

NWC ALLIANCE NEWSLETTER

Standing together

How do Top Retail Insurance Agents in Construction Achieve a +50% Closing Ratio?



Our top producers have a closing ratio of well over 50%, with some at high as 82%. We've developed a list of best practices following a careful study of numerous interactions with these producer's consistencies and development path. These best practices not only benefit the retail agent, but provide even greater benefit to the builder or contractor they are working with.

MACRO BEST PRACTICES

- 1. A defined and well communicated value proposition.** Our best agents are not all things to all contractors. They've focused on a niche. For example, a niche one of our top producers has developed is coverage-centric trades.
- 2. Consistent and daily new business development efforts.** Placing insurance is a matching process, especially if an agent chooses a niche. Therefore, the best producers develop and maintain a large pool of prospects in order to determine who best fits their niche. We have seen this done successfully with combinations of email marketing, active referrals, social media, and other methods.
- 3. Involvement in small groups and associations to provide educational resources.** Demonstrating care and expertise builds brand credibility and trust. Volunteering to offer seminars or newsletter articles to both formal and informal builder or contractor groups, or supporting government affairs issues that impact builders and trades help demonstrate that care and expertise.

DEAL MATCHING BEST PRACTICES

1. Understand the pain points and LISTEN. Good agents spend 90% of their energy listening and gathering information. The remaining 10% is spent on asking great questions. Since there is no universal insurance solution for all of construction, real value is derived from listening, asking questions, and providing education. Builders and contractors who don't have time for this approach or who have a bidding mentality are a likely source of errors and omissions claims and a low closing ratio. Prospects without a pain point have no reason to change providers.



2. Be able to communicate why this contractor is a good fit for your niche. Be sure this question is clearly asked and easily answered. If your niche is “clean accounts,” underwriters will want to know if the account is “clean” because of intentional practices the insured has taken, or just because they’ve been lucky so far.

3. Always get a policy copy or forms list before completing applications. Back to the pain point...sometimes a prospect isn't specifically aware of a looming problem. If they understand and agree on the problems to solve, the application won't likely be a waste of time.

4. Fully understand unreported claims. Too many agents don't ask about claims that went unreported and why. What discouraged the insured? Is it important to them not to be discouraged in the future?

5. Fully understand reported claims. Claims are more than what's on a loss run. If a claim was denied, why? How does the contractor feel about that? What are the details? Get a copy of the denial and reservation of right letter(s). If a claim was covered, how did the process go? What could be better? What changes were made to prevent or minimize the next similar claim?

6. Don't submit applications till the above steps are complete. A low closing ratio hurts everybody, including the prospect. Wasted time is a problem to solve. Make sure it's a likely match.



7. Propose everything. Upsell. Anybody can compete on price and see their renewal ratio suffer later. Our best agents educate their insureds and propose everything. Builders and contractors understand that one policy can't cover everything and many are surprised how many things can be covered. Increasingly, the construction industry wants more options and more understanding when it comes to insurance. Top producers have seen an average new business premium and coverage increase of over 25% with this approach.

8. No Hard Selling. With the above in mind, the deal should come to the agent because it is a good match. Even when an agent is absolutely right, sees the problems to solve and proposes the best solutions, sometimes it's a matter of timing or ongoing trust in the insured's current agent. The last thing a good agent or his new contractor wants is an ongoing fight with the prior agent left unresolved. The best deals, deals that last, take the most time and are the ones which provide the most mutual value.

9. It's not just about insurance. Our best agents are aware of how education and services play a vital role in improving a prospect's risk profile and gaining a competitive edge in a hardening marketplace. The first step is always agent education. How many construction specific CE courses has the agent taken each year? What new products need further study? Larger, successful builders and contractors want expert agents who are always learning and sharing relevant information.



Call us at 360-464-2531 or just [Contact Us](#) and ask about the education resources that the [NationWide Contractors Alliance](#) can provide or how our wholesale broker, [Wise Insure](#), can help you with your next construction related risk.

