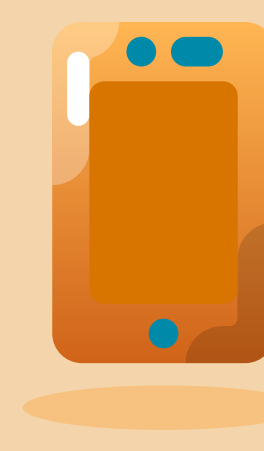
Producer validation

To develop a new producer, an agency absorbs a temporary loss to reap future rewards. With the right training and support, a new producer should validate in about three years, according to [Independent Agent magazine](#). However, the minimum time needed to validate any compensation level is one year, according to [Agency Consulting Group](#).

The company's effective net unvalidated producer payroll (NUPP)—the agency's investment in unvalidated producers and success rate in hiring producers—is expressed as a percentage of net revenue. According to [Reagan Consulting](#), NUPP is the best overall measure of an agency's effectiveness in recruiting and developing sales talent.

To assess an insurance producer's growth and development, experts recommend evaluating both objective and subjective criteria:

Objective criteria



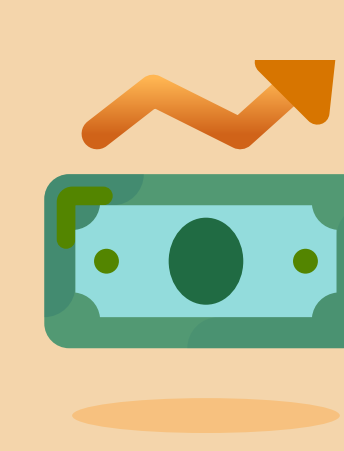
Number of calls



Prospects



Appointments



New business revenue

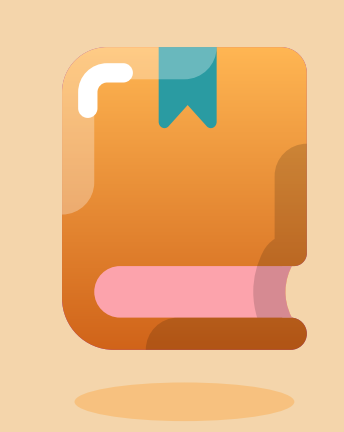
Subjective criteria



Cultural fit



Work ethic



Professionalism

Experts say that, while it can take a few years for a producer to fully pay for themselves, if a producer can't close a sale in a year and you don't see the right behaviors and drive to believe that trend will turn around, it may be time to move on.

Seven tips for accelerating producer validation 💡

1. Hire right

Take time to recruit and onboard producer candidates who possess the skills and temperament needed to succeed in insurance sales. This field—and role—isn't for everyone. A robust hiring process should evaluate a candidate's abilities and efficiency, and weed out those who don't make the grade.

2. Provide support

The most successful firms offer training, resources, and mentoring opportunities to new producers. An organized training and development program gives producers the tools they need to succeed more quickly.

