

Preliminary Findings from the *CSR Profile*

The National Alliance Research Academy has published its fourth edition of the *CSR Profile* study. This issue of *Preliminary Findings* examines some of the key findings related to commercial lines CSR compensation and service volume. The full study also includes research and statistics on personal lines CSRs, which are not included here.

The Academy surveyed customer service representatives, account managers, and other insurance agency service personnel during the first part of 2010 to gather information in the areas of hiring and qualifications, professional development, compensation, servicing volume, and job responsibilities. (For the rest of this newsletter, CSR will be used for all insurance agency customer service positions; account managers and others are included as CSRs.) A total of 1,894 CSRs completed the survey, with the majority of these being commercial lines CSRs. Participants received a special Participants' Summary of the Survey Results.

The Academy also interviewed six people who work as insurance agency owners, managers, or customer service representatives to comprise an expert panel. This panel offered tips and suggestions for training and managing CSRs. Two of the interview summaries are included in this issue of *Preliminary Findings*.

Key Findings from the Study

CSR Compensation Numbers

Annual Compensation

The average annual compensation for commercial lines CSRs is \$53,600. This includes all commission, salaries, and bonuses.

Annual Compensation Distribution

CSRs' annual compensation varies significantly, with a wide diversity of total compensation numbers, as detailed in the following table:

Annual Compensation Distribution

Annual Compensation	% CL CSRs
\$30,000 or Less	4%
\$30,001 to \$35,000	6%
\$35,001 to \$40,000	10%
\$40,001 to \$45,000	12%
\$45,001 to \$50,000	16%
\$50,001 to \$55,000	16%
\$55,001 to \$60,000	10%
\$60,001 to \$65,000	9%
\$65,001 to \$70,000	5%
\$70,001 and Over	13%

The bulk of the CSRs, 66%, receive annual compensation in the \$35,001 to \$60,000 range. A small percentage is under \$35,000; just over 25% earn more than \$60,000.

Compensation by Location

Annual CSR compensation varies by the size of the metro area, as the following survey results demonstrate.

Annual Compensation by Location

Metro Area	Annual Compensation
Large Metro: 2,000,001 and Over	\$63,800
Big City: 500,001 to 2,000,000	\$56,000
Medium City: 100,001 to 500,000	\$54,000
Small Town: 25,001 to 100,000	\$47,700
Rural Area: 25,001 and Less	\$42,000

CSRs in the larger cities usually receive the highest compensation. Agencies in larger cities typically have more opportunities to attain larger commercial accounts and accounts in profitable niche markets that the agency specializes in. As the population area gets smaller, so does CSRs compensation. CSRs in smaller cities work mostly with small businesses, earning less commission per account. Cost of living should also be taken into consideration as it is much higher in the largest cities and lower in the smaller cities and towns; higher salaries are needed for the higher cost of living places.

Compensation generally increases with an increase in years of sales experience, age, and agency size. Compensation also varies with the attainment of a designation and by formal education level. The *CSR Profile* study provides detailed compensation numbers based on the survey results for all these different categories; however, this information is not presented in this issue of *Preliminary Findings*.

Additional Compensation for Sales

While servicing work is the primary responsibility for CL CSRs, some CSRs are involved with sales on a limited basis. How they get compensated for sales is displayed in the following table.

Additional Compensation for Sales

Additional Compensation	% CL CSRs
None – No Additional Pay	60%
Commission	27%
Bonus	14%
Increased Salary	3%
Other	6%

A surprising 60% of CL CSRs receive salary only and no additional pay for their sales efforts. Most of the CSRs in this study have at least 9 years of experience; therefore, many experienced CSRs are not receiving extra pay for the sales they deliver. Experienced CSRs most likely are active with sales, and commission or bonuses would help motivate those CSRs to increase cross selling, account rounding, and simply selling commercial lines policies. Whether it be with a higher salary, commission, or a non-monetary reward, agency owners may want to consider ways of compensating CSRs who are successful at increasing sales and revenue.

Benefits

Benefits are an important component to any CSR compensation package. With the high costs of health care and medical insurance, the health benefits are especially important. Good health insurance benefits can help to attract and retain top CSRs.

Benefits received by commercial lines CSRs include:

	<u>% CL CSRs</u>
Health insurance	87%
Life insurance	76%
Dental insurance	65%
Disability insurance	70%

Most CSRs receive health insurance benefits from their agencies. Some CSRs had to contribute partially to the insurance premiums, but of the 87% who receive this benefit, the agency is paying all or part of the premium. Group life insurance can be attained for CSRs and all other agency employees at a reasonable price with a group insurance policy.

Dental insurance and disability insurance are two other important benefits that are provided for the majority of commercial lines CSRs, typically with group insurance policies.

Servicing Volume

Annual Servicing Volume

Total annual servicing volume is simply the sum of the new business servicing volume and renewal servicing volume. How much premium do commercial lines CSRs service for their agencies on an annual basis?

