

**“30 IDEAS IN 60-75 MINUTES FOR UNDERWRITERS”**  
**JMU, ORLANDO – April 19, 2010**

**I. WORKFORCE ISSUES**

**1. Discipline**

- Be clear and succinct in your expectations. Develop a strong, well-trained workforce. This discipline will help everyone know their roles and how to collaborate with others. It creates a synergy that will take your organization to new heights.

**2. Recruiting and Training New Underwriters**

Strongly agree with opening remarks; the first point is a great opener to this session.

How can we excite our kids to enter this industry? How can you inspire them??

- Mission, Vision, Values, Objectives, and the Supporting Organizational Strategies.
- The Road to Success is guided by a Job Description and staying on a Career Path.  
*WORK is a 4-letter word (to some people) but so is LIFE! We need to guide people to have a successful WORK LIFE.*
- Knowledge, Skills, and Behaviors. This can include insurance coverage, insurance company operations, being a subject matter expert, computer competencies, listening, writing, speaking, and professional excellence.
- Management of Self, People, and Resources. We all manage something; specifically our selves! Who and what are the people you work with managing? And what do the people around them manage? Do you understand their world? Can you empathize with the ‘managers’ you are working with; realize the challenges they face in their duties? Significant decisions impact people and substantial resources, like money, discern on these items with you greatest knowledge and wisdom. Be sure to use the accurate information sources you have available.
- Talent – Team – Leadership.

- Selection of people is an art and yet science can help too. What criteria helps your discerning process; interview, tests, evaluation summary, etc. GUT is critical too. Three persons question; write down the name of 3 persons that have significantly impacted your life....write down what it is that you admire/respect the most about that person....that is what the candidate aspires to be....does that fit your program and how can you help them and they help you?
- C.A.T. – Capture Apply Teach.

### **3. Be Professional, Treat People Civil But Be Skeptical**

- Agents are people too; treat them as professionals.
- Work at learning the agent's job; see it (producing policies) from the agent's position.
- Do not have to agree all the time with the agent's perspective but have open mind and understand it.

### **4. Salaries & Benefits**

- What is the 'true' expectation? Variances exist between management and staff.
- The intangibles – motivators and de-motivators. Beware of - The terminally unhappy. Get the nuisances and annoyances removed immediately.
- The Employees Top 10 list - Interesting Work, Full Appreciation of Work Done, Feeling of Being "IN" on Things, Job Security, Good Wages, Promotion & Growth in the Organization, Good Working Conditions, Personal Loyalty to Employees by Their Supervisors, Tactful Discipline, Sympathetic Help with Personal Problems.
- Pay for Performance; Base and Bonus Schematics. Do you understand your company's methods and can you deliver a clear and fair message in a consistent manner?
- We have a 'price to pay' to get to the point where we are compensated for the value we bring. A personal experience with "Kathy and Lisa" – perception of a "Right" vs. an

Earned Position of Privilege. Coaching Lisa to decide at the age of 25 what she wanted to be when she was 40 years old.

## 5. Method & Discipline

- The marshaling of the army in its proper divisions (everyone knowing their part), the maintenance of roads by which supplies reach the army (having the resources necessary to do your job) and the control of military expenditure (remain within budget and also within capacity of your personnel).

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## II. *PRECISION AND COMMUNICATION*

### 1. Precision

- Be consistent. Be accurate. The industry is growing in complexity, so it is important to manage your business as precisely and accurately as possible. How can you do that?

### 2. Communication is Key

- Listen. Taken a class? Bodily language. Eye contact. Take notes. Confirm. Repeat it back.
- Speak. Know the audience. Keep it concise. Toastmasters training (help with your speaking model and your critique model).
- Write. Hey. You. See. So (call to action). Personally you. Eighth grade level.

### 3. Transparency

- Tell your story. When you are done, tell it again. Being transparent about the programs and processes you are running assists you in gaining support from key areas that could potentially be adversaries. No one likes surprises, so being transparent

about what your organization is up to will pay huge dividends when you are ready to implement.