3. Develop your sales culture

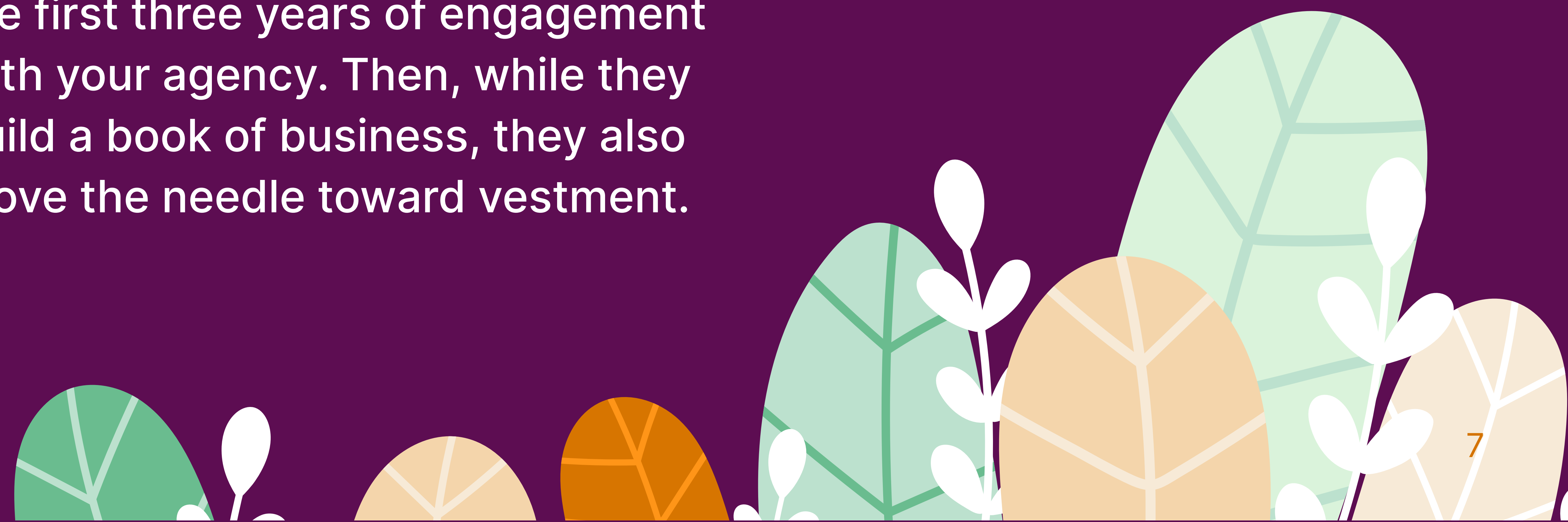
Experts recommend fostering a culture where all producers are encouraged to beat the incumbent insurer, not just spit out quotes. Training, sales team meetings, goal setting, and value-adds should all support this sales-driven concept.

4. Determine activity levels

Look at your agency's data to identify the activity levels (number of calls, quotes, meetings, renewals, etc.) needed for a new producer to validate their compensation levels in each of the first three years of engagement with your agency. Then, while they build a book of business, they also move the needle toward vestment.

5. Write it down

Put the producer's goals (i.e., how much they need to close in sales to be validated) in writing and track measurable mileposts periodically.



Seven tips for accelerating producer validation (*cont.*)

6. Keep them hungry

Some agencies pay producers a guaranteed salary the first year, plus the commission. The salary is reduced by a third in year two, but the producer gets their full commission. In the third year, the producer's salary is again cut by one-third, with full commission. By the beginning of year four, the validated producer should be completely on commission-only compensation.

7. Reward progress

When the producer trainee meets their revenue goal and sales call activity requirement, some experts recommend awarding a bonus commission on any sales that bring the producer's total commission above their validation goal.

Because unvalidated producers impact your bottom line, helping them grow and be successful more quickly is an investment that will produce a positive ROI.



Empower your agents

After your agents are settled on the road to validation, it's vital to make sure they have the power to take care of your clients. Can you think of a time when you've requested something seemingly simple from a customer service representative, only to have the situation become more complicated and frustrating as it progressed? We've all experienced this in some capacity—it comes with living in the modern world. And it's often the result of a lack of employee empowerment.

Many times, the person you're speaking with doesn't have the necessary authority to help you resolve your problem. It could be an overall company policy or a specific micromanager in their chain of command, but either way, they don't have the ability to make decisions that could solve things on the spot.

The same thing can be true within an independent insurance agency. Your clients could be experiencing this type of frustration if your agents aren't empowered to solve client problems themselves. The good news is you can avoid this by taking steps to empower your agents.



Model empowerment to your agency team

The first step towards empowering your agents is to demonstrate what that looks like yourself. As an agency leader, you can model the behavior and attitudes you want your agents to embrace. Whatever values you want your agents to have, whether it's accountability, ownership, continuous improvement, or anything else, make sure you're walking the walk. If this isn't happening, it's difficult to create a workforce of agents that feel empowered to help your clients because a basic element of leadership is missing.



Delegate duties and decisions to your insurance agents

Many leaders find giving responsibility to others overwhelming and intimidating at first. It's not uncommon for members of insurance agency management and leadership to struggle with delegating some of their duties. Leaders sometimes think they can get things done faster by just doing it themselves. While this may be true in some situations, it isn't always so. Stretching yourself too thin can reduce the quality of work you're putting out, take your time away from more important tasks, and limit your agents' own professional growth. After all, if you never delegate duties, no one else will ever learn how to do them.

