



Saddle Up, Podner: Why Brokers and Agents Should Rope In Accounts Together

If you've seen the award-winning "Oklahoma!," you're already familiar with the cultural turf war summed up in one of the musical's key song and dance numbers, "The Cowboy and the Farmer Should Be Friends."

Like the homesteaders and ranchers immortalized on film, brokers and agents warily share the same territory. And, like their counterparts, they can benefit by focusing on shared goals. The farmers and cowboys engineered a happy ending by working together for Oklahoma's statehood. For brokers and agents, the common ground is sales.

Each year, Aflac conducts an annual survey measuring employer and employee attitudes about health insurance benefits, costs and communications. This year, for the first time, brokers were added to the mix and their opinions are summed up in the [Aflac WorkForces Report for Brokers](#).¹ Interestingly, when brokers were asked why they don't sell voluntary health insurance, among the top five answers – cited by 7 percent of all brokers and 19 percent of brokers at large firms – was "difficulty working with voluntary providers." In some cases, those brokers have difficulty working with agents who are the gateway to providers and their products.

The tension between brokers and agents is long-documented. And while some brokers have forged strong relationships with agents, others simply don't want to go there. But why? Top concerns often include agent professionalism, shared commissions and difficulties working with agents on multi-state accounts. Here's a look at those concerns, as well as tactics for overcoming them.

Agent professionalism

Insurance agents are like everyone else in the business world. Some might not be optimal work partners, but others are excellent allies. The latter conduct themselves with pride; they're articulate; and they're well-versed in industry regulations, product information and consumer trends. Perhaps most importantly, they're true customer-service professionals who build their businesses based on what accounts and workers truly want and need, and not on quick sales.

As a broker, how can you identify agents you'd be proud to align with? One way is by taking a look at the providers they represent. Top-notch insurers – those known for customer service, quick claims payment, reputable dealings and quality products – require agents to participate in comprehensive training programs. These training programs focus on professionalism and presentation skills, along with product knowledge, customer service, current industry regulations and even personal integrity.

Vet the agents you work with for strong values and ethics, and vet the providers they represent for fair dealing and integrity too. Quality providers take pride in their reputations and don't want to be associated with agents whose conduct and professionalism are questionable. What's more, these insurers welcome your input. If you have a good experience with an agent, call it to the provider's attention. Likewise, if you encounter an agent whose behavior is undesirable or unethical, be sure to alert the insurer to your concerns.

Shared commissions

No one likes to share, particularly when it comes to money. Brokers are no exception. Many find sharing commissions with insurance agents unappealing, and the reverse is also true. Sharing commissions is even less attractive as health care reform barrels down the tracks, bearing the possibility of reduced broker income.

With the imminent arrival of health care exchanges, many groups and consumers will turn to a government-run web portal to select their health care plans. This may indeed result in lost business and revenue for brokers, so they'll need to replenish their coffers by adding new products to their arsenals.

Brokers participating in the Aflac WorkForces Report survey based their responses on experiences with a variety of insurers. Many indicated increased voluntary benefits sales is one way they'll fill income gaps left by health care reform. Nearly half (46 percent) expect their voluntary sales to increase substantially in the coming year. To make that expectation a reality, brokers should reach out to agents and voluntary benefits providers. By doing so, they'll gain access to a new set of products that meets the changing needs of their accounts.

When it comes to building relationships, there's an old saying both brokers and agents should keep in mind: "Part of something is better than all of nothing." Together, agents and brokers can open doors they haven't been able to breach alone. Once they've crossed account thresholds together, they can use skills and knowledge – not to mention an arsenal of voluntary health insurance plans – to put money in the bank. Sure, that money will be divided into two accounts, but it's income that might not have been generated at all without an agent-broker partnership.

Crossing state lines

Some brokers are concerned about partnering with agents to serve accounts that have offices in multiple states. This concern can easily be overcome if the agent is affiliated with a provider that routinely oversees these types of accounts.

For example, some carriers have created designated teams that work with these geographically diverse employers and their workers. These teams gather information about an account and its locations and the information is used to develop servicing guidelines, lists of products that can be offered, information about sub-accounts and their billing frequencies, details on commission splits and an online enrollment system. In addition, at some insurance companies, only agents certified to work with multi-state accounts may do so. The result is a consistent experience at each company location.

Riding off into the sunset

As you can see, saddling up with an insurance agent or provider isn't as daunting for brokers as it sometimes seems. With patience and trust – and an eye toward achieving mutually beneficial goals – the broker and the agent can be friends. Or, if not exactly friends, at least learn to roam the same territory, working together to rope in accounts.

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Sources

¹ The Aflac WorkForces Report for Brokers was conducted for Aflac by Research Now in Jan. 2013, accessed Aug. 14, 2013 - http://www.aflac.com/broker_aflac_workforces_report/default.aspx