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# AGENCY MANAGEMENT

## STUDY GUIDE

EXAM PREP AND ANSWER KEY

- **Knowledge Checks**
- **Check-Ins**
- **Self-Quizzes**
- **Sample Exam Questions**
- **Glossary of Terms**



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for Insurance Education & Research

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AGENCY  
MANAGEMENT

# STUDY GUIDE

## EXAM PREP AND ANSWER KEY

This Study Guide has been prepared to enhance your learning experience. It contains all of the Knowledge Checks, and Self-Quizzes contained within the course, along with an Answer Key and Glossary. Use it as a tool to help practice and assess your knowledge of the course material, but *do not* mistake it for a comprehensive “short-cut” to preparing for the final exam.

Be sure to take a look at the Appendix that follows the Answer Key in this Study Guide. It contains valuable suggestions for test preparation and study techniques, as well as some sample exam questions and a glossary of terms.

Your path to success in passing the final exam will come from your attentiveness during the course and the effort you put into preparation.



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# **Tools to Assess Your Knowledge**

Check-Ins, Knowledge Checks,  
and Self-Quizzes by Topic





# Section 1: Strategic Planning

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## Agency Identity

### ▶▶ Knowledge Check



**Directions:** Write a value statement for a real or imagined insurance agency.

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### ▶▶ Knowledge Check



**Directions:** Write a vision statement for a real or imagined insurance agency.

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## ▶▶ Knowledge Check



**Directions:** Write a mission statement for a real or imagined insurance agency.

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## Agency Direction

### ▶▶ Knowledge Check



**Directions:** Describe specific factors you consider and evaluate when choosing an insurance company to work with your agency.

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# Agency Health

## ▶▶ Knowledge Check



**Directions:** Identify the financial health assessment tools an agency should use to determine its stage of growth.

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# Agency Action

## ▶▶ Knowledge Check



**Directions:** Write an example of a SMART goal.

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# Section 1: Self-Quiz

**Directions:** Choose words from the word bank to fill in the blanks.

<b>action</b>	<b>purpose</b>
<b>culture</b>	<b>talent</b>
<b>financial</b>	

1. An agency's value, vision, and mission statements are catalysts for \_\_\_\_\_. They help create an agency's \_\_\_\_\_, describe an agency's \_\_\_\_\_, plan \_\_\_\_\_ development, and define an agency's \_\_\_\_\_ aspirations.

**Directions:** Read each statement and decide its purpose. Write the letter of each statement in the appropriate column.

<b>Value Statement</b>	<b>Vision Statement</b>	<b>Mission Statement</b>

- A. By 2025, Agency XYZ will be the premier agency for commercial clients in transportation services.
- B. The team at Agency XYZ will be the go-to source for personal insurance for rural residents across the tri-state area.
- C. Employees of Agency XYX are committed to providing every client with a customized plan of long-term financial protection.
- D. Agency XYZ is committed to expanding its expertise in green energy initiatives to be the premier insurance consultants to energy manufacturers across the country.

## Section 1: Strategic Planning

**Directions:** Circle the word that completes each statement.

1. The term agency culture describes an agency's \_\_\_\_\_.

**purpose**

**personality**

2. The direction in which an agency culture forms depends upon the agency's \_\_\_\_\_.

**employees**

**leadership**

3. Because they are involved in essential decision-making, agency leadership models \_\_\_\_\_ agency behaviors.

**negative**

**positive**

4. An agency culture, or personality, that grows from the ground-up is led by \_\_\_\_\_.

**agency leaders**

**agency employees**

**Directions:** Circle True or False.

1. Once an agency culture is established, it remains open to change.

**True**

**False**

**Directions:** Put a check (✓) mark next to each consequence of creating a healthy agency culture.

- Employees are more likely to enjoy their work.
- Employees will become more competitive, increasing an agency's profitability.
- Employees will become supportive of each other's successes.
- Employees will become more solitary in their commitment to established procedures and workflows.
- Employees will become more productive, increasing an agency's profitability.
- Employees will contribute to increased client retention, increasing an agency's profitability.

## Section 1: Strategic Planning

**Directions:** Use words from the word bank to fill in the blanks

measurable	value
mission	vision
strategic	

1. Together, an agency's \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ statements describe an agency's purpose. They also allow the development of \_\_\_\_\_ goals that help an agency evaluate how well its \_\_\_\_\_ plans are executed.

**Directions:** Put a check (✓) mark next to each question an agency can answer to describe its overall purpose.

- How are resources used to support the agency's organizational framework?
- Is the agency more focused on sales or on service?
- What is the agency's current and predicted staff size?
- How experienced is the agency's management team?
- Is the agency publicly or privately traded?
- How do the agency's goals determine what products it sells?

## Section 1: Strategic Planning

**Directions:** An agency considers several market factors when determining how many company relationships it needs to have. Write a letter to match each market factor to its definition.

Definition	Market Factors
<b>A.</b> the cost and the ease of doing business	_____ fewer versus many
<b>B.</b> a company's financial stability, its personnel, its products, and the support it provides	_____ agency volume
<b>C.</b> the cost of maintaining multiple company relationships	_____ mix of business
<b>D.</b> how much premium the agency can promise to a company	_____ utilization of existing company markets
<b>E.</b> whether the agency currently has all of the companies it needs to meet business demands	_____ company volume requirements
<b>F.</b> whether the agency is using its current company relationships fully	_____ company characteristics

**Directions:** Agency XYZ is considering building a relationship with a company. The quality of the company's personnel will influence the agency's decision-making. Circle the personnel factors that an agency considers.

1. the company's internal professional training program
2. the company's staff retention history
3. the company's client retention history
4. the staff's combined years of workforce experience
5. the staff's knowledgeability
6. the staff's efficiency
7. access to face-to-face communication

## Section 1: Strategic Planning

**Directions:** Agency XYZ also evaluates the company's products. Put a check (✓) next to each factor the agency will evaluate.

- the product's coverage
- the product's price
- the marketing campaign built for the product
- the company's technology
- the company's stability in the marketplace
- the company's commission and compensation policies
- the forms the company uses

**Directions:** Underline the examples of support an agency must consider before beginning a relationship with a company.

1. the company's stability in the marketplace
2. marketing and advertising support
3. customized policies to accommodate individual agencies
4. efficient technology

**Directions:** Just as an agency considers the companies it wants to work with, companies decide what kinds of agencies they want to work with. List seven questions an agency can ask itself to know how companies will see its value.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_



## Section 1: Strategic Planning

**Directions:** Agencies go through five stages of growth. Write letters to match each characteristic to an agency's stage of growth.

Start-up	Development & Growth	Success	Expansion	Maturity

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>A. The agency is fully developed.</li> <li>B. The agency owner focuses on strategic goals.</li> <li>C. An agency targets new marketing territories.</li> <li>D. Staff within the agency are following well-executed procedures.</li> <li>E. The agency's owner handles every matter of business.</li> <li>F. An agency's client base is increasing.</li> <li>G. The agency's client base is unstable.</li> <li>H. The agency's owner assesses staff requirements as the agency pursues growth opportunities.</li> </ul> | <ul style="list-style-type: none"> <li>I. Client service is unreliable and unstable.</li> <li>J. Revenue and expenses are beginning to balance.</li> <li>K. The agency is finally profitable.</li> <li>L. The agency's owner modifies strategies and builds a leadership team.</li> <li>M. The agency's owner coordinates department employees as staff expands to meet demand.</li> </ul> |
|--|--|

**Directions:** Everyone benefits from an agency's positive financial health. Write letters to match each benefit to the following groups:

Agency Owners	Producers	Staff	Insurance Companies

- A. Agencies are an extension of their business brand and part of their marketing efforts.
- B. A successful agency can lead to higher salaries and job security.
- C. Agencies are the greatest asset in these individuals' personal financial statements.
- D. One day, they may decide to purchase successful agencies.

## Section 1: Strategic Planning

**Directions:** An agency's value is based on several factors. Fill in the blanks to name the missing factors.

1. Profitability \_\_\_\_\_
2. Accounts \_\_\_\_\_
3. \_\_\_\_\_ ratio
4. Average \_\_\_\_\_
5. \_\_\_\_\_ compensation structure
6. \_\_\_\_\_ of personnel
7. Company \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_ & \_\_\_\_\_ experience

**Directions:** Explain the difference between a budget and an income statement.

1. A budget \_\_\_\_\_ .
2. An income statement \_\_\_\_\_ .

**Directions:** Name four sources of income for an agency.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

## Section 1: Strategic Planning

**Directions:** Write letters to match each expense to the appropriate category.

Compensation	Selling	Administrative

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. Sales salaries</li> <li>B. Pensions</li> <li>C. Profit sharing</li> <li>D. Utilities</li> <li>E. Accounting and other professional services</li> <li>F. Insurance</li> <li>G. Employee benefits</li> <li>H. Travel</li> <li>I. Entertainment</li> </ul> | <ul style="list-style-type: none"> <li>J. Postage</li> <li>K. Promotional materials</li> <li>L. Education, licenses, and professional fees</li> <li>M. Leases</li> <li>N. Automobile</li> <li>O. Sales commissions</li> <li>P. Marketing/advertising</li> <li>Q. Payroll taxes</li> <li>R. Rent</li> </ul> |
|---|--|

**Directions:** Complete the chart to show three things agency leadership can do to manage expenses and why they should do them.

What should an agency do?	Why should it do it?

## Section 1: Strategic Planning

**Directions:** Use words from the word bank to fill in the blanks

<b>assets</b>	<b>fixed assets</b>	<b>owns</b>
<b>balance</b>	<b>liability</b>	<b>retained earnings</b>
<b>current assets</b>	<b>long-term liabilities</b>	<b>start-up capital</b>
<b>current liabilities</b>	<b>owes</b>	

1. A(n) \_\_\_\_\_ sheet shows a listing of what an agency \_\_\_\_\_ and what it \_\_\_\_\_.
2. Another name for what an agency owns and owes is \_\_\_\_\_.
3. Cash, accounts receivables, and prepaid expenses are examples of \_\_\_\_\_.
4. Cars, desks, office equipment, and other tangible items are examples of \_\_\_\_\_.
5. A(n) \_\_\_\_\_ is something an agency owes to others. Accounts payables, accounts current, and payroll taxes are examples of \_\_\_\_\_.
6. Payments due more than 12 months into the future are examples of \_\_\_\_\_.
7. Owners' equity includes \_\_\_\_\_ and \_\_\_\_\_.

## Section 1: Strategic Planning

**Directions:** Explain the purpose of the following ratio.

$$\frac{\text{Current Assets}}{\text{Current Liabilities}} = ?$$

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**Directions:** Circle True or False.

To strengthen or improve a liquidity ratio, an agency can:

1. track incoming revenue

**True**

**False**

2. keep investments as liquid as possible

**True**

**False**

3. focus more on fixed assets than on current assets

**True**

**False**

4. manage debts carefully

**True**

**False**

## Section 1: Strategic Planning

**Directions:** Underline each example of cash flow management in an operating account.

1. commission checks from a trust account
2. premiums
3. direct bill commission
4. compensation expenses
5. company premiums payable
6. commissions
7. business development expenses
8. operating expenses

**Directions:** List seven common disruptors that trigger a need for change within an agency.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_

## Section 1: Strategic Planning

**Directions:** Number the steps required to manage change from 1 to 4.

- \_\_\_\_\_ Set Goals
- \_\_\_\_\_ Establish a Clear Direction
- \_\_\_\_\_ Validate the Need
- \_\_\_\_\_ Create an Action Plan

**Directions:** Write letters to match each characteristic to its category in a SWOT Analysis.

Strengths	Weaknesses	Opportunities	Threats

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>A. opportunities the agency missed because it didn't have the right resources</li> <li>B. the agency's unique resources</li> <li>C. new technology or upgrades that could benefit the agency</li> <li>D. the agency's assets</li> <li>E. a change in an insurance company's goals that affect the agency</li> <li>F. new training that would benefit employees</li> <li>G. the areas in which the agency out-competes other agencies</li> </ul> | <ul style="list-style-type: none"> <li>H. the areas in which the agency falls behind its competitors</li> <li>I. state and federal regulations that could affect the agency</li> <li>J. reasons the agency has failed to meet its goals in the past</li> <li>K. products or services that are in demand that the agency could provide</li> <li>L. competition that could take away clients and/or employees</li> <li>M. reasons the agency has lost business</li> </ul> |
|--|---|

## Section 1: Strategic Planning

**Directions:** Use the words from the word bank to fill in the blanks.

<b>action plan</b>	<b>consumer purchasing trends</b>	<b>goals</b>
<b>accounts, or clients</b>	<b>economic trends</b>	<b>internal</b>
<b>agency operations, systems, and workflows</b>	<b>external</b>	<b>regulatory environment</b>
<b>competition</b>	<b>financials</b>	<b>sales and support</b>

1. After completing a SWOT analysis, an agency must consider the \_\_\_\_\_ and \_\_\_\_\_ factors that will help determine its \_\_\_\_\_ and subsequent \_\_\_\_\_.
2. External factors include \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.
3. Internal factors include \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.



## Section 1: Strategic Planning

**Directions:** Circle True or False.

1. A SMART goal provides a general description of an action.

**True**

**False**

2. A SMART goal is observable and always measurable.

**True**

**False**

3. A SMART goal always requires employee support.

**True**

**False**

4. A SMART goal must consider the need for resources and demands on employee time.

**True**

**False**

5. A SMART goal is most effective in short or incremental amounts of time.

**True**

**False**

**Directions:** Put a check (✓) mark next to each statement that describes short-range goal planning.

- occurs over a three-to-five-year period
- provides a broad picture of where an agency is headed
- provides detailed plans that organize and prioritize specific action steps
- communicates roles and responsibilities to staff
- provides an agency's daily, weekly, and monthly action agendas

**Directions:** Order the steps in an Action Plan from 1 to 4.

Step Number	Action
_____	Identify who will be responsible for each action.
_____	Develop action steps for successful completion of a goal.
_____	Establish clear timeframes and guidelines for each action.
_____	Determine how resources will be allocated to each action.

Section 1: Strategic Planning

# Section 2: Talent Acquisition and Development

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## Workforce Planning

### ▶▶ Knowledge Check



**Directions:** Write a position description for a position within your organization. Describe how the person hired for the position would demonstrate a good fit within agency culture.

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# Recruiting and Hiring

## ▶▶ Knowledge Check



**Directions:** Share an example of an interview you found particularly successful from the point of view of a candidate or the interviewer. Describe specific elements of the interview that you think worked best.

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OR

**Directions:** Share examples of “hidden” benefits within your workplace that help attract and retain good employees. Explain what other benefits you think would be an advantage to your agency.

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# Employee Development

## ▶▶ Knowledge Check



**Directions:** Describe the advantages of providing internal versus external professional development to employees.

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# Evaluating Performance

## ▶▶ Knowledge Check



**Directions:** Name three essential performance standards for employees within your agency and describe how you use those standards to manage the agency's separation process.

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Section 2: Self-Quiz

**Directions:** List five ways that agency growth affects employees.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**Directions:** A successful agency makes assessments of their employees' needs. Underline the consequences of such assessments.

Needs Assessments lead to . . .

1. an awareness of where the agency would benefit from additional employees
2. increased recruiting costs
3. an understanding of when the right time is for bringing new employees in to an agency
4. lost time to address specific needs
5. an understanding of the specific talents and skills an agency needs its employees to have
6. an awareness of the kinds of training employees require

## Section 2: Talent Acquisition and Development

**Directions:** Write letters to match each consequence to the appropriate column.

The Outcomes of Having Workforce Planning	The Outcomes of Having NO Workforce Planning

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. clear descriptions for each role within an agency</li> <li>B. duplication of inefficient workflows</li> <li>C. identification of opportunities for mentoring</li> <li>D. loss of agency profitability related to poor hiring decisions</li> <li>E. lower team morale</li> </ul> | <ul style="list-style-type: none"> <li>F. customer complaints and loss</li> <li>G. lower recruiting and training costs</li> <li>H. an evaluation of employee strengths and weaknesses</li> <li>I. inadequate training and mentoring</li> </ul> |
|---|--|

**Directions:** Use words from the word bank to fill in the blanks.

<b>ages</b>	<b>customer trust</b>
<b>cultures</b>	<b>deliberate</b>
<b>customer base</b>	<b>market</b>
<b>customer needs</b>	

1. Today's customers are people of all \_\_\_\_\_ and \_\_\_\_\_.
2. A workforce that reflects the world creates \_\_\_\_\_ opportunities for an agency. Consequently, employee searches must be \_\_\_\_\_.
3. Agencies must seek talented individuals who reflect the \_\_\_\_\_, meet \_\_\_\_\_, and inspire \_\_\_\_\_.



## Section 2: Talent Acquisition and Development

**Directions:** Explain the relationship between values and hiring.

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**Directions:** List four examples of soft skills strategic hiring managers look for in possible employees.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

**Directions:** Circle True or False.

A position description:

1. describes the necessary qualifications for the position.

**True**

**False**

2. identifies all of the tasks and variations of those tasks that are required in the position.

**True**

**False**

3. defines acceptable performance levels.

**True**

**False**

4. identifies the soft skills required for a good fit within the agency.

**True**

**False**

5. serves as a tool for hiring managers, supervisors, and human resource representatives.

**True**

**False**

## Section 2: Talent Acquisition and Development

**Directions:** Put a check (✓) mark next to each component of a position description.

- a position title
- a supervisor's name and/or position
- a performance evaluation schedule
- a performance evaluation rubric
- compensation range
- a description of duties and essential functions
- required knowledge, skills, and abilities
- a description of working conditions
- an explanation of causes for separation
- a signature line

**Directions:** Use words from the word bank to fill in the blanks.

<b>benefits</b>	<b>proud</b>
<b>fair pay</b>	<b>recognized</b>
<b>meaningful</b>	<b>respected</b>
<b>missions</b>	<b>supportive</b>
<b>products</b>	<b>valued</b>

1. Employees join or stay at an agency for a number of reasons. One is the opportunity to work with great people. Others included good \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ work. Some employees join or stay because they feel \_\_\_\_\_ of the work they do, the \_\_\_\_\_ that their agencies sell, and their agencies' \_\_\_\_\_.
  
2. Having \_\_\_\_\_ management is important. Employees appreciate good supervisors. They also appreciate being \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

## Section 2: Talent Acquisition and Development

**Directions:** To recruit good employees, an agency must have a vision for its workforce. Asking who, what, and why can help an agency find a “right fit.” Write the letter of the question that corresponds to each statement.

**A. WHO?**

**B. WHAT?**

**C. WHY?**

\_\_\_\_\_ The candidate initiated a new-employee mentorship program at her previous agency.

\_\_\_\_\_ The candidate’s references describe the candidate’s exceptional problem-solving abilities.

\_\_\_\_\_ The candidate is currently pursuing a professional designation.

\_\_\_\_\_ The candidate has specialized training in one of the agency’s most successful products.

\_\_\_\_\_ The candidate has several years of prior experience in a profitable agency.

