



PRISMS For Underwriters is a two-day video based training seminar that enables underwriters to improve agency relations, increase profitable premium volume, and support company goals with teamwork. It also provides underwriters with a system for planning, strategizing, and successfully executing negotiations. Through this program, underwriters quickly learn to combine technical skills with proven effective *people skills*. Learning points are presented through a skillful blend of video, leader-directed class discussions, overhead slides, participant manual activities, flowcharts, and buzz groups. The focus and content of each unit is as follows:

Day 1 - Introduction

In today's competitive environment, all company personnel must be encouraged to maintain a high level of sales, service, and company image. **PRISMS** introduces underwriters to the idea that *everybody sells*, the concept that helped Buck Rodgers, former chief marketing strategist for IBM, take his company from \$250 million to \$50 billion in sales. A video-taped interview with Rodgers and a class discussion based on quotes from today's business leaders show underwriters their effect on the sales process and how taking part in a totally sales-driven effort can benefit both their own success and the company's success.

Communication/Listening Skills

Since producers deal with a company for *their* reasons — not the company's — underwriters must acquire good listening and communication skills to discover what those reasons are. This unit teaches underwriters to ask the right questions and actively listen for answers so they'll learn the motivation behind the placement of a piece of business. Different producers respond to different approaches. To help underwriters deal effectively with different producers, four primary personality styles are identified and skills for handling each are discussed. Listening habits are analyzed, and underwriters are taught to communicate benefits to producers. A fact/feature/benefit workbook is included to provide participants with an essential tool for addressing producer needs. When underwriters communicate benefits, they motivate producers to place business with your company.

Time and Self-Management

This unit deals with setting goals, establishing priorities, and using time effectively. Participants evaluate their current use of time and identify barriers to productivity. They learn to prioritize, allocate resources, and classify producers to better manage their work load. When underwriters determine which producers deserve the bulk of their time, they leverage their efforts and become more productive and valuable to the company. Effective time management combined with a clear focus on goals gives underwriters the personal achievement skills they need to meet team objectives.

Telephone Strategies

Underwriters rely heavily on the telephone for day-to-day operations. Productive phone use involves much more than simply picking up the phone and dialing. This unit identifies the types of underwriter phone calls, the planning and preparation required for each call, and the skills that make calls more efficient and productive. With these skills, underwriters can be most effective on the phone. The telephone becomes a useful sales tool instead of an interruption.

Putting It All Together

After learning the elements of the **PRISMS** system, participants tie the process together in a single unit. Video segments show the elements and problems of the underwriter's job. Here, participants view the entire process, reviewing and defining the skills that lead to success. Following these segments, participants role-play and critique their own underwriting situations to help them gain confidence in their ability to apply **PRISMS** principles and skills. By directly relating skills to underwriting, **PRISMS** produces results not just in the classroom but — more importantly — on the job!



Day 2 – Styles of Negotiation

What is the best method for negotiating with agents, brokers, or company personnel? This unit reveals the characteristics of win/win negotiations. It identifies the criteria for evaluating negotiation success and examines the three basic negotiating styles. Using the correct negotiating style ensures that the agreement will be durable and durability is a critical factor used to measure negotiation success. To negotiate productively, underwriters also need an understanding of different personality types and knowledge of what techniques work effectively for each type. When underwriters are able to tailor their negotiation techniques to the individual with whom they are dealing, positive, durable agreements results.

Pre-Negotiation Activities

Statistics show that poor pre-negotiation planning is the single largest source of negotiation failure. In this unit, participants learn a comprehensive approach to preparing for negotiations that will help them determine and reach their goals. The importance of planning for negotiation is emphasized and critical issues – such as where, when, and with whom to negotiate – are discussed and resolved. Participants evaluate their present planning skills and apply preparation techniques to role-play topics. The Negotiating Planning Worksheet and Three Tiered Goal Analysis Form are provided to help participants learn to set and prioritize their negotiation goals. The underwriter who handles pre-negotiation planning well will achieve productive agreements.

Negotiation Strategies and Tactics

Productive negotiating is a process of communication geared toward a series of objectives. The plan of action negotiators select to reach their objectives is their “strategy.” Without an appropriate strategy, negotiators have no format to direct them in pursuit of their goals. In this unit, underwriters learn how to construct a suitable strategy for any negotiation. If the strategy is the overall game plan, tactics are the “plays” a negotiator employs to implement the plan. This unit provides underwriters with dozens of tactics and counter-tactics that they will use and encounter. Exercises in this unit are designed to provide participants with the ability to strategize effectively and summon the ideal tactics and counter-tactics even in the heat of a tough negotiation. With these skills, underwriters are equipped to negotiate and to achieve better agreements in less time.

