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The Chase is On

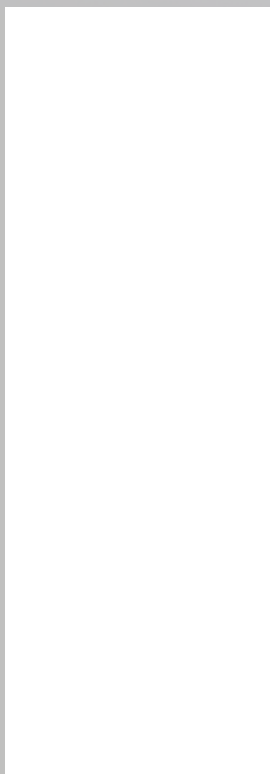
33 Percent of Police Pursuits Result
in Property Damage, Injury, or Death

Burning Down *Your Own* House

How Will Your Mutual Grow?

When the Economy Is Down, Foul Language Is Up

A Humble Leader



How Will Your Mutual Grow?

Mutuals Are Perfect Models of Organic Systems

By Bernard Rosauer

Like most of you, I think a lot about ways to acquire and retain policyholders. Recently, as I sat across the table from the CEO of a mutual company prospect, listening to the challenges and frustrations, my mind admittedly began to wander off a bit thinking about a couple of things.

As I gazed out the window – half listening and half searching for answers – I thought ‘here we go again ... same story, different company.’ I looked back at the CEO and saw the same sense of frustration and even perhaps desperation I almost always see. “Where’s my future market? What’s happening to our agents? Who will be in control in 10 years? Will we even exist?” All good questions ... or should I say problems?

I commended the CEO for facing his problems head on even if he wasn’t sure about exactly what they were, much less whether there were any remedies. My research into what drives really great companies (all companies, not just insurance companies) resulted in the finding that the very best truly believe that problems are good. They do not ignore problems and they do not look down upon the people aligned with them. To the best, problems are simply barriers to perfect flow between company and consumer. Taking hold of the problems, understanding them down to their root causes and working to resolve them, is not only a skill that employees at those companies acquire, it’s a mindset that leads to a lot of good things – not the least of which are innovation and long-term profitable growth.

While the biggest problem facing mutual insurers is the problem of consumption (getting consumers to consider, purchase and stay), the problems of provision (work



and costs involved in making insurance available and servicing it) are equally important. This is because waste often exists in both consumption *and* provision, and policyholders end up paying for both.

My prospect was on his way to understanding his problems. What he had not yet learned was that the solutions to his provision problems would also result in the funding of innovation and growth, both mainly problems of consumption. When I explain that to him, intuitively, he'll think it makes sense. But when he actually sees it happening is when the real learning and acceleration of excellence will begin to pay off.

Organics and Insurance?

Because significantly penetrating a market does not happen by offering satisfaction alone, the problems of consumption often must be overcome by innovation and creativity.

To optimize success, the company needs to find a way to be remarkable. And while my normal recommendation is for companies to clean up provision before investing in innovation, there's something happening in today's marketplace that I believe needs to be pointed out. It's something that all mutual companies, especially the regional mutual companies, and agents should think about as they approach prospects and work to retain existing business.

The economy, the environment and even Washington's well-marketed effort for pushing for people to serve, all seem to be converging. With this new awareness, consumer needs are also changing, and there are many reasons to believe that it may be taking place in more than a geographical pocket or two.

Some, this writer included, believe that during the past few years our country has held up the proverbial mirror and didn't like everything it saw. Many believe that there's a need to improve our core so that future generations can define and experience wealth in more than financial terms. If this thinking is a big wave heading our way, and I believe it is, what are you doing to position your company for being remarkable to the changing mindset? Will you ignore it? Will you support it? Will you ignore it and then support it after seeing that others are winning by supporting it? Too late and you lose.

Mutual insurance companies, regional carriers in particular, are perfect models of systems that are organic. They serve and employ locally, in most cases they use local vendors, things that need to be sent to their customers are less likely to need to be flown (saving fuel), charitable donations impact the local community and, of course, profits are shared within the company, fostering long-term health and profitable growth. At a time when doing the right thing stands in stark contrast to what people believe – that the stock market is driven by an overabundance of greed – the mutual way seems to be what consumers are looking for.

For the first time in a long time, being insured by a mutual company may be remarkable and increase the likelihood of retention and referrals, two things that result in healthy, long-term profitable growth.

The organic tide is turning. Catch the wave early and ride it long. It's likely to be a big one. ■

Bernard Rosauer is the president of Evenbetteryet, LLC, an insurance-specific leadership education and growth strategy consultancy based in the Midwest. Mr. Rosauer is a former claims executive who spent over two decades working within the operations of three Ward 50® carriers. He also spent six years researching policyholder retention, loyalty and organic growth, which resulted in the development of a methodology for maximizing retention and the likelihood of referral – two things he says companies must be able to do in order to be successful in the long-term. You can contact Mr. Rosauer by visiting www.evenbetteryet.com or by calling 920.716.1284.

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