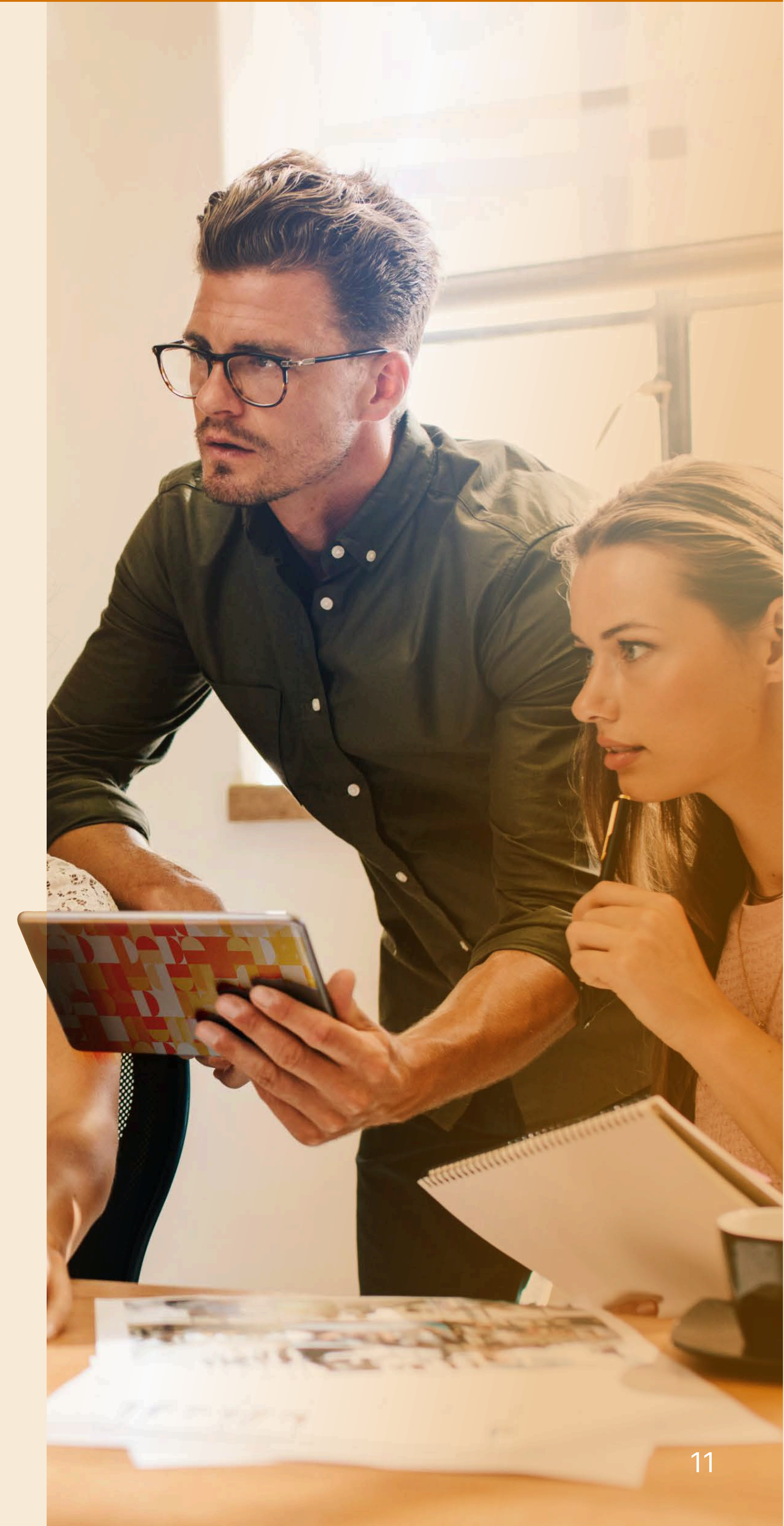
Empowering your agency's producers to make decisions is a great way to clear roadblocks they may face while taking care of your clients. In many cases, agents have the know-how to solve problems quickly without needing to defer to agency leadership, if you give them the permission and confidence to do so.

Build a foundation of trust between insurance agents and agency leadership

Building trust between agency leadership and your agents is essential to your agency's success. You need to feel comfortable and confident that all staff will complete their responsibilities excellently. At the same time, your agents need to know there's an open-door policy and they can discuss challenges without judgment or fear.

