

## *Executive Summary*

A dozen business owners responded to a request to complete a brief (nine-question) survey. The questions were designed to elicit pain points between them and their agents, as well as any potential insurance knowledge pockets. The overwhelming majority had good and informational interactions with their agents, but hardly any related to their property and liability exposures. These are the ones most likely to wreak devastating havoc on their assets, and their lack of visibility in the responses speaks to the business owners' lack of knowledge. The results of the survey also indicated an unwillingness to invest heavy chunks of time in a face-to-face learning effort, and that attitude lends itself to online learning.

## **Audience Analysis**

As someone who's been in the insurance industry since 1979, I have had the opportunity to observe a number of interactions between lay people and those who consider themselves professionals. As those immersed in other professions know, once a certain level of expertise is acquired, it can be a challenge to effectively communicate with those who are not even familiar with the terminology. In the insurance world, tensions are prone to rise at the time of a claim, and this is exacerbated by a lack of knowledge of insurance operations and procedures, as well as ignorance of policy provisions. As observed by Ralph Waldo Emerson, "Fear always springs from ignorance" (n.d.). When people do not understand, they are sometimes suspicious, and that condition never enhances communication--either at the initial sale, renewal or at the time of a claim.

While personal lines purchasers may have the same lack of expertise, business owners often have more at stake--employees, stock, customers (a hazard from a liability and five-finger discount perspective), in addition to real property and contents required for operation. They are more likely to engage in renewal negotiations with their agents, and to have coverage options that do not apply to the personal insurance buyer. Those with more at risk would be wise to become educated buyers.

The target audience for a Basic Insurance Series includes small business owners, as they are the purchasers of commercial insurance. By definition, they would not typically have a risk manager on staff, and quite often owners are neither well versed in insurance matters, nor do they have anyone dedicated to making insurance decisions, in my experience. While I have access to thousands of business addresses whose occupants would be able to provide valuable responses, I am prohibited from using company information except for company business. My surveys, therefore, were sent to acquaintances and Facebook contacts with the assurance that the survey responses would be used for a school project, and that no information would be passed along for sales purposes. Survey Monkey was used, and all responses were anonymous, as the tracking device was not activated.

The questions asked were developed with the goal of learning whether agents are effectively using interactions with their policyholders as teaching moments, and what topics would be best to address. Questions should further reflect the level of insurance knowledge these business owners have and the amount of time they'd be willing to invest to learn more. Lastly, there was an effort to determine whether face to face or online learning would be preferred. All questions and the thought process (rationale) behind these were pre-approved by the course instructor.

## Questions and Responses

The response level was somewhat disappointing, as a deluge of sorts was expected, given the posting and subsequent sharing on Facebook, in addition to specific, targeted business owners who were sent e-mails with the link included. However, the lack of response by the target audience tells me something without hearing a word, and this will be addressed in the Impact area. A total of twelve responses were received, and most respondents answered all questions; few were skipped. Specifics follow:

**Question 1** - Please describe an interaction with an insurance professional (other than claims) that you considered to be instructional. This should be a situation where your policy (or an insurance concept) was clearly explained, and you learned from the conversation.

Responses - Five of the twelve respondents who had positive comments related interactions involving life insurance, long term care or financial services--all these answers mean someone was looking ahead, concerned about the future. Often people think any of these three involve the *very distant* future. One comment related a good discussion of flood insurance, an exposure that is less likely to be an issue than most. Other comments were less specific ("...my agent always had yearly reviews.") or less than positive (agent was "...slow to answer many Qs." and "I was not able to meet my original goal of reducing the payment."). One respondent owns a business, but also is a premium audit manager who has been in this industry for 25 years. His responses are not helpful, as he is well-versed in insurance terminology and practices.

My thoughts - answers were less focused than would have been desired, as well as less specific. Also, people are looking at old age and death as, "It's going to happen; get

ready for it,” but they are neglecting to consider the almost as inevitable fire, windstorm, hail losses and auto accidents for which they haven’t planned.

**Question 2** - Have your interactions with claims professionals been positive? If so, what did you learn from the encounter? If not, please comment on issues that were unresolved from your perspective.

Responses - Six of the responses were completely positive and included phrases like “timely manner,” “promptly and efficiently,” “full explanation,” and “quick and professional.” One explained that while most experiences had been good, there was some “lack of communication” with two companies - neither of which will be named here. One hasn’t had a claim in over 10 years, but he carries liability only on his vehicles, and very high deductibles on his property. One response indicated the respondent is still agitated over a few claims that were not covered, and therefore not paid. One response indicated, “ ...it seems like there is often something I didn’t realize about my policy.”

My thoughts - Generally people are getting good service from their claims adjusters, but they may not be learning much in the process. The communication issues were not explained, and could be a function of limited insurance knowledge.

**Question 3** - Please describe specific insurance-related communication issues that create pain points between you and your insurance agent.

