



Return on Investment: When CSRs Build Positive Relationships With Their Clients

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Customer service representatives (CSRs) play a vital role in the insurance industry. They need to establish rapport and build positive relationships with their clients to help them make the best decisions about their coverage and risk assessment needs. When the lines of communication are fully secured, the CSR-client relationship grows stronger—which ultimately benefits the client.

One way CSRs can build rapport is by being active listeners—focusing on customers, evaluating what customers say, and identifying and uncovering exposures of which customers may not be aware. Such exposures for commercial clients can include cyber liability, Errors and Omissions (E&O), commercial auto, commercial property, commercial general liability, workers compensation, commercial umbrella liability, and the specifics of businessowners policy (BOP) forms.

With customers increasing their business activities over the Internet—and with their customers and suppliers also increasing their Internet use at an ever-evolving rate—CSRs must be able to establish the types of business activities in which customers are engaging, the types of loss exposures present and their possible impact on customers, and the types of coverages or risk management solutions that best meet customers' needs. For example, personal and advertising injury coverage that was adequate under Commercial General Liability coverage (CGL) may not meet clients' loss exposures that develop from Internet activities. Additional coverages, such as those found under cyber risk, may be needed. CSRs should discuss with commercial clients how they use the Internet to determine the type of coverage these clients may need.

To make the best recommendation to their clients, CSRs need to understand all available coverages. Some of the most common types of insurance agency E&O claims concern these CGL issues:

- Not identifying an additional insured
- Inadequate identification of loss exposures
- Failure to recommend a coverage type
- Lack of explanation of policy provisions

CSRs need to pay careful attention when selling commercial auto policies. Keys to the successful sale of a business auto insurance policy include thorough product knowledge and the ability to select coverages and policy components that accurately and completely meet the insured's needs. CSRs should ask questions to determine how the insured will use the business' vehicles, whether the business has employees, whether the employees will be driving the business' vehicles, and whether any employees might drive their own cars for business use.

BOP forms present a unique challenge for CSRs. Although the BOP provides many coverages within a package format and is a good option for many customers, it does not provide all coverages. When reviewing the client's coverage needs, the CSR must ask the right questions and probe for loss exposures that may be either inadequately covered or not covered at all under the BOP program, such as workers compensation loss exposures and coverage for certain professional liability loss exposures.

CSRs also need to be aware of varying definitions within a commercial umbrella liability policy. For example, definitions of bodily injury, property damage, personal injury, and advertising injury in such a policy may differ from those in the underlying policies. CSRs should review policy definitions in underlying and umbrella policies to ensure that coverage gaps are not created by differing definitions.

In addition to being familiar with commercial lines exposures, CSRs need to have a thorough understanding of personal lines loss exposures. These exposures include the client's need for additional property coverages—such as rental properties, vacation homes, mobile home coverages, and small boat policies—and the liability arising out of these property exposures, including personal umbrella liability.

The customer exposure survey can identify an insured's need for additional coverages. For example, some customers may have greater exposure for debris removal and ordinance or law coverage than what is provided for in the unendorsed policy. Recent building code changes, especially in areas exposed to wind, earthquake, flood, or wildfire, can generate extensive rebuilding expenses not covered by the replacement cost of the existing structure.

Often, a client may move from one dwelling to another and be unable to sell the first home. A tenant may move into the first home—sometimes a friend or even a family member. Property coverage (a dwelling fire policy) and liability coverage to protect the client's interests as a landlord are needed for this rental location, and the CSR should also recommend that the tenant obtain tenants coverage, insuring the contents of the

rental location as well as providing the tenant with liability coverage and coverage for additional living expenses in the event of a covered loss. Vacation homes also need property and liability coverage; perhaps contents coverage; and sometimes flood, wind, and hail, or even earthquake, coverage (available through some insurers by endorsement).

If a client owns a mobile home, the CSR should determine if the mobile home is used for traveling or if it is attached to a foundation. The contents of mobile homes and other structures on the premises are usually similar to those in conventional dwellings, and they are subject to the same exposures. If the mobile home is used as a dwelling, the CSR should consider offering flood coverage, as "manufactured mobile homes" are eligible for flood coverage under the National Flood Insurance Program.

Many clients own a boat but do not have watercraft coverage. Therefore, the CSR should ask all homeowners if they own any watercraft. Small boat policies typically include coverage for the boat, motor, equipment, and trailer on an actual cash value basis with a deductible.

Because each insurance company has its own forms and rules, personal umbrella coverage varies among insurers. CSRs should take time to analyze the different forms their organization offers to select the best fit for each client.

To help CSRs become excellent communicators and succeed in a complex marketplace, The Institutes offer the Accredited Customer Service Representative (ACSR) designation. Providing CSRs with professional credibility, the ACSR program allows CSRs to enhance profitability, better cross-sell products, improve overall efficiency, and develop customer loyalty by demonstrating higher levels of professionalism and customer service.

For more information on the ACSR designation, visit The Institutes' Web site at www.TheInstitutes.org/ACSR.



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