Independent Insurance Agents of West Virginia

THE WEST VIRGINIA INSUROR

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A NOTE FROM President Michael Winter

If you have kids, then August is a busy month with our kiddos returning to school! The little extra time we had is all gone and consumed with our kids' school related events. This is one of the reasons this month's article was late. I took my family on vacation this month and I also attended our Young Insurance Professionals Summer Retreat in Fayette County. I was out of the office several days and had to spend some time catching up with my work at the agency.

I want to thank everyone again for the great turnout we had during the Young Insurance Professionals Summer Retreat at Adventures on the Gorge. This wouldn't have been as successful if it wasn't for the last-minute push from our board members and the Association. We had over 30 members attend this year's summer event and I must say this was one of the best trips we have planned in years! This was my first trip to Adventures on the Gorge and I was surprised how nice the accommodations were. Everything was better than I expected! Attendees were able to mix work with pleasure while hanging out with fellow agents and company reps and participating in the adventures Fayette County has to offer.

I would like to personally congratulate Young Insurance Professionals for raising funds for our WV Agents PAC during the Pitchin for PAC Cornhole Tournament. They successfully were able to raise six hundred eighty dollars to help assist in the 2020 election season on a state level. I got to participate and throw a couple rounds and enjoy good company while raising money for PAC. If you have not yet donated to Agents PAC or InsurPAC this year, I encourage you to do so. Please feel free to reach out to the Association Staff and they will assist you in making a donation today.

On the last day we mixed some work into our schedule and had a panel, moderated by a representative of IIABA, discussing the challenges of hiring Millennials and Generation Z. After this discussion, our insurance commissioner, Jim Dodrill, spoke to our members about our industry and his experiences since taking office.

Please be sure to go ahead and register for our Investing in the Future Annual Convention, which will be held October 14th – 16th at The Greenbrier. We have a great convention planned and I look forward to seeing you all there!

Michael

Young Insurance Professionals Enjoyed The Summer Retreat

Thank you to our Associate Members Who Support IIAWV!

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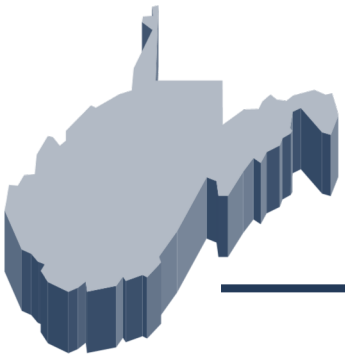

West Virginia News

Justice: Budget Surplus Nearly $37 million

The state has closed the books on the 2019 fiscal year and the budget ends with a $36.8 million surplus, according to information released recently by the office of Gov. Jim Justice.

"We've worked really hard, lifting West Virginia's economy out of 50th and turning it into one of the fastest-growing economies in the country," Justice said in a news release. "This past year, we brought in hundreds of millions of dollars more than we ever dreamed of and I'm so proud that we're using it to secure a better future for our people and our great state."

State law requires half of surplus amount, $18.4 million, to be placed in the state's Rainy Day fund. The other half is being placed in the state's Medicaid program, according to Justice.

When the taking the original estimates for the 2019 fiscal year budget, the state actually brought in $511 million above projections. Justice decided to adjust the estimates four times during the last six months of the fiscal year. The money was allocated to other areas, a lot of it to repair the secondary road system.

The news release from the governor's office also said the half-billion dollar revenue growth was more than one-and-a-half times the combined revenue growth the state had from 2007-2017.

"When I came in the door we were dead flat bankrupt. We were 50th in every category imaginable and we had a budget crisis every single year," Justice said. "Now, my plan to bring our economy back to life is working, with the help of our state Senate, House, and many others."

The state fell short of revenue estimates in July, the first month of the new fiscal year. It missed the mark by $32.9 million

Rainy Day Transfer Gets State Through Sub Par July for Revenue Collections

The state didn't start off the year on a positive note when it comes to revenue collections although the bottom line may not indicate it.

The state Senate Finance Committee, like it's done in recent months, released monthly revenue numbers before the governor's office did. That information shows the state collected $32.9 million less in taxes than it thought it would in July, the first month of the fiscal year.

The actual bottom line for July shows a $37 million surplus but that's because the Justice administration borrowed $70 million from the state's Rainy Day Fund to pay the bills in July. The money will be returned to the Rainy Day Fund by the end of September when collections catch-up.

