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Independent Agents Can Reassure Homeowners During Difficult Times

By: *Jeff Holmes*

Many people who have lost jobs or been furloughed due to the pandemic are struggling to pay their mortgage and feeling the stress and insecurity that comes with it. In this environment, they may welcome a check-in from their independent insurance agent about how their insurance will protect them until we reach a new normal.

Whether it's professionals discovering they need additional homeowners insurance, families that have college-aged kids or elderly parents moving in with them or those investing time and energy into home improvements, many will welcome advice on how to save money and get additional protection for their homes.

Covering the basics with clients will instill trust. Taking the conversation a step further to show them ways they can save money while protecting their home through life's challenges can build loyalty and help them feel better.

The Benefits of Keeping the Same Independent Agent

Homeowners are at an advantage when

they already work with independent agents who offer personalized client service, detailed product knowledge and access to a selection of insurance carriers with competitive rates. A trusted independent agent can give their client a clear idea of changing risks, what policies they need, why they need them and what the advantages are of one policy over another.

Agents should be sure to tell clients the reasons their loyalty is deserved. If clients are looking elsewhere for insurance to save a few dollars, agents should ask what they can do to change their minds.

Sometimes changing insurance means clients are left to choose their own coverage levels without the experience of an independent agent. For instance, a recent article in U.S. News and World Report discussed homeowners deciding if they want replacement cost coverage or actual cash value coverage for their home value. An independent agent can explain why replacement cost coverage is a better investment.

A client who leaves a trusted independent agent for a lower priced policy

could be left with little customer service, no answers from professional agents and no knowledge on specific coverages. Agents should educate clients on what they may be getting into — from 800 numbers with long wait times and canned answers to frequently asked questions to the significant exclusions of a cheaper policy.

Agents need to let clients know that working with the same independent agent on an ongoing basis provides reassurance and solid ground to review their policies and ask questions no matter what changes occur. Over time, a thorough independent agent will get to know each client well, asking about their family members, their occupation or business, their assets and goals. This enables them to spot changes and modify coverage as needed.

In the event of a disaster, having the right homeowners insurance can make all the difference.

With all the change that COVID-19 has brought, now is the time for agents to ask clients about specific home upgrades or changing family dynamics

and advise accordingly. Agents need to know if the family has grown, added an apartment above the garage, adopted a dog or had an elderly family member move in permanently. Perhaps the family business is now being run from home. Giving clients the opportunity to know them, agents can ensure these conversations run smoothly, save time and add transparency.

Clients will also want to hear ways they can save money based on their loyalty. These include:

- Offering loyalty discounts depending on how long the client has maintained a policy.
- Reducing a deductible without increasing their premiums the longer they keep their business (though this may be dependent on being claim-free).
- Rewarding clients for loyalty or new referrals with gift cards for local restaurants or flower shops or other low-cost options.

Preventative Home Maintenance

There are several ways home maintenance can reduce risks or save money on home insurance. In states that face frequent risk of earthquakes, hurricanes, tornadoes or floods, disaster preparedness is key to reducing clients' homeowners insurance costs. Talking with homeowners who are at greatest risk and reviewing their options for additional coverage is important.

Clients seeking to renovate their homes may want to bring their heating, plumbing and electrical systems up to date to reduce the risk of fire and water damage. This is a major investment, but the homeowner is taking a precaution that may prevent excessive damage.

HSH.com, a website for mortgage rates and information, offers consumers extensive ways to prevent home issues with a thorough "honey do" list of chores for monthly, yearly and seasonal upkeep for all parts of the home. Independent agents can share checklists with their homeowner clients so they know their homes are not at risk and systems are continuing to run properly. These include:

- HVAC filters — change every three months to ensure fresh air throughout the home.
- Water pipes — check for leaks around faucets and toilets, washer and dryer.
- Chimney — cleaned and inspected annually before the winter.
- Sump pump — test it in winter before spring water levels rise.
- Smoke and CO2 alarms — replace batteries and test often.
- Trim trees — trees or tree branches could be a liability if they fall on a neighbor's property. Be sure to trim trees annually.
- Inspect roof annually — check for leaks, infestations or damaged shingles and use a professional if the home is more than one story.
- Clean gutters frequently — ensure water flows and isn't blocked by debris.

Recommending these maintenance tips to homeowner clients can save them a lot of time and money down the road.

Ways to Reduce Risks at Home

A recent article from nbcnews.com stated that upgrades to home security can save homeowners significantly on home

insurance.

It noted that "insurers report that homeowners can save around 10% on their policies for installing home security, which adds up to \$108 annually based on average premium costs."

The article found that "a home security system is one of the simplest upgrades homeowners can make to reduce both policy costs and the risk of loss due to burglary, accidents and storms."

Water shut-off devices, storm safe windows and upgraded roofing are recommended to get discounts but are also much larger investments for a home.

"Some of these home improvement projects are expensive upfront, which means it could take years for insurance discounts to match what you spend on the upgrade."

Homeowners can check in with their agent if they are planning to upgrade significantly. Not all insurance companies offer discounts for these types of renovations. The agent can recommend systems to their client and share how much they can save on premiums with such a system.

Independent agents can be there for their clients in many ways, to save on their homeowners insurance, protect their homes for the long term and provide reassurance that can improve their well-being and lower stress as the ripples of the pandemic continue to impact everyone.

And giving this advice can be one way to help clients catch something everyone needs, a good night's sleep. ■

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