**Directions:** Circle True or False.

1. Candidates are aware of how other agencies treat their employees.

**True**

**False**

2. Larger agencies are always able to out-compete smaller agencies for good employees.

**True**

**False**

3. Larger agencies build and sustain healthier environments than smaller agencies do.

**True**

**False**

4. Smaller agencies can out-compete large agencies by offering unique perks and professional development options.

**True**

**False**

## Section 2: Talent Acquisition and Development

**Directions:** Circle each word or phrase that describes the WFH, or work-from-home experience.

<b>part-time</b>	<b>traditional hours</b>	<b>virtual office</b>	<b>connections to colleagues</b>	<b>previous insurance experience</b>
<b>previous WFH experience</b>	<b>full-time</b>	<b>activity measurement</b>	<b>non-traditional hours</b>	<b>schedule guidelines</b>

**Directions:** List five talent sources an agency can use to identify employee candidates.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**Directions:** Use words from the word bank to fill in the blanks.

<b>accurately predict</b>	<b>equal opportunity</b>
<b>adversely</b>	<b>unfair discrimination</b>
<b>consistently</b>	

To ensure a successful employee selection process, an agency should provide \_\_\_\_\_ to all qualified candidates and avoid \_\_\_\_\_. An agency must demonstrate three things—that the results of the interview \_\_\_\_\_ work performance, that the interview is conducted \_\_\_\_\_ with every candidate, and that the results do not \_\_\_\_\_ affect protected groups.

## Section 2: Talent Acquisition and Development

**Directions:** A candidate's résumé is a valuable pre-interview screening tool. Put a check (✓) mark next to each item on a résumé that an agency should examine.

- the candidate's photo attachment
- career direction over time
- time in each position
- employment gaps
- the frequency of job changes
- specific duties in previous jobs
- social group memberships
- religious affiliation
- education and training
- the résumé's formatting or professional appearance

**Directions:** Use words from the word bank to fill in the blanks.

<b>consistent</b>	<b>objective</b>
<b>in a quiet location</b>	<b>participating</b>
<b>length of time</b>	<b>previous experiences</b>
<b>listen</b>	

Interviewers can follow a few simple guidelines to conduct a successful interview. They should interview \_\_\_\_\_, plan ahead to know the \_\_\_\_\_ the interview will last, follow a(n) \_\_\_\_\_ interview format, \_\_\_\_\_ and remain \_\_\_\_\_, avoid \_\_\_\_\_ in the interview, and ask questions that focus on the candidate's \_\_\_\_\_.

## Section 2: Talent Acquisition and Development

**Directions:** Describe the purpose of using a STAR interview strategy.

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**Directions:** Write letters to match each interviewing mistake to its name.

Expectation Gap	Halo Effect	Conversation Control

- A. providing an incorrect description of a position
- B. speaking more than the candidate
- C. assigning positive characteristics to someone who is physically attractive

**Directions:** Write DO or DON'T next to each recommendation for conducting an interview.

- \_\_\_\_\_ Ask only work-related questions.
- \_\_\_\_\_ Ask questions seeking personal information.
- \_\_\_\_\_ Ask questions that assess a candidate's previous duties.
- \_\_\_\_\_ Ask questions unrelated to the position to "test" the candidate's personality.
- \_\_\_\_\_ Ask the same questions all previous candidates have been asked.

## Section 2: Talent Acquisition and Development

**Directions:** List four things an agency can include in checking a candidate's suitability and qualifications.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

**Directions:** Explain the difference between a skills test and a personality profile.

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## Section 2: Talent Acquisition and Development

**Directions:** True or False.

1. Labor markets are competitive.

**True**

**False**

2. Compensation is linked to attracting and keeping good employees.

**True**

**False**

3. An agency should research compensation packages provided by competitors.

**True**

**False**

4. An agency should pay more attention to perks and benefits than to compensation to attract employees.

**True**

**False**

5. An agency should exceed their competitors' compensation rates.

**True**

**False**

6. Compensation rates can affect an agency's profitability.

**True**

**False**

**Directions:** Explain the relationship between bonuses and performance.

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**Directions:** Employees may be unaware of all of the benefits they receive or the value of those benefits, making it necessary for agencies to conduct benefit reviews. Circle examples of benefits that agencies frequently provide.

<b>medical benefits</b>	<b>Social Security</b>	<b>dental benefits</b>	<b>exercise facilities</b>
<b>flex time</b>	<b>paid volunteer time</b>	<b>cafeteria plans</b>	<b>FICA</b>



## Section 2: Talent Acquisition and Development

**Directions:** Write letters to match each employment agreement to its purpose.

Employment Agreement	Non-Disclosure and Confidentiality Agreement	Non-Compete Agreement	Non-Piracy Agreement

- A. to prevent a former employee from selling insurance within a specific geographic area for a specific amount of time
- B. to explain expectations, compensation, and how “for cause” separation is handled
- C. to prevent former employees from soliciting or writing existing clients for a specific length of time after leaving an agency
- D. to prevent former employees from disclosing confidential information they acquired while working for an agency

**Directions:** Define the term *onboarding* and explain its relationship to orientation and employee manuals.

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## Section 2: Talent Acquisition and Development

**Directions:** Circle True or False.

An effective employee manual:

1. clarifies employee expectations.

**True**

**False**

2. protects employees from liability.

**True**

**False**

3. protects employers from liability.

**True**

**False**

4. explains company policies, such as sick leave.

**True**

**False**

5. helps assist with legal compliance.

**True**

**False**

6. identifies an agency's value, vision, and mission.

**True**

**False**

7. describes how performance issues are addressed.

**True**

**False**

8. explains IT policies.

**True**

**False**

## Section 2: Talent Acquisition and Development

**Directions:** List five benefits of employee professional development plans.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**Directions:** Circle each ADVANTAGE of providing employees with internal professional development opportunities.

1. personalized training
2. no peers who may interfere with learning
3. access to a variety of online training options
4. no required interactions with instructors or peers
5. access to short-term fixes for long-term problems

**Directions:** Order the steps of the Performance Evaluation Process from 1 to 4.

\_\_\_\_\_ Communicate evaluation results and use them to establish next year's standards.

\_\_\_\_\_ Agree upon performance standards.

\_\_\_\_\_ Measure employee performance frequently throughout the year.

\_\_\_\_\_ Evaluate how well the employee meets the performance standards.

## Section 2: Talent Acquisition and Development

**Directions:** Use words from the word bank to fill in the blanks.

<b>clearly communicated</b>	<b>professional development</b>
<b>comments</b>	<b>signature line</b>
<b>performance achievements</b>	<b>strengths</b>

Common components of evaluation forms include:

1. \_\_\_\_\_ performance standards or behaviors
2. \_\_\_\_\_ accomplished throughout the review period
3. the employee's \_\_\_\_\_ and accomplishments
4. \_\_\_\_\_ opportunities
5. the employee's \_\_\_\_\_ in response to the evaluation
6. a(n) \_\_\_\_\_ acknowledges the completion of the performance evaluation

## Section 2: Talent Acquisition and Development

**Directions:** List ten preparations an employer can take to prepare for a successful evaluation.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

**Directions:** Write letters to sort the following reasons for separation into the appropriate categories.

Management-driven Reasons for Separation	Employee-driven Reasons for Separation

- |   |   |
|---|---|
| A. corporate politics, including sabotage by others | E. unmet performance expectations                         |
| B. dishonesty or fraud                              | F. disrespect unrelated to actual business results        |
| C. broken promises by management/owners             | G. the lack of a career path or development opportunities |
| D. a reduction in force (RIF)                       |   |

## Section 2: Talent Acquisition and Development

**Directions:** Explain what actions an agency should take to prepare for employee separation. Use words from the word bank to fill in the blanks.

<b>cause</b>	<b>procedures</b>
<b>contracts</b>	<b>reasons</b>
<b>corrective-action</b>	
<b>investigated</b>	<b>retaliatory</b>
<b>policy</b>	<b>separation</b>
<b>prevent</b>	<b>similarly</b>

1. First, determine the \_\_\_\_\_ for separation. Follow the \_\_\_\_\_ plan outlined in the employee manual. Then document the \_\_\_\_\_ for separation, what the agency did to \_\_\_\_\_ it, whether disciplinary measures followed agency \_\_\_\_\_, and whether information in the employee's personnel file supports the \_\_\_\_\_ decision. Also check to be sure other employees have been treated \_\_\_\_\_.
2. Ensure the agency fully \_\_\_\_\_ the employee's complaints. Be certain that separation is not \_\_\_\_\_. Also ensure there are no implied or oral \_\_\_\_\_ in place with the employee. Have \_\_\_\_\_ in place for the return of property, final pay, and benefit continuation.

## Section 2: Talent Acquisition and Development

**Directions:** Order the actions that are part of the termination process in the case of INVOLUNTARY termination from 1 to 8.

- \_\_\_\_\_ Write a separation letter that states the specific reasons for separation.
  - \_\_\_\_\_ Review the situation with other owners, HR, and legal counsel.
  - \_\_\_\_\_ Assign someone to stay with the employee as s/he cleans out her/his desk.
  - \_\_\_\_\_ Make the meeting to the point. It is not a discussion.
  - \_\_\_\_\_ Escort the individual from the property.
  - \_\_\_\_\_ Be certain that there is documentation that clearly outlines the cause for termination.
  - \_\_\_\_\_ Follow up after separation to be sure all materials have been returned and system and website access has been terminated.
  - \_\_\_\_\_ Have a private separation meeting with an HR representative or supervisor.
- Finally, inform other staff members about the decision.

**Directions:** Give two reasons an agency should conduct an exit interview with each employee who separates from an agency VOLUNTARILY.

1. \_\_\_\_\_

2. \_\_\_\_\_

## Section 2: Talent Acquisition and Development



# Section 3: Client Retention and Acquisition

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## Know the Brand

### ▶▶ Knowledge Check



**Directions:** Describe your agency's brand. Select one or more features of the brand to describe a marketing strategy your agency could use to capitalize on its strengths.



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## Market for Success

### ▶▶ Knowledge Check



**Directions:** Describe a marketing tool you or someone in your agency created that was more successful than anticipated. Explain what made the tool so effective.

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## Build and Keep Relationships

### ▶▶ Knowledge Check



**Directions:** Identify and share a specific technique or strategy you have found effective in your efforts to provide quality client service and retain clients.

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## Section 3: Self-Quiz

**Directions:** Circle each statement that describes today's clients.

want round-the-clock access	trusting	careless with money	knowledgeable
slow to offer loyalty	educated	demand technological support	careful with money
expect personal attention	prefer to work with technology not people	quick to make decisions	seek support from real people when there's a problem

**Directions:** Complete the sentence.

The factors that bring clients to an agency and keep them there communicate the agency's \_\_\_\_\_.

**Directions:** List the five steps in a successful marketing program.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

### Section 3: Client Retention and Acquisition

**Directions:** Name four things an agency can do to identify a target market.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

**Directions:** Put a check (✓) mark next to each statement that poses a question an agency should ask itself to evaluate its resources.

- What other agencies pose the greatest competition?
- How well do account managers and producers work together?
- Does the agency have enough staff to handle a lot of new businesses?
- Do the target markets exist for new products?
- Do existing processes and workflows support success?
- Where is the “lowest hanging fruit”?
- How effective is the agency’s contact management system?
- What marketing materials reach the most people for the least cost?

**Directions:** Use words from the word bank to fill in the blanks.

<b>essential</b>	<b>limitations</b>
<b>growth</b>	<b>practical</b>

While knowing its \_\_\_\_\_ before planning a marketing program is both \_\_\_\_\_ and \_\_\_\_\_, it also helps an agency recognize its opportunities for \_\_\_\_\_ and where those opportunities exist.

### Section 3: Client Retention and Acquisition

**Directions:** Circle the word or words that complete each statement.

1. An agency's marketing plan begins with clear \_\_\_\_\_.

**actions**

**goals**

2. An agency considers the advantages and disadvantages of a variety of \_\_\_\_\_.

**marketing tools**

**bells and whistles**

3. An agency decides what \_\_\_\_\_ to include in their marketing tools.

**information**

**timelines**

4. An agency considers whether any bells and whistles might convey \_\_\_\_\_.

**extra costs**

**extra value**

5. Producers and agency management work together to create \_\_\_\_\_.

**a list of competitors**

**a list of prospects**

6. The first target for a prospect list is \_\_\_\_\_.

**references from existing customers**

**low-hanging fruit**

7. An agency decides which marketing materials or formats will work best after it has established its goals, defined its \_\_\_\_\_, and decided how it will set itself apart from its competitors.

**delivery method**

**markets**

### Section 3: Client Retention and Acquisition

**Directions:** List four things an agency website should do to be effective.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

**Directions:** Circle the “convenience factors” that a website can offer clients.

reporting claims	making payments	connecting to social media platforms
customer surveys	accessing certificates of insurance	requesting quotes
viewing policy documents	advertising	contacting the agency

### Section 3: Client Retention and Acquisition

**Directions:** Use words from the word bank to fill in the blanks.

<b>advertisements</b>	<b>radio</b>
<b>brochures</b>	<b>social media</b>
<b>direct mail</b>	<b>telemarketing</b>
<b>email</b>	<b>trade</b>
<b>landing page</b>	<b>TV</b>
<b>newsletters</b>	<b>websites</b>

1. Printed marketing tools include \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, and  
\_\_\_\_\_.
2. Digital marketing tools include \_\_\_\_\_,  
\_\_\_\_\_, and the agency's \_\_\_\_\_.
3. Other kinds of marketing tools include \_\_\_\_\_,  
\_\_\_\_\_ and \_\_\_\_\_  
spots, \_\_\_\_\_ blasts, and presence at  
\_\_\_\_\_ shows.

### Section 3: Client Retention and Acquisition

**Directions:** Circle True or False.

1. An agency can use metrics to create the goals that will lead to a marketing plan.

**True**

**False**

2. An agency can use metrics to evaluate the effectiveness of its marketing plan.

**True**

**False**

3. The most desirable frequency for collecting metrics is daily.

**True**

**False**

**Directions:** Order the sequence of metrics an agency should collect to evaluate the success of its marketing plan from 1 to 4.

\_\_\_\_\_ the number of appointments resulting in sales

\_\_\_\_\_ the number of calls that result in appointments

\_\_\_\_\_ the number of closes per month

\_\_\_\_\_ the number of appointments each week

**Directions:** Explain why an agency must constantly use metrics to monitor the success of its marketing plan.

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**Directions:** Write two words that summarize the importance or value of client retention.

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### Section 3: Client Retention and Acquisition

**Directions:** List three guiding principles that form the basis of a client-retention process.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**Directions:** Circle the word or words that complete each statement.

1. Applying a few communication techniques can help assure clients of their \_\_\_\_\_.

**importance to the agency      access to the right products**

2. When communicating with clients, agents should consider every client's \_\_\_\_\_ and needs.

**history with the agency      experiences**

3. Agents should listen to \_\_\_\_\_.

**learn      avoid missing important details**

4. Agency staff should ask questions to \_\_\_\_\_.

**clarify clients' comments      repeat clients' comments**

5. Agency staff should reword clients' comments in order to \_\_\_\_\_.

**help clients feel confident that they were understood      help clients recognize the staff's expertise**

6. Staff should use \_\_\_\_\_ during discussions.

**insurance language      friendly language**

7. While speaking with clients, staff should maintain \_\_\_\_\_.

**a sense of humor      a sense of urgency**

### Section 3: Client Retention and Acquisition

**Directions:** Explain how clients define the term *quality* when it comes to customer service.

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**Directions:** Use words from the word bank to fill in the blanks.

exposures	informed
claims	needs

Clients expect agents to be fully \_\_\_\_\_ and always aware of their \_\_\_\_\_. They also expected to be protected from \_\_\_\_\_. Protection helps clients avoid or minimize \_\_\_\_\_. It also reduces the likelihood that clients will go to a different agency.

**Directions:** Define the term *cross-selling* and explain why it contributes to client retention.

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**Directions:** Name one way each of the following individuals or groups contributes to client retention.

1. Agency owner: \_\_\_\_\_
2. Agency producer or account manager: \_\_\_\_\_
3. Company personnel: \_\_\_\_\_

### Section 3: Client Retention and Acquisition

**Directions:** Circle True or False.

1. There are economic reasons for promoting client retention.

**True**

**False**

2. An agency should focus more on why clients stay than why they leave.

**True**

**False**

3. Knowing why clients leave can lead to profitable opportunities.

**True**

**False**

**Directions:** Identify two kinds of reports an agency can use to measure the success of its client-retention efforts.

1. \_\_\_\_\_

2. \_\_\_\_\_

**Directions:** Complete the statement.

To determine if an account is profitable enough to write, an agency must have a complete understanding of

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**Directions:** Draw lines to match each example to the kind of expense it represents.

**rent**

hard costs

**employee training**

soft costs

**office furniture and machines**

### Section 3: Client Retention and Acquisition

**Directions:** Put a check (✓) mark next to each question an agency must ask when it is considering expenses related to soft costs.

- Does the producer have the expertise to secure an account?
- What technology is required to secure new clients?
- If a producer needs a mentor, how will the mentor's time away from her/his own work affect expenses?
- How will marketing efforts affect producer performance?
- Is staff support necessary to secure a new client?
- How do bonuses affect expense calculations?

**Directions:** Use words from the word bank to fill in the blanks.

<b>directly attributable</b>	<b>premium</b>
<b>(non-compensation expense)</b>	<b>set agency standards</b>

1. To determine the profitability of an account, it is necessary to know how much variable overhead \_\_\_\_\_ the agency has that is \_\_\_\_\_ to an account.
2. To determine a new or renewed account's profitability, it is necessary to calculate costs associated with the \_\_\_\_\_. This information can also be used to \_\_\_\_\_.

**Directions:** Explain what decision an agency must make if a client demands more attention than the agency can profitably provide.

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# Section 4: Technology Utilization

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## Levels of Technology Utilization

### ▶▶ Knowledge Check



**Directions:** Use your own words to describe the main features of each of the five levels of utilization.

Level 1	Level 2	Level 3	Level 4	Level 5
Essential Utilization	Defined Utilization	Managed Utilization	Quantified Utilization	Optimized Utilization

# Conducting an Internal Needs Assessment

## ▶▶ Knowledge Check



**Directions:** Identify three factors your agency should consider before moving forward with a decision to upgrade or convert its data management system.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

# Using an Operational Assessment to Improve Workflows

## ▶▶ Knowledge Check



**Directions:** Explain the relationship between standards, procedures, and workflows.

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# Information Management

## ▶▶ Knowledge Check



**Directions:** Describe and share what you find most useful or valuable using the information management system at your agency.

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## Section 4: Self-Quiz

**Directions:** Define the term *InsurTech*.

InsurTech is the application of

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**Directions:** Write letters to sort the examples into appropriate categories.