Total Annual Servicing Volume (Commercial Lines Premium)

Average \$2,917,000

Median \$1,950,000

Total Annual Servicing Volume (Commercial Lines Commission)

Average \$350,000

Median \$234,000

The total annual *premium* volume is the sum of new business and renewal business. The total *commission* volume is calculated by taking the total premium service volume and multiplying it by the agency commission rate. According to the 2010 edition of The National Alliances' *Growth and Performance Standards* (GPS) study, the average commercial lines commission rate is 12%.

Premium Volume by Agency Size

Premium volume usually varies by agency size, as the following survey results indicate:

Premium Volume by Agency Size

Number of Employees	Annual Premium Volume
10 and Less	\$1,687,000
11 to 20	\$2,150,000
21 to 30	\$2,477,000
31 to 40	\$2,215,000
41 to 50	\$2,770,000
51 to 100	\$3,110,000
101 to 150	\$3,132,000
151 to 200	\$3,057,000
200 to 300	\$3,250,000
301 and Over	\$3,290,000

Generally, as agency size increases, commercial lines account size increases and this in turn allows for greater servicing volume by CL CSRs. Larger agencies may have more ways to help CSRs become more efficient, as well. They may offer better technology and automation, have more resources for training and professional development, and offer more incentives to motivate CSRs to perform to the best of their abilities.

Smaller agencies tend to have smaller premiums per commercial lines account. So, even if a CSR at a smaller agency serviced the same number of accounts (or more) as a CSR at a larger agency, they still may not reach the premium volume serviced by the larger agency CSR.

The *CSR Profile* study provides more detail on servicing volume and offers servicing volume by experience and age. Servicing volume numbers are also provided based on whether CSRs have specific designations, such as CISR, by education level, and by metro area size.

Compensation-Service Ratio

Compensation to service ratios are a good way for agency owners and CSRs alike to gauge how CSRs' compensation relates to their productivity. This is calculated by taking the CSRs' total annual compensation and dividing it by the total annual commission serviced (premium service volume multiplied by the commission rate).

Compensation-Service Ratio CL CSRs

	Average	Median
Total Annual Compensation	\$53,600	\$51,300
Total Annual Commission Serviced	\$350,000	\$234,000
Compensation-Service Ratio	15%	22%

The same factors that can affect a CSR's service volume and compensation, obviously will affect the compensation-service ratio. Agencies prefer a smaller ratio as it shows more service productivity for the money paid to CSRs. However, too low of a ratio can indicate an increase in compensation may be needed as employees may leave the agency if wages are not high enough. Too high of a ratio means the CSR may not be servicing as much as their agency is expecting from them, or the CSR is handling other duties which may take away from the amount they service.

The compensation-service ratio varies significantly from one agency to the next, and from one CSR to the other. The *CSR Profile* study looks at this ratio at a more in-depth level.

Expert Panel

The National Alliance Research Academy selected six experienced and knowledgeable insurance industry practitioners to participate in an expert panel and answer questions about insurance CSRs, independent insurance agencies, and current industry trends. The panel consisted of insurance agency principals, managers, and CSRs.

The Academy conducted phone surveys to gather thoughts and ideas on how insurance CSRs are performing and how they are reacting to market conditions and trends in the industry. Agency owners, managers, and CSRs can use this information to evaluate CSR performance and initiate planning for increased account retention and agency growth.

The following individuals participated on the expert panel:

Barbara Golden, CIC, CPCU, AAI, AU
E. K. McConkey & Co.
York, PA

Hilda Lopez
Bowen, Milette & Brit
Houston, TX

Peggy Lund, CIC
R. H. Ahmann Company
Eden Prairie, MN

Jeanette Machisic, CIC, AAI, CTM
HUB International
Denver, CO

Steve Pearson, CIC
ISU International
San Francisco, CA

Candy Robinson, CIC
BB&T Insurance Services
St. Petersburg, FL

Of the six individuals on the expert panel, two were chosen to have their summaries appear in this issue of *Preliminary Findings*. These two interview stories are from agency managers who also served as board members for the Society of Certified Insurance Service Representatives (CISR), so they have a great deal of knowledge and experience to share.

Training and Education are Key for CSRs

Jeanette Machisic, CIC, AAI, CTM HUB International Denver, Colorado

Jeanette Machisic is Assistant Vice President/Client Service Manager for HUB International, one of the top nine brokers in the United States. She has been with HUB for less than one year, but spent 27 years at her prior large regional agency located in Colorado. Jeanette works out of the Denver office, but has responsibilities for HUB offices located throughout Colorado. She is currently serving as Secretary of the CISR Board of Governors, and she teaches for The National Alliance on a regular basis. Her commentary in this interview reflects a longstanding advocacy of education, as well as providing thoughtful and far-sighted insights regarding the role of service personnel in today's insurance industry.

The Academy: One of the things that we find to be interesting is the terms that are used at different agencies to describe service personnel. What terms do you use at HUB?

Machisic: We call them Customer Service Specialist (CSS), but there are many job titles in use across the country. I would say that I believe that the smaller agencies still use CSR, the common term, while a lot of larger agencies use Account Manager more often.

