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Best Technologies & Best Practices for Superior Results

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## The Quest for the Perfect Proposal

BY PAT ALEXANDER

Proposals are a hot topic. When I work with or audit an agency, these are the issues I hear:

- Our staff has to spend too much time updating and editing the information.
- Our system doesn't generate a proposal, so we use documents outside the system.
- Our system doesn't provide the correct data for the proposal.
- There is a defined standard proposal, but not everyone likes it or uses it.
- We can't agree on a standard proposal, so everyone has their own format.
- The producer finds errors in the information while presenting to the client.
- Each producer wants his/her proposal done in a specific way:
  - ▶ Wants a different order than the standard.
  - ▶ Wants to exclude certain sections or pages of the standard.
  - ▶ Wants different colors or fonts than the standard.
- Everyone misses the errors in the information until there is an E&O claim.

Does any of this sound familiar? Does any of this worry you?

The two most important issues that an agency must address are:

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1. Your agency needs a standard proposal. Everyone should use the same proposal without amending the format, colors, or fonts. Additionally, none of the required pages or sections should be eliminated from any proposal. There might be a special proposal for niche accounts; however, these must abide by the same rules and the standard proposal.
2. The data for the proposal must be correct.

Resolving these two issues puts an end to most of the points I listed at the beginning of this article.

#### Create a winning proposal

A proposal to your client is one of the most important documents your agency will produce. The proposal communicates a number of messages about your agency's image and standard of professionalism. How your product is packaged is important:

- The document doesn't need to be overdressed, but it needs to be well dressed.
- Lack of consistency is a big issue. The document should be the same font throughout. Words or phrases may be bolded or a different size, but everything should be in the same font.

- If there are page numbers, they should all be in the same location. For example, put them all in the bottom center or left corner of the page.
- Have someone other than the proposal creator look for inconsistencies. Has the document been spell checked, grammar checked and proofed for accuracy? This may seem like a no-brainer. However, I have read numerous completed proposals that have inconsistencies in formatting and spelling, as well as grammar errors or sentences that don't make sense.

A proposal should tell pertinent information about your agency and what you do. There should be several disclaimers or statements that are in every proposal produced by your agency. Consider the following:

- Wording that explains your state's Admitted/Non-Admitted/Guaranty Fund information.
- Indicate that the coverage proposed is derived from information the prospect/insured furnished.
- Use a general, "not-the-actual-coverage" disclaimer.
- Indicate that policy specimens are available.

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- Include Best's rating for each carrier presented in the proposal and their authorized (admitted) or unauthorized (non-admitted) status.
- In addition, add other such statements as are appropriate for your agency. Consult with your E&O insurance carrier for their requirements or suggestions.

#### Accuracy

The proposal should contain the correct data about the client. Data, data, and more data. This is huge. Consider that the proposal contains the various schedules of coverages that the client has insured through your agency. Examples would include the list of vehicles, drivers, equipment, properties, etc. If the data in any of these schedules are inaccurate, what will the client or prospect think? The current client will think, "Should I continue to do business with this agency?" The prospect will think, "These people don't seem to know what they're doing, so I won't consider them."

Where and how do you get the correct data for the proposal? The short answer is your agency management system. The longer answer is a bit more involved. The agency must first set standards for the data that are retained in the

agency management system. Those standards must be implemented and audited to ensure that the expected results are maintained. When an agency initially receives data for a prospect, all of the data should be entered into the agency management system.

Once the prospect's coverage is written, the data should be verified to be correct at the time of the proposal. Each time the client makes a change to a policy, the proper endorsement process should be used to update the agency management system and request the endorsement from the insurance carrier. If you do this, the data in the agency management system will be correct.

The biggest problem with data is that people often bypass the system's endorsement process. Endorsements are requested via e-mail or online, but nobody updates the agency management system. Often, there is an Excel spreadsheet with the schedules, but this may or may not be updated as the policy period goes on. If the data in the agency management system are correct, the data merged into the proposal produced using the agency management system will be correct.

For those with an agency management system that does not produce a merged proposal, there are additional challenges in this

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process. However, you can still have a standard proposal in a Word template and secure the correct data from the agency management system by using it correctly. Proposals will always require a certain amount of editing once terms and conditions are received from the insurance carrier(s). However, the more defined the standard proposal and the better the data, the less editing needed.

The bottom line is that each agency should have a standard proposal. Everyone should use the proposal as it is defined. Each agency should have defined data standards, and everyone should be required to maintain data in accordance with these standards. If you are not using your agency management system to

its fullest ability to produce your proposals, take steps to correct this as soon as possible. If your agency management system will not produce a proposal including policy coverages and schedules, and your agency produces proposals on all accounts, maybe it is time to look at other systems. ☐

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🗨️ **Pat Alexander, CIC**, is a consultant, coach, and mentor. Her many years of experience in retail agency and MGA settings give her a broad range of knowledge in agency operations. She is dedicated to educating her clients on using technology to enhance and build their business and profitability. Pat can be reached at [pat@patalexander.com](mailto:pat@patalexander.com) or 817-605-1663.

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As a “seasoned” member of the insurance industry (that means I’ve been around awhile) and as TAAR’s owner and executive editor, I have the privilege of interacting with innovative agents across the country. I am able to discover from leading agencies the best practices they have developed to satisfy the changing needs of their clients. I often tell my clients that “change for change’s sake” can be detrimental—but change to produce a better product or service is well worth the effort.

And just like your agency, TAAR has changed to help you find and implement the best technologies and best practices for superior results.

**New name: The Anderson Agency Report.** As a continuing sign to you of my personal commitment to quality and a laser-like focus on the needs of the independent agency, I am putting my name behind TAAR. The content of TAAR still remains about the overall impact of technology on every element of your agency.

**More content:** We’ve added four new pages to TAAR, which contain more of the articles you have enjoyed and profited from over the past years.

**New look:** Easier readability. TAAR has a completely new design. My hope is that it will be easy to read, navigate, and allow you to find the information you need quickly.

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