### How InsurTech Affects the Insurance Industry

Claims Handling	Risk Management	New Business Onboarding

- A. electronic delivery
- B. understanding workplace behaviors
- C. calculating the estimated cost of repairs
- D. virtual walk-throughs
- E. paperless transactions
- F. reducing the number of questions asked
- G. evaluating cause and effect from a loss
- H. telematics, such as tracking driving behaviors



## Section 4: Technology Utilization

**Directions:** Technology affects agency performance. Write letters to match each example to its effect.

Example	Effect
<b>A.</b> Clients have instant access to information.	_____ Technology increases revenue.
<b>B.</b> Agents can communicate with clients in a variety of ways.	_____ Technology allows measurement.
<b>C.</b> Both employees and clients benefit from controlled and consistent experiences, leading to greater satisfaction.	_____ Technology improves the customer experience.
<b>D.</b> Employees can work from any location.	_____ Technology helps build a consistent experience.
<b>E.</b> Consistency reduces possible E&O exposures.	_____ Technology offers flexibility.
<b>F.</b> Standardized workforce practices reduce employee stress, making the work environment more enjoyable.	_____ Technology can increase employee satisfaction.
<b>G.</b> The ability for any number of people to process more transactions increases per-person revenue.	
<b>H.</b> Agents can focus more on customer service than on transactions.	
<b>I.</b> Unchanging, or invariable, practices reduce exposure to E&O claims.	
<b>J.</b> Employees can access personal training opportunities.	
<b>K.</b> Any given number of people can process more transactions.	

## Section 4: Technology Utilization

**Directions:** Choose words from the word bank to fill in the blanks.

<b>customer service</b>	<b>sales</b>
<b>level</b>	<b>support</b>
<b>management</b>	<b>technology</b>
<b>practical</b>	

The term *utilization* refers to making \_\_\_\_\_ or efficient use of something. It is not an agency's specific \_\_\_\_\_ or \_\_\_\_\_ system that determines utilization. It is the \_\_\_\_\_ at which these items are implemented. Implementation includes employee \_\_\_\_\_, back-office support, \_\_\_\_\_ support, and \_\_\_\_\_.

## Section 4: Technology Utilization

**Directions:** Read each characteristic. Then write the number of the corresponding utilization level. The first one has been done for you.

**Level 1 – Essential Utilization**      **Level 4 – Quantified Utilization**

**Level 2 – Defined Utilization**      **Level 5 – Optimized Utilization**

**Level 3 – Managed Utilization**

Characteristic	Level Number
<b>A.</b> Technology is used to conduct more of the various tasks of running an agency, thus reducing the overall burden on employees.	<b>5</b>
<b>B.</b> There is a focus on how staff manage the agency’s short- and long-term goals.	
<b>C.</b> Agency data integration with carrier systems exists but is not fully used.	
<b>D.</b> Technology systems are integrated so that phones and other forms of communication work with an agency’s management system.	
<b>E.</b> Although some technology is in use such as phones and workstations, overall technology use is minimal.	
<b>F.</b> An agency prioritizes measuring the results of its technology and analyzing those results to determine how they affect the agency in the most positive ways.	
<b>G.</b> Practical uses of technology for the purpose of creating efficient workflows and procedures are being defined.	
<b>H.</b> Technology integration is seamless, moving the emphasis from the agency’s needs to the customer’s needs.	
<b>I.</b> An agency is beginning to measure the value and efficiency its technology provides.	
<b>J.</b> Only the basic features of any existing agency management system are used.	
<b>K.</b> Workflows and technology provide strategic and reliable processes that focus on customer needs.	
<b>L.</b> An agency is deciding the minimum amount of data it needs to collect.	

## Section 4: Technology Utilization

**Directions:** Circle True or False.

1. Moving from one technology level to another is always done one level at a time.

**True**

**False**

2. An agency with highly effective strategic planning can skip levels to reach Technology Utilization Level 5 instantly.

**True**

**False**

3. Realistic goals and time frames are required for an agency to move forward from one technology utilization level to another.

**True**

**False**

**Directions:** Order the “big-picture” steps for moving from one technology level to the next from 1 to 4.

\_\_\_\_\_ Measure for success.

\_\_\_\_\_ Build the base.

\_\_\_\_\_ Move to the next level.

\_\_\_\_\_ Establish the “Agency Way.”

**Directions:** Explain the difference between a technology upgrade and a technology conversion.

1. A technology upgrade is \_\_\_\_\_

\_\_\_\_\_

2. A technology conversion is \_\_\_\_\_

\_\_\_\_\_

**Directions:** Explain why an agency should conduct an internal needs assessment before deciding whether to upgrade or convert its technology.

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**Directions:** Draw lines to match each step to the appropriate order in the process of conducting an internal technology needs assessment.

- 1 Decide whether to upgrade or convert. Then consider what technology will get the job done.
- 2 Plan for a commitment to employee training.
- 3 Develop a set of questions and answers to guide the thinking, research, and decision-making processes related to whether to upgrade or convert to a new system.
- 4 Make a checklist of current and future needs.
- 5 Establish time-related goals.

**Directions:** Circle each example of a factor an agency might consider during an internal needs assessment.

mobile access	reporting needs	hard costs	security issues
timeline for completion	future needs	per-user cost	soft costs
required staff training	functionality across electronic platforms	whether to rely on software of Cloud solutions	client expectations

## Section 4: Technology Utilization

**Directions:** Circle whether each example represents a Hard Cost or a Soft Cost.

1. Employee training

**Hard Cost**

**Soft Cost**

2. Loss of productivity during learning time

**Hard Cost**

**Soft Cost**

3. Physical equipment required for technology implementation

**Hard Cost**

**Soft Cost**

**Directions:** Define the term *Cloud computing*.

Cloud computing describes

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**Directions:** Name two advantages of relying on Cloud computing rather than in-house data storage.

1. \_\_\_\_\_

2. \_\_\_\_\_

## Section 4: Technology Utilization

**Directions:** Circle the word or words that complete each sentence.

1. \_\_\_\_\_ may have had little experience with the technology used prior to a technology upgrade.

**Customer service representatives**

**Producers**

2. Insertions of data at the earliest stages of client interactions are more complete when everyone knows how to use an agency's \_\_\_\_\_.

**VoIP**

**information management system**

3. No matter who the employee is, familiarity with an agency's technology upgrade or conversion improves workflows and increases individual \_\_\_\_\_.

**responsibility**

**productivity**

**Directions:** Circle True or False.

1. VoIP is the delivery of voice and multimedia data over networks, such as the internet.

**True**

**False**

2. Printers, scanners, and telephones must be integrated and compatible for effective communication.

**True**

**False**

3. For greater productivity, an agency should grant individual access to systems rather than to groups.

**True**

**False**

4. Insurance companies can use third-party resources to access an agency's management system.

**True**

**False**

5. Most agencies wait until technology has been upgraded or converted to clean their data.

**True**

**False**

## Section 4: Technology Utilization

**Directions:** Choose words from the word bank to fill in the blanks.

<b>accurate</b>	<b>misplaced</b>
<b>difficult</b>	<b>useful</b>
<b>efficient</b>	<b>validating</b>
<b>integrity</b>	

1. Most agencies attempt to organize their documentation before upgrading or converting their data management systems. An agency begins by \_\_\_\_\_ its information, or “cleaning up” its data before making any system change. Stray, or \_\_\_\_\_, information is put in its proper place.
2. Cleaning data before an upgrade or conversion has two valuable consequences. First, it makes the change process far more \_\_\_\_\_ and less \_\_\_\_\_. Second, it provides data \_\_\_\_\_. When agency staff generate reports, those reports will be based on \_\_\_\_\_ data. Only then are reports \_\_\_\_\_.

**Directions:** Explain why built-in workflows are more effective than multitasking.

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## Section 4: Technology Utilization

**Directions:** Draw lines to match each word to its definition.

<b>standard</b>	every step required to complete a procedure
	an acceptable level of performance
<b>procedure</b>	a clear list of things or steps an agency must do to meet a standard
	contributes to an agency's brand
<b>workflow</b>	an explanation of who is responsible, what must be done, and when it must be done
	every keystroke required to complete a procedure

**Directions:** List five benefits that come from having established standards, procedures, and workflows. Together, they:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

## Section 4: Technology Utilization

**Directions:** Put a check (✓) next to each outcome of an operational assessment.

An operational assessment helps an agency:

- ensure that employees are following the agency's standards, procedures, and workflows
- decide whether to upgrade or convert technology
- find problems that need to be corrected
- evaluate individual employee performance
- rewrite its value, vision, and mission statements
- compare agency productivity levels to competitors' levels
- support customer service
- find ways to use current technology more fully
- identify employee training needs
- support an agency's core value and mission

**Directions:** Circle the word or words that complete each sentence.

1. \_\_\_\_\_ are needed to lead an operational assessment.

**Agency managers or owners    Trained and reliable individuals**

2. Assessments should be applied consistently across \_\_\_\_\_.

**departments                      the lowest paid employees**

3. Assessment results should be communicated to \_\_\_\_\_ in general terms.

**all staff    managers**

4. Assessment results should include solutions, \_\_\_\_\_, and training opportunities uncovered by the assessment process. \_\_\_\_\_

**staff recommendations                      workflow glitches**

## Section 4: Technology Utilization

**Directions:** Explain the purpose of staff stratification.

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**Directions:** Choose words from the word bank to fill in the blanks. Some words may be used more than once.

<b>databases</b>	<b>integrity</b>	<b>unreliable</b>
<b>electronic</b>	<b>quality</b>	

Effective information management relies entirely on \_\_\_\_\_ documents and \_\_\_\_\_. However, the \_\_\_\_\_ of the information in an output such as a report depends entirely on the \_\_\_\_\_ of the information put into the agency's database. Without data \_\_\_\_\_, other functions are entirely \_\_\_\_\_.

**Directions:** Put a check (✓) mark next to each recommendation for managing information effectively.

- Fill in every field within a database.
- Set up folders for storing essential emails.
- Use appropriate naming conventions.
- Complete the Full Client Detail in a database.
- Print and store hard copies of all documents.
- Keep databases up-to-date.
- Provide employees with customized training in using the database.

## Section 4: Technology Utilization

**Directions:** List four kinds of data that should be entered into an agency's management system. The first one has been done for you.

1. Basic client detail

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

**Directions:** Put a check (✓) mark next to each example of data put into an agency's management system.

claims information

driving records

system access information

property update information

appraisals

coverage recommendations

classification codes

technology productivity metrics

value statements

evaluation worksheets

submission information

business income worksheets

## Section 4: Technology Utilization

**Directions:** Circle True or False.

1. A workflow should always start at the beginning.

**True**

**False**

2. Client data go in first.

**True**

**False**

3. Entering data in the middle of a workflow can lead to data backflow.

**True**

**False**

4. Data backflow requires employees to go back to the beginning of a workflow to fill in missing information.

**True**

**False**

5. Working backward can save time and money.

**True**

**False**

6. Data backflow has little or no effect on data integrity.

**True**

**False**

**Directions:** Fill in letters to complete each word in the following sentence.

Document managers use database systems to c \_\_\_\_\_,  
s \_\_\_\_\_, and m \_\_\_\_\_ documents.

## Section 4: Technology Utilization

**Directions:** List seven examples of electronic documents that an agency can collect, store, and manage.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_

**Directions:** Choose words from the word bank to fill in the blanks. Some words may be used more than once.

<b>cover page</b>	<b>scanned</b>
<b>electronically</b>	<b>shredded</b>
<b>files</b>	<b>storage</b>
<b>processed</b>	

Agencies may combine early- and late-capture methods to manage in-house documents. In the early capture method, incoming documents are \_\_\_\_\_ immediately after they arrive at an agency. They are then transferred \_\_\_\_\_, attached to client \_\_\_\_\_, and/or communicated \_\_\_\_\_ to a staff member. In the late capture method, documents are \_\_\_\_\_ before they are \_\_\_\_\_. Next, they are distributed to individuals within the agency or to an outside vendor for electronic \_\_\_\_\_. Each document is accompanied by a(n) \_\_\_\_\_. Afterward, original paper documents may be \_\_\_\_\_.

## Section 4: Technology Utilization

**Directions:** Document managers are aware of their states' requirements for gathering information classified as private information. List ten possible examples of personally identifiable information (PII).

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_

**Directions:** Describe two steps an agency must take to protect client data.

1. To protect client data, an agency should \_\_\_\_\_ .
2. It must then \_\_\_\_\_ .

**Directions:** Explain how encryption is related to protecting client data.

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## Section 4: Technology Utilization

**Directions:** Technology presents both benefits and challenges to an agency. Write the letter of each example in the appropriate column.

Benefits of Technology	Challenges Related to Technology

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. Employees save keystrokes by allowing information to be entered only once.</li> <li>B. Not all insurance companies support an agency's workflows.</li> <li>C. An agency needs different workflows to work with companies that do not support bridging.</li> </ul> | <ul style="list-style-type: none"> <li>D. Processing is expedited for routine requests.</li> <li>E. Employees reduce E&amp;O exposure by decreasing the likelihood that data will be entered incorrectly.</li> <li>F. Data quality improves and opportunities for human error diminish.</li> </ul> |
|---|--|

**Directions:** Downloading is the process of transferring information electronically from an insurance company database to an agency management system. It brings both benefits and challenges to an agency. Write the letter of each example in the appropriate column.

Benefits of Downloading	Challenges Related to Downloading

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. Download failures can lead to problems, such as data overwrites.</li> <li>B. The possibility of data-entry mistakes decreases, reducing E&amp;O exposure.</li> <li>C. A failure to conduct daily download audits may result in undiscovered errors or glitches, compromising an agency's database.</li> <li>D. Processing work may decrease by as much as 30%.</li> </ul> | <ul style="list-style-type: none"> <li>E. Workflow begins in an agency management or comparative rating system.</li> <li>F. An agency may need different workflows to work with carriers that do not support bridging.</li> <li>G. Not all insurance companies support commercial line downloads.</li> <li>H. More insurance carriers provide support for personal lines downloads.</li> </ul> |
|---|--|



## Section 4: Technology Utilization

**Directions:** Circle True or False.

1. A comparative rating system is a vendor rating program that enables an agency to obtain accurate risk quotes from multiple carriers.

**True**

**False**

2. A vendor and an insurance carrier must initiate, implement, and check rating updates.

**True**

**False**

3. A comparative rating system increases the number of keystrokes required to obtain a premium quote.

**True**

**False**

4. A comparative rating system is available at no cost to an agency.

**True**

**False**

5. Not all comparative rating systems may provide an underwriting review or necessary reports.

**True**

**False**

**Directions:** Insurance companies and agencies may provide portal access to proprietary rating systems through log-ins and passwords. Circle the word or words that complete each statement about proprietary rating systems.

1. A proprietary rating system often includes \_\_\_\_\_ approval.

**underwriting**

**risk**

2. Agency employees enter risk data into a carrier's system to obtain quotes, but \_\_\_\_\_ may be unacceptable.

**risks**

**declination capabilities**

3. When producers and CSRs go around an agency's management system by going directly to a carrier's site, they \_\_\_\_\_.

**compromise an  
agency's documentation**

**increase workflow efficiencies**

## Section 4: Technology Utilization

**Directions:** List five examples of real-time transactions that can occur when carrier and agency management systems interpret and transfer data.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

# Section 5: Ethical Responsibility

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## Ethics in the Workplace

### ▶▶ Knowledge Check



**Directions:** Work with a partner or in a group. Select one of the following case studies to examine from an ethical perspective. Use what you know about the foundations of ethical behavior to answer the question.

#### Case Study One

You are a producer in a local insurance agency. Recently, you connected with a business owner at a Chamber of Commerce luncheon. The owner is excited about having you quote and write his business. Returning to the office, you attempt to enter this prospect into your sales management system, only to find that the business is already entered as a prospect assigned to another producer in the agency. You notice that the producer has not contacted the business in more than three years. You know you can land this account. How do you proceed?

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#### Case Study Two

You are the agent for a nonprofit social services agency. The social services agency knows you and your son are actively involved in Little League. The social services agency offers you a set of family season tickets to the games of the local professional baseball team. What do you do?

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# Legal Duties

## ▶▶ Knowledge Check



**Directions:** Summarize the legal and ethical duties that fall to you as an insurance agent. Share and compare your self-analysis with other participants and use discrepancies as opportunities for clarification and discussion.

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## Section 5: Self-Quiz

**Directions:** Choose words from the word bank to fill in the blanks.

<b>agency</b>	<b>ethics</b>	<b>profession</b>
<b>beliefs</b>	<b>guiding principles</b>	<b>right</b>
<b>business ethics</b>	<b>individual</b>	<b>wrong</b>

1. The rules or standards associated with one's moral duties and obligations are called \_\_\_\_\_ . They are \_\_\_\_\_ , or collective \_\_\_\_\_ and values that members of a society use to guide personal decisions and to differentiate between " \_\_\_\_\_ and \_\_\_\_\_ ."
2. The principles that guide the decisions of individuals and groups within a given \_\_\_\_\_ are called \_\_\_\_\_. They focus on principles and problems that occur within a business environment, such as an agency. Business ethics apply to each \_\_\_\_\_ within an agency and to the \_\_\_\_\_ as a whole.

**Directions:** Name two factors that influence the application of business ethics within the insurance industry.

1. \_\_\_\_\_
2. \_\_\_\_\_

## Section 5: Ethical Responsibility

**Directions:** Write the letter of the phrase that defines each principle.

<b>A.</b> Honesty	_____ making every effort to fulfill commitments
<b>B.</b> Loyalty	_____ avoiding deception
<b>C.</b> Respect for Others	_____ respecting human dignity
<b>D.</b> Leadership	_____ protecting a company's reputation and safeguarding employee morale
<b>E.</b> Integrity	_____ following the Golden Rule
<b>F.</b> Fairness	_____ exercising power without taking advantage of others
<b>G.</b> Law Abiding	_____ accepting responsibility for one's decisions
<b>H.</b> Reputation and Morale	_____ demonstrating fidelity to clients, colleagues, and institutions
<b>I.</b> Trustworthiness	_____ recognizing the responsibilities attached to positions of leadership
<b>J.</b> Concern for Others	_____ doing what is right, even when under pressure to do otherwise
<b>K.</b> Commitment to Excellence	_____ being well-informed and dedicated to improving professional proficiency
<b>L.</b> Accountability	_____ following rules, regulations, and laws

Section 5: Ethical Responsibility

**Directions:** Circle the word or words that complete each statement.

1. An ethical individual \_\_\_\_\_ before acting.

**speaks**

**thinks**

2. An ethical individual demonstrates \_\_\_\_\_

**self-discipline**

**caution**

3. An ethical individual behaves \_\_\_\_\_.

**consistently**

**with quiet dignity**

4. An ethical individual accepts responsibility for the \_\_\_\_\_ of her/his \_\_\_\_\_.

**consequences/behaviors**

**integrity/leadership**

## Section 5: Ethical Responsibility

**Directions:** Circle True or False.

An agency is neither ethical nor unethical.

1. Every agency should have a Code of Ethics.

**True**

**False**

2. A Code of Ethics is the foundation of an agency's value system.

**True**

**False**

3. An agency's Code of Ethics is reflected in its public image.

**True**

**False**

4. Employees should take primary responsibility for establishing an agency's Code of Ethics.

**True**

**False**

5. Agency leaders should be aware of what drives employee behaviors.

**True**

**False**

6. Ethical practices should move from top to bottom within an agency.

**True**

**False**

7. Implementing a Code of Ethics is a one-time effort.

**True**

**False**

8. Agency leaders can use client surveys to evaluate how well an agency's Code of Ethics is working.

**True**

**False**

**Directions:** Put a check (✓) mark next to each reason individuals or groups choose to act unethically.

- Managers do not model a Code of Ethics.
- Employees feel it is unsafe to speak honestly to management.
- Managers promote competition.
- Managers establish unrealistic performance targets.
- Managers treat employees differently, giving some individuals advantages that others don't have.