Conducting Negotiations

Adequate preparation and proper strategies and tactics are only useful if the negotiation itself is well executed. In this unit, participants learn the best techniques for opening, maintaining, and closing negotiations with producers and company personnel. They learn how to overcome objections, employ flexibility, and remove common negotiation “road blocks.” Finalizing and verifying agreements is a crucial – and often overlooked – last step in the negotiation process. Also in this unit, underwriters acquire techniques to help them conclude negotiations effectively and productively. By effectively steering the course of a negotiation, the underwriter gains greater control over both the process and the result.

How is PRISMS for Underwriters different from other programs?

1. **PRISMS for Underwriters** is the only program designed specifically for underwriters that combines Sales Skills Communications Skills Teamwork Skills Negotiation Skills
2. **PRISMS for Underwriters** is the only underwriter sales training program covering all the skills needed to produce consistent results.
3. **PRISMS for Underwriters** allows each participant to learn skills using his/her products or services. There is no need to transfer skills or concepts from the classroom to “real world” situations. That has already been accomplished by the **PRISMS** design. After completing **PRISMS**, the participant is ready to apply skills and improve productivity on the job.

Don't take our word for it...

People are raving about PRISMS For Underwriters! Here are some actual comments about PRISMS For Underwriters from participant letters and evaluations:

"The course hit right at home at what we are attempting to do... to create a climate of understanding between agent and company personnel which will result in a greater flow of good profitable business."

Wayne Guesner, Aetna

"Using PRISMS For Underwriters can only result in success. We need reinforcement so we can use the PRISMS system daily and not fall back on our old 'bad' habits."

Barbara Motteuca, General Accident

"I feel if everyone would exercise this program's objectives we would have a more profitable company."

Pat Spencer, State Auto

"Underwriters have a tendency to be technical without being mindful of the human aspect. This course takes aim at the human aspect. PRISMS will help immeasurably in selling decisions and company philosophy."

Adam Dingwall, Transamerica

"Good use of our time. Should enable all of us to be more effective in selling our company and improving relations with agents."

Mary Davis, General Accident

"I wondered - at the beginning - if I was perhaps too senior to be involved in this type of seminar; however, I quickly changed my mind."

Jim Hodgins, Markel Insurance

"Program follows logically through steps reinforcing ideas through example and participation. Very well run, well-planned course."

Patricia Murray, Scottish and York

"Taught underwriters that there is more to being successful than being technically correct."

Carl M. Goetzinger, Maryland Casualty

"It covered a wide range of topics logically and authoritatively. My attention was maintained without effort for the two days."

Graham Day, QBE-Melbourne

"I liked the emphasis on the team concept. I like being part of a successful team and now feel able to be a successful team member."

Donna Saunders, Transamerica

"Having worked 16 years in the business from a line underwriter to my present position of underwriting manager, the main response has always been on the technical side of underwriting with little thought given to the agency-underwriting relationship. This course has addressed the need for underwriters to be able to relate the technical side of underwriting to agents in a positive human relations manner whereby agents can be turned on instead of off by the way underwriters handle them."

Rich Phillips, Celina Group

"We should have done this years ago."

Carolyn Schuntz, St. Paul Insurance

"Informative, greatly needed; PRISMS material will be useful in my daily performance."

Barbera Pomerov, Maryland Casualty

"It's clear, concise, and interesting. It relates directly to my everyday job function."

Claudio Taylor, State Auto

"This is the type of program needed to elevate the individual underwriters think into a 'sales' philosophy. Underwriters have been stereotyped as inside, analytical positions only."

Michael J. Hurks, Reliance

"PRISMS is a program all underwriters should experience. It will improve their attitude and performance."

R. L. Koehl, Celina Group

"Excellent, realistic, practical program for examining and honing your skills for fulfilling your role as underwriter."

Robert A. Mayfield, Maryland Casualty

"PRISMS For Underwriters brought to light some of my personal communication failures. This course should be mandatory for all underwriters."

Genevieve Sweeney, General Accident

"I will be using at least 70% of the content in my future activities. I'm sold!"

Maurice J. Gregory, QBE-Sydney

"The subject material was all relevant - it will be so valuable."