Taking time to ask your agents about their goals and career aspirations, learning about their strengths and weaknesses, and providing them opportunities to grow are ways to build their trust and loyalty in agency leadership. When communicating with your agents, practice active listening techniques to ensure you're really hearing and understanding their concerns. This includes repeating back what you've heard to make sure you understand and asking them how you can clear roadblocks they're facing.

Employee development takes time. While we often expect immediate results, it's important to remember that everyone's journey is different. Some agents may quickly excel when given more independence and authority, while others may need more supervision and frequent check-ins to nurture their performance.



Foster an environment of creative solutions and innovation for your agents

Insurance agencies aren't always known for being the most "innovative" workplaces. As agency leadership, you can change that! Your clients will see a difference when you emphasize creative problem-solving and out-of-the-box thinking with your agents.

As long as everyone's working within the scope of their insurance licenses and following all applicable laws and regulations, you can encourage your agents to find creative solutions to client problems.





Emphasize continuous improvement and professional development at your independent agency

From weekly manager one-on-ones to annual performance reviews, you can empower your agents by creating a culture that values ongoing learning, evaluation, and improvement. Some best practices for feedback and improvement include:

- Schedule regular and consistent times to meet with each agent
- Dedicate time to discuss both the good and the bad of each agent's performance, challenges, and opportunities
- Explore what motivates your agents
- Document your conversations so you and your agents can refer back to action items later and see where they've made progress
- Be clear, consistent, and honest with the feedback you give your agents. While no one likes to hear they aren't meeting expectations, sugar-coating the facts won't build trust or empowerment in your agent population

Continuing education

Continuing education (CE), also known as continuing professional education (CPE), is a non-negotiable part of life for licensed insurance agents. It's also sometimes required for others who work at independent insurance agencies, such as insurance adjusters and certified insurance customer service representatives (CISRs). Simply put, all insurance producers as well as some non-sales roles, will need continuing education to keep a valid license or other certification.

On top of keeping your insurance license valid in your resident state and any other states where you sell insurance, continuing education can increase an agent's value as an expert insurance advisor to clients by helping you work towards insurance industry designations. Insurance professionals can earn specialized insurance designations by completing a series of CE credits and passing a final exam. But at its most basic level, insurance related continuing education doesn't require you to go to that level of study.

The requirements for continuing education for insurance professionals vary from state to state.

In general, there are a few things that hold true:

- CE is required to maintain a valid insurance license and to renew your insurance license
- Even in states where insurance licenses don't expire, continuing education is still required for a licensed agent to be considered "ready to sell"
- Continuing education credits are largely reciprocal across state lines, thanks to the National Association of Insurance Commissioners (NAIC) reciprocity agreement

Investing in your agents' continuing education empowers them to be experts in their field and gives your agency an advantage over agencies who may not prioritize the development of their producers.



Give insurance agents the tools to succeed, including modern technology

A vital step in empowering your agents is equipping them with the tools they need to do their jobs. Even the most motivated agents can only do so much if they're hampered by outdated systems and processes.

When you embrace innovation and utilize tools like CRMs to streamline your agents' workflows, they are more empowered to focus on the work only they can do. As we'll discuss in the next chapter, technology can save agents time by making leads and current client information organized and easily accessible, and communication with prospects easy. Removing busy work from your agents' plates gives them more time for revenue-generating activities, and definitely makes them feel appreciated.



Empowered insurance agents drive your agency's growth

If all this sounds like a lot of work, keep in mind that the more you invest in your agents, the more they can give back to you. By modeling good leadership skills, creating a culture of accountability, giving your agents permission and authority to solve client problems, and more, you can create a team of excellent insurance agents who'll prove valuable to your business for many years to come.



Automate your agency



There are several reasons why it is important for insurance agents to automate their agency. First, automation can help to increase efficiency and productivity by automating routine tasks, such as data entry and policy renewals. This frees up time for agents to focus on more valuable activities, such as sales and customer service. Second, automation can improve accuracy and reduce the risk of errors, as it eliminates the need for manual data entry and reduces the possibility of human error. Finally, automation can help to improve the customer experience by providing faster, more accurate service, as well as offering self-service options that allow customers to access information and make changes to their policies at their convenience.

