



ADD LIFE TO YOUR AGENCY

Help your clients manage their human asset risks

By Dave Willis

A prolonged soft market, a tough economy and higher operating expenses have put significant pressure on property/casualty agencies and brokerages. Many agency principals felt good over the past few years if they could simply maintain prior-year revenue levels. Some have been able to grow their business through acquisition, more aggressive marketing and increased focus on cross-selling.

Additional growth opportunities exist, and agents and brokers don't need to look very far to find them.

"Property/casualty agents are well positioned to build their business in a very cost-effective and efficient manner," says Marlin Bollinger, CFP, CLU, ChFC, CAS, CFS, founder and principal of The

Bollinger Group, a brokerage general agency that offers life and annuity products. "They can do this by helping their existing clients think beyond property and liability risks, and consider what we refer to as 'human asset risks.'"

Bollinger says data shows that life insurance and other non-P&C products offer real promise for independent agents. "According to LIMRA studies, we know that 80% of American households don't have a personal life insurance agent, and many of them say they never did," he remarks. "Six in ten Baby Boomer households prefer to buy life insurance face to face, and one in four families with children want to speak with someone about their financial needs.

"Interestingly, people who have a life agent say they wish that person would stay in touch with them as often as their property/casualty agent does,"

Bollinger adds. "Who is in a better position to do that than their P&C agent? They already have the relationship. However, according to LIMRA, 87% of insurance consumers surveyed said they've never talked to their multi-line insurance agent about life insurance."

Many P&C agents lack the knowledge or confidence to address non-P&C issues. Others have tried to build a life business but were disappointed with the results. "They brought in a life agent—maybe someone they know in the community—but that person didn't understand the P&C agency's culture or approach," Bollinger explains. "The life agent was too aggressive and focused on selling a product, and the client clammed up."

He's seen this happen all too often. "As a result, P&C agents and brokers view the life insurance agent as a gorilla in a blue suit, pressuring



A TOTAL RISK APPROACH

their clients to buy," he says. "The life agent's approach was different from their own, which focuses more on risk and how to manage it."

Sometimes P&C agents stumble into life sales opportunities but fail to address them appropriately. "A client may come to an agent and say his CPA says he needs \$5 million of life insurance," Bollinger says. "So the agent goes out, maybe to a wholesaler, and tries to find the cheapest term policy he can. He tries to do the right thing, but the policy may not have the right duration or the correct amount of coverage. He's just not sure."

Worse, Bollinger says, is when the agent misses an opportunity to sell a life policy. "Often a P&C agent's client comes to him and says, 'I just bought X-million of life insurance from so and so, because my attorney recommended that I buy it,' and the agent responds, 'Well, I have

a life license, and I could have sold you that, but you never asked me.'"

Agents can capitalize on opportunities like these and address them appropriately if they take the right approach to building non-P&C capacity. Bollinger says his firm understands the P&C agency culture and has developed a program that helps agencies build a financial services business based on what he calls "total risk analysis."

The approach is built on Bollinger's years of experience in the P&C world. "After working as a career life agent, I went to work with a P&C company in its life department," he says. "My job was to call on its property/casualty agencies and provide point-of-sale service for their commercial accounts." In 2003 he formed The Bollinger Group, which has a staff of 10 and can access a range of products from some 30 life insurance companies.

Primary agency contact is done by Bollinger and the firm's three sales vice presidents. "Two of them specialize in the life and disability insurance area, and one does nothing but annuities, long-term care, and what we call 'linked benefits' products," he explains. Helping P&C agents and brokers expand their reach is a key element of Bollinger's work.

"We direct our efforts to the property/casualty markets, because we feel we understand them better than most of our competitors do," Bollinger says. "We know how to work with them, how to talk with them, and how to build marketing programs in their organizations. We recognize—and help property/casualty people realize—that marketing financial services is merely an extension of the services they already offer their clients."

Bollinger doesn't focus on products but, instead, builds on a P&C agency's



The Bollinger team.

existing risk management and service approach. “We understand that individuals and business are required to purchase many forms of property/casualty insurance,” he says, “but life insurance is rarely a requirement and needs to be purchased voluntarily. To make the sale, we need to help prospects realize they have a problem that needs solving.

“We help P&C agents expand their service offerings by supplementing their existing P&C risk assessments with our own ‘human asset risk assessment,’” Bollinger says. “We conduct a total risk analysis. Property/casualty risks plus human asset risk equals total risk analysis. To further bridge the gap, we offer a brief presentation that explains the difference between the two and highlights the significance of human asset risk assessment.”

Bollinger says that the term “insurance” is intentionally left out of the presentation. “This lets us provide a true service-oriented offering,” he explains. “We are consultants, offering the property/casualty client a way to better understand the human asset risks it faces. After all, human asset risk is far greater than any property or liability risk. In the case of a business owner, he or she is actually the driving force behind the organization.”

Throughout the process, Bollinger’s consultants identify the client or prospect’s human asset risks and explain how to reduce or eliminate them. “At that point, the decision on what to do is the client’s,” he says. “We don’t push. This fits well with how property/casualty agencies operate. It’s that simple, and it’s totally effective.”



The producers at The Bollinger Group in Coral Springs, Florida, are (seated from left): Jeffrey S. Dressel, CLU, ChFC, Senior Vice President, Life Sales & Alternative Distributions; and Todd Davis, CAS, Annuity/LTC Sales Vice President. Standing (from left) are Victor G. Grieco, Sales Vice President; and Marlin R. Bollinger, CFP, CLU, ChFC, CFS, CAS, President.

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According to Bollinger, the approach is easy to understand and the program is easy to expand. “We offer a number of tools to help P&C agents and brokers grow their business,” he says. “We start at the beginning and talk about their existing database and how to develop a marketing program around it. We build a formal program with the agency to help them market financial services products if they haven’t done so before, or if they haven’t done it very effectively or efficiently.”

The program involves PowerPoint presentations, staff training and other marketing support. “Everything we do is provided as a service-oriented offering, which separates us from others,” Bollinger notes. The firm can

train agency staff to implement the program, or it can leverage relationships it has with other life producers to complement the P&C agency’s staff. “That’s all contractually put together with non-piracy clauses,” he explains. “We’ve covered all the bases, and we have multiple tools or approaches they can use.”

Agencies have access to The Bollinger Group’s staff resources if they encounter a situation where they need assistance, Bollinger notes. “We can help figure out what is right for the client. “We work with multiple companies, so we can shop accounts to find the right company. You’d be surprised at how different the underwriting can be and how widely quotes can vary, even for the same product.”

According to Bollinger, P&C agencies have a great opportunity to grow by offering life insurance and related products to address the human asset risks of existing clients and prospects. “The tough part is execution,” he comments. “I can get 30 property/casualty principals in a room and do a PowerPoint presentation that gets them excited. That’s the easy part. Implementation is difficult, and that’s where we try to focus.”

Agencies with a commercial book are particularly well suited for the program. “They have an opportunity to grow much more quickly,” Bollinger notes. “With buy-sell, estate planning and other business products, these tend to be larger sales. We just wrapped up a case that generated about \$300,000 in compensation for the property/casualty agent.”

According to Bollinger, there’s no reason to wait to start building a life and financial services business. “There’s a strategic window of opportunity, and if agencies see the advantage, they can make a lot of money,” he asserts. “They already have the prospects waiting. They just need to identify them and build a marketing program around them.

“Best of all, they can do it without spending a lot of money,” he concludes. “It’s much more cost-effective—and easier—to grow organically than through acquisition.” ■

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For more information

The Bollinger Group

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