Anne Matt, Middlesex Mutual



Insurance Companies Benefiting From *PRISMS* Training

- . AAA Auto Club of Missouri
- . Acceptance Insurance Company
- . Accident Fund Company
- . Aetna Casualty and Surety Company
- . Agway Insurance
- . AI Network
- . AIG - American International Group
- . Allendale Insurance
- . Alliance Insurance Company
- . Alliance of America
- . Allianz
- . Allied Insurance Group
- . Allied Mutual Insurance
- . American Agricultural Insurance
- . American Agrisure
- . American Amicable Life
- . American Eagle Insurance
- . American Express
- . American Family Mutual Insurance Company
- . American Fidelity Insurance Companies
- . American Hardware Mutual
- . American Interstate Insurance Company
- . American Modern Home Insurance Company
- . American Reliance Insurance
- . American States Insurance
- . American Universal Insurance
- . Amerisure Insurance Company
- . Aon Subsidiaries
- . Arbella Mutual Insurance
- . Argonaut Insurance Company
- . Atlantic Casualty Company
- . Atlantic Mutual Insurance Company
- . Auto Owners Insurance Company
- . AXA Insurance Company
- . Badger Mutual Insurance
- . Bankers Insurance Group
- . Bituminous Insurance Company
- . Bjorson General
- . Brethren Mutual Insurance
- . Buckeye State Mutual
- . Burns & Wilcox Ltd.
- . Cameron Mutual Insurance
- . Canadian Imperial Bank of Commerce
- . Celina Insurance Group
- . Central Insurance Companies
- . Century Surety Company
- . CGU
- . CGU Insurance Company Canada
- . Chicago Liability Company
- . Chubb Group of Insurance Companies
- . Church Mutual Insurance
- . Cigna Insurance Company
- . Cimarron Insurance
- . Cincinnati Equitable
- . Cincinnati Insurance Company
- . Citigroup
- . Citizens Insurance Company
- . Citizens Security Group
- . Columbia Mutual
- . Commerce Insurance Company
- . Continental Insurance
- . Covenant Mutual Insurance Company
- . Crum and Forster
- . Crump E&S Group
- . Cuna Mutual
- . Dairyland Insurance
- . Dodson Insurance Group
- . Dominion of Canada
- . EBI Insurance Company
- . Economical Mutual Insurance
- . Employers Mutual Casualty
- . Equitable Adjusting & Service
- . Exchange Insurance
- . Farm Bureau Mutual Insurance
- . Farmers Union Service Association
- . Farmland Insurance
- . FBS Insurance
- . Federal Kemper Insurance
- . Federated Insurance Canada
- . Federated Mutual Insurance
- . Financial Guardian
- . Financial Indemnity Company
- . Fireman's Fund Insurance Company
- . Fitchburg Mutual Insurance Company
- . Frankenmuth Mutual
- . G/E Colonial Penn
- . General Accident Insurance Company
- . General Casualty Company of WI
- . General Motors (MIC, NGIC)
- . Golden Eagle Insurance Corporation
- . Gore Mutual Insurance Company
- . Grain Dealers Mutual
- . Grange Mutual Insurance Company
- . GRE Insurance Group
- . Great American Insurance Companies
- . Great American West
- . Great Central Insurance Company
- . Great West Casualty Company
- . Group 3 Insurance
- . Guaranty National Insurance Company
- . Halifax Insurance Company
- . Hamilton Mutual Insurance
- . Hanover Insurance Company
- . Harleysville Mutual Insurance
- . Hartford Steam Boiler I&I
- . Hawkeye Security
- . Heritage Mutual Insurance
- . Hocheim Prarie
- . Holyoke Mutual
- . Hoosier Insurance
- . IMT Insurance Company
- . Indiana Farmers Mutual Insurance Group
- . Indiana Insurance
- . Infinity Insurance Company
- . Insurance & Risk Management
- . Iowa Kemper Insurance Company
- . Iowa National Mutual Insurance
- . IRM Services, Inc.
- . ISU West