## Section 5: Ethical Responsibility

**Directions:** Choose words from the word bank to fill in the blanks.

<b>legal action</b>	<b>regulatory</b>
<b>profitability</b>	<b>reputation</b>

The consequences of unethical behaviors in an agency can include harm to the agency's \_\_\_\_\_, exposure to \_\_\_\_\_, a decrease in \_\_\_\_\_, and \_\_\_\_\_ actions.

**Directions:** Underline the factors that contribute to the identification and establishment of ethical responsibilities in the workplace on the basis of law.

<b>employee morale</b>	<b>peer standards</b>	<b>client feedback</b>
<b>reliable research</b>	<b>social media</b>	<b>expert testimonies</b>
<b>case laws and statutes</b>	<b>web surveys</b>	

## Section 5: Ethical Responsibility

**Directions:** Choose words from the word bank to fill in the blanks. Words may be used more than once.

<b>client dependence</b>	<b>length of time</b>
<b>decisions</b>	<b>make</b>
<b>fiduciary</b>	<b>responsibility</b>
<b>intimate knowledge</b>	<b>special relationship</b>

1. Some situations may lead a court to determine the existence of a(n) \_\_\_\_\_ “\_\_\_\_\_” between a client and an agent. Although these determinations can vary dramatically by state, they can be triggered by an agent’s \_\_\_\_\_ of a client, the \_\_\_\_\_ of their relationship, the degree of \_\_\_\_\_ on the agent, or an agent simply agreeing to \_\_\_\_\_ insurance or risk management \_\_\_\_\_ on behalf of a client.
2. In insurance transactions, a(n) \_\_\_\_\_ relationship – a relationship in which an agent, agency, or insurance company is expected to act in the best interests of a client – is held to a higher degree of \_\_\_\_\_ than \_\_\_\_\_ relationships in many other businesses.

## Section 5: Ethical Responsibility

**Directions:** Circle the word or words that complete each statement.

1. In a special relationship, an insured asks for \_\_\_\_\_ and an agent provides \_\_\_\_\_.

**recommendations/advice**

**regulations/legal statutes**

2. A(n) \_\_\_\_\_ is a party authorized to act ethically on behalf of another. Parties include principals, agents, and third parties.

**special relationship**

**legal agent**

3. An insurance agent is appointed by a(n) \_\_\_\_\_ to solicit applications, collect premiums, and bind policies.

**broker**

**insurer**

4. A(n) \_\_\_\_\_ acts or aids in negotiating insurance contracts.

**insurance counselor**

**broker**

5. A managing general agent has \_\_\_\_\_, claims, and reinsurance placement authority from an insurer.

**solicitation**

**underwriting**

## Section 5: Ethical Responsibility

**Directions:** Draw lines to match each kind of agency authority to its meaning.

<b>actual, or expressed, authority</b>	An insurance agent has no authority of any kind to work with clients who are seeking insurance.
<b>implied authority</b>	An insurance agent demonstrates practices that appear within the her/his scope of authority, based on historical practices.
<b>apparent authority</b>	An insurance company grants oral or written authority to an agent for the purpose of selling and servicing an insurance policy.
<b>non-existent authority</b>	An insurance company gives an agent authority to perform all of the usual and necessary tasks required to sell and service an insurance policy, <i>but</i> it does not issue that authority verbally or in writing.

**Directions:** Define the term *unfair trade practice*.

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Section 5: Ethical Responsibility

**Directions:** Choose the word or words from the word bank that match each description.

<b>claims practices</b>	<b>rebating/gift offers/false free prizes</b>
<b>false advertising</b>	<b>tied selling</b>
<b>misrepresentation</b>	<b>twisting and replacement codes</b>

1. making unnecessary demands of a client for the purpose of processing or settling a claim \_\_\_\_\_
2. making false statements that affect a consumer's decision to accept the terms of a contract \_\_\_\_\_
3. using confusing, misleading, or untrue statements to promote the purchase of a product or service \_\_\_\_\_
4. offering an inducement to do business with an agency \_\_\_\_\_
5. suggesting a client purchase additional life insurance or a replacement policy purely for the purpose of generating additional commission \_\_\_\_\_
6. making the purchase of one product or service contingent upon the purchase of another \_\_\_\_\_

**Directions:** List five consequences of the practice of ethical behaviors within an agency.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

## Section 5: Ethical Responsibility

**Directions:** Circle True or False to indicate whether each factor can contribute to E&O claims.

- |  |             |              |
|--|-------------|--------------|
| 1. the belief that a defendant has an extensive legal team | <b>True</b> | <b>False</b> |
| 2. changing legal standards                                | <b>True</b> | <b>False</b> |
| 3. the abundance of insurance agencies nationwide          | <b>True</b> | <b>False</b> |
| 4. the influence of public and social media                | <b>True</b> | <b>False</b> |
| 5. increased specialization of services and markets        | <b>True</b> | <b>False</b> |
| 6. the availability of expert witnesses                    | <b>True</b> | <b>False</b> |
| 7. complex policies and forms                              | <b>True</b> | <b>False</b> |

## Section 5: Ethical Responsibility

**Directions:** Choose words from the word bank to fill in the blanks.

<b>expiration date</b>	<b>reasonable</b>
<b>inform</b>	<b>renew</b>
<b>non-renewal</b>	

Several legal and ethical duties fall to an insurance agent. Agents are expected to:

1. use \_\_\_\_\_ diligence to procure insurance requested by a client and to \_\_\_\_\_ the client if unable to do so
2. notify the client when the agent receives information pertaining to the \_\_\_\_\_ of a client's policy
3. \_\_\_\_\_ a policy or notify a client of \_\_\_\_\_

**Directions:** Underline the circumstances that can lead to E&O claims.

<b>the loss of a key employee</b>	<b>following a disaster</b>	<b>selling a new product</b>
<b>new forms</b>	<b>non-payment of premiums</b>	<b>direct versus agency bill</b>
<b>changes in business methods and technologies</b>		

## Section 5: Ethical Responsibility

**Directions:** Write letters in the correct columns to sort the reasons different parties make E&O claims.

Why Clients Make Claims	Why Insurance Carriers Make Claims	Why States Make Claims

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. failure to follow legal instructions</li> <li>B. failure to procure coverage</li> <li>C. changing established services</li> <li>D. failure to meet licensing requirements</li> <li>E. deceptive trade practices</li> <li>F. use of a trust account</li> </ul> | <ul style="list-style-type: none"> <li>G. failure to place on best available terms</li> <li>H. failure to supply underwriting information</li> <li>I. lack of or modified coverage</li> <li>J. misrepresentation of risk to the company</li> </ul> |
|---|--|

**Directions:** Fill in the blanks to name four basic steps an agency can take to protect itself from E&O claims.

1. \_\_\_\_\_ from the first day of work within an agency until the last
2. documentation of \_\_\_\_\_ standards, procedures, and workflows
3. standards that result in clear and complete \_\_\_\_\_
4. internal \_\_\_\_\_ of agency standards, processes, and documentation



## Section 5: Ethical Responsibility

**Directions:** List four steps an agency can take to protect itself following an E&O claim.

1. Have claims \_\_\_\_\_ by the insured.
2. Discuss the situation generally with \_\_\_\_\_ to understand their involvement.
3. Have a coordinator \_\_\_\_\_ and \_\_\_\_\_.
4. Prepare to be \_\_\_\_\_.

**Directions:** Circle True or False.

An employee can prepare to be a good witness by:

1. reviewing all materials after a deposition  
**True** **False**
2. always submitting to a deposition, with or without counsel  
**True** **False**
3. avoiding rehearsing answers  
**True** **False**
4. hesitating before answering questions  
**True** **False**
5. being willing to say, "I don't know."  
**True** **False**
6. always telling the truth  
**True** **False**

# Answer Key

# Section 1: Strategic Planning

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## Agency Identity

### ▶▶ Knowledge Check



**Directions:** Write a value statement for a real or imagined insurance agency.

**Sample Answer:**

The ABC Agency believes in serving customers with excellence and professionalism while treating everyone with dignity and respect.

### ▶▶ Knowledge Check



**Directions:** Write a vision statement for a real or imagined insurance agency.

**Sample Answer:**

The vision of ABC Agency is to making customers into raving fans of the protection and service we provide.

## ▶▶ Knowledge Check



**Directions:** Write a mission statement for a real or imagined insurance agency.

**Sample Answer:**

The ABC Agency will pursue what is in the best interests of the customer from an insurance and risk management perspective, and pursue profits for the organization practicing ethically, legally, and for the benefit of the community.

## Agency Direction

### ▶▶ Knowledge Check



**Directions:** Describe specific factors you consider and evaluate when choosing an insurance company to work with your agency.

**Sample Answer:**

The products the company makes available to our customer set

The company personnel are educated and professional

The pricing of the products is competitive

The volume appetite of the company fits our desires and interests

## Agency Health

### ▶▶ Knowledge Check



**Directions:** Identify the financial health assessment tools an agency should use to determine its stage of growth.

**Sample Answer:**

The Income Statement which helps to itemize the revenues and expenses of the agency.

The Balance sheet which reveals the assets and liabilities of the agency at a specific point in time to indicate the agency's financial condition.

## Agency Action

### ▶▶ Knowledge Check



**Directions:** Write an example of a SMART goal.

**Sample Answer:**

Increase personal auto revenue by 6% by the end of the calendar year by staff promoting the new companion policy discounts offered by our largest homeowners carrier at renewal for new auto business.

## Section 1: Self-Quiz

**Directions:** Choose words from the word bank to fill in the blanks.

<b>action</b>	<b>purpose</b>
<b>culture</b>	<b>talent</b>
<b>financial</b>	

1. An agency's value, vision, and mission statements are catalysts for action. They help create an agency's purpose, describe an agency's culture, plan talent development, and define an agency's financial aspirations.

**Directions:** Read each statement and decide its purpose. Write the letter of each statement in the appropriate column.

<b>Value Statement</b>	<b>Vision Statement</b>	<b>Mission Statement</b>
<b>C</b>	<b>A</b>	<b>B, D</b>

- A. By 2025, Agency XYZ will be the premier agency for commercial clients in transportation services.
- B. The team at Agency XYZ will be the go-to source for personal insurance for rural residents across the tri-state area.
- C. Employees of Agency XYX are committed to providing every client with a customized plan of long-term financial protection.
- D. Agency XYZ is committed to expanding its expertise in green energy initiatives to be the premier insurance consultants to energy manufacturers across the country.

## Section 1: Strategic Planning

**Directions:** Circle the word that completes each statement.

1. The term *agency culture* describes an agency's \_\_\_\_\_.

purpose

personality

2. The direction in which an agency culture forms depends upon the agency's \_\_\_\_\_.

employees

leadership

3. Because they are involved in essential decision-making, agency leadership models \_\_\_\_\_ agency behaviors.

negative

positive

4. An agency culture, or personality, that grows from the ground-up is led by \_\_\_\_\_.

agency leaders

agency employees

**Directions:** Circle True or False.

1. Once an agency culture is established, it remains open to change.

True

False

**Directions:** Put a check (✓) mark next to each consequence of creating a healthy agency culture.

- Employees are more likely to enjoy their work.
- Employees will become more competitive, increasing an agency's profitability.
- Employees will become supportive of each other's successes.
- Employees will become more solitary in their commitment to established procedures and workflows.
- Employees will become more productive, increasing an agency's profitability.
- Employees will contribute to increased client retention, increasing an agency's profitability.

## Section 1: Strategic Planning

**Directions:** Use words from the word bank to fill in the blanks

measurable	value
mission	vision
strategic.	

1. Together, an agency's value, vision, and mission statements describe an agency's purpose. They also allow the development of measurable goals that help an agency evaluate how well its strategic plans are executed.

**Directions:** Put a check (✓) mark next to each question an agency can answer to describe its overall purpose.

- How are resources used to support the agency's organizational framework?
- Is the agency more focused on sales or on service?
- What is the agency's current and predicted staff size?
- How experienced is the agency's management team?
- Is the agency publicly or privately traded?
- How do the agency's goals determine what products it sells?



## Section 1: Strategic Planning

**Directions:** An agency considers several market factors when determining how many company relationships it needs to have. Write a letter to match each market factor to its definition.

Definition	Market Factors
<b>A.</b> the cost and the ease of doing business	<u><b>C.</b></u> fewer versus many
<b>B.</b> a company's financial stability, its personnel, its products, and the support it provides	<u><b>D.</b></u> agency volume
<b>C.</b> the cost of maintaining multiple company relationships	<u><b>E.</b></u> mix of business
<b>D.</b> how much premium the agency can promise to a company	<u><b>F.</b></u> utilization of existing company markets
<b>E.</b> whether the agency currently has all of the companies it needs to meet business demands	<u><b>A.</b></u> company volume requirements
<b>F.</b> whether the agency is using its current company relationships fully	<u><b>B.</b></u> company characteristics

**Directions:** Agency XYZ is considering building a relationship with a company. The quality of the company's personnel will influence the agency's decision-making. Circle the personnel factors that an agency considers.

1. the company's internal professional training program
2. the company's staff retention history
3. the company's client retention history
4. the staff's combined years of workforce experience
5. the staff's knowledgeability
6. the staff's efficiency
7. access to face-to-face communication

## Section 1: Strategic Planning

**Directions:** Agency XYZ also evaluates the company's products. Put a check (✓) next to each factor the agency will evaluate.

- the product's coverage
- the product's price
- the marketing campaign built for the product
- the company's technology
- the company's stability in the marketplace
- the company's commission and compensation policies
- the forms the company uses

**Directions:** Underline the examples of support an agency must consider before beginning a relationship with a company.

1. the company's stability in the marketplace
2. marketing and advertising support
3. customized policies to accommodate individual agencies
4. efficient technology

**Directions:** Just as an agency considers the companies it wants to work with, companies decide what kinds of agencies they want to work with. List seven questions an agency can ask itself to know how companies will see its value.

**Sample Answer:**

1. How effectively and efficiently does the agency manage its own operations?
2. What is the agency's track record of business success?
3. Does the agency have good accounting practices?
4. What is the agency's plan for growth?
5. What is the quality of the agency's professional service staff?
6. Does the agency's marketing plan dovetail with the carrier's marketing plan?
7. What technology does the agency use, and how does it use it?

## Section 1: Strategic Planning

**Directions:** Agencies go through five stages of growth. Write letters to match each characteristic to an agency's stage of growth.

Start-up	Development & Growth	Success	Expansion	Maturity
<b>E, G, I</b>	<b>F, J, H</b>	<b>D, K, L</b>	<b>C, M</b>	<b>A, B</b>

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>A. The agency is fully developed.</li> <li>B. The agency owner focuses on strategic goals.</li> <li>C. An agency targets new marketing territories.</li> <li>D. Staff within the agency are following well-executed procedures.</li> <li>E. The agency's owner handles every matter of business.</li> <li>F. An agency's client base is increasing.</li> <li>G. The agency's client base is unstable.</li> <li>H. The agency's owner assesses staff requirements as the agency pursues growth opportunities.</li> </ul> | <ul style="list-style-type: none"> <li>I. Client service is unreliable and unstable.</li> <li>J. Revenue and expenses are beginning to balance.</li> <li>K. The agency is finally profitable.</li> <li>L. The agency's owner modifies strategies and builds a leadership team.</li> <li>M. The agency's owner coordinates department employees as staff expands to meet demand.</li> </ul> |
|--|--|

**Directions:** Everyone benefits from an agency's positive financial health. Write letters to match each benefit to the following groups:

Agency Owners	Producers	Staff	Insurance Companies
<b>C</b>	<b>D</b>	<b>B</b>	<b>A</b>

- A. Agencies are an extension of their business brand and part of their marketing efforts.
- B. A successful agency can lead to higher salaries and job security.
- C. Agencies are the greatest asset in these individuals' personal financial statements.
- D. One day, they may decide to purchase successful agencies.

## Section 1: Strategic Planning

**Directions:** An agency's value is based on several factors. Fill in the blanks to name the missing factors.

**Sample Answer:**

1. Profitability history
2. Accounts receivable
3. Retention ratio
4. Average commissions
5. Producer compensation structure
6. Competencies of personnel
7. Company markets
8. Brand
9. Errors & Omissions experience

**Directions:** Explain the difference between a budget and an income statement.

**Sample Answer:**

1. A budget compares monthly revenue results to projected results.
2. An income statement shows revenues and expenses over a month, quarter, or year.

## Section 1: Strategic Planning

**Directions:** Name four sources of income for an agency.

**Sample Answer:**

1. commission
2. interest/investment income
3. contingency income
4. fee income

**Directions:** Write letters to match each expense to the appropriate category.

Compensation	Selling	Administrative
<b>A, B, C, G, O, Q</b>	<b>H, I, K, N</b>	<b>D, E, F, J, L, M, P, R</b>

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. Sales salaries</li> <li>B. Pensions</li> <li>C. Profit sharing</li> <li>D. Utilities</li> <li>E. Accounting and other professional services</li> <li>F. Insurance</li> <li>G. Employee benefits</li> <li>H. Travel</li> <li>I. Entertainment</li> </ul> | <ul style="list-style-type: none"> <li>J. Postage</li> <li>K. Promotional materials</li> <li>L. Education, licenses, and professional fees</li> <li>M. Leases</li> <li>N. Automobile</li> <li>O. Sales commissions</li> <li>P. Marketing/advertising</li> <li>Q. Payroll taxes</li> <li>R. Rent</li> </ul> |
|---|--|

## Section 1: Strategic Planning

**Directions:** Complete the chart to show three things agency leadership can do to manage expenses and why they should do them.

**Sample Answer:**

What should an agency do?	Why should it do it?
conduct a situational analysis	to review the past, analyze expense trends, and classify expenses
set targets for future short- and long-term expenses	to make sure expense growth is less than revenue growth, to manage expenses without interfering with growth, and to recognize on/off opportunities for future investments
establish a budget	To set reasonable limits based on an agency's past and present needs, to reflect the agency's cash flow and immediate profit needs, and to communicate with all staff

## Section 1: Strategic Planning

**Directions:** Use words from the word bank to fill in the blanks

<b>assets</b>	<b>fixed assets</b>	<b>owns</b>
<b>balance</b>	<b>liability</b>	<b>retained earnings</b>
<b>current assets</b>	<b>long-term liabilities</b>	<b>start-up capital</b>
<b>current liabilities</b>	<b>owes</b>	

1. A(n) balance sheet shows a listing of what an agency owns and what it owes.
2. Another name for what an agency owns and owes is assets.
3. Cash, accounts receivables, and prepaid expenses are examples of current assets.
4. Cars, desks, office equipment, and other tangible items are examples of fixed assets.
5. A(n) liability is something an agency owes to others. Accounts payables, accounts current, and payroll taxes are examples of current liabilities.
6. Payments due more than 12 months into the future are examples of long-term liabilities.
7. Owners' equity includes start-up capita and retained earnings.

