

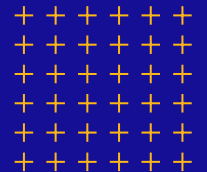
Selling in Uncertain Times: *Research report*

How agents and brokers can
create value for clients and
make themselves the most
important piece of the puzzle.



Contents

Creating value in an uncertain market	p3
Introducing value-added selling	p4
Key findings from our global survey	p5
Chapter 1. Value: The secret weapon	p6
Chapter 2. Seeing from clients' perspectives	p10
Chapter 3. Presenting with purpose	p14
Chapter 4. Thinking beyond the sale	p18
Putting it all together	p22
About the research	p23



Creating value in *an uncertain* market

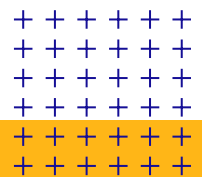
The challenges that agents and brokers face have changed. Rapid digitisation, competition from direct carriers and insurtech players, economic instability and a hardening market – these factors have created an environment where clients have more choice and less desire to spend.

From concerns about the ongoing impact of the COVID-19 pandemic, to global political and economic instability, businesses and individuals are focused on the necessities, with cost a key driver of purchasing decisions.

‘Hoarding’ resources for a rainy day is a natural response to uncertainty. And at the same time, clients have more choice than ever before, with new technologies disrupting traditional models, and insurance being commoditised and squeezed into more affordable, one-size-fits-all packages.

Agents and brokers need to overcome these challenges. And to do that, they need to convince clients that their needs aren’t generic, and that a bespoke, personalised solution isn’t just necessary – but truly valuable.

This is Selling in Uncertain Times. We created this report to offer insights that will help agents and brokers more effectively manage challenging sales negotiations – and move the conversation beyond price to focus on value.



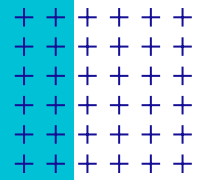
Produced in partnership with Paul Reilly

Meet Paul Reilly, President of Reilly Training – a leading research and training firm with nearly four decades of experience specialising in **value-added selling tactics and techniques.**

He is both a sales training specialist and author of the books Value-Added Selling and Selling Through Tough Times.

Introducing *value-added selling*

To provide value, agents and brokers need to understand what value means to clients. To help illustrate that, the value-added selling process can be broken down into four key components.



01

Value: the secret weapon

The power of value comes from the simple fact that it's so personal. Defined by the circumstances, challenges, and even emotions of each client, understanding what clients value helps agents and brokers set themselves up to succeed in both good times and challenging ones.

02

Seeing from clients' perspectives

It's never enough to simply provide clients with a one-size-fits-all insurance package that may not take their unique needs into consideration, particularly in an uncertain market environment. Asking the right questions, and thinking as clients do, helps agents and brokers develop value-added solutions which transcend cost and deliver tangible benefits.

03

Presenting with purpose

Every salesperson knows the value of a great presentation. But showcasing a value-added solution in an impactful way requires more than persuasion. It requires the right techniques to help sell a complete package, instead of just a policy.

04

Thinking beyond the sale

Last but not least, clients expect that value doesn't disappear after a sale's been made. Value reinforcement is one of the strongest tools in an agent or broker's arsenal, helping them to retain business even in the face of increasing competition.

Above all, agents and brokers must be genuine and straightforward with their client. Provide professional guidance and practical insurance solutions that can help the client effectively manage its risks and exposures.

Key findings from *our global survey*

To add extra context to the value-added selling techniques outlined in this report in 2021, Chubb conducted a global survey of businesses and consumers, to find out what their main concerns and needs are in today's uncertain market conditions. The results show that while the market is challenging, there's still plenty of room for optimism.

47%

of respondents said their greatest concerns were related to the COVID-19 pandemic, followed by 43% citing economic uncertainty.

During times of change, it's more important than ever to move the conversation beyond price, extending clients' vision beyond the problems of today and towards value in the longer term.

48%

Despite everything, 48% said they were optimistic, with less than a quarter saying they were worried or uncertain about the immediate future.

As individuals and businesses look to bounce back from the COVID-19 pandemic, there's an opportunity to add more value than ever. Because insurance solutions can help give them the confidence to seize new opportunities.

52%

More than half of all respondents said that trustworthiness and good communication were the two most important characteristics they looked for in agents or brokers.

