



SOCIETY OF ACTUARIES

Article from:

News Direct

September 2005 – Issue 51



THE TROUBLE WITH WORKSITE MARKETING

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This article is based on a presentation made by Ron Kleiman at the Annual Conference of the Professional Insurance Marketing Association (PIMA).

If you want to sell insurance, the worksite is a terrific place to do it. After all, it is a place filled with people—people healthy enough to work, people earning an income, people with an efficient and dependable means for sending in payments.

There are two major challenges in trying to reach large employer groups; both can be found in the name “worksite marketing.”

The first is the worksite. To start with, the employer may think it is a place to get work done, not to sell insurance. If the employer will permit you to enroll employees, trying to reach them can be a challenge. The worksite may be scattered over many locations, and multiple shifts may be part of the operation. Reaching new hires during the year makes contact even more challenging.

The second challenge is the marketing. Why would a large employer want someone taking employee time to sell them insurance? Employers fear arm-twisting enrollments that make employees uncomfortable.

A Different Vision

There is an innovative solution that addresses both of these challenges. Instead of offering just voluntary benefits, the solution is to offer all benefits for clients, both core and voluntary. Best of all, there is no work interruption and service is available every working day of the year, so new hires are fully accommodated. How is this done?

Call center enrollment is the key. My company calls the process “tele-enrollment.” With this methodology, employees call to enroll for their benefits, either as a new hire or at open enrollment. They are often calling from home, typically with a spouse involved. There is no need for any work interruption and it does not matter where the employee is in the country (or occasionally out of the country.)

Employees call a toll-free number that is answered in their company’s name. They connect to a live benefit representative, not an automated system. As far as the employee knows, he or she are connecting to their company’s own enrollment center.

Many employees don’t like automated systems, particularly Web-based self-service programs. They feel self-service is an oxymoron. If you’re doing it yourself, it is not service. While those programs may be very efficient at recording decisions, they do little to help employees make their benefit decisions or appreciate their benefits. They are just not effective communication systems.

Workbook Concept Grabs Attention

My firm uses a “tele-enrollment” workbook concept to help imprint the messages during the phone enrollment. The employee has a copy of the workbook as part of his or her benefit enrollment materials. Basically, it is a series of pictures of the computer screens the benefit representative is working within



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the enrollment center. By following along in the workbook and filling in personal information as the presentation progresses, the employees get and retain the messages better than with any other more traditional method.

Making Enrollment Affordable

While this level of service for employees is usually too expensive for employers to provide, we have found a way to fund the process so that everyone wins. Basically, by working with clients to find a voluntary

benefit or benefits that the client would like to make available to its employees and letting employees enroll along with their other benefits, it is possible to fund the enrollment process without charge to clients.

By providing core benefit enrollment, the employer has a reason to put such a process into place. Because there is no insurance sale, just benefit enrollment, the employee never feels he or she is being sold something. And employees like having more benefit options. ■

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Cross-Sell to Bank

Two-for-two—not bad so far. But how about the third gauge of successful cross-selling? Have agency acquisitions proved to be the cross-selling boon many expected? The answer is “yes and no.”

Some banks entered the insurance business with the expectation that insurance sales would reach across the full breadth of their customer base, growing revenues while helping to secure and retain customers. But results have been less broad-based. Why? Because the core banking customer base is comprised primarily of small businesses and individuals. Conversely, the sweet spot for most insurance brokers is middle market and larger businesses.

This apparent mismatch has narrowed the scope of most cross-selling efforts. Yet collaborative efforts between commercial lenders and commercial insurance producers are producing results worth noting, often contributing 25 percent or more of an agency's total annual new production.

Conclusion

The banking industry is now a permanent and growing component of the insurance distribution landscape. It is proving to be a legitimate participant and, for many, a tough competitor. Although broad-

based cross-selling has not yet been realized, other achievements have been made. Acquired agencies have generally helped to diversify the bank's revenue sources while contributing to shareholder value. And, at least with middle market and larger commercial lending customers, some banks are now positioned as the full-service financial solutions providers they have long aspired to become. ■

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NEWSDIRECT IS PUBLISHED AS FOLLOWS:

PUBLICATION	SUBMISSION
DATES	DEADLINES
January 2006	November 1, 2005
May 2006	March 1, 2006
September 2006	July 1, 2006

In order to handle files efficiently, please e-mail your articles to the newsletter editor as attachments in either MS Word or Simple Text files.