State law gives the governor the option of dipping into the Rainy Day Fund for revenue shortfall when a new fiscal year begins. It's been done every year the fund has been available, state Revenue Secretary Dave Hardy told MetroNews Thursday.

"That allows us to continue to pay or bills on time, to make sure we pay employees and then within 90 days we reimburse the Rainy Day fund. So it's an interest-free loan to ourselves," Hardy said.

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Justice upwardly adjusted the estimates four times during the last half of the previous fiscal year. Those adjustments totaled $308.2 million. If Justice would have left his original estimate in place the state would have had a revenue surplus on June 30 of $305.4 million. Justice hailed last year as the best revenue collection year in the state's history. Justice had the legislature approve millions of dollars supplemental appropriations before the end of the fiscal year on June 30. Much of that money is paying for secondary road repairs.

Information released Thursday said personal income tax collections for July were off by $16.6 million. Consumer sales tax also fell way below estimates, missing the mark by $7.4 million. Severance tax collections fell below estimates by $3.4 million. Hardy said you can't base an entire budget off of one year. He said the state's economy remains strong, adding July is historically a very "fickle" month for state revenues.

"It's a month when the numbers are likely to swing one way or the other. July is not a good predictor month," Hardy said.

The U.S. Department of Commerce announced last week West Virginia led the nation in the percentage of GDP growth in the first quarter of this year. Hardy said there's no reason to believe the economy has reversed course.

"There's no data that I'm aware of that would indicate otherwise," Hardy said. "It always accurate to say that one month does not make the whole fiscal year."

Hardy declined to comment specifically on the revenue collections for July. He said his department was still analyzing the numbers. Hardy indicated the governor's office would announce the numbers sometime next week.

Independent Insurance Agents of West Virginia

Presents

2019 Annual Convention

October 14th – 16th, 2019
The Greenbrier Resort
White Sulphur Springs, WV

PLANNING FOR POSITIVE GROWTH, WHILE INVESTING IN YOUR FUTURE

Federal & Miscellaneous

Democrats Propose Increasing Payroll Taxes to Maintain Social Security Solvency

Recently, at a House Ways and Means Committee hearing, Social Security Administration Chief Actuary Stephen Goss told lawmakers that legislation to raise payroll taxes through 2043 would yield "sustainable solvency" for Social Security. Specifically, the "Social Security 2100 Act," (H.R. 1902) would gradually increase the payroll tax rate to 14.8 percent from 12.4 percent and impose the tax on earnings over $400,000 per year.

Democrats said Rep. Larson's legislation will enact changes that would benefit future generations, while Republicans argued that the bill is nothing more than a tax hike that would hurt businesses, workers and the overall economy. Rep. Larson has said the House Ways and Means Committee will mark up his legislation when lawmakers return from the August recess in September. The bill is unlikely to pass a GOP-controlled Senate.

Trump Signs 2-Year Budget Deal

President Donald Trump signed a two-year, $2.7 trillion budget agreement Friday that wards off $126 billion in automatic spending cuts and suspends the debt ceiling through July 2021, according to a senior administration official.

The deal does not fund federal agencies, with a government shutdown still possible at the Sept. 30 end of the fiscal year. The House and Senate must still pass a dozen fiscal 2020 funding bills, which Trump must also sign.

The bipartisan budget package increases military and non-military spending by $320 billion above the budget caps that would have taken effect if Congress failed to stop sequestration.

Under the deal, defense programs would see a 3 percent hike in fiscal 2020, topping off at $738 billion. Non-defense programs would increase 4 percent over current levels to a total of $632 billion, which includes a $2.5 billion adjustment for the 2020 census.

The agreement also includes about $77 billion in offsets, which are expected to kick in near the end of a decade and are unlikely to take effect.