#### **4. Customer Communication**

- Trucking Industry Association Membership. Great way to learn the lingo; regional variances.
- Participation and Support Opportunities. Face to face interaction. Demonstrate your character as a public citizen and member of their community. Not just dollars, give yourself; *e.g. ASAA (American Sleep Apnea Association), emcee events at the NM Trucking Association golf event and Truck Driving Championships Banquet, member of AZ Trucking Association Board.*
- FMCSRs – CSA2010. One of the biggest unknowns of the near and long term challenges. Compliance is a great baseline safety program; application value often questioned as it is not perceived to represent ‘common sense’.
- ATRI tools. Knowledge is power. Trucking’s brain trust? Support them, maintain relationships with key personnel, and use their materials.
- Solutions and tools that address their pains and problems. Sales success is about fear and pain; how can you help avoid it, reduce it, and eliminate it? Don’t always like the medicine! *Idling regulations outline helps deal with a topic often overlooked and yet has financial consequences and distress. North American Inspection Standards outline helps prepare drivers be skilled in their pre and post trip inspections. Help people with driving behavior awareness, present knowledge, and discuss skills that help people succeed.*

#### **5. Complete, Accurate Information**

- Professionals need complete, accurate information.

## 6. Social Media Marketing Efforts

This is about the power of networked knowledge. Respect reputation management and the need to have a corporate policy to help guide and control. IBM resource previously suggested in earlier presentations needs to be accessed, reviewed, and utilized in your efforts. Keep in mind your actual brand is what is said about you at the street level. How can you monitor that brand and influence it with the social media options that exist?

- LinkedIn
- Naymz
- Spoke
- ZoomInfo
- Viadeo
- You Tube
- Facebook, Twitter, and Blogs are widely known and used...
- Many others....you can now literally connect worldwide. *I expected and have found agents and vendors reaching out to me. Recently a trucking risk reached out to me and asked for a coverage quote from my LinkedIn profile.*

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### **III. KNOW YOUR PRODUCT**

#### **1. Read Your Coverage Language; Know Your Product Being Underwritten**

- Be an underwriter. Do not be a person who works in underwriting.
- Underwriters should be the coverage form experts in general
- Underwriters should not be the ones to comment for the record on a specific case involving a claim; refer to claims area.

- Do not trust your memory of what the form says; have it in front of you and read it even if you have memorized exclusion g of Coverage A of the GL form.

## 2. Understanding Contract Language

Returning again to Internet resources, how can you use the third party articles to provide good definitions and interpretations that confirm what you say and believe?

- MyNewMarkets.com.
- Google.com.
- Industry Publication Resources. FC&S, National Underwriter, etc.
- Transportation Attorney Network and Newsletters...what have the courts recently decided and how will that impact you now? *These also are written to the level or language of the consumer and help communicate for you.*
- ISO.

## 3. Product Differentiation

- Product Differentiation

Read and understand the contract language and you as UW's should be the experts.

Don't trust your memory. Know and understand the key differences of your product.

Have you ever had to advocate your product to a stranger? How many of you have run into someone at the grocery store, in the long lines at the DMV and just struck up a conversation? In that conversation you talk about where you work...a big bad insurance company. How do you change that perception in just the few short moments with them? Knowing and understanding the key things in your product that makes it stand out. If you work for Progressive, maybe you talk about naming their price. Or, it's the USAA roadside assistance program, or no monthly pay fees.

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#### **IV. KNOW YOURSELF; KNOW YOUR COMPETITION**

##### **1. Sophistication**

- Always be on the lookout for the next best thing. Since regulators make it impossible to price to every risk, you have to be sophisticated in your underwriting. What can you do to get that competitive edge? By creating sophisticated UW systems... You can't afford to have UW's look at every customer. There must be a level of automation that takes care of it for you.

##### **2. Underwriting Trends**

- Economic cycle and Underwriting cycle; where are you on the curve? *Truckers are a leading indicator of the economic downturns and upswings as their economic health relates to moving the goods that are being produced and sold.*

##### **3. Be Curious – Ask Why**

- Always want to know more; to know why; to know how.
- Underwriters can do their current job and prepare for the next job by learning something new every day.
- Pursue this curiosity in form insurance education programs (i.e. CPCU; CIC, etc.).
- Teach to Learn. CPCU, CIC, AAMGA. *You need to research and be certain of your views and materials. You are the expert and need to be accurate! Confirms what you know. You may find out what you don't know!*
- Talk to other underwriters; more experienced ones or underwriters working on different lines of insurance.
- Be a student when opportunity arises to attend classes offered by company.

