

FORTY YEARS LATER (from a retired agent)

My agency was in a small town, roughly 35,000 people. Our local newspaper was very good at reporting what went on in the community. They published all the traffic accidents, motor vehicle violations, misdemeanor and felony convictions, divorces, deaths, bankruptcies, repossessions, etc.! I have always been a very dedicated reader and read the paper like I would a novel. All of this negative information represented “difficult conversations” with my insured’s, who did something wrong. Most of them were going to result in increases in premium or cancellations.

It didn’t take me long to realize that 5% of the people were 95% of the problem. I was reminded of this in reading the “**Summer 2008 NAAFA Report**”. It also didn’t take long to realize that the good people who comprise the 95% rarely if ever hear from you. I think it hit hardest when I was following up on “lapses” and was told, “We never heard from you and we thought you didn’t appreciate our business”.

As a first step, I decided that I would start sending out post cards thanking people for renewing their insurance. It was a program that was very well received and was appreciated. I even had my picture taken with my 1927 Ford (the year AFMIC started in business) in front of my office and this picture was one side of the post card. This program became so time consuming that I found myself asking if people wanted all of their autos coming due at the same time. This way I would have fewer cards to send. While it was time consuming, it still took less time than prospecting for and writing new business. But this was reactive, not proactive, as it took time to establish the idea that I appreciated people’s business.

I discovered (another epiphany) that the same people who sent me negative information in the local newspaper also sent good news. I started cutting out every good thing I could find about my insured’s and their kids. The company even eventually came out with a “Here’s Good News About You” card to make it easier for me and others to “keep in touch” with our valued policyholders. This was so well received that I had people calling me to say “thank you for the thank you”! I had kids calling me “Uncle” because they felt like I was part of the family. They heard from me more often than the relatives! In one situation I had a family that had several children and then a tail-ender. The older children were very active and good at everything and as a result, got a lot of mail from me. The youngest would walk out to the mail box with Mom and one day he looked up at her and asked, “Do you think I will ever get a letter from Mr. Insurance Man”? Mom told me the story! A short time later I had an appointment with them for an additional auto and Mom met me outside and snuck me an article indicating her youngest had made the honor roll. She wanted to be sure I didn’t miss seeing it in the paper. I had seen it and had already mailed it. How can you put a value on the feeling you get at a time like that? Priceless!

Sending news articles to the kids resulted in a new way of handling file folders and labels. I had been in the habit of making labels with last name, then the names of Dad & Mom. It became easiest to identify where to send articles by adding the names of the kids (in pencil as they would eventually have a file of their own) and also the dates of birth as we often had more than one Robert Z, etc. This gave me the benefit of being able to review the names and ages of the kids, without digging in the file, each time I talked to the folks. I could say, "how does Bobby like 6th grade" or I see Bobby will be 16 pretty soon" etc.

As people told me they appreciated me and what I was doing they would sometimes tell me what other insurance agents did that they especially liked. The most common praise was for birthday cards they received from life insurance agents. I asked marketing if they could give me monthly lists of the dates of birth of my clients. I asked for this repeatedly and always got the same negative responses. **Forty years later**, 12 years into my retirement, my wife got a Happy Birthday phone call from our AFMIC agent. I look forward to getting a Birthday call from my agent next month.

I like to think that I had one of the lowest lapse ratio/highest retention ratio and highest number of policies per household because of the effort I put into letting people know that I appreciated them. I also believe that being a leader in the sale of umbrella policies also helped those numbers. The more policies you have in a household, the harder it is for people to leave you and the less likely it is that they will shop around.

American Family needs to find more ways for the agent to be effective and well liked. Management needs to find ways to make sure that the word *Family* is always important in the way they treat the policyholder, the agent and the company employee. American Family is also a *Mutual* Company and management needs to remember to mutually respect the policyholder, the agent and the company employee.

It's been fun!

(Name withheld as per NAAFA policy)