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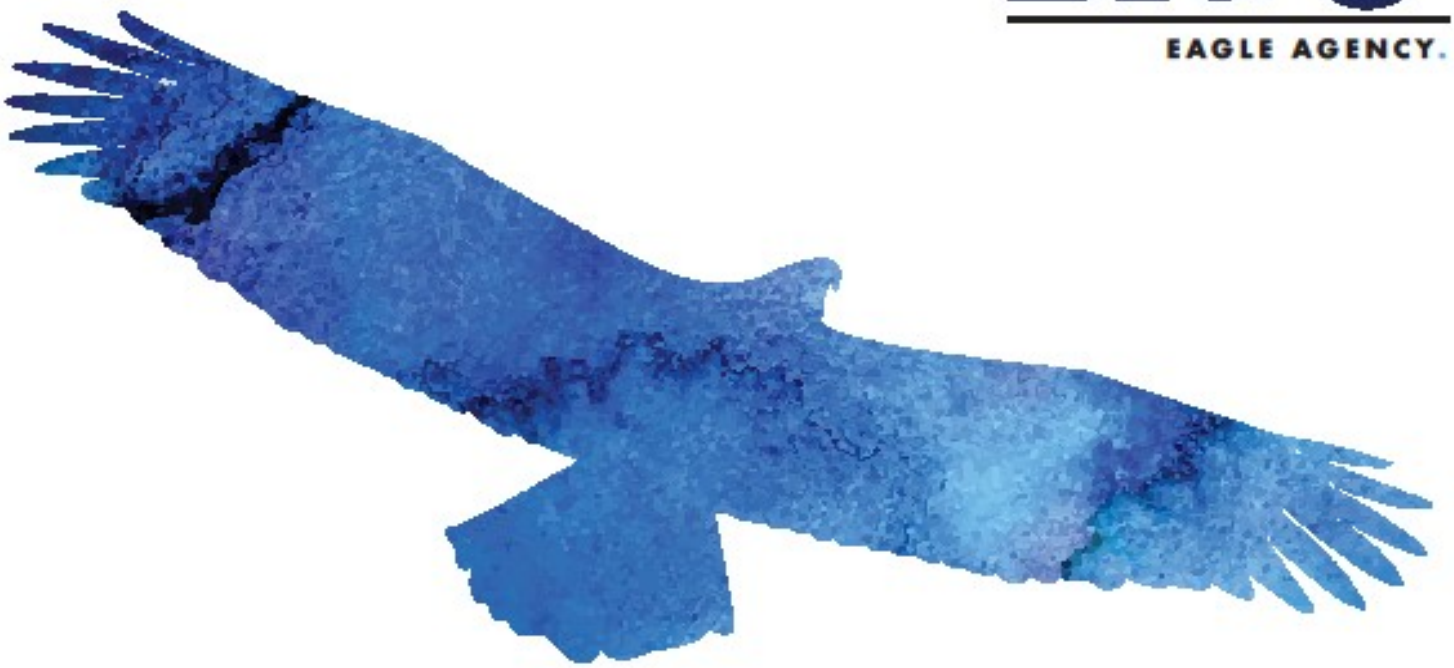

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Here Is How Agency Owners Faired Under President Trump – A Detailed Report

Independent insurance agents and agency principals overwhelmingly supported Donald Trump over Hillary Clinton in 2016 – by 71 to 19 percent, according to a Financial Institutions Institute survey conducted right after the election.

Two and half years after Trump's inauguration, things have been pretty good for the industry. Part of that is attributable to a cyclical economic expansion that may have happened anyway to some degree. But insurance agents and agencies, as well as the industry as a whole, have benefitted substantially from the Trump presidency.

Specifically, agencies benefitted from tax cuts, an improving economy, increasing consumer disposable incomes, favorable pro-business regulatory changes, and a generally hardening market that boosted premium rates across most lines – and with them, agency revenues and profits.

Tax Cuts
Most taxpayers benefitted from the Tax Cuts and Jobs Act – the sweeping series of tax cuts passed at the end of 2017. Both corporate and personal income tax rates and capital gains rates were cut across the board.

From the agency perspective, though, the most significant aspect of the Tax Cuts and Jobs Act was the resounding policy victory achieved by the Independent Insurance Agents and Brokers of America.

The vast majority of independent insurance agency practices – about 80 percent - are legally organized as pass-through entities. These include both S corporations and limited liability companies (LLCs).