This reflects their desire to have reliable advice to hand in uncertain times. And it also shows that staying in touch with them is as critical as the advice they receive.

95%

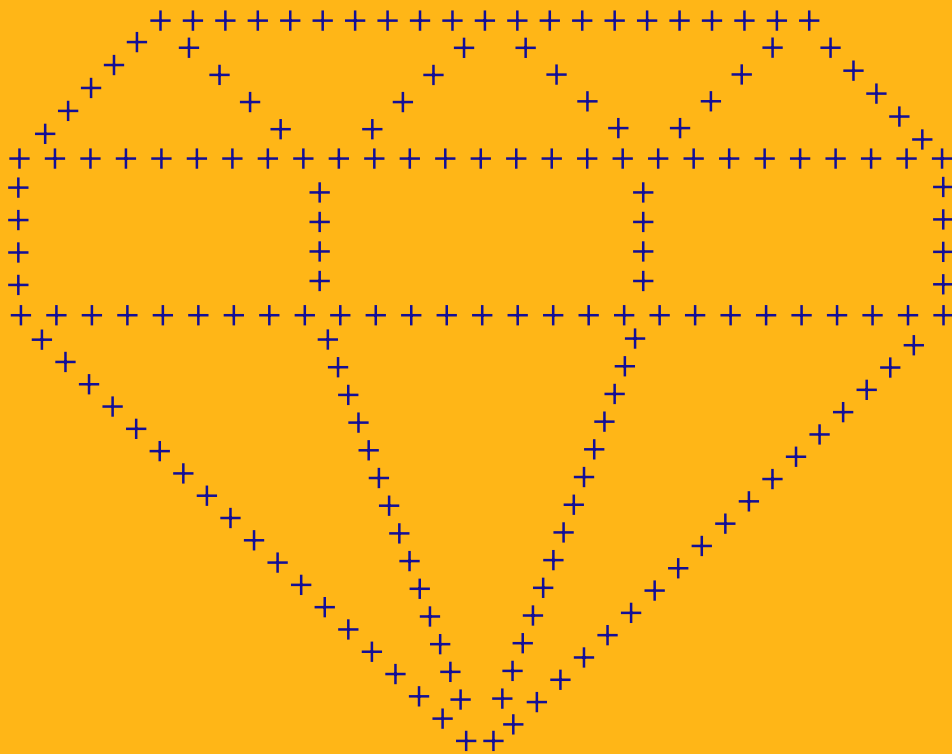
of respondents said they'd be willing to pay more for insurance if the net value they received was greater than the premium paid.

Value is everything when it comes to finding solutions for clients. But to use this to their advantage, agents and brokers need to understand what their clients value when it comes to insurance.



Value: *The secret weapon*

No matter the market, clients always want value. And it's crucial to keep in mind that the value they're looking for is personal, and often based around specific outcomes that they want to see.



Clients' perception of value is also heavily influenced by the environments they find themselves in. In an uncertain environment, their definition of value can evolve, and it's up to agents and brokers to understand how and why it's happening.

A solution doesn't create value until the client determines that it does. And because value is so personal, this process isn't always rational, with emotions and perceptions playing a significant role.

But, when understood and leveraged, value can be a bigger driving factor in clients' purchasing decisions than price. This is critical in today's uncertain market, with more price-sensitive clients who have greater difficulty differentiating between solutions that seem similar, from their point of view.

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How has uncertainty affected respondents?

92%

are more price-sensitive than before the pandemic.

And with increased price-sensitivity comes a greater need for insurance to deliver value and impact that goes beyond coverage.

84%

spend more time comparing prices.

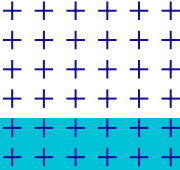
It's important to steer clients away from their focus on price, and offer **valuable** information alongside solutions that fit their needs.

92%

are open to speaking to advisors to reduce uncertainty.

They're willing to have more conversations, which can provide new opportunities to present value.

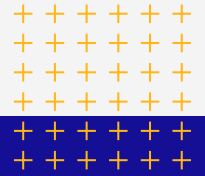
The Value *Formula*



Every client defines value differently.

But understanding this value formula helps to reveal each individual client's understanding of value, which gives agents and brokers a strong platform to dig deeper into their wants and needs. So how does it work?

In essence, value is a delicate balancing act, where benefits need to either cancel out, or ideally overcome, drawbacks like sacrificing time or money. The more the client gains, the greater the value.