## Section 1: Strategic Planning

**Directions:** Explain the purpose of the following ratio.

$$\frac{\text{Current Assets}}{\text{Current Liabilities}} = ?$$

**Sample Answer:**

It is an example of a liquidity ratio. It helps an agency measure its ability to pay its obligations

**Directions:** Circle True or False.

To strengthen or improve a liquidity ratio, an agency can:

1. track incoming revenue

True

False

2. keep investments as liquid as possible

True

False

3. focus more on fixed assets than on current assets

True

False

4. manage debts carefully

True

False



## Section 1: Strategic Planning

**Directions:** Underline each example of cash flow management in an operating account.

1. commission checks from a trust account
2. premiums
3. direct bill commission
4. compensation expenses
5. company premiums payable
6. commissions
7. business development expenses
8. operating expenses

**Directions:** List seven common disruptors that trigger a need for change within an agency.

**Sample Answer:**

1. loss of key personnel
2. agency restructuring
3. a change in agency technology
4. agency expansion
5. loss of an important account
6. loss of an insurance company contract
7. creation of a new profit center

## Section 1: Strategic Planning

**Directions:** Number the steps required to manage change from 1 to 4.

- 3   Set Goals
- 2   Establish a Clear Direction
- 1   Validate the Need
- 4   Create an Action Plan

**Directions:** Write letters to match each characteristic to its category in a SWOT Analysis.

Strengths	Weaknesses	Opportunities	Threats
B, D, G	A, H, J, M	C, F, K	E, I, L

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>A. opportunities the agency missed because it didn't have the right resources</li> <li>B. the agency's unique resources</li> <li>C. new technology or upgrades that could benefit the agency</li> <li>D. the agency's assets</li> <li>E. a change in an insurance company's goals that affect the agency</li> <li>F. new training that would benefit employees</li> <li>G. the areas in which the agency out-competes other agencies</li> </ul> | <ul style="list-style-type: none"> <li>H. the areas in which the agency falls behind its competitors</li> <li>I. state and federal regulations that could affect the agency</li> <li>J. reasons the agency has failed to meet its goals in the past</li> <li>K. products or services that are in demand that the agency could provide</li> <li>L. competition that could take away clients and/or employees</li> <li>M. reasons the agency has lost business</li> </ul> |
|--|---|

## Section 1: Strategic Planning

**Directions:** Use the words from the word bank to fill in the blanks.

<b>action plan</b>	<b>consumer purchasing trends</b>	<b>goals</b>
<b>accounts, or clients</b>	<b>economic trends</b>	<b>internal</b>
<b>agency operations, systems, and workflows</b>	<b>external</b>	<b>regulatory environment</b>
<b>competition</b>	<b>financials</b>	<b>sales and support</b>

1. After completing a SWOT analysis, an agency must consider the external and internal factors that will help determine its goals and subsequent action plan.
2. External factors include competition, consumer, purchasing trends and regulatory environment.
3. Internal factors include accounts, or clients, agency operations, systems, and workflows, financials, and sales and support.

## Section 1: Strategic Planning

**Directions:** Circle True or False.

1. A SMART goal provides a general description of an action.

True

False

2. A SMART goal is observable and always measurable.

True

False

3. A SMART goal always requires employee support.

True

False

4. A SMART goal must consider the need for resources and demands on employee time.

True

False

5. A SMART goal is most effective in short or incremental amounts of time.

True

False

**Directions:** Put a check (✓) mark next to each statement that describes short-range goal planning.

- occurs over a three-to-five-year period
- provides a broad picture of where an agency is headed
- provides detailed plans that organize and prioritize specific action steps
- communicates roles and responsibilities to staff
- provides an agency's daily, weekly, and monthly action agendas

**Directions:** Order the steps in an Action Plan from 1 to 4.

Step Number	Action
<u>3</u>	Identify who will be responsible for each action.
<u>1</u>	Develop action steps for successful completion of a goal.
<u>4</u>	Establish clear timeframes and guidelines for each action.
<u>2</u>	Determine how resources will be allocated to each action.

# Section 2: Talent Acquisition and Development

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## Workforce Planning

### ▶▶ Knowledge Check



**Directions:** Write a position description for a position within your organization. Describe how the person hired for the position would demonstrate a good fit within agency culture.

**Sample Answer:**

Account Manager Trainee; Supervisor – Personal Lines Manager

Compensation: \$25,000

This position will develop through internal and external educational resources and practical hands-on training to provide day to day service and renewal support for the Personal Lines Team. Comfort with the automation system basic functions is required. Normal business day work hours. The person hired should be humble, intelligent, and cooperative

# Recruiting and Hiring

## ▶▶ Knowledge Check



**Directions:** Share an example of an interview you found particularly successful from the point of view of a candidate or the interviewer. Describe specific elements of the interview that you think worked best.

**Sample answer:**

An interview with a potential account manager who told their life story using the hardest life lessons they learned along the way and the benefit of learning those lessons. The open ended discussions used were the most revealing.

OR

**Directions:** Share examples of “hidden” benefits within your workplace that help attract and retain good employees. Explain what other benefits you think would be an advantage to your agency.

**Sample answer:**

The best hidden benefit in working for the agency was the flexible office/home office approach for those most welcome to strong accountability measures of productivity. Another benefit that could be highly valued is a personal automation budget that allows employee choice in the selection of laptop brands and capabilities.

# Employee Development

## ▶▶ Knowledge Check



**Directions:** Describe the advantages of providing internal versus external professional development to employees.

**Sample Answer:**

Advantages of internal professional development include: fewer expenses, access to online training, differentiated training

# Evaluating Performance

## ▶▶ Knowledge Check



**Directions:** Name three essential performance standards for employees within your agency and describe how you use those standards to manage the agency's separation process.

**Sample Answer:**

1. Knowledge - demonstration of technical knowledge of insurance policies sold or serviced, meets or fails to meet
2. Initiative - willingness and ability to solve problems without prompting, observed or not observed
3. Attendance - displays consistent attendance within normal office hours, records indicate attendance

## Section 2: Self-Quiz

**Directions:** List five ways that agency growth affects employees.

**Sample Answer:**

1. the number of employees
2. the roles employees play
3. how employees are compensated
4. the benefits employees receive
5. the kinds of professional training employees receive

## Section 2: Talent Acquisition and Development

**Directions:** A successful agency makes assessments of their employees' needs. Underline the consequences of such assessments.

Needs Assessments lead to . . .

1. an awareness of where the agency would benefit from additional employees
2. increased recruiting costs
3. an understanding of when the right time is for bringing new employees in to an agency
4. lost time to address specific needs
5. an understanding of the specific talents and skills an agency needs its employees to have
6. an awareness of the kinds of training employees require

**Directions:** Write letters to match each consequence to the appropriate column.

The Outcomes of Having Workforce Planning	The Outcomes of Having NO Workforce Planning
A, C, G, H	B, D, E, F, I

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. clear descriptions for each role within an agency</li> <li>B. duplication of inefficient workflows</li> <li>C. identification of opportunities for mentoring</li> <li>D. loss of agency profitability related to poor hiring decisions</li> <li>E. lower team morale</li> </ul> | <ul style="list-style-type: none"> <li>F. customer complaints and loss</li> <li>G. lower recruiting and training costs</li> <li>H. an evaluation of employee strengths and weaknesses</li> <li>I. inadequate training and mentoring</li> </ul> |
|---|--|



## Section 2: Talent Acquisition and Development

**Directions:** Use words from the word bank to fill in the blanks.

<b>ages</b>	<b>customer trust</b>
<b>cultures</b>	<b>deliberate</b>
<b>customer base</b>	<b>market</b>
<b>customer needs</b>	

1. Today's customers are people of all ages and cultures.
2. A workforce that reflects the world creates market opportunities for an agency. Consequently, employee searches must be deliberate.
3. Agencies must seek talented individuals who reflect the customer base, meet customer needs, and inspire customer trust.

## Section 2: Talent Acquisition and Development

**Directions:** Explain the relationship between values and hiring.

**Sample Answer:**

Values drive strategic hiring, meaning an agency uses its values to think about the kinds of candidates that would make a good cultural fit within the agency. In other words, values drive an agency to seek employees who will reflect and help sustain the agency's culture, or personality.

**Directions:** List four examples of soft skills strategic hiring managers look for in possible employees.

**Sample Answer:**

1. the ability to communicate effectively
2. the ability to engage in creative problem solving
3. the ability to remain adaptable and flexible
4. the ability to demonstrate social and emotional awareness

**Directions:** Circle True or False.

A position description:

1. describes the necessary qualifications for the position.  

<b>True</b>	<b>False</b>
-------------	--------------
2. identifies all of the tasks and variations of those tasks that are required in the position.  

<b>True</b>	<b>False</b>
-------------	--------------
3. defines acceptable performance levels.  

<b>True</b>	<b>False</b>
-------------	--------------
4. identifies the soft skills required for a good fit within the agency.  

<b>True</b>	<b>False</b>
-------------	--------------
5. serves as a tool for hiring managers, supervisors, and human resource representatives.

## Section 2: Talent Acquisition and Development

**True**

**False**

**Directions:** Put a check (✓) mark next to each component of a position description.

- a position title
- a supervisor's name and/or position
- a performance evaluation schedule
- a performance evaluation rubric
- compensation range
- a description of duties and essential functions
- required knowledge, skills, and abilities
- a description of working conditions
- an explanation of causes for separation
- a signature line

**Directions:** Use words from the word bank to fill in the blanks.

<b>benefits</b>	<b>proud</b>
<b>fair pay</b>	<b>recognized</b>
<b>meaningful</b>	<b>respected</b>
<b>missions</b>	<b>supportive</b>
<b>products</b>	<b>valued</b>

1. Employees join or stay at an agency for a number of reasons. One is the opportunity to work with great people. Others included good benefits, fair pay, and meaningful work. Some employees join or stay because they feel proud of the work they do, the products that their agencies sell, and their agencies' missions.
2. Having supportive management is important. Employees appreciate good supervisors. They also appreciate being respected, recognized, and valued.

## Section 2: Talent Acquisition and Development

**Directions:** To recruit good employees, an agency must have a vision for its workforce. Asking who, what, and why can help an agency find a “right fit.” Write the letter of the question that corresponds to each statement.

**A. WHO?**

**B. WHAT?**

**C. WHY?**

A,C. The candidate initiated a new-employee mentorship program at her previous agency.

A,C. The candidate’s references describe the candidate’s exceptional problem-solving abilities.

A,B,C. The candidate is currently pursuing a professional designation.

B,C. The candidate has specialized training in one of the agency’s most successful products.

B. The candidate has several years of prior experience in a profitable agency.

**Directions:** Circle True or False.

1. Candidates are aware of how other agencies treat their employees.

True

False

2. Larger agencies are always able to out-compete smaller agencies for good employees.

True

False

3. Larger agencies build and sustain healthier environments than smaller agencies do.

True

False

4. Smaller agencies can out-compete large agencies by offering unique perks and professional development options.

True

False

## Section 2: Talent Acquisition and Development

**Directions:** Circle each word or phrase that describes the WFH, or work-from-home experience.

part-time	traditional hours	virtual office	connections to colleagues	previous insurance experience
previous WFH experience	full-time	activity measurement	non-traditional hours	schedule guidelines

**Directions:** List five talent sources an agency can use to identify employee candidates.

**Sample Answer:**

- online platforms, such as Indeed, Monster, Facebook, and LinkedIn
- job or career fairs
- colleges and universities
- recommendations from carriers
- seeking candidates from within the customer base

**Directions:** Use words from the word bank to fill in the blanks.

accurately predict	equal opportunity
adversely	unfair discrimination
consistently	

To ensure a successful employee selection process, an agency should provide equal opportunity to all qualified candidates and avoid unfair discrimination. An agency must demonstrate three things—that the results of the interview accurately predict work performance, that the interview is conducted consistently with every candidate, and that the results do not adversely affect protected groups.

**Directions:** A candidate's résumé is a valuable pre-interview screening tool. Put a check (✓) mark next to each item on a résumé that an agency should examine.

- the candidate's photo attachment
- career direction over time
- time in each position
- employment gaps
- the frequency of job changes
- specific duties in previous jobs
- social group memberships
- religious affiliation
- education and training
- the résumé's formatting or professional appearance

**Directions:** Use words from the word bank to fill in the blanks.

<b>consistent</b>	<b>objective</b>
<b>in a quiet location</b>	<b>participating</b>
<b>length of time</b>	<b>previous experiences</b>
<b>listen</b>	

Interviewers can follow a few simple guidelines to conduct a successful interview. They should interview in a quiet location, plan ahead to know the length of time the interview will last, follow a(n) consistent interview format, listen and remain objective, avoid participating in the interview, and ask questions that focus on the candidate's previous experiences.

## Section 2: Talent Acquisition and Development

**Directions:** Describe the purpose of using a STAR interview strategy.

**Sample Answer:**

The STAR strategy elicits responses to competency - focused questions, such as asking interviewees to discuss how they handled specific situations in the workplace.

**Directions:** Write letters to match each interviewing mistake to its name.

Expectation Gap	Halo Effect	Conversation Control
A	C	B

- A. providing an incorrect description of a position
- B. speaking more than the candidate
- C. assigning positive characteristics to someone who is physically attractive

**Directions:** Write DO or DON'T next to each recommendation for conducting an interview.

DO Ask only work-related questions.

DON'T Ask questions seeking personal information.

DO Ask questions that assess a candidate's previous duties.

DON'T Ask questions unrelated to the position to "test" the candidate's personality.

DO Ask the same questions all previous candidates have been asked.

## Section 2: Talent Acquisition and Development

**Directions:** List four things an agency can include in checking a candidate's suitability and qualifications.

**Sample Answer:**

1. a motor vehicle report
2. a credit check
3. a criminal background check
4. character references

**Directions:** Explain the difference between a skills test and a personality profile.

**Sample Answer:**

A skills test evaluates a candidate's insurance knowledge or process skills.

A personality profile evaluates a candidate's personal traits



## Section 2: Talent Acquisition and Development

**Directions:** Circle True or False.

1. Labor markets are competitive.  

**True**
**False**
2. Compensation is linked to attracting and keeping good employees.  

**True**
**False**
3. An agency should research compensation packages provided by competitors.  

**True**
**False**
4. An agency should pay more attention to perks and benefits than to compensation to attract employees.  

**True**
**False**
5. An agency should exceed their competitors' compensation rates.  

**True**
**False**
6. Compensation rates can affect an agency's profitability.  

**True**
**False**

**Directions:** Explain the relationship between bonuses and performance.

**Sample Answer:**

Bonuses should always be tied to employee performance.

**Directions:** Employees may be unaware of all of the benefits they receive or the value of those benefits, making it necessary for agencies to conduct benefit reviews. Circle examples of benefits that agencies frequently provide.

<b>medical benefits</b>	<b>Social Security</b>	<b>dental benefits</b>	<b>exercise facilities</b>
<b>flex time</b>	<b>paid volunteer time</b>	<b>cafeteria plans</b>	<b>FICA</b>

## Section 2: Talent Acquisition and Development

**Directions:** Write letters to match each employment agreement to its purpose.

Employment Agreement	Non-Disclosure and Confidentiality Agreement	Non-Compete Agreement	Non-Piracy Agreement
B	D	A	C

- A. to prevent a former employee from selling insurance within a specific geographic area for a specific amount of time
- B. to explain expectations, compensation, and how “for cause” separation is handled
- C. to prevent former employees from soliciting or writing existing clients for a specific length of time after leaving an agency
- D. to prevent former employees from disclosing confidential information they acquired while working for an agency

**Directions:** Define the term *onboarding* and explain its relationship to orientation and employee manuals.

**Sample Answer:**

Onboarding is the first step in a new employee's life within an agency. It sometimes includes an orientation program, which introduce a new employee to the company, to the company's physical facilities, to company culture, and to mentors. Providing a new employee with an employee manual is also part of onboarding. Employee manuals vary across companies, but they are intended to inform and assist employees during their careers.

## Section 2: Talent Acquisition and Development

**Directions:** Circle True or False.

An effective employee manual:

1. clarifies employee expectations.

**True**

**False**

2. protects employees from liability.

**True**

**False**

3. protects employers from liability.

**True**

**False**

4. explains company policies, such as sick leave.

**True**

**False**

5. helps assist with legal compliance.

**True**

**False**

6. identifies an agency's value, vision, and mission.

**True**

**False**

7. describes how performance issues are addressed.

**True**

**False**

8. explains IT policies.

**True**

**False**

## Section 2: Talent Acquisition and Development

**Directions:** List five benefits of employee professional development plans.

**Sample Answer:**

1. increased productivity
2. better products and coverage placement for clients
3. improved retention
4. fewer Errors and Omissions claims
5. increased profitability

**Directions:** Circle each ADVANTAGE of providing employees with internal professional development opportunities.

1. personalized training
2. no peers who may interfere with learning
3. access to a variety of online training options
4. no required interactions with instructors or peers
5. access to short-term fixes for long-term problems

**Directions:** Order the steps of the Performance Evaluation Process from 1 to 4.

- 4 Communicate evaluation results and use them to establish next year's standards.
- 1 Agree upon performance standards.
- 2 Measure employee performance frequently throughout the year.
- 3 Evaluate how well the employee meets the performance standards.

## Section 2: Talent Acquisition and Development

**Directions:** Use words from the word bank to fill in the blanks.

<b>clearly communicated</b>	<b>professional development</b>
<b>comments</b>	<b>signature line</b>
<b>performance achievements</b>	<b>strengths</b>

Common components of evaluation forms include:

1. clearly communicated performance standards or behaviors
2. performance achievements accomplished throughout the review period
3. the employee's strengths and accomplishments
4. professional development opportunities
5. the employee's comments in response to the evaluation
6. a(n) signature line acknowledges the completion of the performance evaluation

## Section 2: Talent Acquisition and Development

**Directions:** List ten preparations an employer can take to prepare for a successful evaluation.

**Sample Answer:**

1. Know the result you want.
2. Be sure the employee is fully informed, meaning s/he knows what is expected.
3. Review the employee's performance in relation to her/his position description.
4. Be thoroughly familiar with the employee's current performance.
5. Identify strengths the employee can develop further.
6. Decide what additional training the employee needs.
7. Think about what to say. Keep comments focused on the employee's work, not the person.
8. Focus on the facts.
9. Listen carefully.
10. Maintain privacy.

**Directions:** Write letters to sort the following reasons for separation into the appropriate categories.

Management-driven Reasons for Separation	Employee-driven Reasons for Separation
<b>B, D, E</b>	<b>A, C, F, G</b>

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. corporate politics, including sabotage by others</li> <li>B. dishonesty or fraud</li> <li>C. broken promises by management/owners</li> <li>D. a reduction in force (RIF)</li> </ul> | <ul style="list-style-type: none"> <li>E. unmet performance expectations</li> <li>F. disrespect unrelated to actual business results</li> <li>G. the lack of a career path or development opportunities</li> </ul> |
|---|--|

## Section 2: Talent Acquisition and Development

**Directions:** Explain what actions an agency should take to prepare for employee separation. Use words from the word bank to fill in the blanks.

cause	procedures
contracts	reasons
corrective-action	
investigated	retaliatory
policy	separation
prevent	similarly

1. First, determine the cause for separation. Follow the corrective-action plan outlined in the employee manual. Then document the reasons for separation, what the agency did to prevent it, whether disciplinary measures followed agency policy, and whether information in the employee's personnel file supports the separation decision. Also check to be sure other employees have been treated similarly.
2. Ensure the agency fully investigated the employee's complaints. Be certain that separation is not retaliatory. Also ensure there are no implied or oral contracts in place with the employee. Have procedures in place for the return of property, final pay, and benefit continuation.

