



Survey of Agent/Carrier Relationships

Summary Report 2011



channel harvest
research



I. Introduction

In February-March 2011, Channel Harvest Research conducted a national survey of independent insurance agents to determine attitudes toward the carriers with which their agencies do business. The project, “Survey of Agent-Carrier Relationships,” is the fourth in a research series that measures agent opinions on issues important to agents and carriers in the property and casualty marketplace.

Channel Harvest Research is a partnership of Aartrijk and Campbell Communications. Aartrijk is a branding firm with particular expertise in the Independent Agency System; Campbell specializes in distribution channel research.

The survey was sponsored by *Insurance Journal*, a leading industry magazine reaching 42,000 readers in all 50 states—and tens of thousands of others with its online e-news and e-learning products.

The survey answered strategic questions such as:

- Which characteristics are vital to agents when evaluating carriers?
- How do their actual carrier choices differ from what they *say* are the most important characteristics?
- What do agents say about social media, sales and marketing support, sales training delivery, agency perpetuation, and strategies to cross-sell and up-sell clients?





Respondent Acquisition & Sample Size

The overall survey obtained a representative sample of independent agents. Thousands of agents were asked to complete the survey online via e-mail solicitations from Channel Harvest and by *Insurance Journal* to its readers.

The survey instrument was detailed, covering more than 100 separate questions. The length and complexity of the survey instrument made the task of obtaining and retaining respondents challenging. As an incentive for respondents, selected survey results were offered in return for completing the survey.

Each survey respondent passed a validation question at the beginning of the survey asking whether he/she was an employee of an independent insurance agency that places personal and/or commercial property and casualty policies.

A total of 1,465 agents responded to the survey and passed validation criteria, yielding an excellent base of responses for general questions and also a good response base for many major carriers.



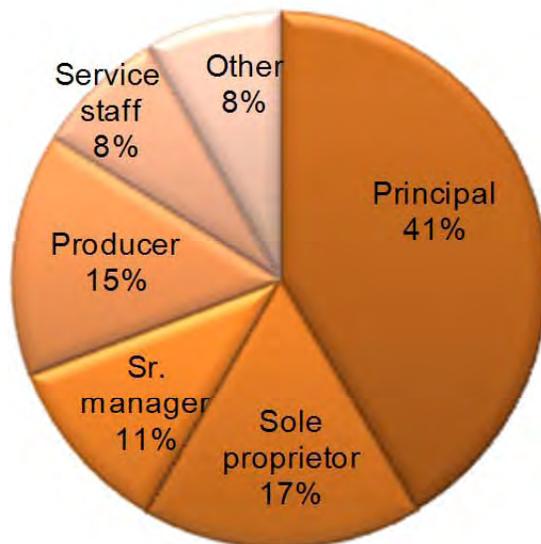


Respondent Demographics

We asked questions regarding the demographics of the agent sample to ensure that survey respondents were in positions of influence over carrier selection, represented all major areas of the country, and came from a wide range of agency firm sizes.

Almost six in 10 participants had primary leadership responsibility for their agencies, while a little fewer than one sixth were producers. This represents a higher proportion of principals and sole proprietors from last year but is generally in line with the three previous Channel Harvest surveys of independent agents.

Respondent Role at Agency





We asked what best describes the respondents' work in production or servicing with their agencies and gave them several choices for answers. Just under half of respondents are engaged mainly in commercial P&C work.

For this question, small commercial was defined as policies with less than \$5,000 in fees/commissions annually; mid-market commercial contributes between \$5,000 and \$50,000 annually; and large commercial is defined as those with more than \$50,000 in annual fees and commissions.

This represents a distribution that is nearly identical to last year's study.





II. Key Findings

1. Consistency in product and price is critical.
2. Quality of claims service and financial strength are critical to personal lines agents.
3. Underwriting factors are more relevant to commercial lines agents.
4. Personal lines agents also demand brand and compensation.
5. Carrier-specific training on products and services is most important.
6. Social media tools are being used and are producing results.
7. Agents want help selling online, in person, and during service calls.
8. One third of agents prefer online sales training delivery. Citing flexibility to fit into their busy schedules, these agents disagree with those who feel in-person or offsite sales training is key.
9. About half are concerned about agency perpetuation, but few are taking action yet. Only 39% of personal lines agents have finished or even started a plan. Some 62% of commercial agents are concerned, but half have not started planning.
10. Some agents are using systematic efforts to generate 20% of revenues from up-selling or cross-selling.