Value = Price + Cost + Utility + Impact

In the formula, the four factors that determine Value are Price, Cost, Utility, and Impact:

Price

is straightforward and concrete. It's the premium or rate that clients pay for the insurance solution, and it's often the main barrier to overcome.

Cost

can be defined as anything the client has to sacrifice, like time, money, or interruptions to normal business operations. Agents and brokers can help by reducing the cost with the experience and solutions they provide.

Utility

is the basic function of what a product or service does. The core utility of insurance is coverage in the event of a loss. Like price, utility is straightforward and concrete. But it's also the most commoditised aspect of any solution, and therefore one of the hardest to differentiate.

Impact

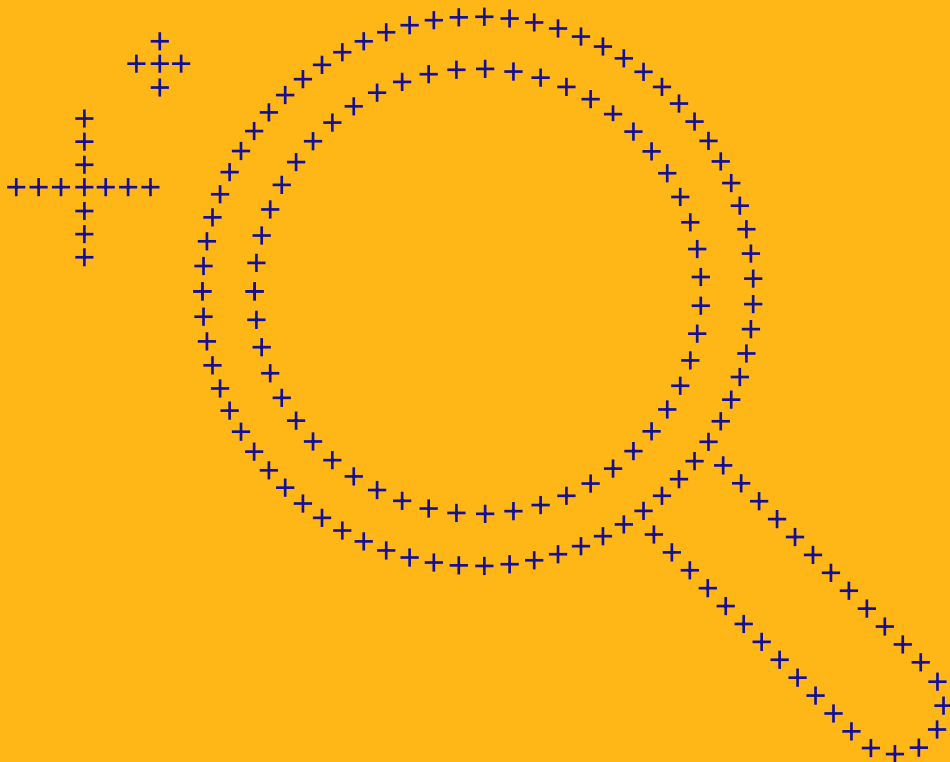
is where value-added solutions really shine. It's broadly defined as: how a client experiences a solution. For example, buying cyber insurance to protect against loss after a cyberattack is the solution's utility. But the business owner's peace of mind knowing they're covered — regardless of whether they ever make a claim — is the greater impact.

Where other parts of the value formula are relatively fixed, impact is where agents and brokers can bring more to the table, so with each opportunity it's important to ask: **"How does experiencing my solution affect this client?"**

Answering this question starts to define the impact of each solution. That could include peace of mind, risk mitigation, enhanced protection, increased profitability and cash flow, or increased satisfaction and a deeper, more profound working relationship.

Seeing from *clients'* *perspectives*

The client ultimately defines value. To fully understand what drives their decisions, their agent or broker needs to see the world as they do. This empathy is the key to understanding clients.



In hard markets, uncertainty drives clients' decision making.

