



# SPECIAL REPORT

## *The Essential New Agent Checklist To Win Clients and Avoid Lawsuits*

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You made it! You're a brand new insurance agent. Now what do you do? Training up to now has been educational, but far from practical, and the big, bad world is knocking at your door. Your biggest hurdles will be to find ways to influence new clients and stay out of trouble. That's why we developed this checklist! Some items may seem a bit obvious, even hokey, but they work and as you get busier it's important to review them to make sure you stay on track.

\_\_\_ Focus on customer service and customer satisfaction **first**.

\_\_\_ Disclose all facts needed to enable my clients to make informed decisions.

\_\_\_ Sell to my client needs, not my own. My approach will be **solutions-based**; helping my clients solve their insurance dilemmas by knowing their needs and financial objectives.

\_\_\_ Ask the **3 closing questions** to determine that my clients understand the product I am recommending:

- Have I given you all the information you need to make a decision?
- Does this information or policy make sense?
- Is there something else I can answer for you to assure you that this is the right solution based on your needs and objectives?

\_\_\_ Pay close attention to my client's need for **liquidity**. Products that fail to match a client's time frame should be avoided and those that fall short of a specific need supplemented.

\_\_\_ Spend **extra time with client applications** – a serious matter where mistakes can void a policy. I will make sure that my clients understand the importance of accurate information and the ramifications of mistakes – especially intentional misinformation.

*Essential Checklist for New Agents*  
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- \_\_\_ Never promise complete coverage if it is not possible to achieve. Rather, I will strive to provide my client the most **correct coverage available at the time of sale**.
- \_\_\_ Do my absolute best to spot and disclose **gaps in coverage**, even if it means my clients must purchase additional coverage elsewhere. My silence about inadequate provisions or coverage gaps is the same as a lie.
- \_\_\_ Offer immediate or conditional coverage to clients if it is within my authority to do so.
- \_\_\_ Always explain widely available options available on policies I sell.
- \_\_\_ Know the difference between policies I am selling and carry **specimen policies** to answer specific questions on coverage or terms.
- \_\_\_ Always use *reasonable care* and follow through in obtaining coverage. And, I will always act within *standards* of other agents in the same field.
- \_\_\_ Never make promises that exceed the limits of the policy I am selling.
- \_\_\_ In all my advertising I will follow strict consumer protection rules including the prior approval by my insurer, identification of my insurers, accuracy and truthfulness, realistic illustrations and quotes, fair comparisons and competitive references, real testimonials or endorsements and the fair treatment of all individuals I approach and serve. Also, my advertising shall not employ words, letters, initials, symbols or other devices which are similar to those used by a governmental agency, charitable institution, etc to mislead clients into thinking I am endorsed by or authorized by these entities.
- \_\_\_ To reduce client disputes, I will develop and *utilize client disclosure agreements* acknowledging any limitations in my services, policy options that were refused as well as client refusals to seek outside tax or legal advice. Posting a Public Policy (on a website and in my office) with regard to disclosures and referring to it in my ads and stationary will help if I forget to present a written disclosure form.
- \_\_\_ Follow strict procedures when using illustrations that involve showing all pages of the printout and explain to clients that it is a projection not a guarantee of future policy performance. Also, I will be careful not to highlight or change the illustration. In any casualty quotes or proposals, I will be very specific to match the quote to the specific coverage and avoid any language that implies the client is covered.
- \_\_\_ Always obtain a *specimen policy* for products I sell or intend to sell. I will study these policies and *know what they say and say what they mean* because ambiguity, whether in a policy or my presentation, will not be decided in my favor in any dispute.
- \_\_\_ Strive to learn as much as I can about the *underwriting of products* I sell in order to better place my client's coverage in an expedient and efficient manner because in any insurance transaction *time is working against my client*.
- \_\_\_ If I profess to have *special knowledge or expertise* in a field or product, I realize that I have assumed a *higher standard of care* that my clients depend on. In any dispute, I will have to

prove my special skills were used properly in accordance with rules of fairness and fiduciary responsibility.

