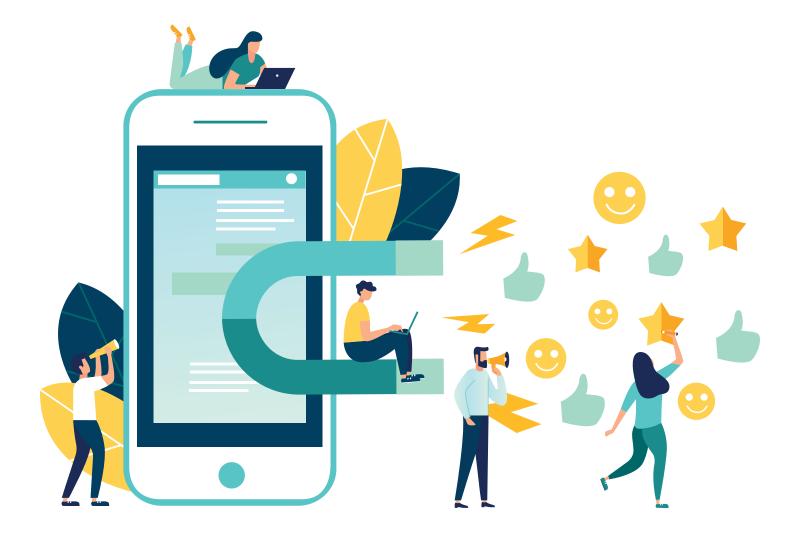# PROFORMEX

Four Ways to Avoid Being Forced Into Missing Client Engagement Opportunities

WRITTEN BY

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The insurance world is ganging up on you to prevent you from engaging with your client. Preposterous? Perhaps, but you should at least hear us out before dismissing the premise. Let's start with a little exercise first. Think about your business over the last year and answer the following questions.

Question	Example Answer
How many new products did your clients purchase last year?	**100**
How many times per year will you interact with the client or their products?	**2x**
Total New Interactions Each Year	**200**

In our example, we're assuming we'll have an annual statement and one client touch point over the upcoming year. That seems manageable, and your number probably does too.

But, what if we're both grossly underestimating the number of interactions? What if we told you that you should triple or quadruple your expected touch points to match the reality of you and your staff over the course of a year?

Two expected touch points triples to 6 and quadruples to 8. That turns 200 into 600 - 800. More intimidating? Sell that same number of products every year for 5 years with 8 interactions, and you're looking at 4,000 interactions for you or your staff each year – on top of what you started with 5 years ago! Are you more concerned yet?
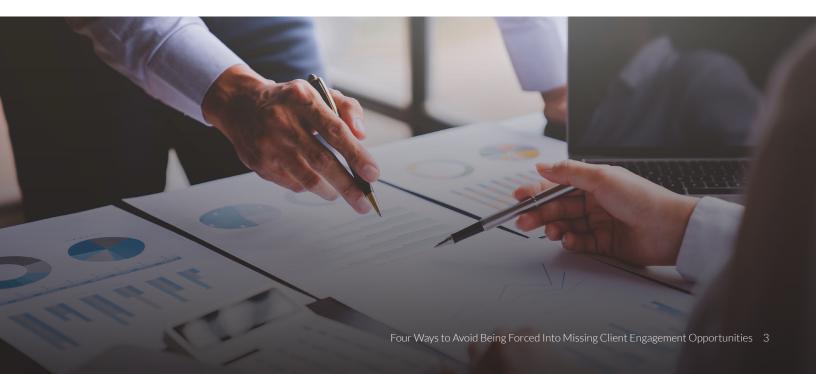
How did we arrive there?

An interaction is anything from an inbound client call or email to copies of statements to your own proactive outreaches – an annual review, a client check-in, or sending a newsletter. The number will vary by type of product (variable vs fixed), importance of the client, client behavior (you know the one who always pays way late every year), and even how the insurer communicates with you. Think about it. Clients will call you when they have a question, need a change, or don't understand a letter they received. You'll get annual statements and transaction confirmations – but you may also get quarterly statements, lapse pending, or billing notices. What about carrier emails that say "your client has received an important communication" – and then force you to log into the carrier website to find out it was a privacy notice mailing? It's an interaction, and every interaction takes time whether yours or your staff's.

Tripling or quadrupling the interactions doesn't sound so outlandish now, does it?