The Academy: Does everyone in the agency who performs service functions have the CSS title, whether the individual is new or has been with the agency for many years?

Machisic: The title/term is used to describe a position or set of responsibilities; it is not in any way used to determine length of service to the company.

The Academy: It is also interesting to see how differing agencies view the servicing function. A related topic is the way that the servicing role is perceived. In recent years, the number of female producers has increased significantly, and that position used to be completely dominated by males. On the other hand, we have not seen a corresponding increase in the number of male CSRs. That is in contrast to other industries, where service personnel are more equally divided by gender. Why are there so few male CSRs in the insurance industry?

Machisic: I am thinking of smaller agencies when I make this statement. Across the United States, agency owners and hiring managers are typically male, and they have not made the mental transition to realizing that men would make good CSRs. They have to mentally change their perspective. You also have to consider the applicant's perspective. When a male is brought in to do a job where the norm in the office is all women, he might not be able to do that job for

very long. Their ego would be a little bruised because of a perception that he was doing a “woman’s job.”

As you said, other industries have made the transition, and the insurance industry will have to do the same, sooner or later. At HUB, there are several male CSSs on the employee benefits side, but we don’t have many in property/casualty. They’re not people who get caught up in the stereotypes. They just like the job. It is their nature to be nurturing and caring and they want to help people with their problems. They’re very successful in the position.

The Academy: It is often difficult for agencies to find quality CSRs, male or female. Where should agencies look when they are hiring?

Machisic: High school and/or junior colleges provide excellent opportunities. As an industry, we need to spend more time going to career days at the high school level. We need to educate people about the insurance industry because most of them don’t even know that it exists as a career choice. We should hire high school kids on a part time basis, and then attend high school career days and talk to them about agency positions. There are a lot of kids who will not be able to afford to go to college, and they could be very successful on the agency side.

The Academy: The industry has many people who are smart and hard working who do not have a college degree. Does your agency hire any high school or college students for summer internships?

Machisic: I don’t think that HUB has hired interns recently because of the economy. However, at my prior job, we hired interns every summer. For example, we hired students with math competencies to help in the mod analysis division. One of those interns ended up going to college in California and later finding a job with Aon. Other interns went to college for a year or so, but liked the Account Manager position, so we brought them back into the agency. Internships are a great way to introduce students to the industry. Also, if you “raise your own” for the agency it ultimately saves you money and gives you some employee loyalty.

The Academy: If you prefer to hire people who do not have industry experience, what competencies are important to you?

Machisic: Some of our new hires have never worked in an office. Some of them have never worked at all. We start by educating them about core competencies such as being on time and honesty. They do not have an understanding of the types of issues that can surface with dishonesty. They have never heard of E&O claims. They don’t know that this job is about caring for people, so the manager has to give them examples of how their job will help the client.

They have to understand that although it is sad when someone dies, because life insurance was in place the family was able to bury the deceased. Another example would be someone who got into a car accident. They have to deal with the pain, but at least they had enough money to get the car fixed. You educate them on how important their job is; they're not "just a secretary." With that foundation in place, you can then get an experienced person to mentor them, but the core values have to be in place from the outset.

The Academy: How do you know if the individual has those core values?

Machisic: Aptitude and personality tests such as the Omni Profile or Disc profiling are great tools. I can meet with someone and within a couple of minutes I can identify their strengths and weaknesses. I go through the questions with them at the end of the profile, and then we compare their perceptions of themselves with mine. Nine out of ten times I'm right. The tests are at least \$100 per person, so if the agency cannot afford to have everyone take the test, it would be worthwhile to train a couple of managers in the methodology.

The Academy: You touched on this earlier, but how important is a college degree to your agency?

Machisic: Perhaps one-third of our service personnel have college degrees, but most of them only have high school diplomas. However, I just had an employee go back and earn her GED. We initially hired her as a receptionist and then moved her into a benefits CSS position. She's great. So, a college degree is not terribly important to our agency.

The Academy: When you need someone with experience, where do you look to find them?

Machisic: We recently hired an experienced personal lines employee, and she had sent her application to the NAIW. They sent it on to me and we hired her. More typically, the agency employees who have come from other agencies usually have great referrals for you. They've worked with the individuals that they recommend, and they don't want to recommend to their boss someone who is not professional.

The Academy: Oftentimes new CSRs seem to struggle for a bit. What do they most often struggle with?

Machisic: That is related to how much experience they have. It would help if they have some office experience. If not, a good way to help them gain office experience is to train them as a back-up receptionist or start them in the mail room. Often when they are new, they struggle with time management and organizational skills. They struggle with how to process the work, how to

determine what is important, and learning how much work they should be expected to complete in a day.

Time management is an issue. Think about how many emails you get. Right now I have about 100 emails that I haven't read because I had meetings to attend. When I get back to that, I am going to be a little overwhelmed. Also, organizational skills are essential. Even though we are moving closer to becoming paperless, you still have to manage all the work that comes online. You have to establish some routines. As a manager, you have experienced CSRs, and you know that they are outstanding because they manage their work well. The best trained new CSRs will be trained by experienced CSRs. I personally think that a manager who no longer works on the floor handling day-to-day issues is not going to be a good trainer.