Insurance Companies Benefiting From PRISMS Training Continued

- . Jardine Insurance
- . Jeweler's Mutual Insurance Company
- . Kemper Insurance Group
- . Keystone Insurance Companies
- . Lafayette Insurance
- . Lancer Insurance Company
- . Le Mars Mutual Insurance Company
- . Leader National Insurance Companies
- . Liberty Mutual Insurance Company
- . Liberty Northwest Insurance Corp.
- . Lititz Mutual Insurance
- . Lumber Mutual Insurance
- . Lumbermans Mutual Insurance Company
- . Lumbermen's Underwriting Alliance
- . Maine Mutual Fire Insurance
- . Markel Insurance Company of Canada
- . Maryland Casualty Company
- . Meadow Brook Insurance Group
- . Medical Mutual Insurance Company of North America
- . Merchants & Businessmens Mutual
- . Merchants Insurance
- . Metropolitan Insurance Company
- . Metropolitan P&C Insurance
- . Michigan Millers Mutual Insurance Company
- . Middlesex Mutual Assurance
- . Midwest Commerce Insurance
- . Miller's First Insurance Group
- . Millers Group
- . Millers Mutual Insurance Association
- . Minnesota Mutual
- . Modern Service Insurance Company
- . Monroe Guaranty Insurance
- . Montgomery Mutual Insurance
- . Motor Club of America
- . Motorists Mutual Insurance
- . Motors Insurance Company
- . National Auto & Casualty Insurance
- . National General Insurance
- . National Grange Mutual Insurance
- . Nationwide Insurance Company
- . New Hampshire Insurance Group
- . NLC Insurance Company
- . Norfolk & Dedham Mutual Fire Insurance Company
- . North River Insurance Company
- . Northbrook Property and Casualty
- . Northland Insurance Company
- . Northwestern National Casualty
- . Norwest Insurance, Inc.
- . NRS Insurance & Financial Services
- . NZI (New Zealand)
- . Ohio Casualty Insurance
- . Oklahoma Farmers Union Mutual Insurance Company
- . Omaha Property & Casualty
- . Orion Group
- . Pawtucket Mutual Insurance
- . Peerless Insurance Company
- . Pekin Insurance
- . Penn Millers Insurance Company
- . Pennsylvania National Mutual Casualty Insurance
- . Princeton Insurance Company
- . Providence Washington Insurance Company
- . Prudential Insurance Company of America
- . Prudential Property and Casualty Company
- . QBE Insurance Company (Sydney, Australia)
- . R.A.M. Group
- . Reliance Insurance Corporation
- . Royal Insurance Company
- . Royal Insurance Company – Canada
- . Scottish & York Insurance
- . Secura Insurance
- . Select Underwriters, Inc.
- . Selective Insurance
- . Settlements Designs
- . SGI - Canada
- . Shelby Insurance Company
- . Shelter Insurance Companies
- . Sierra Insurance Group
- . Southern General Insurance
- . Southern Heritage Insurance
- . St. Paul Canada
- . St. Paul Fire & Marine Insurance
- . Standard Mutual Insurance
- . State Auto Insurance
- . Stonewall & Dixie Insurance
- . The Green Tree Insurance Company
- . The Hart Insurance Company
- . The Hartford
- . The Home Insurance Companies
- . The PMA Group
- . The Travelers Insurance Company
- . Transamerica Insurance Group
- . Transportation Casualty Insurance Company
- . Tri-State Insurance Company of Minnesota
- . Unigard Insurance Group
- . United Fire & Casualty
- . United National Insurance Company
- . United Pacific/ Reliance
- . USF&G - United States Fidelity & Guaranty & Affiliates
- . Utica Mutual Insurance Company
- . V.S.A. Inc.
- . Van Liner Insurance Company
- . Viking Insurance
- . Virginia Mutual Insurance
- . Virginia Professional Underwriters
- . Warwick Insurance Company
- . Wellington Insurance
- . West Bend Mutual Insurance Company
- . Western Pioneer Insurance Group
- . Windsor Insurance Group
- . Worcester Insurance Group
- . Zurich Canada
- . Zurich Insurance Company

SALES SKILLS FOR UNDERWRITERS?

By Russell H. Granger

Leave the selling to marketing reps and agents: underwriters are paid to screen and price business. Right? Wrong! Wrong, especially if a company wants to grow and prosper.

Think about it. What does it take to put a company ahead of its competition? How does a carrier-or an agency-generate "excellence" in terms of people, growth and bottom line profit? The answer is quite simple.

So simple, in fact, that one organization has used it to become the world's most profitable company. Yes, within the lifetime of one individual, using a simplistic formula, this company grew to \$40 billion in assets, \$50 billion in annual sales, and employs 400,000 people.

How did Tom Watson's IBM accomplish this incredible, unparalleled profit and growth? Messrs. Peters and Waterman nibbled around the edge of the "secret" when IN SEARCH OF EXCELLENCE delineated IBM's penchant for customer service and for putting the customers above all other considerations. IBM'S Buck Rogers, former data processing division president, then top marketing vice president, really let the cat out of the bag in his new book. THE IBM WAY. Mr. Rodgers, now consultant to IBM, states flatly:

"AT IBM EVERYBODY SELLS. From the CEO ...to the people in finance... to those who work in manufacturing."

How about your organization? Has everyone been made aware of the need to sell? To sell the benefits of dealing with your organization? To find customer needs and provide solutions rather than add to problems?