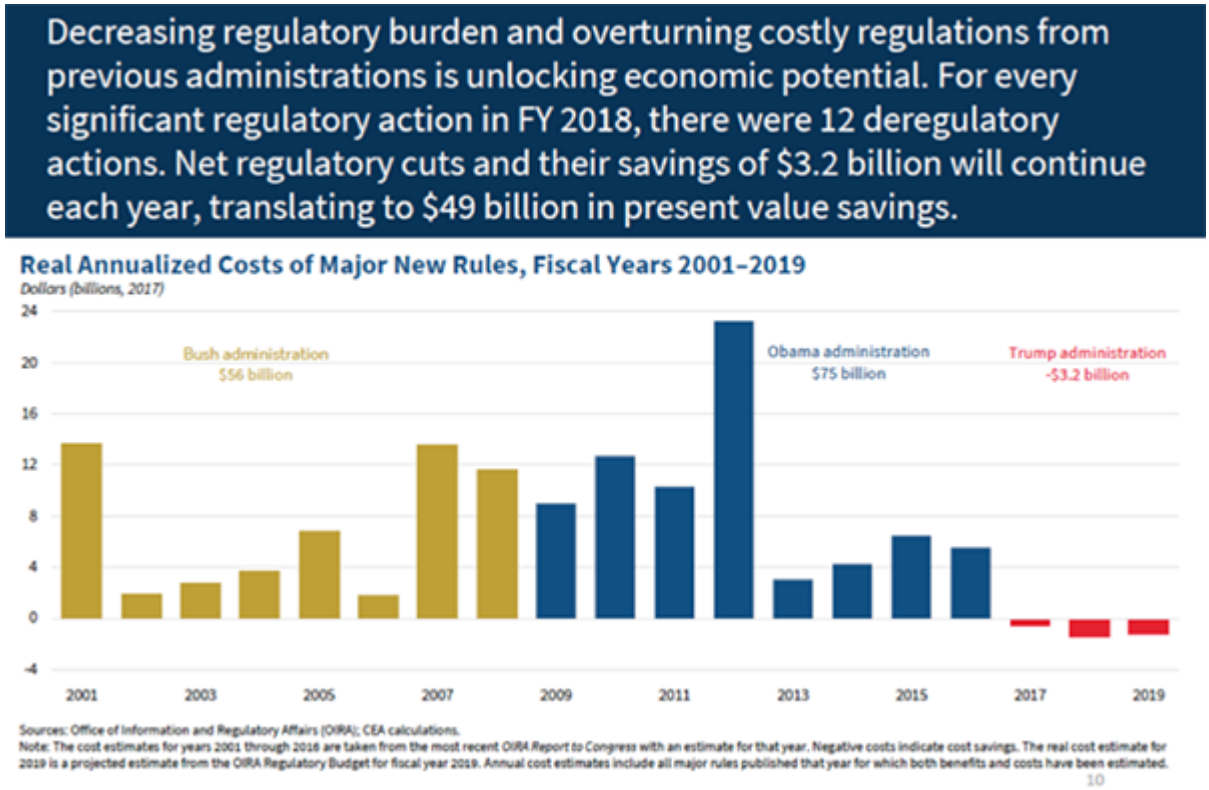
The tax reforms championed by the Trump Administration over ferocious Democratic opposition included a significant tax break for pass-through entities: S corporations, partnerships, trusts and sole proprietorships are now allowed to deduct up to 20 percent of qualified income from these businesses on their personal income tax returns. Since C corporations also saw a significant tax cut in the corporate income tax (20 percent of Big I member firms are C corporations), the intent behind this tax cut, called the Section 199A Deduction, was to allow these generally smaller businesses to benefit from the tax cut plan.

A Regulatory Victory
There was initially some doubt about whether independent insurance agencies would qualify for this favorable tax treatment. At issue was whether the IRS would consider insurance agencies to be "engaged in a specified service trade or business." The insurance industry prevailed, and now principals of all agencies, whether big or small, can deduct up to 20 percent from qualified income from their insurance businesses, no matter their personal income levels. The Section 199A deduction was made available for the first time on the agency owners' 2018 federal income tax returns.

The result was a quick increase in agency cash flow and profitability for agencies across all insurance lines.

Trump's Impact on Life and Annuity Lines
The insurance industry also scored a victory in convincing the Department of Labor to scuttle the planned Fiduciary Rule, which was opposed by some 86 percent of agents polled. This rule would have put substantial burdens on insurance professionals and agencies involved in offering retirement advice. The DOL's decision not to pursue implementation was a major plus for the life and annuity segments of the insurance industry.

Regulatory rollback
This particular regulatory victory was specific to the insurance industry. But agencies and their principals also benefitted from a much more business-friendly regulatory environment across the board. This graphic from the Small Business and Entrepreneurship Counsel depicts the estimated costs of major new rule changes each year for the last 18 years.



Agencies benefitted from a more favorable financial and employment regulatory environments: Between 2001 and 2016, the Federal government added an average of 53 economically significant regulations each year. Since January 2017, the average has been only 4, according to a report from the Council of Economic Advisors. And that doesn't count deregulatory actions.