The Academy: When you train new CSRs, do you mentor them in any special way?

Machisic: If you understand the personality types, you can mentor them by assigning them to an experienced CSR. Let them work with someone who is proud of their job and acts and dresses professionally. Let them be trained by someone who holds their job in high regard because they will translate that the CSR position is an honorable profession.

I have had experienced CSRs with the attitude that the CSR position is "just a job." You do not want to assign a new CSR to work with an individual who has that type of mentality. You have to team them up with someone who believes that customer service is an honorable job, and who is willing to share their experience. Not all experienced CSRs make good trainers, but sometimes there are those who are good at what they do and can communicate that to a new hire.

The Academy: What about the professional development needs of CSRs?

Machisic: I think that they should be involved in self-study classes, and CISR and INS are the best courses for entry level personnel. They need to be introduced to SilverPlume and exposed to the resources that are available there. We need to reach out to insurance companies that offer courses for CSRs, and a lot of them offer those courses free of charge for preferred agencies. Let the insurance companies help you with some of your professional development needs.

The Academy: Many of your CSRs will stay in that position because they enjoy the work. What about those who want to move into other positions? Are there opportunities for advancement at your agency?

Machisic: In agencies that only have two positions -- the producer and the support person -- the support person has no career opportunity. If the agency set up is manager, producer, and service rep, then the service rep has very little room for advancement. Agencies that have (1) developed

protocols where you have salespeople who are responsible for new sales, (2) professional client executives who are responsible for retaining the larger accounts, (3) CSRs who are responsible for the day-to-day work, and (4) CSR-associates that support the team by processing certificates and reviewing endorsements offer much more room for advancement and a career path.

CSRs who grow and become well-informed, well-educated, and professional service personnel are capable of becoming a client executive. Oftentimes the personality type does not translate into being a good producer. An agency that says that you can become a producer once you have become a successful CSR doesn't understand that producing new business and servicing clients attract two different personality types. And those positions do not necessarily complement each other as a promotional avenue.

The Academy: Do your Customer Service Specialists cross-sell?

Machisic: Yes. I'm in the middle of evaluations now, and I look at their client and policy counts, and revenue to-date. Knowing that the economy is depressed, and depending on the market, I may ask for a 10% increase by the end of 2011. They don't have to hustle after new business, but they are responsible for cross-selling their current book to help it grow.

I am going to try training the property/casualty CSRs on individual health and small benefits packages, and do the same cross-selling for health and benefits CSRs. They don't have to be experts, but they have to know enough so that when they talk to a P/C renewal account, they can ask, for example, "How do you think that health insurance reform will affect your business?" Chances are that the client will say that they don't know. The CSR can then tell the client that our agency has personnel who specialize in that area, and have one of our specialists call the client. That's cross-selling as well. Most CSRs can be successful at cross-selling behind the scenes, but few can cross over to face-to-face selling.

The Academy: You bring up the way that the CSR role has changed over time. How would you say that the role of the CSR has changed over the past decade?

Machisic: The role has changed because insurance companies introduced service centers. The agency has to look at other services to provide in lieu of the services that it performed in the past. Now the agency has to decide the best ways for CSRs to spend time taking care of the client. Service centers have introduced an interesting façade to the whole landscape.

Also, the insurance companies have put so much more work and responsibility on the broker. They have relieved themselves of printing policies. They don't want to keep insurance certificates, so if a policy cancels they put it all on you to give them the list. They want the agent to do the quoting, on their own systems. The insurance companies have basically, without asking

anybody, relieved themselves of certain responsibilities and put them back on the broker. They've sold it under the umbrella of "you can better service your client because you can have it immediately." But that means that the agency provides the paper, the printing, the time to put information in the system so the company doesn't have to rate it, etc. That really has changed a lot in the last decade.

The Academy: Those are interesting insights. Are there other ways that the role of the CSR has changed over the past decade?

Machisic: More agencies expect CSRs to be responsible for production by rounding out accounts or cross-selling, whereas before they expected their "producers" to do that. Now they are saying that everybody has to help.

The Academy: You said that you have some top CSRs. What makes your best CSRs so much better than anybody else?

Machisic: They have a global, "big picture" view of what their role is to the rest of the agency. They take pride in being involved in the insurance industry and they are proud of the contributions that CSSs make to that industry. Agencies that make their CSSs feel that their job is just as important as sales or management are the most successful agencies. We're all on the same team and we all win or lose together.

The Academy: How do agencies do that?

Machisic: By communicating and rewarding the CSRs for what they do, equitably, not equally. For example, the agency mindset that says that producers are king and should be rewarded as such, while the CSR gets nothing, is so outdated. Your CSRs will save your business, so you need to make sure that they feel empowered to make decisions, to think outside the box, and to take ownership. You need to treat them well and reward them for their contributions to the agency.