Overall, automation can help insurance agents to operate more efficiently and effectively, while also improving the customer experience.



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10 tasks you can set to automatic 🤖

1. Top of the funnel lead engagement

When you get a lead, time is of the essence. Customer relationship management (CRM) software can help you build a workflow to ensure that leads are contacted promptly and adequately nurtured down the sales funnel. For example, you can automatically create a task for someone to follow up with a new prospect or schedule a follow-up email a certain number of days after sending an application for insurance.

2. Lead nurturing

You also can automate ongoing lead-nurturing tasks, such as emailing leads when you add a new insurance product and sending welcome letters. Software like [MailChimp](#) and [Constant Contact](#) make this easy.

3. Agent assignments

Automation software allows you to assign prospects to agents. Then, you can easily view your entire team's workload, evenly distribute tasks, and use automated workflows to be sure that every client receives consistent, appropriate follow-up.

4. Call tracking

While some customers will conduct most of their business online through your [website](#), you're still going to get some calls. CRM software can automatically record phone calls and import valuable information from those phone calls into a database. Automating call reminders means that no opportunity to connect with a lead is lost.

10 tasks you can set to automatic (cont.)

5. Schedule meetings

Even if you don't want to invest in a full CRM solution, there are still ways to make it easier for customers and prospects to schedule appointments with agents. Software like [Calendly](#) and [You Can Book Me](#) lets you specify which hours you're available for meetings. Leads, colleagues, and clients can book time on your schedule without a flurry of back-and-forth emails clogging up your inbox.

6. Chatting up website visitors

You've probably seen it while surfing the web: you're visiting a website, and then a box pops up, asking if you need help. These automated chatbots are a simple way to provide instant answers to prospects and policyholders alike. Consider adding a chatbot to your website or Facebook page to provide instant answers to common questions. They're easier than email and increasingly popular with younger customers.

Leveraging the most up-to-date and innovative tools can not only increase your agents productivity, but free up additional time that can be used in new ways.



10 tasks you can set to automatic (cont.)

7. Email marketing

As we've mentioned earlier, email is a powerful tool for following up with and staying connected to leads. Use automated email marketing campaigns to remind clients to review their insurance needs, send out anniversary or birthday messages, or reignite cold leads with information about saving on insurance. Simply create an email template and define the appropriate parameters (For example, send a policy anniversary message three days before the policy end date). The system will then send the email on the appropriate date to ensure nothing falls through the cracks. And, most email automation systems will help you personalize email messages with each customer's first name, policy expiration date, company name, and more.

8. Text reminders

According to the [Big I's 2020 Agency Universe Study](#), 64 percent of insurance agencies communicate with policyholders via text. Like email reminders, you can automate text communications to your customers' smartphones. And, with the right configuration, all text conversations can be automatically captured in a CRM database to refer to later.

10 tasks you can set to automatic (cont.)

9. Renewal communications

Proactive communication around policy renewal time is essential for client retention. Get a head start on policy renewals by sending an automated reminder to the agent of record and an email to the policyholder. An early start on this process will ensure everyone is on the same page and reduce stress for everyone involved.

10. Social media posting

While you may view social media marketing as a necessary evil, there are ways to take some of the pain out of the process. Services like [Buffer](#) and [Hootsuite](#) enable you to schedule posts to Facebook, Instagram, Twitter, and more in advance from a single dashboard. Consider setting aside an hour or so at the end of the month to write and schedule all of your posts for the next month. Then, it's off your to-do list. Well, until next month!



Automation definitely requires investment up front, but—provided the automation is done well—the benefits you reap in the long run will more than make up for any time and money you've invested.

Choosing the right carriers

As an independent insurance agency, one of your greatest assets is your ability to offer clients the best possible insurance policies for their needs, regardless of the insurance carrier. To truly do this, however, your agency has to have access to the right insurance carrier partners.

For example, if the only insurance carrier partnerships you have in place are notoriously slow at processing claims, bad at customer service, and overpriced in their rates, your producers aren't going to have much luck keeping clients. Even if you're partnered with excellent carriers for some lines of business, you could be missing out on fast-growing new products if you don't have partners who underwrite them.

Here are a few ways to explore and expand your carrier partnerships.