Improving Macroeconomic Conditions

Economic growth and consumer confidence have been expanding faster than expected over the past two years. According to the Small Business Administration, the Small Business Optimism Index shot up immediately upon Trump's electoral victory, from 95 to 102. As of this writing, the Index stands even higher, at 103.3. Businesses have been expanding and hiring. As a result:

Unemployment is at an 18-year low, at 3.8 percent, and job growth is high;

Long-stagnant wage growth has been trending upward.

Homeownership and entrepreneurship rates have increased.

The combination has been increasing demand for many different insurance products. P&C agencies have benefitted by selling all manner of business insurance policies and homeowner's insurance policies to new homeowners – and increasing premiums as coverage expanded to cover increasing house prices.

The ACA

Both health insurance agents and small businesses, in general, were greatly interested in the fight over the controversial Affordable Care Act. President Trump vowed to repeal and replace the entire law. Ultimately, though, Republicans were rebuffed in a close vote (and by the late Senator McCain's dramatic "NO" vote) in their efforts for a broad repeal.

However, the Trump Administration and its Congressional allies did manage to effectively repeal the mandate by setting the penalty for not owning health insurance to zero, and in putting off the tax on so-called "Cadillac tax." This tax, enacted as part of the ACA, would assess a 40 percent tax on all employee health plans with costs exceeding a certain amount.

The Cadillac Tax was ferociously opposed by insurance industry groups, including Big I. "This destructive tax will do irreparable damage to the employee benefits marketplace," wrote the insurance group in a release. "It is imperative that Congress protect the employer-sponsored health care system for the 181 million Americans who depend on it. The Big "I" looks forward to continuing to work with the Trump Administration and leaders in Congress to ensure this tax never sees the light of day."

Insurance industry advocates managed to convince Congress to postpone the Cadillac Tax until 2022.

Cannabis Safe Harbor Legislation Introduced in House

Recently, legislation was introduced in the U.S. House of Representatives to provide a comprehensive federal safe harbor for insurers—including independent agents and brokers—to protect them from criminal and civil liability when offering insurance coverage to state-legalized cannabis businesses.

H.R. 4074, the "Clarifying Law Around Insurance Marijuana (CLAIM) Act," introduced and sponsored by Reps. Nydia Velazquez (D-New York) and Steve Stivers (R-Ohio), would prevent federal criminal prosecution and civil liability for agents, brokers, and insurers, their officers, directors or employees. This legislation would help consumers who may have direct or indirect contact with state-legalized cannabis businesses to access insurance products and services and utilize the protections they offer. Finally, the legislation would enable agents and brokers to comply with state statutory and regulatory requirements.

"Without this legislation, insurers will understandably be reticent to insure businesses operating in the cannabis sector," Rep. Velazquez said in a statement. "This means a legal cannabis distributor whose product is ruined from a flood or fire could lose all their capital and their livelihood. This bipartisan bill corrects these problems and I'm proud to introduce it."

Of note, the "CLAIM Act" was also introduced in the U.S. Senate by Sens. Bob Menendez (D-New Jersey), Rand Paul (R-Kentucky), Jeff Merkley (D-Oregon) and Kevin Cramer (R-North Dakota). In both the House and Senate, the Big "I" was the largest independent agent and broker trade association advocating and working on the legislation and, along with a group of other trade associations, issued a letter supporting the legislation.

DOL Adds Small Business Retirement Plan Options

Last year, President Trump signed an executive order directing the Departments of Labor and Treasury to consider changes to make it easier for businesses to join together to offer Multiple Employer Plans (MEPs), which the order refers to as Association Retirement Plans. In keeping with that directive, on July 29, the DOL made public its final rule on the plans, to take effect Sept. 30, 2019.

The DOL altered the definition of "employer" under ERISA to allow 401(k) or similar defined contribution plans to be offered by existing organizations such as local chambers of commerce or associations formed to administer MEPs, or professional employer organizations.

The intent is to reach the 38 million private-sector employees without access to retirement plans through their employer by creating incentives and greater economies of scale for small businesses. However, as the rule explains, "MEPs' scale efficiencies may not always exceed the scale efficiencies from other providers of bundled financial services used by small employers that sponsor separate plans…MEPs, unlike large single-employer plans, must themselves incur some cost to distribute retirement plans to large numbers of small businesses."