The Academy: What lines do you supervise in your position as a Client Service Manager?

Machisic: We do something that is a little different from the industry norm. The industry separates personal lines, commercial lines, and small benefits. I oversee all three. We're looking at the buyer, and the buyer has personal insurance needs and business needs like BOP and Workers Comp. But they also have employees, so they need to understand what is going on with health care reform. We have a significant number of accounts that have never been cross-sold, so supervising those three lines in tandem is going to open up a tremendous amount of opportunity.

The Academy: What are the most important responsibilities of individuals who manage CSRs?

Machisic: Know your stuff. I have seen people try to manage who came in from the insurance company side. Even though they do not understand the agency side, they think they can sell their ideas to people and that it won't be that different. I have worked on both sides and they are very different, so understand the role that you are in. Know your stuff. Know insurance. A manager needs to be a go-to person, someone that they can call and say, "I don't know how to collect on this. The buyer won't pay." Maybe at that point I have to talk to the buyer and convince them to pay the bill, but whatever decision we reach, I am the go-to person for help when help is needed. You have to be a problem-solver, an excellent communicator and you have to be a visionary. You need to think, "What more can we do with this group of people?"

The Academy: How should CSRs be compensated?

Machisic: Most CSRs are salaried and I think that is appropriate. If they write new business, they should get perhaps 20% of the first-year's premium, and they should be paid quarterly.

The Academy: What about renewals?

Machisic: Let's say that I have a CISR who is handling \$250,000 in revenue, and we expect her to increase her book by 25%. Part of that can be done with new business opportunities and part can be done with account rounding. But in this day and age, renewals are down. That puts pressure on CSRs to cross-sell because they want to increase their revenue numbers. It doesn't matter if you have 100 accounts and you renew 100 accounts, because you could still be 20% down in your revenue. You want to have however many accounts it takes to equal or better your prior revenue numbers. Otherwise, you are always going backwards, even with the same number of clients.

The Academy: What happens if they reach the goals, or if they don't?

Machisic: There's a percentage dollar incentive to reach the goal, and it is paid quarterly. If they don't reach the goal, we do not penalize them by cutting their salary. We do try to train them on how they can be more successful the following year. If there is no improvement the second year, the wrong person may be in that position.

The Academy: How do you develop the percentage goals? How do you know what a reasonable figure might be?

Machisic: Every manager in every agency in every location in every part of the country does this differently. In my case, if my office is charged with a 20% growth rate in a very tough market, then I think asking for a 10% increase in small benefits would be reasonable. The percentages for middle markets and large accounts would make up the rest of the contribution. You have to figure out where your agency is going, and there are many agencies that just want to break even right now because of the economy.

Your agency management system can help you in looking at historical figures and agency trends. I also refer to Best Practices, as well as the *Growth & Performance Standards* study. These publications give me statistics regarding accounts per person, revenues per person, etc. It helps to have a gauge to start with.

The Academy: Are there any final tips, suggestions or comments that you would like to make that would be beneficial for our readers?

Machisic: Yes. The industry as a whole, and particularly the agency force, has begun to pull back a little on education, and I think that is extremely short-sighted. We need to encourage the agency system to continue to pay for education for CSRs. Scholarships are available from insurance companies, NAIW, and The National Alliance. Research the opportunities so that you do not have to cut back on education.

Also, some agencies pay for the registration fee, but have the employee reimburse the agency if they don't pass the examination. I feel that if they do not pass, the agency could refuse to pay for the person to attend the class for the second time. You don't have to pass the examination to learn things that will be of benefit to the agency. So I disagree with penalizing an employee because they did not pass the examination. They learned something while they were there.

Hire the Best and Help them Grow

Candy Robinson, CIC

BB&T Insurance Services

St. Petersburg, Florida

Candy Robinson is the Commercial Lines Production Manager for BB&T Insurance Services, a 70-person agency located in St. Petersburg, Florida. She has been in the insurance industry for 39 years and has managed this department for 15 years. Ms. Robinson is a former recipient of the Outstanding CSR of the Year Award, has served as Chairperson of the CISR Board of Governors, is a past National President of NAIW and has received numerous industry awards and distinctions. She is an outstanding advocate of the insurance industry and re-affirms in this interview the depth of regard that she has for the service personnel who are so important to the independent agency system.

The Academy: Your title is Commercial Lines Production Manager. Do you work strictly with commercial lines?

Robinson: Yes. Commercial Lines Production Manager is our term for a commercial lines manager because we also have a service department.

The Academy: Do you manage the producers or the service personnel?

Robinson: I manage the Commercial Account Managers. But we just made that transition recently, so prior to that I managed all of the service people - the Commercial Account Managers, or CAMs, and the Customer Service Associates (CSAs).

The Academy: What is the distinction between the Account Managers, or CAMs, and the CSAs?

