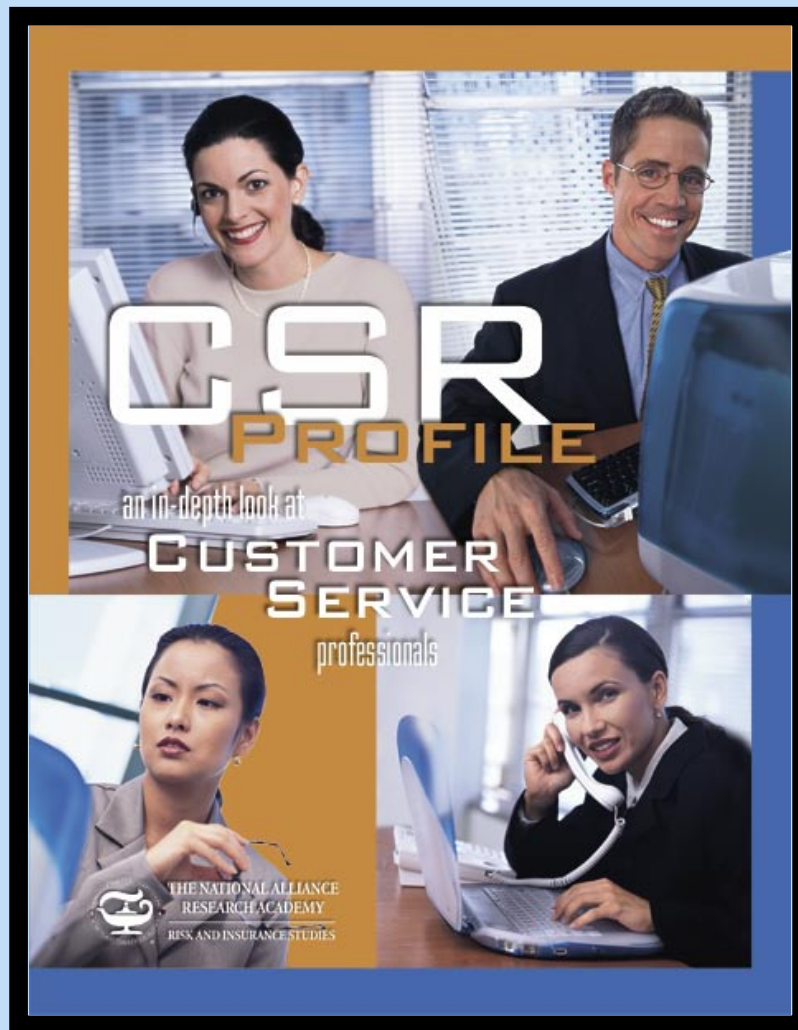


# PRELIMINARY FINDINGS: THE ACADEMY AFFILIATE NEWSLETTER



THE NATIONAL ALLIANCE  
RESEARCH ACADEMY  
RISK AND INSURANCE STUDIES

**NEW STUDY  
LOOKS AT CSR  
DYNAMICS**

CSRs, or customer service representatives, have a huge impact on the agencies they work for. CSRs have a primary responsibility of providing consistent, quality service to retain accounts and generate referrals. With almost half of all agency employees serving as CSRs, its easy to see how important CSRs are to their agencies. (Per The Academy's GPS study, 46% of employees are CSRs.)

The National Alliance Research Academy has conducted another surveyto gather current information and trends on CSRs qualifications and experience, hiring and training, skills and knowledge, responsibilities, compensation, and servicing volume. This survey has produced a third study on agency customer service-related responsibilites.

The Academy received completed surveys from over 1,400 CSRs. These survey results provide us with tables, charts, and analysis of specific information for both commercial lines CSRs and personal lines CSRs.

The new study, The CSR Profile: An In-Depth Look at Customer Service Professionals, can be used by agency owners and office managers to assess their staff performance and determine future staffing needs. Customer service representatives can compare themselves to CSRs in their peer group to see how their responsibilities, servicing volume, and compensation package stack up to others.

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**GET A  
DISCOUNTED  
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STUDY**

You can purchase the current, third edition of the CSR Profile book for \$45 plus \$5 shipping and handling, that is 10% off the standard price of \$50 + \$5. To purchase the study call 800-633-2165 or go to our website at [www.TheNationalAlliance.com/publications](http://www.TheNationalAlliance.com/publications). (Mention your Academy affiliation when calling or check the affiliation box when ordering online to get your discount.)



## QUALIFICATIONS AND EXPERIENCE

Is “customer service representative” being used to describe most service positions within insurance agencies, or are other job titles used, as well? Survey results show the job titles being used for both commercial lines and personal lines CSRs. (Unless noted otherwise, CSR is used throughout this article to denote all service related positions.)