- Be a teacher when offered the chance to teach others in underwriting or in other areas.

#### **4. Know Your Geographic Area**

- Hopefully you do not have to write in many states.
- Learn the market in you state or states for the line(s) of insurance you work with.
  - a. Are there large urban areas or many smaller towns or is it rural.
  - b. Regulations that apply; company rules; admitted v. surplus lines.

#### **5. Know Your Allies**

- Insurance Industry Allies. Other markets that handle different classes that are in your field that you don't write; e.g. large fleets, haz mat carriers, work comp programs, PEOs, etc.
- Events you can attend and resources you can monitor that are offered by AAMGA, CIC, CPCU, PCI and possibly other organizations. *Build network value and reference knowledge that exists in these groups. Check with your network on changes, perceptions, and other forces that are in play. Find your advocates, check your brand status and position. What are the perceptions and reputation that exists at the street level?*
- What can you find on your competitor's websites? Or even those allies first noted?

#### **6. Attack**

- "Offense" is a necessity. The best defense in today's business world is a strong offense. Tactically, how do you gain the upper hand? Just because the competitor is bigger, doesn't mean you can't take them on. Divide and conquer.

## **7. High Impact**

- Make a high impact by leveraging your strengths and know what you are really good at. Take those strengths and attack your competitor's weaknesses.

## **8. Underwriting Challenges for a Smaller Company**

- Law of Large Numbers; How, When, Where to Apply.
- Credibility of Industry Numbers. Credible source information exists. Use it!
- Envision Future Information Needs Today. Be ready to jump on other changes and initiatives in play.
- Post-accident review is key; driver, operation, details of event.
- Have you improved their situation?
- Have you helped to overcome their pain?

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## ***V. AGENCY ISSUES***

### **1. Agency Issues**

- Value of the Franchise? What do you bring to the agent in their market? What do they bring of value to you?
- Professional and Specialized? Do you compliment each other? Common character?

### **2. Call Agents with Good Stuff or To Check on How Things are Going Not Just with Information Needs and Bad Stuff**

- By the nature of the underwriting job the contact with producers can tend toward the negative; it isn't priced right; where is the competed supplemental application; it is 4:45 PM on Friday and you need the quote today?!!

- Call or even better visit your agent and make a point of mentioning the good that has come from the agent/agency; profitable production; quick response to your request; neatly typed and complete applications; understanding the difficult decision you gave them on the big account recently.
- Immediate recognition and reward for production; TARGET gift card or a gas card inside a handwritten thank you card.



## **VI. CREATE A NEW ATMOSPHERE**

### **1. Back to the Future**

- History as the way toward the future: George Santayana, George Patton, Mold to Chinese Drywall, Back to the Future.

### **2. Mantras to Define Your Vision, Mission, Values**

Leadership is about taking the complex to a simple and understandable level for others.

- K.I.S.S. (Keep it Simple Stupid)
- Knowledge, Skills, Behaviors.
- People manage what you measure.
- 6 Points of Underwriting.
- System is the Solution! ISO9000. 6 Sigma.
- What is Nice vs. Necessary?
- Hey, You, See, So.
- Coverage, Service, Price.

- Customer Service, Production, Profitability, Compliance. What are the 4 balls you juggle? Annually you toss in specific corporate objectives and individual development plans too!
- A.B.C. – Always Be Closing (in sales). Listen well and detect early how they buy, pains they are experiencing, and their style or preferred methods. This even applies when you are trying to persuade someone, your boss, to your idea. Be aware of when they agree, are ready to commit, and then shut up and get the deal finalized!
- W.I.I.F.M. (What's In It For Me?) Their favorite channel and what they want to hear from you. Speak to their benefits, challenges overcome, needs fulfilled.
- First Up, Best Dressed! Sometimes or often times? Is that first quote in the winner? Depending on the buyer and the situation, it is just that easy!
- Who, What, When, Where, Why, and How? Elementary questions often overlooked.
- You get what you expect and deserve what you tolerate.