Robinson: Our Account Managers work very closely with the producers, and in fact, they go out on appointments with them. The producer sells the account and the Account Manager handles a lot of the day-to-day activity. For example, they work with the client to make sure we have everything that we need to bind the policy. And they are usually the first line for client contact since the producer is out of the office so much. Our CSAs, or CSRs as you call them, work in a pool type of capacity where they do all of the service work for the Account Managers. For example, they do the certificates, work on endorsements, process and check policies, etc.

The Academy: As CSAs gain experience with processing the day-to-day paperwork and working with clients, do they sometimes move into the Account Manager position?

Robinson. Yes. The Account Managers deal with a lot of coverage questions and questions on appraisals and values, and they work with carriers, so it's a good role for them to grow into.

The Academy: During the years that we have published the *CSR Profile*, the number of female producers has increased significantly. However, our research continues to indicate that about 98% of the CSRs are female. Why are there so few men working as CSRs?

Robinson: My personal opinion is that women have always been more like Account Managers-- more of a first line contact with the client. Women tend to be more nurturing and seen in more of a service position.

The Academy: It's interesting, because men are fairly well represented in CSR positions in industries other than the insurance industry.

Robinson: We see it in a lot of other industries. I see it occasionally in the insurance industry with men who were ill-suited for the sales role, but had the coverage knowledge and the background to do service work. Also, we find that women tend to be a little more detail oriented, so it's easier for them to fill the service role.

The Academy: That brings up hiring and qualifications. Where should agencies look to hire new CSRs?

Robinson: We use referrals from our own staff. Many times they have friends and acquaintances that have the skills, abilities and knowledge base, and may be looking to join an organization that is extremely employee-oriented and has great benefits. Our employees are our biggest asset in finding new CSRs. We no longer use the newspaper at all because it took so much time to weed out the people who responded to the ads. For the Account Manager position, we have also used employment headhunters that pre-qualify people for us based on our needs.

The Academy: Do most of your applicants have experience at other agencies, are they new to insurance, or are they just out of high school or college?

Robinson: We see a very nice cross-section. We see people who are moving into the area who may have worked for a large insurance company or agency in another state. They will use a headhunter because they're not familiar with the agencies and the headhunter will pretty much say, "OK, here's an agency that's top dog – you would really like the people here." I think that

people moving in from out-of-state look more towards the headhunters. But people who are already in the industry here know every agency and all the players.

The Academy: When you hire new CSRs, what competencies do you look for as far as skills, knowledge, abilities and experience?

Robinson: It depends on the position we're hiring for. For an Account Manager, I would look at the skill level, the educational level, what size of book the person has handled, what their responsibilities were in that book, and how they dealt with situations that might come up. I also look for someone who is going to match our culture, because we are a little more laid back in our dress code than most. We are not a blue-suit-every-day kind of office, and if that's something that you aspire to, it probably would not be a good fit.

The Academy: You say that your agency is laid back. Do you mean that your dress code is not as formal as other agencies?

Robinson: It's business casual here, and if you're looking for a job with a blue suit type of environment, it probably is not going to be a good fit.

The Academy: You mentioned education as a competency. What educational background do you look for when you're hiring?

Robinson: If I'm going to be hiring an Account Manager, I look for someone who is already licensed and has at least one or two of what I consider to be the premier designations. That tells me they take their commitment to the industry very seriously, and learning and education are very important to them.

The Academy: For hiring CSRs, how important is a college education to you?

Robinson: That's not a big factor. We would prefer that someone have a Bachelor's degree, but it's not on our list of critical things. If someone has been in the business for a while you expect a certain level of competence. They can write a letter; they can have a dialogue with someone and things of that nature. We do several interviews. In the initial interview we basically get a feel for the person. The second interview involves the department manager and the agency managers, and we'll bring in some of the Commercial Account Managers to talk with them. To us, it's all about the fit once the person gets here. We take time hiring people because we want them to be here forever. It's so expensive to hire the wrong person, so we take more time than other agencies do.

The Academy: Do you use any type of personality or aptitude tests as a part of the hiring process?

Robinson: We do. We use the Omnia Profile for both Account Managers and CSAs. We use the profile as a hiring tool. We look at the profile results and consider what they say, but that's just one part of the entire evaluation process.

The Academy: What has your experience been with the tests? Has it been a good predictor?

Robinson: It really has been. In fact, when we lose an employee to another agency, the management team goes back through their file to see if we missed something or could have done a better job of retaining that person.

What could we have done differently to retain that employee? Were we doing our job? Did we see to it that they had the training that they needed? Did we make them feel a part of the organization? And 9 times out of 10, when we go back and read the Omnia Profile, things pop out at us that we didn't see the first time, or maybe we didn't want to see. When you meet somebody and have this great rapport, you sometimes forget to step back and really read the Omnia Profile. So I think it's very important, but it is only a tool.

The Academy: What do you find that new CSRs struggle with most often? Are there any specific skills or activities that come to mind?

Robinson: New CSRs sometimes have a very basic working knowledge, but they do not have in-depth coverage knowledge. It can cause issues for them. We do an extremely in-depth in-house training for the first three weeks to try and cover most areas they will encounter in their jobs.