Commercial lines (CL) CSRs were defined as spending 60% or more of their times on commercial lines business. Personal lines (PL) CSRs were defined similarly, spending 60% or more of their time on personal lines (PL) business.

### Job Titles

<u>Job Titles</u>	<u>% CL Respondents</u>	<u>% PL Respondents</u>
Account manager	35%	17%
Customer service representative	31%	39%
Customer service agent	10%	26%
Account executive	7%	2%
Account representative	3%	4%
Other	14%	12%

The job title of account manager is used most often for CL respondents. Commercial lines accounts can be large and complex, so an account manager title may be appropriate for someone who manages these large accounts. Customer service representative and customer service agent are used more often by the personal lines respondents, using the more traditional names for customer service-oriented job positions within the agency.

Agencies may use two or more of these different job titles within their own agency, assigning the different job titles based on experience, knowledge, and responsibilities.

This hierarchy can afford the service professionals different degrees of compensation and varying opportunities for advancement.

### Education

<u>Highest Level of Education Completed</u>	<u>% CL CSRs</u>	<u>% PL CSRs</u>
High School	57%	58%
Associate Degree	22%	22%
Bachelors Degree	19%	18%
Advanced Degree	2%	2%

CSRs have different levels of education. The majority of CSRs have not earned a college degree, as the above numbers indicate. With continuing education, CSRs can get the education they need for the job, even if they do not have a college degree to begin with. The CISR program is ideal for CSRs who are new to the industry.



### Professional Designations

<u>Professional Designations</u>	<u>% CL CSRs</u>	<u>% PL CSRs</u>
CISR	53%	61%
CIC	29%	8%
ACSR	9%	8%
CPIW/M	8%	3%
AAI	6%	1%
CPCU	2%	0%
CRM	1%	0%
ARM	1%	0%
Other	10%	1%
None	14%	21%

More commercial lines CSRs in the survey have designations than personal lines CSRs, especially with the CIC designation. In commercial lines, there are large, complicated accounts to deal with and niche markets to write. A wider array of commercial lines businesses and industries demands additional education from the CSRs working in these areas. Personal lines CSRs need additional education as well, as reflected in the number of designated CISRs.

### Number of Agencies

<u>Number of Agencies Worked for in Career</u>	<u>% CL CSRs</u>	<u>% PL CSRs</u>
1	27%	40%
2	25%	24%
3	19%	17%
4	13%	10%
5+	16%	9%

As CL CSRs have more experience, on average, than PL CSRs (according to survey results), it follows that CL CSRs have typically worked for a greater number of agencies. Nearly half of the CL CSRs have worked for three or more agencies, while nearly two-thirds of PL CSRs have worked for only one or two agencies. For both commercial and personal lines, agencies need to have good compensation plans in place in order to retain their experienced CSRs. Opportunity for advancement and a positive agency culture are other factors that can improve the retention of quality CSRs.

## HIRING & TRAINING

### Personality Tests

CSRs who were required to take a personality or aptitude test before being hired:

CL CSRs	40%
PL CSRs	35%

<u>Type of Personality Test Taken</u>	<u>% CL CSRs</u>	<u>% PL CSRs</u>
Caliper	36%	28%
Omnia	22%	14%
Other	4%	58%
Don't know	38%	0%

Survey results show that personality tests are used for only a minority of CL CSRs and PL CSRS. Personality tests can assist with finding out more information on job candidates. The tests can help weed out undesirable candidates and offer confirmations on job candidates who interviewed well. Hiring the wrong people can be expensive for the agency, so the costs of personality tests can be justified if they help in the selection process.

### **Mentoring**

#### CSRs who were assigned a mentor as new employees:

CL CSRs	28%
PL CSRs	29%

<u>Persons who Served as CSR Mentors</u>	<u>% CL CSRs</u>	<u>% PL CSRs</u>
CSR	41%	40%
Office manager	20%	17%
Agency owner	14%	21%
Producer	9%	9%
Sales manager	1%	2%
Other	15%	11%

When assigning mentors, it is important that the mentor knows their responsibilities and knows they are assigned to help train a new employee. Also, CSRs should know they have an assigned mentor to help them with questions and provide direction, and should feel free to seek assistance when needed. Often fellow CSRs serve as mentors, but others in the agency can serve this role, as well. In smaller agencies, the agency owner or office manager can sometimes assume the role of mentor.

### **Insurance Coverages**

#### Insurance Coverages in which CSRs want more Education

	<u>% CL CSRs</u>	<u>% PL CSRs</u>
Professional Coverages	55%	18%
Directors & Officers	55%	15%
Employment Practices Liability	50%	17%
Time Element	38%	10%
Errors & Omissions	35%	17%
Commercial General Liability	34%	24%
Commercial Auto and Garage	34%	22%
Fiduciary Liability	32%	7%
Crime Coverages	31%	13%
Commercial Property	30%	23%
Bonds	27%	14%
Workers Compensation	26%	17%
Excess Policies	25%	14%
Boiler & Machinery	24%	8%
Foreign Liability	22%	6%
Difference in Conditions	20%	6%
OCP	16%	4%
Home-based Businesses	8%	48%

As might be expected, CL CSRs want more education with CL coverage issues and PL CSRs want more education on PL issues. Regarding home-based businesses, it seems these exposures are primarily handled by the personal lines departments, because nearly half of PL CSRs want more education in this area, while only a few CL CSRs have an interest.