Some questions

Have your underwriters learned the skills to SELL your agents on the merits of dealing with your company? Can they sell a NO decision and keep an agent happy? How about your customer service reps? Claims

people? Auditors? Yes, and how about the officers ...right on up to the CEO?

Already I can feel the vibes. "C'mon-these people don't really sell. Sure, they could use a course in telephone courtesy or human relations, but sell? No way!"

Mr. Rodgers knows those vibes, too. He goes on to say, "It puzzles me that so many companies have a shortsighted view of what selling is all about. They have the mistaken idea that the only salespeople in their organization are those toting a sample bag, pounding the pavement. or working the showroom.

"They don't consider the rest of their organization to be part of their marketing operation, and that's a serious mistake." Mr. Rodgers adds, "There's no way to quantify the loss ...due to their tunnel vision."

With a lifetime in the insurance industry, I can confidently state we qualify for a gold medal in tunnel vision when it comes to sales and marketing. Pogo must have been thinking of our business when he said, "We have met the enemy and it is us!"

How does IBM create the attitude and provide the skills to achieve monumental growth and profit? While producing the various PRISMS (Productive Results from Insurance Sales and Marketing Systems) programs, I sought answers to that question. I went to IBM's top training people, and their Dallas and White Plains, N.Y. training facilities. IBM teaches attitudes and skills for customer service and selling, then reinforces application of those skills with a variety of motivators and rewards.

Does process work?

Does the process work? Ask a hundred outsiders how IBM achieved its lofty position in the business world: you'll get 100 different answers, each probably correct as supporting reasons. Ask within the top hierarchy at IBM, and they'll concur with Buck Rogers. Everybody sells.

Let's change the focus on selling, customer service and human relations skills to another individual and organization. Early in his best-seller book, Lee Iacocca states his philosophy: "The key to success is not information-it's PEOPLE." In the insurance industry we spend the vast majority of our training effort and dollars on CPCU, CLU, ARM, CIC, IIA, product knowledge, technical knowledge, ISO simplification, etc. But we spend next to nothing on human relations, persuasion and negotiation skills.

Like underwriters and many other insurance people, Mr. Iacocca is a technician, an engineer by background, education, and early career. Yet he states, "in addition to all the engineering and business courses, I also studied four years of psychology and abnormal psychology at Lehigh. I'm not being facetious when I say that these were probably the most valuable courses of my college career.

"The focus was nothing less than the fundamentals of human behavior. As a result of this training, I learned to figure people out pretty quickly."

Mr. Iacocca adds: "I've seen too many guys come along who are smart and talented, but who just can't play on a team. A major reason capable people fail to advance is that they don't work well with their colleagues.

"Or, look at my own career. I've seen a lot of guys who are smarter than I am and a lot who know more about cars. And yet I've lost them in the smoke. Why? Because I'm tough? No. You don't succeed for very long by kicking people around. You've got to know how to talk to them, plain and simple.

"This brings us back to the importance of teamwork and interpersonal skills... its been a big part of my own success."

Mr. Iacocca's success-IBM's success - Chrysler's success. Everybody wins. But in the insurance business, it doesn't work that way.

Why? Because sometimes we fail to understand what business we're in. Just as the railroads lost to the airlines because they didn't realize they were in the transportation business, some insurance carriers lose out from misunderstanding their business.

For starters, we're NOT in the insurance business any more than United is in the airplane business. We sell an intangible—an intangible called peace of mind. We're in the risk management business, the agency service business. And the way we conduct our business is a clue to our lack of real understanding of our business.

For example, what skills does take it for underwriters to produce success for your company? Certainly the underwriters needs technical skills including:

- Coverage Knowledge
- Risk Management Abilities
- Policy Provisions
- Pricing
- Knowledge of Competition
- Actuarial Awareness
- Line Guides, Limits, etc.

But these skills alone will not produce an increasing volume of profitable business. The productive underwriters need additional skills:

- Communication
- Listening
- Negotiating
- Questioning
- Time Management
- Objection Handling
- Leadership
- Motivation

Your company probably does an outstanding job providing the technical skills, but what about the second list? While developing the PRISMS FOR UNDERWRITERS program, we worked with some 20 companies and numerous agents. We sought answers to critical questions such as:

- Why do producers prefer one company over another?
- Why do some producers rely on certain underwriters to work on the bulk of their best business-leaving just crumbs for the rest?

- Why are some underwriters' "hit ratios" much better than others?

Augmenting substance with style

The answers were based on an interesting relationship between underwriters' "substance" and "style." "Sure," agents told us, "the technical knowledge is important, that's the 'substance': but when you get right down to it, agents admitted they prefer dealing with "underwriters we're comfortable with and like." Underwriters who augment their substance with STYLE. A style that says "I understand your needs. Let's work together to achieve a result beneficial to all. Let's find a way to help each other succeed."