## Section 2: Talent Acquisition and Development

**Directions:** Order the actions that are part of the termination process in the case of INVOLUNTARY termination from 1 to 8.

- 3 Write a separation letter that states the specific reasons for separation.
- 1 Review the situation with other owners, HR, and legal counsel.
- 6 Assign someone to stay with the employee as s/he cleans out her/his desk.
- 5 Make the meeting to the point. It is not a discussion.
- 7 Escort the individual from the property.
- 2 Be certain that there is documentation that clearly outlines the cause for termination.
- 8 Follow up after separation to be sure all materials have been returned and system and website access has been terminated.
- 4 Have a private separation meeting with an HR representative or supervisor.

Finally, inform other staff members about the decision.

**Directions:** Give two reasons an agency should conduct an exit interview with each employee who separates from an agency VOLUNTARILY.

### Sample Answer:

1. Separation is a natural part of an employee's "life cycle." Listening to the employee at this time respects this life cycle.
2. An agency should seek and then analyze feedback from the employee to understand what it can do to improve



# Section 3: Client Retention and Acquisition

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## Know the Brand

### ▶▶ Knowledge Check



**Directions:** Describe your agency's brand. Select one or more features of the brand to describe a marketing strategy your agency could use to capitalize on its strengths.



**Sample Answer:**

Personal relationships with customers

Outstanding value

Willingness to serve

## Market for Success

### ▶▶ Knowledge Check



**Directions:** Describe a marketing tool you or someone in your agency created that was more successful than anticipated. Explain what made the tool so effective.

**Sample Answer:**

Use of individualized business cards to communicate the unique commitment employees have to meeting the goals of the agency brand.

## Build and Keep Relationships

### ▶▶ Knowledge Check



**Directions:** Identify and share a specific technique or strategy you have found effective in your efforts to provide quality client service and retain clients.

**Sample Answer:**

Consistent use of clients' preferred names and references to family members to show a personal connection to meeting their needs.

## Section 3: Self-Quiz

**Directions:** Circle each statement that describes today's clients.

want round-the-clock access	trusting	careless with money	knowledgeable
slow to offer loyalty	educated	demand technological support	careful with money
expect personal attention	prefer to work with technology not people	quick to make decisions	seek support from real people when there's a problem

**Directions:** Complete the sentence.

**Sample Answer:**

The factors that bring clients to an agency and keep them there communicate the agency's brand.

**Directions:** List the five steps in a successful marketing program.

**Sample Answer:**

1. Identify a target market.
2. Evaluate resources.
3. Develop the market plan.
4. Apply metrics.
5. Analyze the plan's success

### Section 3: Client Retention and Acquisition

**Directions:** Name four things an agency can do to identify a target market.

**Sample Answer:**

1. Know what it does well and what products it has to sell
2. Know whether there are sufficient prospects for those products
3. Recognize the competition
4. Consider how the agency can differentiate itself from the competition

**Directions:** Put a check (✓) mark next to each statement that poses a question an agency should ask itself to evaluate its resources.

- What other agencies pose the greatest competition?
- How well do account managers and producers work together?
- Does the agency have enough staff to handle a lot of new businesses?
- Do the target markets exist for new products?
- Do existing processes and workflows support success?
- Where is the “lowest hanging fruit”?
- How effective is the agency’s contact management system?
- What marketing materials reach the most people for the least cost?

**Directions:** Use words from the word bank to fill in the blanks.

essential	limitations
growth	practical

While knowing its limitations before planning a marketing program is both practical and essential, it also helps an agency recognize its opportunities for growth and where those opportunities exist.

### Section 3: Client Retention and Acquisition

**Directions:** Circle the word or words that complete each statement.

1. An agency's marketing plan begins with clear \_\_\_\_\_.

actions

goals

2. An agency considers the advantages and disadvantages of a variety of \_\_\_\_\_.

marketing tools

bells and whistles

3. An agency decides what \_\_\_\_\_ to include in their marketing tools.

information

timelines

4. An agency considers whether any bells and whistles might convey \_\_\_\_\_.

extra costs

extra value

5. Producers and agency management work together to create \_\_\_\_\_.

a list of competitors

a list of prospects

6. The first target for a prospect list is \_\_\_\_\_.

references from existing customers

low-hanging fruit

7. An agency decides which marketing materials or formats will work best after it has established its goals, defined its \_\_\_\_\_, and decided how it will set itself apart from its competitors.

delivery method

markets

### Section 3: Client Retention and Acquisition

**Directions:** List four things an agency website should do to be effective.

**Sample Answer:**

1. accommodate all kinds of devices, including phones and tablets
2. be able to receive complete contact information
3. be refreshed frequently to keep customers interested
4. incorporate key words that drive search engines

**Directions:** Circle the “convenience factors” that a website can offer clients.

reporting claims	making payments	connecting to social media platforms
customer surveys	accessing certificates of insurance	requesting quotes
viewing policy documents	advertising	contacting the agency

### Section 3: Client Retention and Acquisition

**Directions:** Use words from the word bank to fill in the blanks.

<b>advertisements</b>	<b>radio</b>
<b>brochures</b>	<b>social media</b>
<b>direct mail</b>	<b>telemarketing</b>
<b>email</b>	<b>trade</b>
<b>landing page</b>	<b>TV</b>
<b>newsletters</b>	<b>websites</b>

1. Printed marketing tools include direct mail, brochures, newsletters, and advertisements.
2. Digital marketing tools include websites, ocial media, and the agency's landing page.
3. Other kinds of marketing tools include telemarketing, TV and radio spots, email blasts, and presence at trade shows.

### Section 3: Client Retention and Acquisition

**Directions:** Circle True or False.

1. An agency can use metrics to create the goals that will lead to a marketing plan.

True

False

2. An agency can use metrics to evaluate the effectiveness of its marketing plan.

True

False

3. The most desirable frequency for collecting metrics is daily.

True

False

**Directions:** Order the sequence of metrics an agency should collect to evaluate the success of its marketing plan from 1 to 4.

3 the number of appointments resulting in sales

1 the number of calls that result in appointments

4 the number of closes per month

2 the number of appointments each week

**Directions:** Explain why an agency must constantly use metrics to monitor the success of its marketing plan.

**Sample Answer:**

Using metrics to compare actual results with projected goals helps an agency evaluate the success of its efforts and make changes, if necessary.

**Directions:** Write two words that summarize the importance or value of client retention.

**Sample Answer:**

income

revenue



### Section 3: Client Retention and Acquisition

**Directions:** List three guiding principles that form the basis of a client-retention process.

**Sample Answer:**

1. Build rapport and trust
2. Provide quality customer service
3. Educate clients

**Directions:** Circle the word or words that complete each statement.

1. Applying a few communication techniques can help assure clients of their \_\_\_\_\_.  
**importance to the agency**      **access to the right products**
2. When communicating with clients, agents should consider every client's \_\_\_\_\_ and needs.  
**history with the agency**      **experiences**
3. Agents should listen to \_\_\_\_\_.  
**learn**      **avoid missing important details**
4. Agency staff should ask questions to \_\_\_\_\_.  
**clarify clients' comments**      **repeat clients' comments**
5. Agency staff should reword clients' comments in order to \_\_\_\_\_.  
**help clients feel confident that they were understood**      **help clients recognize the staff's expertise**
6. Staff should use \_\_\_\_\_ during discussions.  
**insurance language**      **friendly language**
7. While speaking with clients, staff should maintain \_\_\_\_\_.  
**a sense of humor**      **a sense of urgency**

### Section 3: Client Retention and Acquisition

**Directions:** Explain how clients define the term *quality* when it comes to customer service.

**Sample Answer:**

Clients define the quality of customer service as the kind of personal attention they receive.

**Directions:** Use words from the word bank to fill in the blanks.

exposures	informed
claims	needs

Clients expect agents to be fully informed and always aware of their needs. They also expected to be protected from exposures. Protection helps clients avoid or minimize claims. It also reduces the likelihood that clients will go to a different agency.

**Directions:** Define the term *cross-selling* and explain why it contributes to client retention.

**Sample Answer:**

Cross-selling is the process of extending a client's coverage by enhancing an existing policy or adding new policies. It deepens the relationship between clients and an agency, making it an effective client-retention tool that increases an agency's profitability.

**Directions:** Name one way each of the following individuals or groups contributes to client retention.

1. Agency owner: determines the scope of a client-retention plan and measures the results
2. Agency producer or account manager: identifies cross-selling opportunities
3. Company personnel: apply their broad knowledge of companies to offer insights into cross-selling opportunities

### Section 3: Client Retention and Acquisition

**Directions:** Circle True or False.

1. There are economic reasons for promoting client retention.

True

False

2. An agency should focus more on why clients stay than why they leave.

True

False

3. Knowing why clients leave can lead to profitable opportunities.

True

False

**Directions:** Identify two kinds of reports an agency can use to measure the success of its client-retention efforts.

**Sample Answer:**

1. Revenue reports

2. Cancellation reports

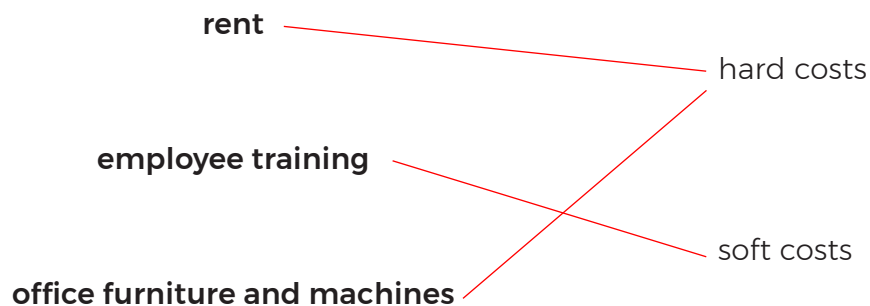
**Directions:** Complete the statement.

To determine if an account is profitable enough to write, an agency must have a complete understanding of

**Sample Answer:**

expenses associated with providing products and services..

**Directions:** Draw lines to match each example to the kind of expense it represents.



### Section 3: Client Retention and Acquisition

**Directions:** Put a check (✓) mark next to each question an agency must ask when it is considering expenses related to soft costs.

- Does the producer have the expertise to secure an account?
- What technology is required to secure new clients?
- If a producer needs a mentor, how will the mentor's time away from her/his own work affect expenses?
- How will marketing efforts affect producer performance?
- Is staff support necessary to secure a new client?
- How do bonuses affect expense calculations?

**Directions:** Use words from the word bank to fill in the blanks.

<b>directly attributable</b>	<b>premium</b>
<b>(non-compensation expense)</b>	<b>set agency standards</b>

1. To determine the profitability of an account, it is necessary to know how much variable overhead (non-compensation expense) the agency has that is directly attributable to an account.
2. To determine a new or renewed account's profitability, it is necessary to calculate costs associated with the premium. This information can also be used to set agency standards.

**Directions:** Explain what decision an agency must make if a client demands more attention than the agency can profitably provide.

**Sample Answer:**

The agency must decide whether to retain or release the client.

# Section 4: Technology Utilization

## Levels of Technology Utilization

### ▶▶ Knowledge Check



**Directions:** Use your own words to describe the main features of each of the five levels of utilization.

**Sample Answer:**

Level 1	Level 2	Level 3	Level 4	Level 5
<b>Essential Utilization</b>	<b>Defined Utilization</b>	<b>Managed Utilization</b>	<b>Quantified Utilization</b>	<b>Optimized Utilization</b>
<u>Use of basic technologies</u>	<u>Use of technology with a general understand of its uses</u>	<u>Workflows are designed around technologies</u>	<u>Technology is used to measure performance toward goals</u>	<u>Use of technology allows employees to focus on quality of service</u>

# Conducting an Internal Needs Assessment

## ▶▶ Knowledge Check



**Directions:** Identify three factors your agency should consider before moving forward with a decision to upgrade or convert its data management system.

**Sample Answer:**

1. A timeline for consideration and implementation
2. Questions and answers to guide decision making
3. Make a checklist to consider needs

# Using an Operational Assessment to Improve Workflows

## ▶▶ Knowledge Check



**Directions:** Explain the relationship between standards, procedures, and workflows.

**Sample Answer:**

Standards are the targeted level of performance, while procedures are the things an agency must do to meet the standard. A workflow provides the steps staff need to perform to complete the procedures.

# Information Management

## ▶▶ Knowledge Check



**Directions:** Describe and share what you find most useful or valuable using the information management system at your agency.

### Sample Answer:

Data collection, storage, and labeling

Accessing documents and information

How are documents formatted for further use

## Section 4: Self-Quiz

**Directions:** Define the term *InsurTech*.

InsurTech is the application of

**Sample Answer:**

technology innovations aimed at reducing costs and increasing efficiency across current industry models.

**Directions:** Write letters to sort the examples into appropriate categories.

### How InsurTech Affects the Insurance Industry

Claims Handling	Risk Management	New Business Onboarding
<b>C, G</b>	<b>B, D, H</b>	<b>A, E, F</b>

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. electronic delivery</li> <li>B. understanding workplace behaviors</li> <li>C. calculating the estimated cost of repairs</li> <li>D. virtual walk-throughs</li> <li>E. paperless transactions</li> </ul> | <ul style="list-style-type: none"> <li>F. reducing the number of questions asked</li> <li>G. evaluating cause and effect from a loss</li> <li>H. telematics, such as tracking driving behaviors</li> </ul> |
|---|--|



## Section 4: Technology Utilization

**Directions:** Technology affects agency performance. Write letters to match each example to its effect.

Example	Effect
<b>A.</b> Clients have instant access to information.	<u><b>C., K.</b></u> Technology increases revenue.
<b>B.</b> Agents can communicate with clients in a variety of ways.	<u><b>E., I.</b></u> Technology allows measurement.
<b>C.</b> Both employees and clients benefit from controlled and consistent experiences, leading to greater satisfaction.	<u><b>A., B., H.</b></u> Technology improves the customer experience.
<b>D.</b> Employees can work from any location.	<u><b>C., I.</b></u> Technology helps build a consistent experience.
<b>E.</b> Consistency reduces possible E&O exposures.	<u><b>D., J.</b></u> Technology offers flexibility.
<b>F.</b> Standardized workforce practices reduce employee stress, making the work environment more enjoyable.	<u><b>F.</b></u> Technology can increase employee satisfaction.
<b>G.</b> The ability for any number of people to process more transactions increases per-person revenue.	
<b>H.</b> Agents can focus more on customer service than on transactions.	
<b>I.</b> Unchanging, or invariable, practices reduce exposure to E&O claims.	
<b>J.</b> Employees can access personal training opportunities.	
<b>K.</b> Any given number of people can process more transactions.	

## Section 4: Technology Utilization

**Directions:** Choose words from the word bank to fill in the blanks.

<b>customer service</b>	<b>sales</b>
<b>level</b>	<b>support</b>
<b>management</b>	<b>technology</b>
<b>practical</b>	

The term *utilization* refers to making practical or efficient use of something. It is not an agency's specific technology or management system that determines utilization. It is the level at which these items are implemented. Implementation includes employee support, back-office support, sales support, and customer service.

## Section 4: Technology Utilization

**Directions:** Read each characteristic. Then write the number of the corresponding utilization level. The first one has been done for you.

**Level 1 – Essential Utilization**

**Level 4 – Quantified Utilization**

**Level 2 – Defined Utilization**

**Level 5 – Optimized Utilization**

**Level 3 – Managed Utilization**

Characteristic	Level Number
<b>A.</b> Technology is used to conduct more of the various tasks of running an agency, thus reducing the overall burden on employees.	<b>5</b>
<b>B.</b> There is a focus on how staff manage the agency’s short- and long-term goals.	<b>4</b>
<b>C.</b> Agency data integration with carrier systems exists but is not fully used.	<b>2</b>
<b>D.</b> Technology systems are integrated so that phones and other forms of communication work with an agency’s management system.	<b>3</b>
<b>E.</b> Although some technology is in use such as phones and workstations, overall technology use is minimal.	<b>1</b>
<b>F.</b> An agency prioritizes measuring the results of its technology and analyzing those results to determine how they affect the agency in the most positive ways.	<b>4</b>
<b>G.</b> Practical uses of technology for the purpose of creating efficient workflows and procedures are being defined.	<b>2</b>
<b>H.</b> Technology integration is seamless, moving the emphasis from the agency’s needs to the customer’s needs.	<b>4</b>
<b>I.</b> An agency is beginning to measure the value and efficiency its technology provides.	<b>4</b>
<b>J.</b> Only the basic features of any existing agency management system are used.	<b>1</b>
<b>K.</b> Workflows and technology provide strategic and reliable processes that focus on customer needs.	<b>3</b>
<b>L.</b> An agency is deciding the minimum amount of data it needs to collect.	<b>2</b>

## Section 4: Technology Utilization

**Directions:** Circle True or False.

1. Moving from one technology level to another is always done one level at a time.

True

False

2. An agency with highly effective strategic planning can skip levels to reach Technology Utilization Level 5 instantly.

True

False

3. Realistic goals and time frames are required for an agency to move forward from one technology utilization level to another.

True

False

**Directions:** Order the “big-picture” steps for moving from one technology level to the next from 1 to 4.

3 Measure for success.

1 Build the base.

4 Move to the next level.

2 Establish the “Agency Way.”

**Directions:** Explain the difference between a technology upgrade and a technology conversion.

**Sample Answer:**

1. A technology upgrade is moving from one version of a management system to another and/or adding an additional product to an existing system.
2. A technology conversion is moving from one product to another.

## Section 4: Technology Utilization

**Directions:** Explain why an agency should conduct an internal needs assessment before deciding whether to upgrade or convert its technology.

**Sample Answer:**

Conducting an internal needs assessment helps an agency determine its technological needs in terms of an agency's goals and objectives.

**Directions:** Draw lines to match each step to the appropriate order in the process of conducting an internal technology needs assessment.

- |   |   |
|---|---|
| 1 | Decide whether to upgrade or convert. Then consider what technology will get the job done.  |
| 2 | Plan for a commitment to employee training.   |
| 3 | Develop a set of questions and answers to guide the thinking, research, and decision-making processes related to whether to upgrade or convert to a new system. |
| 4 | Make a checklist of current and future needs.   |
| 5 | Establish time-related goals.   |

**Directions:** Circle each example of a factor an agency might consider during an internal needs assessment.

mobile access	reporting needs	hard costs	security issues
timeline for completion	future needs	per-user cost	soft costs
required staff training	functionality across electronic platforms	whether to rely on software of Cloud solutions	client expectations

## Section 4: Technology Utilization

**Directions:** Circle whether each example represents a Hard Cost or a Soft Cost.

1. Employee training

Hard Cost

Soft Cost

2. Loss of productivity during learning time

Hard Cost

Soft Cost

3. Physical equipment required for technology implementation

Hard Cost

Soft Cost

**Directions:** Define the term *Cloud computing*.

Cloud computing describes

**Sample Answer:**

Cloud computing describes the use of remote servers hosted on the internet to store, manage, and process data.