Responses - Five of the respondents cannot think of any one thing that causes pain points; two cite rising costs; and one is carrier related. The policyholder owns more rental property than the carrier is willing to write, and that requires (in this case) that interaction with more than one agent is required. Two mentioned communication issues--“lack of responsiveness” and “continual request for documents already sent.”

Another is the amount paid on a claim, and the last relates to an adjuster without adequate authority to settle a claim without getting approval from a supervisor.

My thoughts - Insureds (well, these, anyway) have good relationships with their agents, and at least a few are premium focused. They may also be unaware of documentation that is required to close a claim.

**Question 4** - Do you have a risk manager on staff? If not, do you have an assigned employee that handles insurance matters? What is that person's regular job responsibility?

Responses - No one had a risk manager or anyone assigned to handle insurance duties.

My thoughts - No surprise. Most small businesses do not have risk managers or employees dedicated to handling this responsibility.

**Question 5** - Do you, or does a trusted employee, have a high level of comfort in discussing insurance matters with your agent? If not, please complete the questions that follow.

Responses - Half the respondents responded positively; one delegates the responsibility to his association; one indicates a degree of comfort, but has a suspicion he is paying for "no insurance at all"; two don't have any comfort level; one asks specific questions to get information, and the question was skipped by one.

My thoughts - It is impressive that half are comfortable asking their agents questions, but it is unknown whether they actually *do* ask questions.

**Question 6** - Would you be interested in a free informational session to learn more about basic insurance with a goal of making more informed decisions regarding your insurance program?

Responses - Nine respondents indicate they would not be interested in a free informational session, and one of those noted it was due to the time it would take. One was an "it depends on time/convenience" and one is interested. One waived off the question with an 'n/a'.

My thoughts - Responses would indicate insurance knowledge is not a priority.

**Question 7** - If the answer to 6 is yes, how much time would you be willing to invest in training?

Responses - Interestingly enough, two answered this question - one for one hour and one for two.

My thoughts - surprised that even the one who is interested is not interested in more than two hours.

**Question 8** - What type of training would you prefer?

Responses - Even more interesting seven responded to this question - one prefers online, three face to face and 3 a combination of online and face to face.

My thoughts - It is surprising that there's no consensus, given that so many appear not to have time for a face to face discussion.

**Question 9** - Would multiple brief sessions on different topics be preferred over one longer session?

Responses - Five prefer brief sessions; one would not prefer multiple sessions; one passed with an n/a and five skipped the question.

My thoughts - They're not playin'.

### *Responses on Design*

While I had originally thought to have a half day session or a full day and follow that up with a group face-to-face, I see now that few would have the time or inclination

to participate in that type of format. The group surveyed does not see this as an issue, even though many insurance professionals do. This does not discourage me, but it does mean that the training needs to be in sound bites - an hour max, multiple online, self-paced modules. They need to be interactive and as engaging as the topic permits. As there is some interest in face to face sessions, it would be wise to have a contact name and e-mail address so that participants who are so inclined can ask follow up questions. An alternative would be a function within the online learning to ask questions, and I could monitor that e-mail box.

### *Reflections*

The most forceful responses came from those who did not complete a survey. Hundreds of people saw the request to fill it out, and only one dozen took the time. This lack of interaction with something involving insurance tells me that a) people want nothing to do with insurance beyond what is absolutely required or b) they just don't have the time, as business owners, to spend even five minutes on something that isn't part of the revenue stream. The real answer could be a combination of the two.

Responses received do hammer home the necessity of reviewing the survey ad nauseum. Even though these questions were reviewed by many eyes, they were not reviewed by many who are familiar with insurance products, and might have guessed that respondents would not necessarily gravitate to responding on property and casualty issues. That's where my focus was, but I wasn't explicit in the way the questions were crafted, and I received a scattergraph in some cases, in lieu of the very narrowly focused responses I had expected.

As mentioned in "My thoughts," many respondents didn't mention property insurance at all, nor general liability, and this highlights the need for some sort of







## Appendix A

### Learner assessment

1. Please describe an interaction with an insurance professional (other than claims) that you considered to be instructional. This should be a situation where your policy (or an insurance concept) was clearly explained, and you learned from the conversation.

2. Have your interactions with claims professionals been positive? If so, what did you learn from the encounter? If not, please comment on issues that were unresolved from your perspective.

3. Please describe specific insurance-related communication issue that create pain points between you and your insurance agent.

4. Do you have a risk manager on staff? If not, do you have an assigned employee that handles insurance matters? What is that person's regular job responsibility?

5. Do you, or does a trusted employee, have a high level of comfort in discussing insurance matters with your agent? If not, please complete the questions that follow.

6. Would you be interested in a free informational session to learn more about basic insurance with a goal of making more informed decisions regarding your insurance program?

7. If the answer to Question 6 is yes, how much time would you be willing to invest in training?

Other (please specify)

8. What type of training would you prefer?

- Online, self-paced
- Face to face
- A combination of online and face to face

9. Would multiple brief sessions on different topics be preferred over one longer session?

Done