With this mass of interactions, something is going to get relegated to the back seat. What is it in your organization? Who gets less time from you? Is it your small customers or your big clients? Do you stop following up on lapse pending notices? Do you ignore annual statements? Or, do you get so lost in the mountain of paper, email, and web communications that you fail to be proactive in your client communications on things like term conversion opportunities or reaching out to identify new needs?

If you don't manage your interactions, your interactions will manage you! You simply can't effectively or efficiently operate in a world where insurance company communications drive a large portion of your organization's time. You must be more efficient and selective while still meeting any regulatory and ethical requirements. You simply can't afford to let the tail wag the dog when it comes to interactions. Your marketing interaction and relationship strengthening opportunities can't take the back seat to privacy notices and routine transaction confirmations. You can't stop the deluge of material headed your way, **but how can you avoid letting it control you?**

First, you need to limit yourself as much as possible to operating in one electronic ecosystem. Said another way, you need to be operating in a consolidated system with data feeds from multiple insurance companies. This needs to have all the information you need for each policy. Limit your use of carrier websites for data acquisition to unusual circumstances because these sites just slow you down and make you less productive.

Second, you need to be able to easily identify and act upon situations where you want to initiate a client interaction. You should operate in a system that tells you when there's a problem or an opportunity and lets you take appropriate actions. If these can be largely automated, that's even better. For example, we know that clients convert a very small number of term policies, but they're lucrative when they do. So, you should be sending out notices about them. Not doing so is like having a boat full of baited hooks and never bothering to put a line in the water to catch a fish. Is your current system giving you baited hooks, or is it just putting lines in the water?

Third, you need to find ways to communicate with your clients that aren't always driven by bad news. Finding positive reasons to communicate with your clients will make them more likely to open your communications and react. You can't simply communicate when there's a problem and expect to maintain the trust from the initial purchase. You have to build and reinforce that trust over and over. Building and reinforcing trust has a side benefit of shortening the sales cycle too!

Fourth, you need to be strategic in your product and carrier selection. We're not talking about payouts here. You need to choose to do business with insurance companies that have systems to help automate service – not just shortened underwriting processes. Do they have a system where you can preschedule inforce illustrations to be triggered? Do they embrace electronic forms and signatures, or are they stuck in the pen and paper days? Do they shift service burdens to you, or do they carry a fair share? If a carrier's only claim to fame is shaving a week off their own sluggish underwriting time, does that really help you much over a multi-decade long client relationship period? Wouldn't you be better served by using carriers that make you faster and more efficient on the post-sale tasks too?

Want a bonus idea that's pretty far fetched?

Insurers need to recognize the burdens of independent advisors that use multiple companies. What if insurers had to embrace one or two common service platforms? What if the insurers fed data, documents, and processes into a common system with original documents, current values, the ability to generate new inforce illustrations, and capabilities to handle common service actions like basis/gain quotes, address updates, distributions, or billing changes? The benefits for all parties would be exponentially better! Sounds awesome, where do you sign up, right? Unfortunately, we're a long way away from that dream land. Insurers build things in their own microcosm and resist the calls for common reporting that the investment world embraced many years ago.

So, for now, control what you can control and choose your business partners wisely. Choose to employ systems that work with multiple insurers and products. Embrace data feeds. And most importantly, don't let the inefficiencies of the insurance world control you: **you take the steps necessary to call the shots on your client engagement.**

About the Author

Hello, I'm Mike Pepe, the founder of Proformex. Throughout my career, I've come to understand the importance of safeguarding families and legacies with life insurance. Realizing the limitations of a manual inforce life insurance monitoring process, I knew there needed to be a digital solution to reach and protect more policyowners' investments in insurance.

In 2016, I capitalized on my nearly 20 years of life insurance policy expertise by launching Proformex, an all-encompassing platform that helps fiduciaries, financial planners, insurance brokerages and agents monitor, manage and govern their life insurance policies. Our SaaS solutions are designed to proactively alert customers of potential problems with their life insurance policies and protect against degradation and asset erosion.

About Proformex

Proformex is a data and technology platform purpose-built for financial professionals and institutions to manage life insurance and annuity assets. With deep data and technology expertise, Proformex connects customers to critical information about their lfie insurance and annuity businesses and helps them make better informed, data-driven decisions. With Proformex, financial professionals have the technology tools needed to proactively manage life insurance and annuities and enhance value for their clients.

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