

# Shifting the Focus to Turn Hurdles Into Opportunities

Whitney Carpenter, Texas Agency Alliance



**W**ith the industry's current hard market conditions leading to rising premiums and tighter coverage, it's never been more important for agents to proactively demonstrate their value. This approach doesn't just improve client satisfaction; it can also enhance an agent's long-term growth in a challenging market. As clients concerned about inflation, rising interest rates, and the economy cave into price shopping, it's essential for agents to prioritize a focus on turning hurdles into opportunities by providing exemplary service.

## The Service Difference

The hard market amplifies challenges related to cost, trust, coverage, complexity, and competition. These obstacles, traditionally viewed as sales barriers, can be reframed as opportunities to provide superior service. In the context of rising costs, agents can position themselves as trusted advisors guiding clients to find optimal value for their money and making recommendations that align

with their unique circumstances.

In a hard market, trust issues can compromise the relationship between agent and client. These include:

- miscommunication, where a lack of explanation about premium increases or denied coverage can cause confusion;
- unfulfilled expectations, which may happen if coverage and cost needs aren't met;
- and a perceived lack of transparency, particularly about premium changes or reduced coverage.

Clients can also experience feelings of neglect if their concerns aren't promptly addressed. Impersonal service that doesn't cater to clients' specific needs can also harm trust, resulting in the misconception that an agent is more focused on sales than a client's wellbeing.

As we continue to navigate through current market conditions, coverage rejections have increased. This trend has emerged as insurers have started to tighten terms in response to the risk landscape. These terms,

often more restrictive and less favorable to the insured, are raising concerns and objections from clients who feel their coverage is insufficient or unsatisfactory. Being equipped with an in-depth knowledge of their clients allows agents to offer the most comprehensive coverage options possible given the prevailing circumstances. This could involve a careful balancing act, where agents have to match the stringent terms of insurers with the diverse needs of their clients, ensuring a fair deal that optimizes protection.

The insurance industry can be daunting for clients, more so during a hard market. It can bewilder clients and make it hard for them to understand the nuances of their policies and premiums. Agents (can) bridge the knowledge gap and make insurance more accessible to their clients by simplifying information, deconstructing jargon, and presenting information clearly. More than just facilitators, agents become educators, helping clients understand how hard market conditions impact their policy terms.

This guidance not only demystifies the process for clients but also enhances their understanding. It empowers them to make informed decisions and offers them a sense of control, which in turn leads to higher satisfaction levels. Consequently, agents who effectively clarify and communicate can maintain strong relationships with their clients, encouraging loyalty and trust even in the toughest market conditions.

## A Client-Centered Strategy

Embracing a client-centric perspective is really an opportunity to foster connections and cultivate loyalty. It simply means understanding the client's viewpoint, affirming their concerns, pinpointing the core issues, suggesting solutions, showcasing tangible results, and solidifying trust.

**Validating Concerns:** High premiums and tight coverage are very real concerns and can cause a significant amount of stress. It's important for agents to empathize with their clients and acknowledge the difficul-

ties posed by these conditions. This opens up a dialogue where clients feel understood, forming the basis of a trusting relationship.

**Uncovering Real Issues:** Going beyond surface-level concerns requires perceptive questioning and active listening. Agents can delve deeper into the worries and needs of clients by asking open-ended questions. In a hard market, these worries often extend beyond the financial strain. There may be fear about gaps in coverage, or uncertainty about the future. Agents can provide sound advice by identifying these root concerns.

**Offering Tailored Solutions:** Once you've identified the real issues, the next step is to offer solutions that address these directly. These solutions may not always take the traditional form. For example, it might be about helping clients understand their risk profile better. In a hard market, when comprehensive coverage may be more expensive or less available, advice can be incredibly valuable.

**Demonstrating Real-World Impact:** It's important to demonstrate the value of your service-oriented approach with real-life examples. Use success stories to show how your service has helped clients navigate challenging times. This could be a story about how you helped a client find affordable coverage in a tight market, or how you supported a client through a claim process during a stressful period. Such stories demonstrate the real-world impact of your services.

**Establishing Trust:** In a hard market, trust becomes more crucial than ever. Clients need to know they can rely on their agent for guidance. Establish trust by maintaining transparent communication. Regularly update clients on market trends and potential impacts on their coverage. Honesty, even when delivering unfavorable news, will strengthen credibility and foster trust.

## Proactive Service Strategies

The key to thriving in a hard market is being proactive, rather than reactive. From strengthening relationships to anticipating needs, being knowledgeable, and addressing concerns, each aspect is critical in ensuring that your clients feel supported.

**Building Strong Relationships:** Forming a genuine connection with clients lays the groundwork for effective service. Investing time in getting to know clients personally will pay dividends. Understand their family situation, their business, and their future plans. This personal connection enables you to provide tailored advice and reassures clients that you have their best interests at heart, even in challenging times.

**Anticipating Needs:** You can anticipate

your clients' needs and address them proactively by understanding the common concerns in a hard market. This might mean providing information on how to manage risks in a hard market or keeping them updated on potential shifts in the market that could impact their coverage. Anticipating needs and addressing them before they become concerns demonstrates your commitment to serving your clients.

**Being Knowledgeable:** Being well-informed about policies, coverage options, industry trends, and the hard market's implications is crucial. This knowledge allows you to provide insightful advice and clear explanations to your clients. In a hard market, where uncertainty is rife, your informed perspective can provide much-needed clarity for your clients.

**Listening and Addressing Concerns:** Active listening goes hand-in-hand with vali-

dating concerns. By truly hearing your clients and addressing their worries promptly, you can defuse potential issues before they escalate. In a hard market, this can mean diffusing fears about coverage gaps or costs by providing information and guidance.

Agents can truly shine when they start viewing challenges as chances to upgrade their service strategies. That's what will help you to set yourself apart in a competitive market.

*Whitney Carpenter is Regional Vice President of Texas Agency Alliance (TAA), a Master Agency partnered with SIAA, The Agent Alliance. SIAA is a national network of more than 5,000 Independent Agencies, representing over \$12.5 billion dollars of written premium. Texas Agency Alliance is one of four growing alliances of Independent Agencies in Texas and offers growth opportunities to agencies wishing to become or remain independent while being able to compete with larger regional agencies.*

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