### **3. Learn How Things Work**

- DFW Airport buildings, turbines and motorcycles (yes, I insured it).

### **4. Make Decisions**

- Underwriters are decision makers.
- The decision can be to apply judgment within authority as to rates, coverage or eligibility.
- Decisions made within appropriate authority that are incorrect should be handled as learning experiences, not “you did something wrong.”

### **5. Get the Information; Document the File**

- Do not put it off; get information if you need it but make the call.

- Know your authority or boundaries; if you cannot make the call get it to those that can.
- Management should/must create an atmosphere of supporting decisions that are clearly made and documented; do not go overboard about right and wrong.

## 6. Follow Politics

- What happens today in legislatures and Congress will dictate how your insurance contracts work and what new insurance markets emerge.

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## VII. IDEAS FROM THE AUDIENCE?

1. Risk evaluation with claims personnel. "Risk Clinics".
2. Keep staff in the decision making and development process. Increases commitment (buy in) and develops a better overall product. Eases implementation too.
3. Roundtable meetings that include experienced with novice underwriters to do risk reviews also serves as a good training venue.
4. Break out of the silos by bringing good ideas in from other departments. Giving them credit for it also increases respect for these other groups.
5. A "day in the life" is a good way to see what is working out for a department or person.
6. A 'safe environment' breeds innovation. No penalties for trying. Encourage creativity.
7. Special Investigation Unit (SIU) for knowledge of fraud issues can be beneficial to UWR.
8. Customer Service Personnel dinners where they can be asked "what would you do if you ran the company" is a great way to hear and see from that customer contact level of what is not working well and key changes to make that will be beneficial.
9. Just say "YES" was a challenge to write out explanations on why it was a "NO".
10. Find out ways to maximize, retain, and develop your top talent. Job shadowing idea.

11. Competitive intelligence group that was presented in earlier session is something to join in on (contact Steve Micksch at Allstate).

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## VIII. CLOSING REMARKS

### 1. Leadership

- **The Commander's Intent:** The virtues of wisdom, sincerely, benevolence, courage and strictness. This is the measure of you as a leader.
- **The Moral Law:** Causes people to be in complete accord with their leader, so they will follow him/her because they trust and respect him/her.

### 2. Purpose & Priorities

- Purpose can be synonymous with the goal or the intended result of an action.
  - Priorities take precedence: status established in order of importance or urgency.
- Consider all the information shared today. Consider all the talent and knowledge that resides in this room and you've met at this event. How will you take this back and apply it in your life? How will you share it with your team members? We all have a role to play. We are all specifically designed, skilled, and experienced to fulfill a specific part in this season of life. Seek to know, live, and succeed in the role you have in this world. Leave a significant impact; even insurance geeks can make a difference! At the end of your journey, will you have successfully dealt with the challenge of competing objectives? Sorted out what is a priority from that which is important? Have you made a true difference? The impact you have had on others will define the real legacy of your life.

*Last 3 points from Lou Holtz that have helped me in several key situations:*

*a) Are you committed to excellence?*

- b) *Do you care about me and this team or this organization?*
- c) *Can I trust you?*

### **3. Closing - “Why are we so lucky?”**

- Try to always know the answer to the question – “Why are we so lucky?”
  - a. Agent/Broker has a program that he has controlled for 20 years and it is always profitable. Now wants to bring the book to your program unit.
  - b. Your boss has recommended you to her boss for last minute trip in February to the big agency located in Del Ray Beach, FL
  - c. You are going to be the underwriting representative on the inter-departmental team working on new work flow solutions; you have always been too valuable to be away from your desk for committees in the past.
  - d. ACME P&C Insurance Co and Fair Weather Indemnity have always beaten your best commercial GL and Property package quotes for contractors in Texas. Now, for the last three months you have been winning 3 out of 4 times.

### **4. Taking Pride in What You Do**

- *NO economic expansion, NO scientific advances, NO travel, NO homes without insurance.*
- *We make it possible to people to build better lives, jobs and futures.*

THE END