The rule coincides with consideration of the "Retirement Enhancement and Savings Act" (RESA) in Congress. The provisions from RESA eliminating regulatory barriers and allowing MEPs to adopt IRA-based plans were also contained in the "Setting Every Community Up for Retirement Enhance Act," as reported in News & Views in May. However, unlike the legislative proposals, the DOL final rule does not include open MEPs by unrelated employers. The DOL instead issued a request for information on open MEPs due Oct. 29, 2019.

Equipment Breakdown: 4 Coverage Details to Discuss with Your Clients

As more and more businesses rely on mechanical and electrical equipment—and system interdependency and complexity increases—equipment breakdown insurance is a must-have coverage for today's commercial client.

When a breakdown interrupts a business's operations, equipment breakdown coverage is generally designed to pay for the cost to repair or replace broken-down business equipment, machinery or technology, as well

as any income lost in the process. However, in today's commercial environment, the coverage has grown to mean much more.

When insuring a commercial client's equipment, make sure you discuss these four coverage elements:

1) **Inspections and maintenance.** Commercial equipment requires upkeep to ensure efficiency and longevity—some more than others. Moreover, in some industries and states, checkups and inspections to guarantee certain standards are a business requirement.

"Jurisdictional inspections are a unique service associated with the equipment breakdown line of coverage," says Bill Murphy, vice president, global product owner, Hartford Steam Boiler. "Optimally, it's important to provide coverage that's supported by a provider that has a jurisdictional capability to fulfill that requirement on behalf of the insured."

And for commercial clients who are reliant on their machinery, routine maintenance is another must. Jeff Widdows, Agribusiness Practice technical specialist, Agriculture Division, PayneWest Insurance in Yakima, Washington, writes business solely for the tree fruit and hops industries and emphasizes the importance of employing a maintenance team.

"Almost every cold-storage warehouse client has a refrigeration maintenance team," Widdows explains. "It's critical that the team knows what they're doing, they're well-trained and they're able to perform the functions properly so we don't run into costly wear-and-tear-type exclusions."

2) **Limits and sublimits**. Just as exposures vary across industries, each exposure's potential cost does, too. Confirming that a policy's limits are high enough for each business is an area where insurance agents can demonstrate their expertise and ensure their clients are properly protected. "It's about the uniqueness of the industries and catering limits to those additional coverages," says Murphy, who compares two different types of clients and how their limit requirements may vary.

"If you a look at a food processing warehouse, particular attention must be paid to perishable goods, their value and making sure an adequate limit is provided," Murphy explains. In contrast, "if you look at an extremely large office building, attention must be paid to making sure there's an adequate extra expense limit because there might be a catastrophic event that could require folks to continue working if they're displaced."

Another area agents can completely protect their clients with equipment breakdown coverage is by checking the policy for built-in sublimits and discussing them with the insured. A policy might include protection for business interruption, physical damage coverage for the equipment itself and extra expense, "but often, all of those things can be sublimited, which, depending on the specific characteristics of the risk, may be inadequate," says James Eades, executive vice president, chief brokerage officer with Arlington/Roe in Indianapolis. "We always look for what the potential lost income could be and may even put a separate limit on that coverage."

3) **Time-limit deductible.** One caveat of equipment breakdown coverage is that "a lot of carriers have a three-day waiting period on business interruption claims," says Dain Wise, sales manager, INSURICA Express in Norma, Oklahoma. "Depending on the insured, those three days might mean the entire claim has to come out of pocket. You can pay more premium to waive it, but it can be really important, and it tends to get overlooked."

4) **Cyber coverage.** More than half of U.S. businesses have experienced a cyberattack in the past year, according to Munich Re's most recent Cyber Risk Survey. Of those businesses hacked, almost three-quarters spent $5,000 or more on the attack, while over one-third spent over $50,000.

Among the causes of a cyberattack were malware, viruses, denial of service, ransomware and cyber extortion, with data loss and business interruption cited as the most common consequences. As Widdows points out, for clients who rely on high-tech equipment to gather data or operate machinery, "the cyber intrusion component is a growing concern."

Following Up: The Surefire Method for Working Leads

Raise your hand if you or your team has ever dropped the ball on a sale.

The prospect was ready to buy, you had the correct product or service lined up, the stars aligned—but you failed to make the deal. It happens—but it becomes a problem when the reason for failure is a lack of follow-up.
It generally takes five follow-ups to close a sale. This applies to referrals, purchased leads and random walk-ins alike. So why do so many salespeople give up after just one follow-up?

Due to shifting market demands, referral rates continue to decline across the insurance space. That means your inbound leads, whether purchased or organically driven, are becoming increasingly more important.

