



The Addiction that is Crippling our Industry...

The Insurance Bid!

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Over the past ten years, Beyond Insurance has treated over 760 patients at the Beyond Insurance® Treatment Centers (i.e. workshops). Our patients are typically bright, well-educated, dedicated, attractive, community-minded producers, sales managers and agency principals who have become addicted to “The Insurance Bid.”

Our patients enter the two-day session frustrated, angered and demoralized. Their confidence and self-image have been rattled. The addiction to The Insurance Bid has them caught in the “commodity trap” – the 90-day insurance bidding process. They are fighting an uphill battle against commoditization. Commoditization occurs when the consumer perceives little or no distinguishable difference between products, services and resources. When this happens, price becomes the primary differentiator. Picture commoditization as a disease that eats away at one’s knowledge, wisdom and professionalism. It so cruel and debilitating that it strips away the

value proposition of even the most seasoned producer – his or her professional purpose for existence – to a number.

Prior to attending a Beyond Insurance® workshop, each patient is asked to complete a confidential “10 Question Beyond Insurance® Survey.” This Survey facilitates our ability to understand the level of addiction so a treatment plan may be developed. As you can imagine, we see serious cases of “performance erosion” as measured by reduced new business hit ratios, substandard retention, random cross selling strategies, no referrals and key accounts under renewal competition. The following represent three of the ten statements that are asked on the Beyond Insurance® Survey:

Statement #1: My prospect research and qualification system screens out commodity shoppers.

Statement #2: My sales process protects me from getting caught in the “commodity trap” – the 90-day insurance blitz.

Statement #3: I am enthusiastic and energized by my business model, systems and growth strategies.

Over 80% of the patients at the Beyond Insurance® Treatment Centers, respond “no” to the statements listed above. The addiction to The Insurance Bid is impacting their personal and business careers. Addiction is defined as a state intoxication produced by repeated consumption of a drug. Its characteristics include: (1) an overpowering compulsion to continue taking the drug and to obtain it by any means; (2) a tendency to increase the dose; (3) a psychological and generally physical dependence on the effects of the drug; and (4) detrimental effects on the individual and on society.”

Impact from the Addiction

The impact of The Insurance Bid on producers, sales managers and agency principals is serious and long lasting as measured by the loss of time, reputation, confidence and money.

Time

Insurance addicts spend the vast majority of their time focused on renewal dates. These insurance junkies copy policies, dig for claim data, perform market research, design specifications and beg underwriters for the “best deal.” They get high on price and product. Their lives are consumed on uncovering the lowest bid to satisfy the appetite of the consumer. The addicted producer frequently comes in second place and has a tolerance to return the next year. Their delusional personality and compulsion to The Insurance Bid gives them false hope and a tendency to increase the dose to satisfy their addiction.

Most patients who come to the Beyond Insurance® Treatment Centers have new business hit ratios under 50%. More than half of their professional lives are wasted in search of a number. How tragic! It is no wonder that the insidious effects of The Insurance Bid are crippling

producers and those who standby them – sales managers, account executives, insurance carriers, family and friends to name a few.

Reputation

Socrates, the ancient Greek philosopher, once said “the way to gain a good reputation is to endeavor to be what you desire to appear.” Reputation defines who you are in the eyes of those you serve. Your reputation is the result of what you do, what you say and what others say about you.

The producer addict has allowed The Insurance Big to frame his or her reputation.

Confidence

The confidence levels of producers who come to Beyond Insurance® Treatment Centers are depleted as they lack control over the outcome of the insurance bidding process. It is this inability to “feel in control” that creates tension, anger and low self-esteem.

Sadly, addicts with low self-confidence live in a vicious circle. Their lack of confidence makes it difficult to be in control. And their inability to experience control brings on self-doubt and negativity.

Money

Successful producers reap significant financial rewards. Their ability to make a lot of money is a real motivator.

The producer addict, on the other hand, is frustrated with his or her compensation as there is little correlation between effort and financial rewards.