Producers told us even declinations didn't bother them when the underwriters used "style" to SELL the "No." Agents said they could readily accept a declination when the "no" was in fact sold by providing:

1. The process by which the "no" decision was reached.

2. A positive manner of communicating—yes, selling—the declination.

We searched behind these concepts and learned that underwriters with "style" actually persuaded agents it was in their best interest not to write the risks declined!

How do underwriters achieve the requisite style to enhance their substance? Again, it's simple. They do it the same way IBM and Mr. Iacocca's people do it! They identify the necessary skills, then learn and apply those skills. Nothing to it!

Good things happen

When underwriters learn to be persuasive, learn to generate positive perceptions with those they deal with, learn to negotiate well, learn to SELL, good things happen! First, they become positive players on the team Mr. Iacocca talks about. And this teamwork and people orientation produces results—bigger and better profits.

When discussing the need for selling and human relations skills, why focus on the underwriter? Don't all internal company personnel need these skills? Of course they do. Mr. Rodgers makes a strong case for all employees to sell.

But, think about it. In our business, who has the most contact with the company's customers? The individual producer? Underwriters do! The forward-looking company will recognize that the producer's perception of an underwriter's STYLE in good part determines where that producer will send the majority of his best business.

This shortcoming of many underwriters would puzzle anyone at a growth/profit-oriented company like IBM. Mr. Rodgers believes that every employee should feel that he or she is part of the selling effort. IBM is so strong on this issue that the "everyone sells" concept is built into virtually every job description.

When customer service and the "Everybody sells" attitude is acquired by everyone, who benefits? Clearly, the company is more likely to grow and prosper. "Teamwork" and "selling" yields tangible benefits to those who use these skills. Mr. Rodgers adds: "IBM's employees understand that not only is the company's success dependent on their faithful observance to Watson's principles, but so is their personal success."

Lee Iacocca wraps it up nicely:

"In the end, all business operations can be reduced to three words: PEOPLE, PRODUCT AND PROFITS. People come first. Unless you've got a good team, you can't do much with the other two."

How about your underwriters? Are they part of the company/producer team? Do they have good human relations skills? Do they understand and apply the concept that "everyone sells"?

If not, perhaps these insights from two guys who proved the concepts work can help your company reap bigger growth and profit rewards.

Russell Granger is President of ProEd Corp. Easton MD, and is a prime developer of the PRISMS training series. He can be reached at 410-819-0303 or info1@ProEdCorp.com

Should Insurance Underwriters Act As Marketers?

By Russell H. Granger

In a recent management report from McKinsey & Co., one recommendation stood out from the rest: if you want your company in the spotlight, your underwriters have to sing in harmony with your marketers.

McKinsey suggested that Pennsylvania National Mutual Casualty Ins. Co. — the insurer that commissioned the report — banish the familiar stereotype of the green-eyeshaded underwriter, holed up in a dusty corporate alcove and happily scratching “NO” over the pages of an aggressive salesperson’s hard work.

Bring an underwriter into the sunlight of the marketplace? Some insurance companies would just as soon have agreed to turn their underwriters into Jack the Ripper, but Penn National decided the criticism was valid.

“Actually, our marketing guys never told the underwriters what was going on with the agents,” said David Simmons, Penn Casualty’s production underwriting manager for personal lines. “The underwriters who had all the decision-making power hadn’t a clue about the market. McKinsey was right, so we decided to merge the two positions.”

The result was a production underwriter, a completely new position. Production underwriters spend half their time on the road and half in the office.

They meet the agents, get to know agent’s concerns, and since they have underwriting authority, decide — on the spot, if necessary — whether to accept

the business offered them. Nowadays, the marketing people talk to the underwriters because they are one and the same person.

“Agents love it,” maintained Mr. Simmons. “They really like being visited by company people who can make decisions.”

Decision making at the front lines may still be the exception to the rule, but it is acquiring more and more support as people grow weary of the old ways.

Dave Wineman, manager of business development for GRE of America, recalled that, “the way I was brought up in business, I’d go to lunch with a guy and pat him on the back, but the real decision makers were back at the office buried behind stacks of paper.”

So, there he was meeting the customers, but offering little or no input once he’d passed the paperwork on to the underwriters. “It was tough,” he said, “and sometimes I’d lose business while the home office made up its mind.”

That was the way things were. “Saying companies wanted arm’s length between underwriters and marketing people is a gross understatement,” said J. Finely Lee, Julian Price professor of business administration at the University of North Carolina. “They wanted to get them two states away.”