The Academy: What else do you cover in that training?

Robinson: Everything. We cover our agency procedures, our systems, the agency policies and procedures. We go through coverages. Then they work one-on-one with an Account Manager, and after that we "buddy them up" with somebody so that they don't feel so out there by themselves.

The Academy: So it's basically a mentoring program?

Robinson: Absolutely. Plus, the Commercial Account Managers meet once a week, and then we have one big Commercial lines monthly meeting that includes the CSAs. At that meeting, we

discuss everything; how everybody is doing and what they need to be more effective. We find those meetings help everyone.

The Academy: You said earlier that as CSAs gained experience, they might move up to an Account Manager. Do you see any type of movement beyond Account Manager for these individuals?

Robinson: We have two full-time female producers. One was an Account Manager and the other was a CSA for years prior to moving to full-time production.

The Academy: Why do you think that they wanted to change positions?

Robinson: I think part of it is a desire to do something that doesn't involve sitting at a desk all day. They like the one-on-one interaction with the client, and the producer position gives them the ability to go and do what they need to do outside of the office. I think that's the big draw for them, but of course, they need to have sales ability, too.

The Academy: How do you address professional development needs for new CSRs during their first few years?

Robinson: If they do not have a license, we would make sure that they comply with the law and were licensed in some capacity. Also, BB&T does a personal development plan every year, which is our annual review, and during that period of time we set professional goals for them. That could involve getting them started on the CISR Program or one of the institute programs like the INS classes.

It depends on the person. You have to take into account what else they have going on in their life, and how much time they're going to be able to devote to education. Also, we do a lot of in-house training on coverages. For example, we recently had a class on equipment breakdown. We looked at how the policy is structured, what it covers, what types of claims might arise, and then had a question-and-answer period.

The Academy: How do you prepare them for the licensing test?

Robinson: Most of the time they attend a three-day school, and then they take a sample test. After they complete the course, they take the exam within the next two weeks. There are also classes where you don't have to take the full-length licensing test. They give intermittent tests as the class goes along, and if they pass all of those tests they receive their 440 license. That license allows them to talk to people on the phone, but they can't sell insurance.

The Academy: Let's look at responsibilities. How has the role of the CSR changed over the past decade?

Robinson: I don't know that the role itself has changed. The way we deliver service has changed. Everything is automated now, so I think that the role of the CSR is a little easier. When I think back to when I was a CSR, I had stacks of files on my desk and was constantly digging out from underneath them. So I think it's easier now because everything is electronic. But I don't think that the role has changed. They really are a service for clients. That's what they have always done and what they still do now.

The Academy: In your agency, do CSRs contribute to the sales process?

Robinson: We are a sales organization; there's no question about that. From the front desk to top management, we are always talking about being on the outlook for sales opportunities. Do you understand sales? Can you identify sales opportunities, whether it is with your next door neighbor or some additional need the client might have when you're talking to them? We want employees to recognize those types of things, so we have internal programs with the staff to help them understand sales. And we talk about retention all the time and CSRs are a big part of that.

The Academy: Do you stress cross-selling and account rounding to Account Managers and CSAs?

Robinson: Absolutely, and we cross-reference to the bank, and vice versa. We are trying very hard to be the client's trusted advisor, just like the bank. When customers think of someone they would trust to give them advice, we want them to think of their banker, their attorney and their insurance agent. That's the thought process.

The Academy: What is it that makes your best CSAs or Account Managers better than anyone else?

Robinson: I think it's their commitment to the industry and their belief that what they do is important because it makes a difference in people's lives. They bring value to this agency and to the job they do. They understand what their importance is here. We try and make that very clear to them because everybody is different, but everybody brings value. Once they truly understand they do better than other people because it's about their clients, about their service to the clients and to the producers. Nothing stops them at that point. They can always see the positive side of everything.

The Academy: What about the experienced CSAs or Account Managers? Are there any areas where they continually have difficulties, whether it's a skill or knowledge or some ability?

Robinson: I think that where CSRs feel the most pain, if you will, is things that they have no control over. We don't have any control over the market, yet it effects us. When we lose an account, every single Commercial Account Manager and CSA takes it very personally. It causes them great pain, so keeping morale up in tough insurance markets such as the one that we have in Florida right now is difficult for managers. I think that causes CSRs the most difficulty; they lose their spirit at times.

The Academy: What are some of your other responsibilities as far as managing the CAM's?

Robinson: I think that I am their advocate and one of major responsibilities here is to make their job as easy and as stress-free as possible.

The Academy: How do you accomplish that?

Robinson: As managers, we constantly look for ways to streamline our processes so that our CSAs or CAMs aren't overburdened. We constantly look at the books of business to make sure the distribution is adequate, that one person is not being overworked. Also, we can be their cheerleader and their soft spot to fall when things happen. And we can make sure that they have the tools that they need to do their job.

The Academy: How do you compensate your CSRs?

Robinson: They're salaried.

The Academy: What if they make any sales?