**Directions:** Name two advantages of relying on Cloud computing rather than in-house data storage.

**Sample Answer:**

- The Cloud provides an alternative to storing information on a local server or on office computers, making it a soft-cost solution to technology use.
- In addition to offering off-site data storage, the Cloud's pay-as-you-go format is constantly updated for users.

## Section 4: Technology Utilization

**Directions:** Circle the word or words that complete each sentence.

1. \_\_\_\_\_ may have had little experience with the technology used prior to a technology upgrade.

**Customer service representatives**

**Producers**

2. Insertions of data at the earliest stages of client interactions are more complete when everyone knows how to use an agency's \_\_\_\_\_.

**VoIP**

**information management system**

3. No matter who the employee is, familiarity with an agency's technology upgrade or conversion improves workflows and increases individual \_\_\_\_\_.

**responsibility**

**productivity**

**Directions:** Circle True or False.

1. VoIP is the delivery of voice and multimedia data over networks, such as the internet.

**True**

**False**

2. Printers, scanners, and telephones must be integrated and compatible for effective communication.

**True**

**False**

3. For greater productivity, an agency should grant individual access to systems rather than to groups.

**True**

**False**

4. Insurance companies can use third-party resources to access an agency's management system.

**True**

**False**

5. Most agencies wait until technology has been upgraded or converted to clean their data.

**True**

**False**

## Section 4: Technology Utilization

**Directions:** Choose words from the word bank to fill in the blanks.

<b>accurate</b>	<b>misplaced</b>
<b>difficult</b>	<b>useful</b>
<b>efficient</b>	<b>validating</b>
<b>integrity</b>	

1. Most agencies attempt to organize their documentation before upgrading or converting their data management systems. An agency begins by validating its information, or “cleaning up” its data before making any system change. Stray, or misplaced, information is put in its proper place.
2. Cleaning data before an upgrade or conversion has two valuable consequences. First, it makes the change process far more efficient and less difficult. Second, it provides data integrity. When agency staff generate reports, those reports will be based on accurate data. Only then are reports useful.

**Directions:** Explain why built-in workflows are more effective than multitasking.

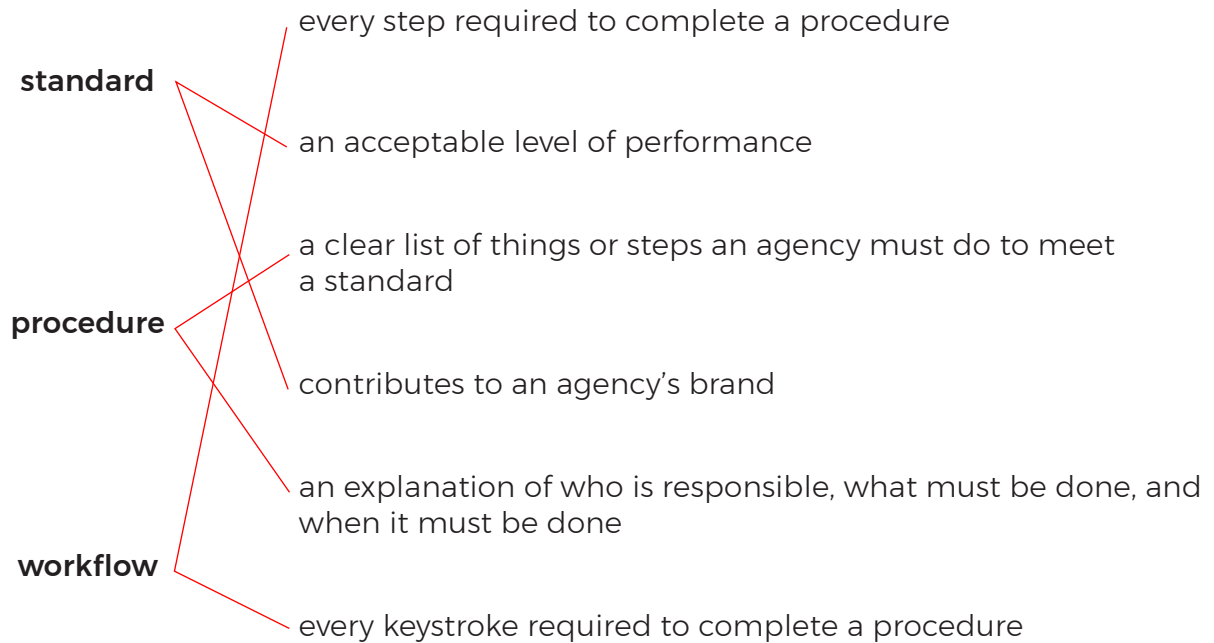
**Sample Answer:**

Multitasking leads individuals to believe they are accomplishing more than they are. It dilutes an individual’s focus and reduces the person’s effectiveness. Built-in workflows, on the other hand, provide a strong and singular focus.



## Section 4: Technology Utilization

**Directions:** Draw lines to match each word to its definition.



**Directions:** List five benefits that come from having established standards, procedures, and workflows. Together, they:

**Sample Answer:**

1. optimize time use
2. work as benchmarks for measuring compliance, productivity, and effectiveness
3. promote consistency, thereby reducing mistakes and E&O exposures
4. provide data to help an agency plan, market, grow, and make decisions
5. identify opportunities, the need for change, and the need for training

## Section 4: Technology Utilization

**Directions:** Put a check (✓) next to each outcome of an operational assessment.

An operational assessment helps an agency:

- ensure that employees are following the agency's standards, procedures, and workflows
- decide whether to upgrade or convert technology
- find problems that need to be corrected
- evaluate individual employee performance
- rewrite its value, vision, and mission statements
- compare agency productivity levels to competitors' levels
- support customer service
- find ways to use current technology more fully
- identify employee training needs
- support an agency's core value and mission

**Directions:** Circle the word or words that complete each sentence.

1. \_\_\_\_\_ are needed to lead an operational assessment.

**Agency managers or owners**      **Trained and reliable individuals**

2. Assessments should be applied consistently across \_\_\_\_\_.

**departments**      **the lowest paid employees**

3. Assessment results should be communicated to \_\_\_\_\_ in general terms.

**all staff**      **managers**

4. Assessment results should include solutions, \_\_\_\_\_, and training opportunities uncovered by the assessment process. \_\_\_\_\_

**staff recommendations**      **workflow glitches**

## Section 4: Technology Utilization

**Directions:** Explain the purpose of staff stratification.

**Sample Answer:**

The lowest paid employees are often the foundation of an agency's success. They provide the scaffolding on which an agency grows. An agency should transfer work to employees working in the lowest cost level capable of handling the work in a satisfactory manner. This saves money and time without sacrificing efficiency.

**Directions:** Choose words from the word bank to fill in the blanks. Some words may be used more than once.

<b>databases</b>	<b>integrity</b>	<b>unreliable</b>
<b>electronic</b>	<b>quality</b>	

Effective information management relies entirely on electronic documents and databases. However, the integrity of the information in an output such as a report depends entirely on the quality of the information put into the agency's database. Without data integrity, other functions are entirely unreliable.

**Directions:** Put a check (✓) mark next to each recommendation for managing information effectively.

- Fill in every field within a database.
- Set up folders for storing essential emails.
- Use appropriate naming conventions.
- Complete the Full Client Detail in a database.
- Print and store hard copies of all documents.
- Keep databases up-to-date.
- Provide employees with customized training in using the database.

## Section 4: Technology Utilization

**Directions:** List four kinds of data that should be entered into an agency's management system. The first one has been done for you.

**Sample Answer:**

1. Basic client detail
2. Contact details
3. Policy details
4. Coverage details

**Directions:** Put a check (✓) mark next to each example of data put into an agency's management system.

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> claims information     | <input checked="" type="checkbox"/> driving records             |
| <input type="checkbox"/> system access information         | <input checked="" type="checkbox"/> property update information |
| <input checked="" type="checkbox"/> appraisals             | <input checked="" type="checkbox"/> coverage recommendations    |
| <input checked="" type="checkbox"/> classification codes   | <input type="checkbox"/> technology productivity metrics        |
| <input checked="" type="checkbox"/> value statements       | <input checked="" type="checkbox"/> evaluation worksheets       |
| <input checked="" type="checkbox"/> submission information | <input checked="" type="checkbox"/> business income worksheets  |

## Section 4: Technology Utilization

**Directions:** Circle True or False.

1. A workflow should always start at the beginning.

**True**

**False**

2. Client data go in first.

**True**

**False**

3. Entering data in the middle of a workflow can lead to data backflow.

**True**

**False**

4. Data backflow requires employees to go back to the beginning of a workflow to fill in missing information.

**True**

**False**

5. Working backward can save time and money.

**True**

**False**

6. Data backflow has little or no effect on data integrity.

**True**

**False**

**Directions:** Fill in letters to complete each word in the following sentence.

Document managers use database systems to collect, store, and manage documents.

## Section 4: Technology Utilization

**Directions:** List seven examples of electronic documents that an agency can collect, store, and manage.

**Sample Answer:**

1. e-mail
2. carrier-generated documents, such as policies and endorsements
3. electronic and paper faxes
4. scanned and digitized paper mail
5. photos
6. other means of communication, such as voice-mail
7. formal reports

**Directions:** Choose words from the word bank to fill in the blanks. Some words may be used more than once.

<b>cover page</b>	<b>scanned</b>
<b>electronically</b>	<b>shredded</b>
<b>files</b>	<b>storage</b>
<b>processed</b>	

Agencies may combine early- and late-capture methods to manage in-house documents. In the early capture method, incoming documents are scanned immediately after they arrive at an agency. They are then transferred electronically, attached to client files, and/or communicated electronically to a staff member. In the late capture method, documents are processed before they are scanned. Next, they are distributed to individuals within the agency or to an outside vendor for electronic storage. Each document is accompanied by a(n) cover page. Afterward, original paper documents may be shredded.

## Section 4: Technology Utilization

**Directions:** Document managers are aware of their states' requirements for gathering information classified as private information. List ten possible examples of personally identifiable information (PII).

**Sample Answer:**

1. first and last name
2. first name initial and last name
3. social security number
4. birthdate
5. credit card information
6. home address
7. health records
8. passwords
9. veteran and disability status
10. student information

**Directions:** Describe two steps an agency must take to protect client data.

1. To protect client data, an agency should minimize and purge.
2. It must then purge unnecessary information as soon as possible.

**Directions:** Explain how encryption is related to protecting client data.

**Sample Answer:**

Encryption, the process of encoding data to protect information from unauthorized access, occurs during document transmission and communication via e-mails and mobile devices. It can also be applied to information stored on computers, phones, and portable devices, such as tablets.

## Section 4: Technology Utilization

**Directions:** Technology presents both benefits and challenges to an agency. Write the letter of each example in the appropriate column.

Benefits of Technology	Challenges Related to Technology
<b>A, D, E, F</b>	<b>B, C</b>

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. Employees save keystrokes by allowing information to be entered only once.</li> <li>B. Not all insurance companies support an agency's workflows.</li> <li>C. An agency needs different workflows to work with companies that do not support bridging.</li> </ul> | <ul style="list-style-type: none"> <li>D. Processing is expedited for routine requests.</li> <li>E. Employees reduce E&amp;O exposure by decreasing the likelihood that data will be entered incorrectly.</li> <li>F. Data quality improves and opportunities for human error diminish.</li> </ul> |
|---|--|

**Directions:** Downloading is the process of transferring information electronically from an insurance company database to an agency management system. It brings both benefits and challenges to an agency. Write the letter of each example in the appropriate column.

Benefits of Downloading	Challenges Related to Downloading
<b>B, D, E, H</b>	<b>A, C, F, G</b>

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. Download failures can lead to problems, such as data overwrites.</li> <li>B. The possibility of data-entry mistakes decreases, reducing E&amp;O exposure.</li> <li>C. A failure to conduct daily download audits may result in undiscovered errors or glitches, compromising an agency's database.</li> <li>D. Processing work may decrease by as much as 30%.</li> </ul> | <ul style="list-style-type: none"> <li>E. Workflow begins in an agency management or comparative rating system.</li> <li>F. An agency may need different workflows to work with carriers that do not support bridging.</li> <li>G. Not all insurance companies support commercial line downloads.</li> <li>H. More insurance carriers provide support for personal lines downloads.</li> </ul> |
|---|--|



## Section 4: Technology Utilization

**Directions:** Circle True or False.

1. A comparative rating system is a vendor rating program that enables an agency to obtain accurate risk quotes from multiple carriers.

**True**

**False**

2. A vendor and an insurance carrier must initiate, implement, and check rating updates.

**True**

**False**

3. A comparative rating system increases the number of keystrokes required to obtain a premium quote.

**True**

**False**

4. A comparative rating system is available at no cost to an agency.

**True**

**False**

5. Not all comparative rating systems may provide an underwriting review or necessary reports.

**True**

**False**

**Directions:** Insurance companies and agencies may provide portal access to proprietary rating systems through log-ins and passwords. Circle the word or words that complete each statement about proprietary rating systems.

1. A proprietary rating system often includes \_\_\_\_\_ approval.

**underwriting**

**risk**

2. Agency employees enter risk data into a carrier's system to obtain quotes, but \_\_\_\_\_ may be unacceptable.

**risks**

**declination capabilities**

3. When producers and CSRs go around an agency's management system by going directly to a carrier's site, they \_\_\_\_\_.

**compromise an agency's documentation**

**increase workflow efficiencies**

## Section 4: Technology Utilization

**Directions:** List five examples of real-time transactions that can occur when carrier and agency management systems interpret and transfer data.

**Sample Answer:**

1. Billing inquiry
2. Policy inquiry
3. Claim inquiry/loss run
4. Endorsement processing
5. Rating

# Section 5: Ethical Responsibility

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## Ethics in the Workplace

### ▶▶ Knowledge Check



**Directions:** Work with a partner or in a group. Select one of the following case studies to examine from an ethical perspective. Use what you know about the foundations of ethical behavior to answer the question.

#### Case Study One

You are a producer in a local insurance agency. Recently, you connected with a business owner at a Chamber of Commerce luncheon. The owner is excited about having you quote and write his business. Returning to the office, you attempt to enter this prospect into your sales management system, only to find that the business is already entered as a prospect assigned to another producer in the agency. You notice that the producer has not contacted the business in more than three years. You know you can land this account. How do you proceed?

#### Sample Answer:

You go to the other producer to inform them of your new contact with the prospect and you ask them to withdraw from the account. If necessary, you could agree to a negotiated resolution. If the conflict remains you could approach management regarding who should have ongoing ownership of the account.

#### Case Study Two

You are the agent for a nonprofit social services agency. The social services agency knows you and your son are actively involved in Little League. The social services agency offers you a set of family season tickets to the games of the local professional baseball team. What do you do?

#### Sample Answer:

You thank the customer for the offer of the tickets and explain how the insurance regulations regarding rebating could apply in this circumstance and that you are committed to acting ethically and within state regulations.

# Legal Duties

## ▶▶ Knowledge Check



**Directions:** Summarize the legal and ethical duties that fall to you as an insurance agent. Share and compare your self-analysis with other participants and use discrepancies as opportunities for clarification and discussion.

### Sample Answer:

As an agent you have both ethical and legal duties to act in good faith toward the customer, sharing the truth about what you can and will do for them and what you cannot do to help manager their risk, if anything. During the policy year and at claims time you owe them prompt and clear support.

## Section 5: Self-Quiz

**Directions:** Choose words from the word bank to fill in the blanks.

<b>agency</b>	<b>ethics</b>	<b>profession</b>
<b>beliefs</b>	<b>guiding principles</b>	<b>right</b>
<b>business ethics</b>	<b>individual</b>	<b>wrong</b>

1. The rules or standards associated with one's moral duties and obligations are called ethics. They are guiding principles, or collective beliefs and values that members of a society use to guide personal decisions and to differentiate between "right and wrong"
2. The principles that guide the decisions of individuals and groups within a given profession are called business ethics. They focus on principles and problems that occur within a business environment, such as an agency. Business ethics apply to each individual within an agency and to the agency as a whole.

**Directions:** Name two factors that influence the application of business ethics within the insurance industry.

**Sample Answer:**

1. laws and regulations
2. public perception

## Section 5: Ethical Responsibility

**Directions:** Write the letter of the phrase that defines each principle.

<b>A.</b> Honesty	<u>  <b>I.</b>  </u> making every effort to fulfill commitments
<b>B.</b> Loyalty	<u>  <b>A.</b>  </u> avoiding deception
<b>C.</b> Respect for Others	<u>  <b>C.</b>  </u> respecting human dignity
<b>D.</b> Leadership	<u>  <b>H.</b>  </u> protecting a company's reputation and safeguarding employee morale
<b>E.</b> Integrity	<u>  <b>J.</b>  </u> following the Golden Rule
<b>F.</b> Fairness	<u>  <b>F.</b>  </u> exercising power without taking advantage of others
<b>G.</b> Law Abiding	<u>  <b>L.</b>  </u> accepting responsibility for one's decisions
<b>H.</b> Reputation and Morale	<u>  <b>B.</b>  </u> demonstrating fidelity to clients, colleagues, and institutions
<b>I.</b> Trustworthiness	<u>  <b>D.</b>  </u> recognizing the responsibilities attached to positions of leadership
<b>J.</b> Concern for Others	<u>  <b>E.</b>  </u> doing what is right, even when under pressure to do otherwise
<b>K.</b> Commitment to Excellence	<u>  <b>K.</b>  </u> being well-informed and dedicated to improving professional proficiency
<b>L.</b> Accountability	<u>  <b>G.</b>  </u> following rules, regulations, and laws

Section 5: Ethical Responsibility

**Directions:** Circle the word or words that complete each statement.

1. An ethical individual \_\_\_\_\_ before acting.

**speaks**

**thinks**

2. An ethical individual demonstrates \_\_\_\_\_

**self-discipline**

**caution**

3. An ethical individual behaves \_\_\_\_\_.

**consistently**

**with quiet dignity**

4. An ethical individual accepts responsibility for the \_\_\_\_\_ of her/his \_\_\_\_\_.

**consequences/behaviors**

**integrity/leadership**

## Section 5: Ethical Responsibility

**Directions:** Circle True or False.

An agency is neither ethical nor unethical.