As a result, he said, “companies sometimes forgot all about the needs of their customers. Policies were written to serve the needs of the company, not the agents and their customers — and customers often went elsewhere if their

needs weren’t being met.”

As business in general has come to realize that service and concern for customers are the keys to success, so has the insurance industry. To sell anything, whether it’s insurance or shoes, you have to spend time face-to-face with customers and find out what they want.

A year ago, Maryland Casualty took a firm step in the direction of creating the sales underwriter position. “The concept was to place more decision makers at the point of sale,” said district manager Cliff Jarin.

Many insurance experts are predicting that “point-of-sale underwriting” will be the buzzword of the new century. But the concept is not entirely new.

Many companies have always had close relationships among service, sales, and underwriting staffs. But now the idea of bringing underwriters out of the shadows and into the sales spotlight is really catching on.

IRM insurance, a commercial property reinsurance pool owned by 19 insurance companies, has embraced the idea.

Although its only customers are its owners, it has decided it must start telling them more about the services it provides. Because it is a company made up largely of underwriters, they’re the ones who’ve had to develop the marketing skills.

“In our 70-year history, we have never had a formal marketing department,” said vice president David

Nell. "But in the last four or five years, we've tried to be a lot smarter and more sophisticated. We've put our underwriters through a lot of training because if there were going to be marketers, they needed people skills."

Until recently, GRE of America was totally dominated by the underwriters who founded it. Yet it, too, has decided to change.

The company has refocused because of major changes in the marketplace, said Mr. Wineman. Large accounts, upon which they depended, began to come and go too suddenly, and the company needed ways to control this volatility.

"We refocused on regional sales and smaller accounts, and now we really try to get out to find good agents with whom we can establish long-term relationships," he said. "For that we decided we needed marketing people with underwriting decision power."

But one can't have a wand and turn underwriters into top-notch marketers. Most companies that have chosen to change their methods have had to train their people. As Mr. Wineman said, "this requires a total change in corporate culture."

When Zurich Canada adopted the idea, it began training its personal lines underwriters in how to work more closely with producers.

"The only interpersonal contact they had with a producer was over the telephone. They needed to be taught how to look an agent in the eye and smile," said Rick Kneeshaw, former training and development specialist with the company.

Proper training makes all the difference in building new business, added Mr. Wineman: "If you're there

with your smiling face every other week and you treat the producer with a lot of trust and respect and he learns to associate your visit with real business and getting decisions made, your company will prosper."

One thing marketing and sales training taught his people, he said, is how to listen. IRM's Mr. Nell agrees.

"We really had to focus on the interpersonal skills," he said. "A lot of people don't like to make business calls. We needed to teach them how to ask questions, how to identify the needs of others and, most importantly, how to listen."

The new emphasis on listening skills inspired IRM to review its entire approach to service. "We decided to survey our producers, and we found we were not delivering quite what we thought we were," said Mr. Nell.

As a result, the company developed a far more stringent set of company performance standards. No longer could staff take its time about responding to inquiries, for example. Now there was a very definite time limit.

A vigorous quality control process was also implemented. Now customers were asked what they needed—a question that in the past was not always on the tip of the insurance company's official tongue.

Does a properly trained insurance staff that carries out the duties of underwriter and marketer mean significant rewards for the company?

Zurich Canada certainly thinks so. The company lists a series of very considerable benefits.

- It puts decision making at the point of sale.

- It improves the accounts because now the underwriters are more savvy.

- It produces quicker underwriting decisions.

- It eliminates the need to hire additional marketing people because existing staff can be retrained.

- It builds better partnerships with producers because the agent now looks much better in the eyes of the customer.

- It reduces the overall cost of a sale.

- It ultimately reduces premiums.

Many people believe the benefits of moving decision making closer to the point of sale are so obvious that before long it will become standard procedure. The question now is, will it end with the company marketer?

Professor Lee believes we are ultimately headed in the direction of the independent agent. "As companies using point-of-sale decision making develop closer relationships with agents, eventually underwriting decisions may be given to these agents," said Mr. Lee.

"Companies are already doing this to some extent," he added. "The approved agent gradually learns the company's standards and the company says, 'If you do a good job and work with us, and you bring us a good book of business, we will reward you.'"

Whether or not this approach will succeed depends on how well companies can transfer their corporate culture and standards to the agent. In the meantime, it seems the "sales savvy" underwriter is here to stay.