Errors and omissions are stressed more by the CL CSRs, which is probably a consequence of working with larger, more complicated accounts where it is easier to make mistakes and not provide all the right coverages for a client. Life and health insurance education is requested by more PL CSRs, probably because these CSRs are more active with cross selling this type of coverage. Office managers can use the above information as a checklist to survey for their CSRs' educational needs.

## RESPONSIBILITIES

### Sales Responsibilities

#### CSRs with Sales Responsibilities

CL CSRs: 55%

PL CSRs: 78%

<u>Types of Sales Responsibilities</u>	<u>% CL CSRs</u>	<u>% PL CSRs</u>
Renewals	77%	77%
Account development	76%	85%
Cross selling	62%	89%
New business	56%	85%

Personal lines CSRs are more active in sales than their commercial lines counterparts. Personal lines accounts are typically not as complex as commercial lines accounts, and it is therefore less difficult for CSRs to join in the sales process. Plus, PL CSRs are more active with cross-selling life and health insurance products to their personal lines customers, thereby increasing their sales activity.

### Most Rewarding Aspects

<u>Most Rewarding Aspects of CSRs' Jobs</u>	<u>% CL CSRs</u>	<u>% PL CSRs</u>
Change and constant learning	65%	63%
Helping customers	65%	75%
Diverse tasks and duties	63%	57%
People contact	62%	62%
Professional development	58%	52%
Detailed nature of work	40%	33%
Organizational skills	39%	39%
Other	2%	1%

In the survey, CSRs were given a choice of seven rewarding job aspects to choose from and five of the seven were chosen by the majority of CSRs, with limited variances between these factors. It appears that CSRs do find their jobs, in general, to be very rewarding, with many CSRs saying that a variety of job aspects make it that way. Helping customers and dealing with change and the constant learning that goes with it are some of the aspects CSRs find most rewarding.

### Most Frustrating Aspects

<u>Most Frustrating Aspects of CSRs' Jobs</u>	<u>% CL CSRs</u>	<u>% PL CSRs</u>
Keeping up with policy and form changes	34%	32%
Dealing with difficult clients	33%	52%
Time management	33%	22%
Inefficient use of automation and technology	29%	25%
Balancing home and profession	28%	21%
Working with insurance company personnel	19%	12%
Working with agency personnel	15%	12%
No decision-making authority	11%	13%
Understanding the sales force	8%	6%
Detailed nature of work	7%	6%
Other	10%	7%

Regarding frustrating aspects, PL CSRs have more problems with difficult clients than do CL CSRs. Problems may occur with claims, agency or company procedures, payment of premium, or other areas. The CL CSRs seem to have more problems with time constraints than their PL counterparts, as they are more frustrated with time management and balancing home and profession.

### Benefits

<u>Benefits</u>	<u>% CL CSRs</u>	<u>% PL CSRs</u>
Health insurance (employee only)	51%	45%
Health insurance (family)	32%	25%
Life insurance	70%	55%
Disability insurance	61%	46%

Overall, CL CSRs receive more benefits than PL CSRs. The reason for this may be with the size of agencies. Larger agencies are generally skewed more towards commercial lines business, and larger agencies generally can afford more benefits than the smaller agencies. Thus, a higher percentage of the CL CSRs are from larger agencies, and a lower percentage of PL CSRs are from these agencies. This skews the benefits on the aggregate towards CL CSRs.

### COMPENSATION

### Number of Accounts

<u>Annual Number of Accounts</u>	<u>CL CSRs</u>	<u>PL CSRs</u>
Average	197	733
Median	111	600

### SERVICING VOLUME

Since PL accounts are generally much smaller than CL accounts, PL CSRs can handle a higher number of accounts on an annual basis. For CL CSRs, the number of accounts handled can vary greatly based on the average account size.

## **SUMMARY**

There are many factors to take into account when evaluating the insurance agency support staff. There are issues to be discussed with qualifications and experience, hiring and training, skills and knowledge, responsibilities, compensation, and servicing volume. This issue of Preliminary Findings discusses key points and points out some differences between commercial lines CSRs and personal lines CSRs.

For the full survey results and detailed analysis, be sure to order your copy of the newest CSR Profile. To order, call 800-633-2165 or go to [www.TheNationalAlliance.com](http://www.TheNationalAlliance.com). Mention that you are an Academy affiliate for your 10% discount.



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