

# Kapnick Price Advantage

Methods. Resources. Solutions.



People helping people...it's what we do best.

**KAPNICK** 

Price Advantage

*Over time the insurance transaction has been switched on to autopilot - with our business automatically following the same procedures, and yours expecting nothing more or less...the result is predictably mediocre!*



## The Hard Facts :

- In any given month, an underwriter has the resources to consider **only 25% of submitted risks**.
- Absent intervention, your risk starts with a **75% chance of not getting ANY consideration**.
- A typical insurance company has statistically declined your risk 7-8 times in the last 10 years.
- When a company does choose to compete, they statistically only have a 15% chance of prevailing against the incumbent carrier.
- More than 90% of underwriting submissions are simple replications of last year's submission. The underwriter is seeing the exact same thing again, year after year after year . . .
- More than 99% of underwriting submissions are delivered by email.
- An average submission will take up about 9 hours of an underwriter's time.
- The vast majority of underwriters' compensation has nothing to do with writing new business.

*Understanding and accepting these realities, it is clear that a new tactic is needed to distinguish your submission from the rest in the stack...*

## The Formula for Success:

- We proactively and systematically “pitch” your risk to the underwriter. Working with you we repackage your risk from the ground up and formulate a “story” that clearly explains why your company represents an opportunity for the insurance company this year.
- We find the underwriting problem areas and provide solutions up front.
- We complete the underwriters work for them; loss stratifications, large claims analysis, etc.
- We know the strengths and weaknesses of the individual insurance companies and “rifle shot” those companies we feel are best suited to perform for you.
- We use “Kapnick Klout” relationships with insurance company underwriters and management to leverage special consideration for your submission.
- Prior to delivery we discuss your submission with the underwriter, allowing us to personally position the submission most favorably. We also deliver a copy in person when time and geography permit.

**At this point, we are pretty sure your submission is in the short stack (the 25% that are going to be considered).**

*However - that is only half the battle, read on to see how we make SURE we ALWAYS get the best financial result!*



To reverse this trend we have adopted a new approach to the underwriting process to ensure you get the best available pricing: the Kapnick Price Advantage

## Underwriting - Some Assumptions:



- The underwriting process begins in a state of suspicion (worst possible outcome).
- The best possible outcome comes from a state of complete underwriting comfort.
- A genuine and vibrant negotiation only occurs between two interested parties.
- The traditional marketing process doesn't create ANY interested parties.
- People (underwriters are people) are more motivated to win when they have already committed resources to the outcome.
- The more resources they have committed, the more vested they become in the outcome.
- Treating the person and the process with more respect will produce a better outcome.
- **People enjoy getting out!**

### How do we address these issues?



Invite the underwriter to visit



Show him around your operation



Let him see what you are all about



Encourage questions, provide direct answers



When the underwriter leaves he will be much more comfortable with the risk

## “Insuring” the Financial Result:

- We invite interested underwriters out to visit you and your operation.
- You have been visited, but not likely by the underwriter. Underwriters routinely order loss control inspections. This “feels like” a visit from the company, but it contributes nothing to the sales process.
- A loss control inspection is nothing more than a light switch, Yes or No, for the underwriter to proceed.
- These visits allow the underwriter to get to know you and your operations. They see, smell and touch the business they are considering. They ask questions and hear your answers directly. In short, they leave much more comfortable with the risk.
- The underwriter is now deeply committed and vested in the outcome.
- You are not only in the 25%, but you are now at the top of that stack.
- The underwriter is now discussing your risk and operations in the office.
- Their success or failure will now also be a topic of office conversation.
- Put simply, you have now become the one risk that they **REALLY want to WIN!**





## Getting Started the Next Steps:

| Description | Party Responsible | Due Date |
|-------------|-------------------|----------|
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