

Life/ Health

The sales market is changing, how you can respond

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Lately, change has been a topic of conversation in the life/health insurance industry. These changes encompass many different developments, from increased competition to the implementation of new legislation, specifically health-care reform.

However, change doesn't have to be viewed as a negative. Smart companies—those that plan and prepare for changes—can leverage the shifting landscape as an opportunity to grow their market share. This is especially true now for the voluntary worksite benefits segment of the insurance industry; the best sales professionals will embrace these changes, adapt to them and find ways to make their business stronger as a result.

Insurance products, perceived luxuries?

For years, professional, independent insurance agents have presented voluntary products as essential to a household's financial security—and for the most part, customers have accepted that portrayal. However, as the economic downturn of 2008-09 tightened their budgets, and many of those customers no longer felt they could take such an inclusive view. The slow recovery means many remain reluctant to take on expenses they don't necessarily perceive as meeting immediate needs.

Obviously, that makes our jobs tougher. Therefore, we need to re-evaluate which policies we talk about and how we talk about them. Because so many employees still are focused on short-term costs (e.g., rent, bills or groceries), many of us have placed greater emphasis on recommending policies such as accident and hospital indemnity, that help employees with daily living expenses when they may have to miss work.

Consumers still need what we're selling. Most of them still want it, too—they're just concerned about how they're going to fit it into their budgets. That brings us to the next big change.

Be a consultant

Like it or not, agents aren't the only gateways to insurance anymore. With so many types of policies available online, consumers have the green light to avoid salespeople. If they can't find what they're looking for in a convenient fashion, many will just go without.

As sales professionals, we have to add value to the sales process. And we don't accomplish that by delivering canned sales pitches our customers could get from anyone (or would rather avoid). We add value by doing the things a website or telephone operator can't do: listening to consumers' needs, taking a close look at their individual situations and offering our expert analysis of how insurance can improve their financial security. The extra time we spend on consulting with our clients rather than just reciting pitches pays off in stronger sales, greater likelihood of renewals and long-term working relationships with our customers.

The changing landscape

Of course, individual employees aren't the only ones who can benefit from—and sometimes expect—a sales professional who acts as an expert consultant. The companies they work for also need that expertise to determine the best and most cost-effective benefits package for their workforces. The need hasn't ever been more critical than it is now, as businesses of all sizes grapple with health-care reform and the new responsibilities it presents.

The opportunities aren't the same for every type of insurer, but regardless, there's no reason for any agent to panic. The situation boils down to this: Employers have a lengthy list of benchmarks and requirements they have to meet, and insurance agents can help them do that. Every employer faces different challenges and dilemmas in attempting to comply with the new laws, and the agents who can provide the best comprehensive solutions—major-medical and supplemental insurance—will earn that employer's business.

Customers have greater power

While consumers as a group may have less buying power than they did before the recession, their power in other areas remains undiminished. The Internet has given them a virtually unlimited information resource for comparison-

shopping and benefits research. Meanwhile, the explosion in competition across nearly every segment of the insurance industry means there are more companies than ever lining up for the chance to beat your price or benefits. For customers with tight budgets, “none of the above” always is an option. Whether they leave you for a competitor or just

plain leave you, your business suffers.

Caring service is how you earn your customers’ loyalty. The days when an agent could sell a policy and then just sit back as the premiums and renewals rolled in are outdated. Today, customers depend on sales professionals to wear many hats for them. As financial planners who help make sure they’ve got the best coverage package for their needs at all times, administrative assistants who help them with their claims paperwork, and advocates who intercede when it feels like their benefit checks haven’t arrived quickly enough. Sometimes we’re simply friends who provide advice and reassurance in a difficult time. Any agent who isn’t prepared to fill all those roles has left the door open for a rival agent who will.

Of course, good customer service isn’t always about holding clients’ hands—sometimes it’s just about making life easier for them. Policyholders want to feel taken care of, but they also want to feel empowered. If your agency offers technological tools that give them greater power to manage their policies and claims, you might as well show them to as many of your customers as possible. They may continue to seek your help filing claims or solving problems, but they’ll also appreciate the extra degree of control you’ve offered them.

Every industry goes through periods of major change. The key is to stay on top of trends so that you can quickly adapt to change when it happens, rather than being one of the last people dragged along kicking and screaming. The ability to look ahead and anticipate the future is the key to being able to embrace change rather than resisting it. This is how, no matter what industry we are in, we adapt, we change, we evolve, and ultimately, we thrive. ■

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