

Insurance Marketing

Personal Lines Marketing: Getting Back to Basics

With insurance disruptors such as autonomous cars and the internet of things capturing the headlines, it's easy to be distracted from the fundamentals of agency success. Following are some best practices to consider:

1. Think inside out.

Anywhere from 30% to 50% of agencies' books are comprised of monoline customers, but it costs three times more to acquire a new customer than to sell to an existing one. Before focusing on outside opportunities, start with rounding monoline policies and cross-selling personal lines to current commercial lines customers.

2. Consider the trifecta.



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An umbrella policy offers three main benefits—improved customer retention by eight points, protection from E&O and an extra layer of protection for policyholders. While the majority of homeowners can benefit from an umbrella policy, only one-third have one.

3. Stop the shop.

Insurers spend more than \$6 billion a year on advertising designed to get customers to shop policies and focus on price. Before turning to the comparative rater, consider a strategic approach that includes coverage counseling, increasing deductibles and

reduced billing fees, which can help retain customers.

4. Promote independence.

While customer service is an important differentiator for successful agencies, billing issues can account for more than 50% of calls to an agency. Promoting billing plans, such as electronic funds transfers, can reduce billing calls and improve retention. Carrier self-service sites can put customers in control of some aspects of their policies and reduce routine service constraints.

5. Leverage behavioral economics.

Consumers prefer options when making a purchase decision. Without choices, it's easy for a customer to decline a single option. Try providing three choices when it comes to coverages such as umbrella—perhaps \$1 million, \$2 million or \$3 million. When presented with three options of anything, consumers often gravitate to the “magnetic middle.”

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