Here are three ways to keep precious leads from falling through the cracks:
1) Follow up fast. The agency that responds to an inquiry within the first hour is more likely to get the sale. Your chances increase further if you follow up within the first five minutes. But you have to make it easy for the prospect to contact you fast, which means auditing your inbound sales process to improve speed and experience is vital.

2) Nurture the relationship. Not all prospects are ready to buy straight away. Remember a sale can take place anytime between the first day and six months into the sales cycle. This means you must frequently build customer data and retain prospects' attention over time to keep a lead warm.

3) Remarket. This is where you can use technology to blow past the competition. By leveraging user data, you can easily reach your ideal customer and find more just like them. For pennies on the dollar, you can continually market to prospects so that no leads fall through the cracks.

Becoming more efficient in how your team follows up with leads is one of the small levers that, when adjusted, can recoup major dollars for your bottom line. Here are four areas of your agency operations where lead nurturing will reap improvements:

- **Closing ratio**: We know that simply following up with prospects means more sales. But another facet of lead nurturing means spending more time with fewer prospects to win the best prospects. It's quality over quantity.

- **Average premium:** Ranking leads based on value and expected premium, then prioritizing your follow-ups accordingly, helps you focus on increasing average premiums rather than volume alone. A second approach is post-sale lead nurturing for cross-sell opportunities.

- **Quote volume**: Faster follow-ups translate to the ability to process more quotes.

- **Closing time:** Mathematically speaking, your sales cycle has the biggest impact on your agency's pipeline.

Therefore, even a slight decrease in the average amount of time it takes your team to close a sale will significantly improve your performance.

A new lead is the lifeblood of any agency. By implementing a robust follow-up system, your agency can blast past the agencies that don't.

3 Types of Content That Will Empower Your Sales Team

In a perfect world, marketing provides sales with valuable, relevant content that helps convert an interested prospect into a brand evangelist and lifetime customer. But we know it's not always that simple.

Sometimes not all the content the marketing department creates is relevant to every prospect at every stage of the sales process. And some businesses simply don't have the resources to generate all the different types of content necessary for every point in the sales funnel.

Aside from being a core marketing asset, content helps sales teams build trust with prospects, while also demonstrating authority in a particular field to reduce rejections. But identifying which pieces of content convert can be a time-consuming process.

Fortunately, there are a few tried-and-tested content pieces that can serve as the building blocks to the path to purchase.

Here are three types of content that will empower your sales team with the material they need to convert those all-important leads:

1) **White papers and e-books**. These resources are authoritative and provide an in-depth solution to a common problem within the business sector you're serving. But they are not an opportunity to simply pitch your business or promote a product. If they're well-written, they should indirectly position your agency as an expert in the industry without being too salesy.

The benefits of white papers and e-books are twofold: First, they help capture leads. Many businesses use them to collect data about people who have downloaded the content and use their details, such as email addresses, to contact them at a later date with additional marketing material.

Under the General Data Protection Regulation, those that have engaged with these pieces of content will need to opt in to receiving additional marketing correspondence in the future. But those who do opt in can be added to your sales funnel and nurtured into warm leads through a retargeting campaign.

Second, you can use white papers and e-books as ammunition to warm the top of your sales funnel. Hardly anything in this world is free, but when a piece of informative content is offered with no cost, you can use it to give leads teetering on the edge of conversion the push they need to engage.

2) **Product demo videos**. By 2022, online videos will make up more than 82% of all consumer internet traffic, according to Cisco. Video enables businesses to say a lot in a short space of time. A two-minute video can offer the same information as a 2,000-word article on the same topic. Plus, it takes audiences a lot less time to digest, so they're more likely to retain the information.

Almost three-quarters of customers would rather learn about a product or service through video than by written word, according to Hubspot. This alone should convince more businesses to produce videos that demonstrate their product or service, which would give your sales team compelling content at their disposal.

3) **Case studies**. Nothing sells better than evidence of satisfied customers. This is why case studies are one of the most effective and important pieces of collateral a sales team can have in their arsenal.

Case studies are great at winning over leads at the final hurdle. Prospects want to see credible results your business has achieved for similar clients in the same sector—it enables them to predict the ROI they will achieve by choosing to do business with you.

Case studies also enable sales teams to set expectations. Sometimes, potential clients have idealistic goals that may be unrealistic for their budget and timeframe. Giving clients access to case studies before they choose to buy helps them develop an understanding of your product, service and the process and shows an example of the results they can expect, making pitching an easier task for your team.