- \_\_\_ Be certain that the insurers I represent are *financially solvent* at the time insurance coverage is placed for my client. Monitoring solvency after the sale may not be a legal responsibility, but it is a good measure of “preferred business conduct”.
- \_\_\_ Develop my own Privacy Policy to explain to my clients how and why I will protect the personal and financial information they have entrusted to me.
- \_\_\_ Never advertise or represent that an insurer or product as *safe* because of the existence of state guaranty funds.
- \_\_\_ Never make an untrue statement or derogatory comment about another insurer or competing agent.
- \_\_\_ I will witness clients signing papers and try never to simply leave them or mail them for later signatures where I am not present to witness.
- \_\_\_ I will strive to personally deliver issued policies promptly because it is “preferred business conduct”.
- \_\_\_ Develop *standard operating procedures and an operations manual* to help me be consistent in how I treat all clients, handle premium payments, document client conversations, review client policies, process applications and cancellations, respond to client inquiries and complaints.
- \_\_\_ Maintain good customer contact and always respond to letters, calls, voice mails and e-mails. And, since I am aware that virtually *all communications with a client is considered advertising*, my words will be clear, complete and balanced concerning benefits, costs, limitations and terms.
- \_\_\_ Take all client complaints and concerns seriously and be sure that they are resolved fairly and quickly. Where a dispute develops, I will not try to settle the case or ignore the duty I have to my errors and omission carrier.
- \_\_\_ Respect my clients right to privacy and safeguard any information I collect on them. I will *never* make a derogatory remark in my client’s file or reveal personal information.
- \_\_\_ Always make a note to my client’s file regarding any actions taken or proposed and I will create a paper trail of all conversations and reminders.
- \_\_\_ Review my client’s coverage annually. Where I have a special or long-term relationship with my client I realize that I may have a legal and ethical duty to monitor the appropriateness of these policies *after the sale*.
- \_\_\_ Make sure that any replacement policies are beneficial and understood by my clients. And, I will *document why* a replacement policy serves my client’s needs and objectives better than keeping the old policy.

- \_\_\_ Abide by all laws and regulations in my area.
- \_\_\_ I will not influence clients or prospects in thinking they will lose a right, privilege or benefit under any federal, state or local law if they fail to respond to my letter in order to make a sale.
- \_\_\_ I will not use an address so as to deceive as to my true identity, location or licensing status or that of my insurer.
- \_\_\_ I will not use the term *seminar*, *class*, *informational meeting* or substantially equivalent term to characterize the purpose of a public gathering if the real intent is to sell insurance without adding the words *and insurance presentation* immediately following those terms in the same type size and font.
- \_\_\_ If I am doing business with *senior citizens* I will be particularly careful to avoid any actions that might scare or intimidate like alluding to their loss of benefits in any way from Medicare or Medicaid. I will voluntarily withdraw any offer if I become aware that a prospective senior client may lack the short-term memory or judgment to knowingly purchase an insurance product.
- \_\_\_ I will not restrict or limit a client or prospective client from having other persons present at a meeting, including family members, financial advisors, attorneys, etc.
- \_\_\_ If I am meeting in a client's home, I will properly notify him that I am coming, either by phone or in writing.
- \_\_\_ At any meeting, my client has and I will honor his right to end the meeting at any time. And / or , I will end any discussions and leave the client's home immediately after being asked to leave.
- \_\_\_ Read and know the terms of my **agency agreement(s)** including all duties and responsibilities they bear.
- \_\_\_ If I refer a client to another professional, I will refer only to those I believe to be trustworthy and I will let the referred professional do his own fact-finding concerning my client's needs and objectives.
- \_\_\_ I will remember that I am also a **fiduciary** of my insurer and must always exercise reasonable care, skill and diligence on their behalf.
- \_\_\_ I will become a student of consumer protection issues and "agent blunders" because I can learn a lot about serving my clients correctly from the mistakes made by others before me.