Substance Free Strategy

The Beyond Insurance® Treatment Plan begins with two potent, soul-searching and enlightening tools – the Diminished Value Snapshot™ and The Prosperity Gap™. Both strategies allow the insurance addict to gain a sense of clarity, simplicity, purpose and passion. For the first time, they are able to see the flaws of The Insurance Bid on their time, reputation, confidence and money.

The Beyond Insurance® Treatment Centers are nationally recognized for their ability to use the Risk Management Process as a means of rehabilitation. The Risk Management Process is a systematic methodology for assessing and treating accidental loss exposures. It is the addicted producer’s understanding of, and appreciation for, the Risk Management Process which reduces his or her dependency on The Insurance Bid. The purity and logic of the Risk Management Process shifts the producer’s mindset from insurance to risk and risk management.

Addicted producers gain immediate energy and confidence in their ability to control the outcome of risk. The identification, assessment, measurement and prioritization of risks become the therapy for the disorder. Let's take a close look at the four steps of the Beyond Insurance® rehab process:

Step 1 – Identifying Loss Exposures

The first and most important step of the Risk Management Process involves identifying and analyzing loss exposures that interfere with the achievement of an organization's goals. Simply put, this step of rehab begins with a curiosity and desire to understand the inner workings of a business. As the insurance addict learns about a business, he or she is positioned to identify and analyze risk issues.

In the Beyond Insurance® Treatment Centers, patients are taught consultative and diagnostic strategies to identify, measure and prioritize exposures to loss. Recognizing that losses vary from minor accident to major catastrophes, Step 1 of the Risk Management Process uncovers the types of risks to which the organization is vulnerable and determines how well positioned the company is to control a loss should one occur.

Step 2 – Strategies to Mitigate Loss Exposures

Once the addicted producer has developed a thorough understanding of a business, including its industry, corporate culture and operating procedures, he or she is ready to move beyond insurance to explore strategies to minimize risk and, thereby, reduce insurance costs.

It is the comprehensive understanding of the business (Step 1) that uniquely positions the producer to explore a spectrum of methods to improve an organization's "risk profile."

Step 3 – Implementation of Programs

By the time the addicted producer gets to Step 3 of the rehab process, Beyond Insurance sees an amazing transformation. The burden of price and product has been lifted off their back. The former insurance addict now has an appreciation for, and understanding of, risk management. Confidence and self-image are now part of the makeup of the Beyond Insurance® Producer.

Step 3 involves putting in place specially tailored programs and strategies designed to protect the assets of a company while minimizing premium outlay. As you can imagine, underwriters adore the Process as it leads to a more rational and efficient allocation of financial and human capital. Positive reinforcement from the underwriting community helps the insurance addict stay clean.

Step 4 – Ongoing Monitoring and Adjustment of the Plan

Businesses are dynamic. What works today may not work tomorrow. It is for this reason that the Beyond Insurance® Treatment Centers prescribe risk management service plans, stewardship

reviews and customer intimacy surveys to ensure a perfect fit as a business evolves and changes.

Step 4 of the Beyond Insurance® rehab process is most rewarding for Beyond Insurance. It is here where the addiction to The Insurance Bid is put to rest.

The 800+ patients who have come through the Beyond Insurance® Treatment Centers demonstrate a renewed sense of clarity, simplicity, purpose and passion for their business and personal lives. They are no longer living in an intoxicated state dominated by price and product. Their heads are clear to focus on what their clients so desperately need – a diagnostic advisor who is focused on risk identification and mitigation.

About the Author

Scott Addis, CPCU, CRA, CBWA is the CEO of Beyond Insurance and is recognized as an industry leader having been named a Philadelphia finalist for *Inc. Magazine's* "Entrepreneur of the Year" award as well as one of the "25 Most Innovative Agents in America." Beyond Insurance is a consulting firm that offers leadership training, cultural transformation, and talent and tactical development for enlightened professionals who are looking to take their practice to the next level. Since 2007, the proven and repeatable processes of Beyond Insurance have transformed individuals and organizations as measured by enhanced organic growth, productivity, profitability, and value in the marketplace.