Robinson: We have two Account Managers that are compensated with an additional percentage override on the book. Everybody else is strictly salary.

The Academy: So you take their sales into consideration with salary increases, but no commission is paid, per se?

Robinson: They do not receive commission, but they do get an agency bonus at the end of the year if we meet our sales goals. Everyone participates in that.

The Academy: So the sales goal is for the agency, rather than the individual?

Robinson: There is an overall agency goal, but that is broken down by department. The Commercial department has a goal based on the agency goal, so everybody has a little dog in that fight.

The Academy: Is the sales goal based on growth or is it based on a budget number that you have at the beginning of the year?

Robinson: It comes from a formula that includes industry conditions, growth, retention, new business, and other things.

The Academy: How do you set volume goals for the CSAs and Account Managers?

Robinson: The CSAs operate in a pool situation. When the mail comes in, it goes to the Commercial Account Manager. Then it's sent to be logged into the system and divided up among the CSAs by our Client Service Manager. The Account Managers' books of business fluctuate so we do not have any volume goals for them, but we constantly review their books and know about how much we can expect them to handle.

The Academy: So how do you tell if a person is handling an appropriate amount of work?

Robinson: For the CSAs it's all in the system. All mail is logged in and coded with information such as the date received, a due date, etc. We can run reports that tell us how many audits have been handled, how many endorsements they processed, and how many policies they forwarded to the technical unit for review. We can tell who meets their deadlines and the people who are falling behind. It's a very nice system. The CAMs know when they need help and will let me know. We have a part time floater that will assist them in marketing and other areas during peak renewal times.

We used to have CSAs divided up and assigned to a team, but it was difficult to tell how much everyone was doing. When the CAMs assigned the work, we had some CSAs that were overworked and some that didn't seem to have much to do. This new system ensures a much more equitable division of work.

The Academy: When you look at the total premium (or commission) that the CSAs and Account Managers handle, how do you know if it's an acceptable figure?

Robinson: It's a very educated guess. You have to evaluate the book of business to find out. You can't just go by revenue or policy count. For example, I have a producer who handles a large number of contractors. Her book is much busier than someone who handles condos. I have to look at the mix of business, how much is direct bill, how much is agency bill, how much I think it is going to be marketed, and all of those types of things. It's a guess.

Maybe in personal lines you can base it on revenues. Things are equal; a homeowner policy is a homeowner policy and an auto policy is an auto policy. Commercial accounts are different. And then there are all of the other considerations. For example, certain producers will have busier times of the year than other times. I have to take all of those things into account, which is what I do, and make sure that the work flows through. My responsibility is from the time business comes in the door until the time it leaves and everything in between.

The Academy: Do you distribute accounts by an alphabetical split, account size, or specialty? How do you determine who gets which accounts?

Robinson: The producer has their book of business. Let's say we have a producer who handles a large commercial condo book. 100% of her accounts are condominium associations, and she has three Account Managers. All of those accounts are handled very similarly, so when I divide up that book, I'm going to look at revenue, how much is direct bill, and how much is agency bill. I'm also going to look at expiration dates because I don't want to give 60% of the December expirations to one person. So it really is a calculated guess that is based on everything.

The Academy: Do most of your Account Managers have a specialty focus?

Robinson: We write a large number of condo associations in Florida, so we have producers who just write condos. But we have other producers with diverse books of business.

The Academy: Do the Account Managers always work with the same producers?

Robinson: Yes.

The Academy: Does your agency have CSA and Account Manager positions for personal lines as well?

Robinson: No. They have Personal Risk Managers (PRMs) who serve many of the same functions as Commercial Account Managers. However, the PRMs also sell. They don't have CSAs, but they do have assistants who do all of the data entry. The personal lines section is 100% electronic, so the assistants work all of the changes and speak with clients.

The Academy: Having your CSAs pooled (and not assigned to specific producers) seems to be unique in comparison to other agencies.

Robinson: From a management standpoint, it's the best. You could walk in here today and we could tell you what every single CSA is doing and what they have done over the past year. I'm not sure how many other managers can say that.

The Academy: In closing, is there anything that you would like to add for the benefit of individuals who read the study?

Robinson: I think that one of the most critical things that new CSAs should know is they need a diverse education so they can handle any coverage and any line of business, rather than pigeon-holing themselves into any one area. It makes them more attractive to a manager, and it's easier for them to get a job.

The other thing I'd like to say is it's all about attitude - their attitude about the job and what they do. I can train somebody to rate a commercial auto, and I can teach them a coverage, but I can't teach somebody how to be nice or respectful. Our agency culture is steeped in respect and living by our top ten core values which include teamwork, honesty, integrity, and other meaningful values. We take a long time to hire somebody to make sure that we have the right person. Having said that, I could say that also becomes a problem because 90% of our department get more than three weeks of vacation because they've all been here so long. But that's a problem we're happy to have.

The Academy: You have to be doing a lot of things right for that to happen.

Robinson: They're very good people and they know the way that I manage. If something needs to be done, I'm rolling my sleeves up and standing right next to them.

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