1. Every agency should have a Code of Ethics.

**True**

**False**

2. A Code of Ethics is the foundation of an agency's value system.

**True**

**False**

3. An agency's Code of Ethics is reflected in its public image.

**True**

**False**

4. Employees should take primary responsibility for establishing an agency's Code of Ethics.

**True**

**False**

5. Agency leaders should be aware of what drives employee behaviors.

**True**

**False**

6. Ethical practices should move from top to bottom within an agency.

**True**

**False**

7. Implementing a Code of Ethics is a one-time effort.

**True**

**False**

8. Agency leaders can use client surveys to evaluate how well an agency's Code of Ethics is working.

**True**

**False**

**Directions:** Put a check (✓) mark next to each reason individuals or groups choose to act unethically.

- Managers do not model a Code of Ethics.
- Employees feel it is unsafe to speak honestly to management.
- Managers promote competition.
- Managers establish unrealistic performance targets.
- Managers treat employees differently, giving some individuals advantages that others don't have.



## Section 5: Ethical Responsibility

**Directions:** Choose words from the word bank to fill in the blanks.

<b>legal action</b>	<b>regulatory</b>
<b>profitability</b>	<b>reputation</b>

The consequences of unethical behaviors in an agency can include harm to the agency's reputation, exposure to legal action, a decrease in profitability, and regulatory actions.

**Directions:** Underline the factors that contribute to the identification and establishment of ethical responsibilities in the workplace on the basis of law.

<b>employee morale</b>	<b><u>peer standards</u></b>	<b>client feedback</b>
<b><u>reliable research</u></b>	<b>social media</b>	<b><u>expert testimonies</u></b>
<b><u>case laws and</u></b> <b><u>statutes</u></b>	<b>web surveys</b>	

## Section 5: Ethical Responsibility

**Directions:** Choose words from the word bank to fill in the blanks. Words may be used more than once.

<b>client dependence</b>	<b>length of time</b>
<b>decisions</b>	<b>make</b>
<b>fiduciary</b>	<b>responsibility</b>
<b>intimate knowledge</b>	<b>special relationship</b>

1. Some situations may lead a court to determine the existence of a(n) “special relationship” between a client and an agent. Although these determinations can vary dramatically by state, they can be triggered by an agent’s intimate knowledge of a client, the length of time of their relationship, the degree of client dependence on the agent, or an agent simply agreeing to make insurance or risk management decisions on behalf of a client.
2. In insurance transactions, a(n) fiduciary relationship – a relationship in which an agent, agency, or insurance company is expected to act in the best interests of a client – is held to a higher degree of responsibility than fiduciary relationships in many other businesses.

## Section 5: Ethical Responsibility

**Directions:** Circle the word or words that complete each statement.

1. In a special relationship, an insured asks for \_\_\_\_\_ and an agent provides \_\_\_\_\_.

**recommendations/advice**

**regulations/legal statutes**

2. A(n) \_\_\_\_\_ is a party authorized to act ethically on behalf of another. Parties include principals, agents, and third parties.

**special relationship**

**legal agent**

3. An insurance agent is appointed by a(n) \_\_\_\_\_ to solicit applications, collect premiums, and bind policies.

**broker**

**insurer**

4. A(n) \_\_\_\_\_ acts or aids in negotiating insurance contracts.

**insurance counselor**

**broker**

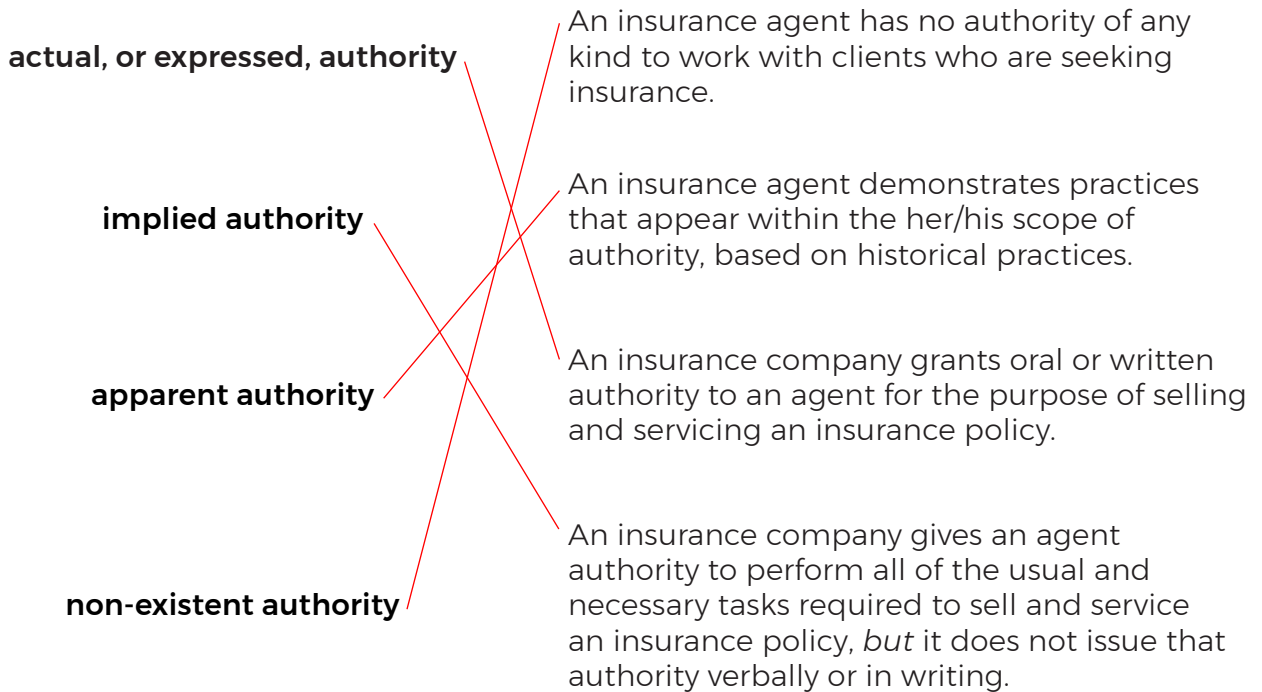
5. A managing general agent has \_\_\_\_\_, claims, and reinsurance placement authority from an insurer.

**solicitation**

**underwriting**

## Section 5: Ethical Responsibility

**Directions:** Draw lines to match each kind of agency authority to its meaning.



**Directions:** Define the term *unfair trade practice*.

**Sample Answer:**

An unfair trade practice is a fraudulent, deceptive, or unethical behavior enacted for the purpose of obtaining business.

## Section 5: Ethical Responsibility

**Directions:** Choose the word or words from the word bank that match each description.

<b>claims practices</b>	<b>rebating/gift offers/false free prizes</b>
<b>false advertising</b>	<b>tied selling</b>
<b>misrepresentation</b>	<b>twisting and replacement codes</b>

1. making unnecessary demands of a client for the purpose of processing or settling a claim claims practices
2. making false statements that affect a consumer's decision to accept the terms of a contract misrepresentation
3. using confusing, misleading, or untrue statements to promote the purchase of a product or service false advertising
4. offering an inducement to do business with an agency rebating/gift offers/false free prizes
5. suggesting a client purchase additional life insurance or a replacement policy purely for the purpose of generating additional commission twisting and replacement codes
6. making the purchase of one product or service contingent upon the purchase of another tied selling

## Section 5: Ethical Responsibility

**Directions:** List five consequences of the practice of ethical behaviors within an agency.

**Sample Answer:**

1. greater profitability
2. increased client retention
3. increased employee retention
4. improved relationships within the agency and with clients
5. a more positive working environment

**Directions:** Circle True or False to indicate whether each factor can contribute to E&O claims.

- |  |             |              |
|--|-------------|--------------|
| 1. the belief that a defendant has an extensive legal team | <b>True</b> | <b>False</b> |
| 2. changing legal standards                                | <b>True</b> | <b>False</b> |
| 3. the abundance of insurance agencies nationwide          | <b>True</b> | <b>False</b> |
| 4. the influence of public and social media                | <b>True</b> | <b>False</b> |
| 5. increased specialization of services and markets        | <b>True</b> | <b>False</b> |
| 6. the availability of expert witnesses                    | <b>True</b> | <b>False</b> |
| 7. complex policies and forms                              | <b>True</b> | <b>False</b> |

## Section 5: Ethical Responsibility

**Directions:** Choose words from the word bank to fill in the blanks.

<b>expiration date</b>	<b>reasonable</b>
<b>inform</b>	<b>renew</b>
<b>non-renewal</b>	

Several legal and ethical duties fall to an insurance agent. Agents are expected to:

1. use reasonable diligence to procure insurance requested by a client and to inform the client if unable to do so
2. notify the client when the agent receives information pertaining to the expiration date of a client's policy
3. renew a policy or notify a client of non-renewal

**Directions:** Underline the circumstances that can lead to E&O claims.

<u>the loss of a key employee</u>	<u>following a disaster</u>	<u>selling a new product</u>
<u>new forms</u>	non-payment of premiums	direct versus agency bill
<u>changes in business methods and technologies</u>		

## Section 5: Ethical Responsibility

**Directions:** Write letters in the correct columns to sort the reasons different parties make E&O claims.

Why Clients Make Claims	Why Insurance Carriers Make Claims	Why States Make Claims
<b>B, C, G, I</b>	<b>A, H, J</b>	<b>D, E, F</b>

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>A. failure to follow legal instructions</li> <li>B. failure to procure coverage</li> <li>C. changing established services</li> <li>D. failure to meet licensing requirements</li> <li>E. deceptive trade practices</li> <li>F. use of a trust account</li> </ul> | <ul style="list-style-type: none"> <li>G. failure to place on best available terms</li> <li>H. failure to supply underwriting information</li> <li>I. lack of or modified coverage</li> <li>J. misrepresentation of risk to the company</li> </ul> |
|---|--|

**Directions:** Fill in the blanks to name four basic steps an agency can take to protect itself from E&O claims.

**Sample Answer:**

1. education from the first day of work within an agency until the last
2. documentation of consistent standards, procedures, and workflows
3. standards that result in clear and complete documentation
4. internal assessment of agency standards, processes, and documentation



## Section 5: Ethical Responsibility

**Directions:** List four steps an agency can take to protect itself following an E&O claim.

**Sample Answer:**

1. Have claims reported directly to the carrier by the insured.
2. Discuss the situation generally with all involved agency personnel to understand their involvement.
3. Have a coordinator gather all pertinent information and put it in a master file.
4. Prepare to be a good witness.

**Directions:** Circle True or False.

An employee can prepare to be a good witness by:

1. reviewing all materials after a deposition

True

False

2. always submitting to a deposition, with or without counsel

True

False

3. avoiding rehearsing answers

True

False

4. hesitating before answering questions

True

False

5. being willing to say, "I don't know."

True

False

6. always telling the truth

True

False



# Appendix

## Appendix

# Appendix

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## Preparing for the Final Exam

For many learners, test preparation is stressful. Please keep in mind that the most important measure of your knowledge will be witnessed in your service to your organization. Think of a test as a tool. Use it to come to an understanding of what you know, how it affects your work, and what more you would like to know to have even greater success in the workplace.

The testing period for the Final Exam is two hours long. You are required to earn a minimum of 140 out of 200 possible points. Questions appear in the order of presentation of the topics.

Remain aware of the time as you take the test. Pace yourself and be aware that unanswered questions are considered incorrect.

### Study Guide

Use your browser to access a downloadable Study Guide at [scic.com/AMresources](http://scic.com/AMresources).

The Self-Quizzes offer a variety of brief activities to help you become more familiar with the content in this Agency Management Learning Guide. Check your answers to gain confidence in your understanding of the concepts and details presented in this course.

### Study Techniques

There are some techniques you can use to help you prepare for the end-of-course test. Apply the same techniques to each section in your learning guide.

1. Review the Section Goal.
2. Review each Learning Objective.
3. Change each header and subhead into a question. Then answer the question. For example,  
Header: Components of a Formal Training Plan  
Question: What are the components of a formal training plan?
4. Review each diagram, graph, and table. Interpret what you see. Ask yourself how it relates to a specific Learning Objective.
5. Check your answers to each Check-In. Correct your original answers, if necessary.

## Appendix

6. Check your answers to each Knowledge Check. Consider ways to improve your original answers.
7. Re-read the summary at the end of each section.
8. Check your answers to each question in the Self-Quizzes at the end of each section. Correct your original answers, if necessary.
9. Review any comments, highlights, or notes you made in each section.
10. Rewrite important ideas in your own words. Find ways to connect those ideas to your own work experiences.
11. Make flash cards to help you review important vocabulary.

# Sample Test Questions

## Sample 1

**Directions:** Agency ABC considers what products and insurance company offers. Mark each factor the agency will likely consider a positive about the company's products.

1. \_\_\_\_\_ The coverage provided
2. \_\_\_\_\_ The price of the product
3. \_\_\_\_\_ The company's strategic goals for making a profit
4. \_\_\_\_\_ The company's filing with the state insurance department
5. \_\_\_\_\_ The commission paid to the agency

## Sample 2

**Directions:** Which of the following would be considered an agency Selling expense?  
Circle the correct answers.

1. Travel costs
2. Postage
3. Payroll taxes
4. Rent
5. Pensions

### Correct Answers:

**Sample 1:** The correct answers are **1, 2, 5**.

**Sample 2:** The correct answers are is 1.

# Glossary of Terms

**actual or express authority** a form of agency authority that is plainly granted, either orally or in writing, by an insurance company

**administrative expenses** a category of agency expenses associated with agency management, including rent, utilities, leases, professional services, automation, education, licenses, professional memberships and fees, marketing and advertising, and insurance

**agency culture** the system of values, beliefs, and practices that drives and influences what and how things are done within the agency

**agency value** used to assess the financial health of an agency based on various criteria

**apparent authority** agent behavior that leads a client to suppose authority

**assets** what an agency owns and what is owed to an agency by others

**balance sheet** a detailed listing of what an agency owns (assets) and owes (liabilities) and capital at a specific point in time

**budget** a monthly account of an agency's financial health; a comparison of monthly results to projected results

**comparative rating system** a third-party, or vendor, rating program that enables an agency to obtain accurate risk quotes from several carriers

**compensation expenses** the largest category of expenses within an agency; includes owner compensation, sales salaries and commissions, staff salaries, employee benefits, payroll taxes, and pension and profit-sharing

**conversation control** a set of recommendations used for conducting successful interviews

**conversion** moving from one technology product to a different technology product

**cross-selling** the process of extending a client's coverage by enhancing an existing policy or adding new policies

**current assets** any cash, accounts receivables, marketable securities, prepaid expenses, and any other assets that will be converted to cash within a 12-month period

**current liabilities** accounts payable, accounts current, payroll taxes, and notes payable within the next twelve months

**disruptor** an event that triggers a need for change

**downloading** the process of transferring information electronically from an insurance company database to an agency management system

**early capture** a document management method; the processing of documents immediately upon their arrival at an agency



## Appendix

**encryption** the process of encoding data to protect information from unauthorized access

**ethics** the rules or standards associated with moral duties and obligations

**expectation gap** a difference between the reality of a position and what an interviewer describes to a candidate during an interview

**fiduciary relationship** a relationship in which an agent, agency, or insurance company is expected to act in the best interests of a client

**financial model** how revenue is allocated to various expense items within an agency

**fixed assets** also called long-term assets; tangible items, such as cars, desks, and office equipment

**goals** the concrete and measurable aims of an agency; the measurable results or achievements toward which all agency efforts are directed

**Halo Effect** the tendency to attribute positive characteristics to people who appear more attractive

**hard costs** rent, fixed equipment expenses; the costs of providing physical tools and spaces for those tools

**implied authority** authority not actually expressed or communicated by an insurance company to an agent that allows the agent to perform all of the usual and necessary tasks to sell and service an insurance policy

**income statement** a profit and loss (P&L) statement that shows an agency's revenues and expenses over a specific period of time

**initial load** the one-time loading of a new or existing agency management system from a specific company

**InsurTech** the application of technology innovations aimed at reducing costs and increasing efficiency across current industry models

**late capture** a document management method; the processing and then scanning of documents upon their arrival at an agency. After scanning, documents are distributed within the agency or to a vendor for electronic storage.

**legal agent** a party authorized to act ethically on behalf of another

**liabilities** what an agency owes to others, including current and long-term liabilities

**liquidity ratio** a tool used to measure an agency's ability to pay its obligations; includes trust and current ratios

**long-term assets** also called fixed assets; tangible items, such as cars, desks, and office equipment

**long-term liabilities** payments due more than twelve months into the future

## Appendix

**management expenses** a category of agency expenses associated with short- and long-term growth goals that reflect the results of a situational analysis

**mission statement** a statement that clearly describes an agency's purpose and focus; that identifies its goals for growth; and that identifies characteristics related to service, income, and profit

**multitasking** taking on numerous tasks at once

**non-compete agreement** a document that forbids a former employee from selling insurance within a specific geographic territory for a specific length of time

**non-disclosure and confidentiality agreement** a document that forbids a former employee from disclosing confidential information acquired during employment

**non-existent authority** the absence of authority from an insurance company to an agent to represent that company

**non-piracy agreement** a document that forbids a producer from soliciting or writing the existing clients of a former agency for a specific length of time after leaving the agency

**operating account** monitors day-to-day expenses within an agency

**owners' equity** also called shareholders' equity; the start-up capital and earnings retained by a business; summarized by the equation  $\text{Assets} - \text{Liabilities} = \text{Owners' Equity}$ , or Net Worth

**premium trust account** monitors cash coming in from accounts receivable and cash going out to pay current balances and commissions

**principles** standards of behavior

**procedure** the specific things an agency must accomplish to achieve a standard. Each component of a procedure identifies who is responsible, what needs to be done, and when it should be completed.

**proprietary rating system** rating systems with controlled access through log-ins and passwords

**ratio** a comparison of two values, such as assets and liabilities

**selling expenses** a category of agency expenses that includes costs associated with travel, entertainment, advertising, and agency vehicles

**situational analysis** an examination of both the external and internal factors that help an agency determine its goals and subsequent action plans

**soft costs** the costs attached to providing employee training; the costs attached to the services required to implement technology

## Appendix

**soft skills** skills employees bring to their work that are not typically found on a résumé, such as the ability to communicate effectively, engage in creative problem solving, remain adaptable and flexible, and demonstrate social and emotional awareness

**special relationship** a long-term relationship built on confidence in or reliance on an agent to make ethical coverage recommendations and/or decisions

**standard** a stated, acceptable level of performance in every area of an agency's operations

**STAR** an interview strategy (Situation, Task, Action, Result) used to elicit responses to competency focused questions

**start-up** the initial and fragile stage in an agency's growth in which the owner or manager handles all tasks related to agency management

**strategic planning** a formal process of determining the identity, direction, and action that an agency will undertake

**SWOT analysis** a tool for evaluating an organization's strengths, weaknesses, opportunities, and external and internal threats

**unfair trade practice** a fraudulent, deceptive, or unethical behavior enacted for the purpose of obtaining business

**upgrade** moving from one version of a management system to another and/or adding an additional product to an existing system

**utilization** making practical or efficient use of something

**value statement** a statement communicating an agency's core principles; an expression of an agency's aspirations and behaviors, or codes of conduct, that matter the most to an agency's leadership

**vision statement** a statement communicating what an agency is trying to achieve, its long-range goals, and characteristics that guide its strategic development

**VoIP** Voice over Internet Protocol; the delivery of voice and multimedia data over networks, such as the internet

**workflow** the specific keystrokes and steps employees need to perform to complete a procedure