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PRISMS[®] INSURANCE SPECIFIC PROGRAM DESCRIPTIONS



PRISMS programs give your staff skills through a variety of means:

- ◆ Workshops
 - ◆ In-House Facilitation
 - ◆ Our Facilitator
 - ◆ Train-The-Trainer (Our Facilitator Trains Your Trainers)
- ◆ Self-Study
- ◆ Combination
 - ◆ Workshop
 - ◆ Self-Study
- ◆ Electronic Delivery
 - ◆ CD-ROM

There is a specific PRISMS program to enhance the professionalism and performance of virtually every insurance job, including:

- ◆ Underwriters
- ◆ Claims Adjusters
- ◆ Marketing Reps
- ◆ Agents/Producers

Specific success skills are applied to each of these insurance jobs. Some covered skills include:

- ◆ Goal setting & planning
- ◆ Managing time and productivity
- ◆ Communicating to understand and be understood
- ◆ Self management
- ◆ Partnering with others - in and out of the company
- ◆ Negotiating for “Everybody wins” solutions
- ◆ Selling yourself, your ideas, and your solutions
- ◆ Teamwork

In the workshop format, learning points are presented in a highly interactive, informative, interesting blend of:

- ◆ Video
- ◆ Leader directed class discussion
- ◆ Overheads
- ◆ Participant manual activities
- ◆ Flow charts
- ◆ Task force groups
- ◆ Role plays

Participants are required to complete prework activities before attending the workshop. In the prework, they designate a current, real world situation that they are involved in. In the workshop, they apply the skills learned to that situation. They also complete an action plan as they progress through the course, then role play the action plan. They are then ready to apply these skills to the real world of insurance work.

PRISMS[®] ABBREVIATED COURSE DESCRIPTIONS

PRISMS FOR CLAIM ADJUSTERS

Units Include:

- ◆ Introduction & Overview
- ◆ Claims Communications
- ◆ Through The Claimant's Eyes
- ◆ Time & Self Management
- ◆ Negotiation Strategies & Tactics
- ◆ Conducting Negotiations
- ◆ Putting It All Together

Benefits for your company:

- ◆ Save on claims paid and claims expenses
- ◆ Close files faster
- ◆ Maintain case control
- ◆ Produce win/win settlements to improve cost efficiency & company image
- ◆ Improved customer relations
- ◆ Better negotiations
- ◆ Adjusters learn to use communications skills to overcome negative perceptions of claims process
- ◆ More trust
- ◆ Adjusters develop confidence to settle cases quickly and economically

MARKETING TO AGENCIES FOR UNDERWRITERS AND MARKETING REPS

Units Include:

- ◆ Introduction
- ◆ Goal Setting & Planning
- ◆ Leveraging Time
- ◆ Partnering
- ◆ Agency Appointments
- ◆ Communication
- ◆ Presenting Solutions
- ◆ Negotiating
- ◆ Handling Objections
- ◆ Closing
- ◆ Lead to Succeed
- ◆ Putting It All Together

Benefits for your company:

- ◆ Gain the best premiums from the best agencies
- ◆ Marketing reps & underwriters learn how to partner with agents
- ◆ Partnering provides competitive advantage
- ◆ Increased premium commitments
- ◆ Better loss ratios
- ◆ Increased productivity
- ◆ Reps learn how to effectively lead a team to goal achievement

PRISMS FOR UNDERWRITERS

Units Include:

- ◆ Introduction
- ◆ Underwriter/Producer Relations
- ◆ Through The Producers Eyes
- ◆ Communication/Listening Skills
- ◆ Time & Self Management
- ◆ Personal Side of Selling
- ◆ Telephone Strategies
- ◆ Conducting Negotiations
- ◆ Putting It All Together

Benefits for your company:

- ◆ Become the "go to" company for best accounts
- ◆ Create better underwriter relationships
- ◆ Improve agency relationships
- ◆ Increase profitable premium volume
- ◆ Support company goals
- ◆ Increased understanding of how to coordinate interactions between producers and marketing reps
- ◆ Better communication of benefits to producers

PRISMS FOR AGENTS

Units Include:

- ◆ Introduction
- ◆ Goal Setting & Planning
- ◆ Prospecting
- ◆ Leveraging Time
- ◆ Account Gradation
- ◆ Partnering
- ◆ Communication
- ◆ Needs Profiling
- ◆ Presenting Solutions
- ◆ Negotiating
- ◆ Handling Objections
- ◆ Closing
- ◆ Putting It All Together

Benefits for your company:

- ◆ Increase premium, policy counts, and commissions
- ◆ Improved prospecting skills help generate more leads and more closes
- ◆ Agents learn to use time more effectively
- ◆ Agents learn to partner with clients
- ◆ Better presentation skills mean more sales
- ◆ Increased productivity