Leverage your existing network of carrier partners

Perhaps the best place to start is with the relationships you and your producers already have. How strong are your relationships? Do you keep in close contact with your existing carrier partners? Do they reach out to you when they have new products? Do you reach out to them when you have clients looking for something unique?

As we'll talk about in the next section, maintaining close working relationships with the carriers you want to place business with is an important part of your agency's success. Take stock of your best relationships and put effort into maintaining them. Then, look at the partners you'd like to be doing more business with and open conversations about how you might do that.

Join an association, network, or aggregator

Large insurance agencies often have access to insurance markets that are simply out of reach for smaller agencies and independent agents. One solution is to join a network, an association, a cluster, or an aggregator. Each of these terms is slightly different, but the general idea is that smaller agencies can combine their selling power to gain access to top insurance carriers that wouldn't be interested in contracting with a small agency on its own.

Get the most out of your carrier relationships

Building quality relationships with carriers is the key to providing great service to your clients. Here's how.

1. Be willing to let go of relationships that no longer work

Evaluate which companies still meet you and your clients' needs. Relationships of yesterday may no longer meet the needs of today, especially if a carrier has pivoted its offering to classes of business that don't mesh with what you need. Don't waste resources on maintaining relationships with carriers that offer little benefit to your agency. Experts recommend choosing three to five carriers, then forging personal connections with all of them while investing the most time in the two most profitable carriers for your agency.

2. Focus on communication

Develop a plan to communicate with each carrier. Some insurance companies communicate better than others, so you should take responsibility for ensuring an ongoing dialogue. An underwriter is more likely to work with your agency and negotiate better quotes if he or she believes that you care about their success. Take time to develop an authentic relationship with your carrier and get to know their goals.

Get the most out of your carrier relationships *(cont.)*

Building quality relationships with carriers is the key to providing great service to your clients. Here's how.

3. Assign a relationship manager

Assign one or two employees from your agency to each carrier to serve as that carrier's "relationship manager." While carrier relationships should be a major focus for all agency owners, dividing up the duties with others in the firm will ensure that the lines of communication stay open.

4. Schedule regular times to meet

Now more than ever, it's important to touch base regularly with each carrier to build trust and rapport. Discuss your expectations, goals, and opportunities. Inform the business development team about the current status of your agency and your plans for the future, and review the agency's sales and marketing plan. Establish reasonable goals and commitments for future business and schedule quarterly follow-up calls to track each entity's progress.

5. Take advantage of value-added services

Ask how your agency can take advantage of services offered by your carriers, such as financing and training programs.

Get the most out of your carrier relationships *(cont.)*

Building quality relationships with carriers is the key to providing great service to your clients. Here's how.

6. Ask for feedback

Ask your carriers to complete a “report card” on your agency to learn more about your reputation. Work on any deficiencies that may be revealed and discuss what your agency can do to improve the existing relationship and write more business.

7. Know your carrier's comfort level regarding risk

Some carriers dislike when agents push accounts that don't match their level of risk. Speak to your carriers about their underwriting appetite, especially when you're just starting a relationship. Pie partners can access our appetite checker directly in the partner portal. As your understanding of the carrier's business increases, the underwriter's trust and confidence in your agency will increase, too. When you send opportunities that are a good fit for the carrier, you demonstrate that you respect their time, and view them as a valued partner.

Get the most out of your carrier relationships *(cont.)*

Building quality relationships with carriers is the key to providing great service to your clients. Here's how.

8. Respect the underwriter

In the lifespan of a successful agent-underwriter relationship, there may be times that you disagree. Be careful how you react in these situations. Trust can be quickly squandered if you go above an underwriter's head. Talk to the underwriter first about your concerns and try to come to a consensus.

Symbiotic working relationships between agents and carriers not only build mutual respect and improve communication—but also provide more personalized service to clients. Over time, this translates into happier clients and increased retention for your agency.

Learn as you go 🥧

Trial and error is okay! While all of these tips can have a great impact on your agency, you get to determine what approach best supports your agency's growth. Keeping track of the changes you implement as well as your agency's data points throughout the year will allow you to see which efforts had the greatest impact.

Be patient with the process and know that, while there is no magic solution for growth, these are some reliable steps you can take to ensure your agency thrives this year and beyond.



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