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Quiz:

Is Your Insurance Agent Referral Partner The Best Choice For You and Your Clients?

By Steve Brooks,
President Steve Brooks Insurance Services



There's no doubt that mortgage industry professionals have a lot to gain by forging a referral partnership with a property and casualty insurance agent and vice versa. The potential to earn referral business is unlimited! However, as with any referral partnership, there are needs that must be met by each party to ensure that both parties maximize this potential. Or, to put it in simpler terms, both parties will be more successful if they each select the best possible candidate as a partner.

But, how can you be sure that you're choosing the right insurance agent to partner with? The following is an informal quiz to help you determine if your current insurance agent partner is the best choice for you and, therefore, for your clients. Or, if you've yet to forge a partnership with an insurance agent, this quiz should provide useful tips to help you be selective in your search. There are no right or wrong, true or false responses. But, at minimum, this quiz will help you take an inventory of the qualities and traits in an insurance partner that you and your clients will likely find the most valuable.

1. Are They Independent Agents, or Do They Work for a Direct Writer?

There are benefits to working with both types of agents. Some mortgage brokers will undoubtedly like the idea of referring their clients to an insurance agent who works for a well-known writer, such as State Farm. Similarly, some clients may embrace being referred to an agent who works for a nationally recognized insurance writer. However, agents who work for a direct insurer may not be able to provide your clients with as many options as an independent agent.

Much as mortgage brokers are able to shop for the best rates and terms from multiple lenders, independent insurance brokers are able to shop for the best policies from multiple insurers for their clients. Keep in mind too, that independent agents who represent Trusted Choice® Independent Insurance companies, for example, are only representing A-rated companies. That is, although these insurance companies may be smaller than a national writer, they still have the same rating as companies such as State Farm. Moreover, these companies will typically offer much higher coverages and limits than the national writers.

2. How Long Have They Sold Homeowners Insurance?

Your clients deserve to be referred to an insurance agent who has expertise in homeowner's insurance specifically. When you're considering a potential agent as a partner, be sure to ask them how long they've been selling homeowner's insurance. It may be revealed that a candidate you're considering has 20 years of experience selling insurance, but for 19.5 of those years, they sold auto or health insurance.

Would you be eager to refer a client who wants to buy a strip mall to a REALTOR® who has spent their entire career in residential real estate? Probably not, since that's not their specialty. The same goes for insurance agents; we all

have a specialty, and those who have specialized in homeowner's insurance for a reasonable amount of time should prove to be of greatest value to your clients.

3. Can They Provide All of the Insurance Your Clients Need?

In order to be able to offer your clients the insurance they may need for their home, your referral partner needs to be familiar with the location of your client's home. This will assure that they will adequately educate your client about various types of coverage they may need, including earthquake, fire, and flood insurance. Of course, it is also imperative that they are able to offer all of these types of insurance to your clients.

4. Where Does Most of Their Business Come from?

Insurance agents, like mortgage brokers, use a variety of methods to earn business. And, like you, we are always looking for new clients, so we employ our own specific tactics to earn business. To that end, ask your insurance agent partner where most of their business comes from. Do they use Internet marketing? Do they use direct mail? Do they advertise on bus stop benches? Or, is most of their business by referral?

While all methods of earning new clients have value, word of mouth referrals can be a great indication of the type of service an insurance agent provides to their clients. Those agents who count more than half of their business from referral, assuredly provide exceptional service to their current clients and will do the same for any client you refer to them.

5. What Type of Follow Up Programs Do They Use to Keep in Touch with Clients?

Inquire into what sort of client management and follow up system an insurance agent utilizes. That way you'll be privy to just how often they are speaking with their clients. While some insurance agents will contact their clients regularly with updates, tips, and timely advice, other agents maintain minimal contact with their clients. Keep in mind that the more an agent is in touch with their clients, the more opportunities they'll have to refer you.

6. Are They Active in Their Industry?

Just like in the mortgage industry, there are plenty of insurance industry associations, organizations, and continuing education opportunities available to insurance agents. Of course, none of them are mandatory, so any agent who is actively involved in industry associations has chosen to do so voluntarily. An agent's level of activity in their own industry is indicative of their commitment to and passion for their work. This will likely show through in the service they provide to your clients.

7. What Kind of Support Staff Do They Have?

Consider that, like anyone else, insurance agents will take vacation from time to time. Should your clients need assistance during this time, will they be able to receive it from your referral partner's staff? Furthermore, will that support staff have the required licensing to be able to provide the assistance your client needs, or will they need to wait for a specific agent to return their calls? Insurance agents who have licensed supporting staff may be better equipped to help your clients in an emergency or in a pinch than those who have no staff or unlicensed staff.

However, you should also consider how available your insurance agent is willing to make him or herself when they are not on vacation (presumably most of the time!). Do they tend to keep bankers' hours or do they make themselves readily available to you at all times?

8. Do They Have the Necessary Volume of Business to Offer Referrals?

Any professional in the sales industry remembers the beginning of their career, when they were just getting started and working night and day to build a client base. While there is certainly something to be said for giving a newcomer a shot, remember that you're hoping to earn referral business. An insurance agent who is brand new to the field unfortunately may not have a large enough database of clientele to be able to refer much business to you.

9. Are They Easily Referable?

Referring your clients to an insurance agent may be made easier if you have supporting materials and information to provide the client at the time that you give them the referral. Does your current partner or potential partner have a company profile kit, information packets, and a strong website? These supplemental items will allow for you to provide your clients with information about your partner on the spot, so that they can immediately begin learning more about their potential new insurance agent.

10. Do They Have a Plan in Place to Help Market You?

As stated earlier, any successful referral partnership needs to be mutually beneficial. So how does your insurance partner plan to market you? Do they regularly attend networking events? Will they include a link to your website on theirs? How will they help to market your expertise? Confirm with any potential partner that they have a plan in place to help market you as you strive to do the same in return.

As mortgage professionals, you're responsible to help clients to purchase or refinance what is likely one of the largest financial and emotional investments they'll ever make. But, it's up to property and casualty insurance agents to help those clients make sure that this financial and emotional investment is thoroughly protected. So, take care when choosing your referral partner, as you'll be entrusting them with one of your most valuable assets, your loyal clients. ■

Steve Brooks is President of Steve Brooks Insurance Services, a full service independent insurance agency founded in 1989, serving California, Nevada and Arizona. He has received numerous industry and legislative awards including a Certificate of Recognition from the California State Senate in honor of outstanding service and dedication to the insurance industry, and a California State Assembly Award for exemplary dedication and service to the insurance industry. Steve Brooks Insurance Services was recently named one of the top 10 largest insurance brokerages in the tri-county areas of Ventura, San Luis Obispo and Santa Barbara. He welcomes questions at SteveB@brooksins.com or via phone at (805) 496-4819.



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