You can also use case studies as a component of drip campaigns to nurture prospects into a sales-ready state. By sending an engaged lead a case study in the final stages of a drip campaign, you are rounding off the email-only introduction stage by validating the value of your product and centering your business as the solution to their problem.

3 Reasons to Be Optimistic About the Millennial Market

The U.S. is currently home to roughly 73 million millennials, according to the Pew Research Center. That means that millennials—those born between 1981 and 1997—will make up the largest consumer segment for years to come.

Yet, in insurance, the perception persists that the millennial market is a tough one to crack. Various notions cast a cloud over this segment of the market, such as the idea that millennials don't have the buying power, don't value insurance and are unlikely to utilize the independent agent channel—especially for self-described "old fashioned agencies."

However, recent research from Liberty Mutual and Safeco® tells a different story. When it comes to millennials, "the outlook for independent agents is really strong and our research shows that there is a significant opportunity," says Tyler Asher, president of Independent Agent Distribution at Liberty Mutual Business Lines and Safeco Insurance.

"This is a demographic that will continue to dominate the market segment for the next few decades and is just now entering their peak earning years," Asher continues. "We believe independent agents will win in

this market because they have a competitive advantage that speaks really well to the millennial consumer segment—ease of doing business, choice in terms of breadth of offerings, and custom-tailored advice."

Here are three reasons why independent agents should be optimistic about the millennial market:

1) **Millennials are not more price-focused than other generations**. Only 31% of millennials want the lowest-priced coverage, compared to 29% of Gen-X and 18% of baby boomers, according to Liberty Mutual and Safeco's Understanding Millennial Insurance Consumers study.

"Price is a purchasing factor for consumers of all age groups. Millennials don't really stand out as more price-sensitive than older generations," Asher says. "In fact, we saw over half are looking for the most comprehensive coverage at a good price."

One reason millennials are not as price-conscious as you'd think is because members of this generation are more worried about future risks than boomers. As many as 38% say they constantly worry about what-if scenarios, versus just 12% of boomers, according to the research.

These fears represent "a really big opportunity for agents in the sales process to listen to these concerns and walk them through policy options," Asher says. "Using what-if scenarios and claims examples from past clients will really demonstrate expertise and the value of coverage."

2) **Millennials want a seasoned insurance professional.** Millennials are looking for someone older and wiser to guide them through insurance decisions, according to the research. Almost half of millennials say they want to work with a seasoned insurance professional, while just 9% want to work with someone close to their age. Additionally, millennials also want someone who inspires trust (50%) and makes a point to get to know them (29%).

"Millennials are saying more than any other generation that they're willing to entrust the decision-making to someone who is more informed than them, which places even more of an emphasis on the trusted adviser," Asher says. "We think there's a great opportunity for agents in the sales process to really connect on their concerns and wants by demonstrating the expertise they bring to the table."

Moreover, of those who worked with agents, as many as 80% of millennials want their insurance agent to help them understand their insurance. While 52% of baby boomers describe themselves as insurance-savvy, only 34% of millennials feel that way—but more than half said they need to know all the details about their policy, Asher points out.

"Basically, they want to know what's included in the policy, with a very high percentage saying they want to know every detail," Asher says. "They really place value on someone who's able to thoroughly talk them through their coverage, explain what to expect if they have a claim and explain the unique features of their policy."

3) **Tech-savvy millennials need to be able to find you online**. Unsurprisingly, millennials are almost three times as likely as baby boomers to describe themselves as tech-savvy and twice as likely as boomers to buy insurance online. However, online channels are simply an avenue for millennials to connect with an insurance agent, according to the research.

When it comes to finding and choosing an agent, millennials do ask family and friends for recommendations, according to the survey, but are far more likely than previous generations to turn to the internet. More than 27% of millennials say they learned about an agent through a digital engagement, such as online search, reviews and social media, compared to 18% of Gen Xers and 12% of boomers.

Asher's recommendation to agents, therefore, is to "make sure that they've got a great digital presence." Although he notes that "millennials are still overwhelmingly purchasing locally," they need to be able to find you online—and that means agents will need to consider investing in digital offerings like online reviews, a modern website, chat functions, an engaging social media strategy and, most importantly, ways for consumers to transition online interactions offline.

"We see a significant need for agents to really make sure they've got a strong digital footprint to continue to reach millennial consumers for many years," Asher says.

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