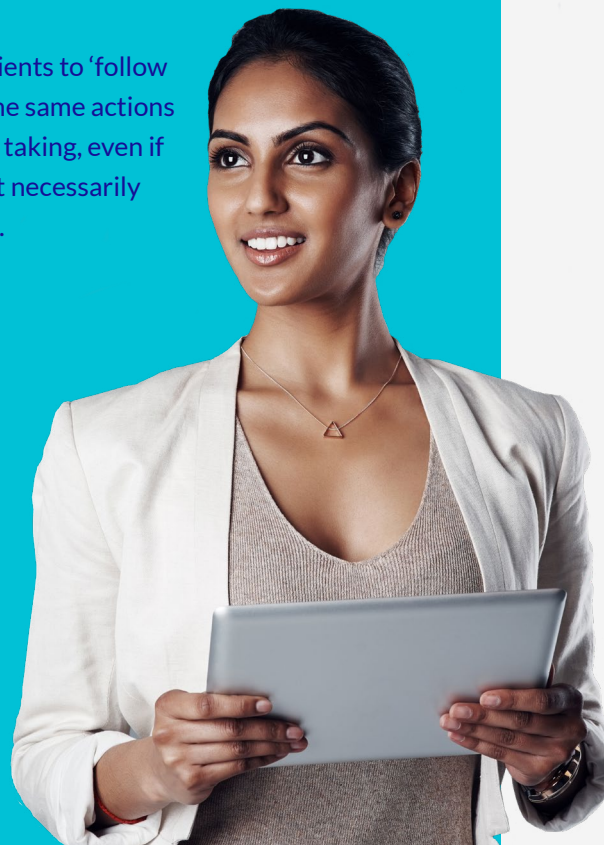
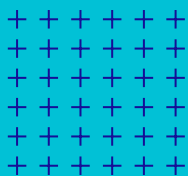
Of all the emotions that factor into a purchase, concerns about what comes next are the most powerful. Thoughts and fears over a potential loss are what drive insurance purchases in the first place, but when clients face heightened levels of uncertainty, they often look to stabilise their environment through one of two responses – hoarding or herding.

Hoarding

is when clients tighten their grip on finite resources, like cash. It's no surprise that in tough times, organisations look to cut costs and reduce spending.

Herding

is the tendency of clients to 'follow the herd' and take the same actions that they see others taking, even if those changes aren't necessarily right for their needs.



Different people, different perspectives

97%

of respondents said they wanted their agent/broker to empathise with them.

They actively want agents and brokers to see problems from their point of view, and tackle them from that perspective.

94%

said they'd pay more for insurance if someone proactively assessed their vulnerability.

This, coupled with recommendations on how to avoid losses, are unique aspects of the overall solution for each client.

57%

said they wanted expert advice with customised options when buying insurance.

To understand what advice to offer and which options to prepare in advance, agents and brokers must put themselves in their clients' shoes.

Asking the right questions, *to develop the right solution*

When combined with a thorough understanding of what a client values, knowing what they want, need, and are concerned about, can make it easier to not only provide the right solution for today, but also the right solution for the future.

One way to do this is by **stretching a client's time horizon with future-oriented questions**. These take the client out of the present moment and help to reduce the knee-jerk reactions of hoarding or herding. And because clients are more likely to focus on overall outcomes when considering the future, they'll be less concerned with what they must sacrifice right now.

Example 'time horizon' questions for clients:

- How would an unexpected loss in the future impact your growth plans?
- What's important to you when selecting a long-term insurance partner?
- Which poses a greater risk, investing in this solution, or possibly not having the opportunity to achieve your business goals should an unexpected loss arise?
- How are you and your family preparing for a potential, unexpected loss in the future?

Then, **enlarge the conversation beyond price by asking bigger questions**. When insurance is commoditised, many clients become convinced that there's nothing unique about their needs. Which means that any one-size-fits-all solution will work. This thinking naturally focuses conversations on price. Instead, draw out the complexity of client's needs, and make them aware of the value of insights and solutions.



In some cases, helping clients to ‘self-discover’ the risks they face can help – this involves asking questions that encourage them to think more deeply about their complex and unique needs.

Example ‘self-discovery’ questions for clients:

- Beyond insurance, what do you need from us as your partner?
- What are your mission-critical issues, when growing your business?
- What would you expect from us throughout the claims process?
- What do you see as the main benefit of this type of solution?
- What are your thoughts on ongoing cyberthreats?
- What would the ideal insurance solution look like for your company?
- What are the most important assets to you and your family?

Lastly, taking the focus off price and **positioning a solution as an answer to the pressures clients face is a useful sales tactic**. When a client is more aware of these other considerations, they’ll focus less on price.

And on the other side of the coin, if agents and brokers focus more on the pressures *they’re* facing, they may offer a cheaper insurance option, instead of what’s necessarily best for the client.

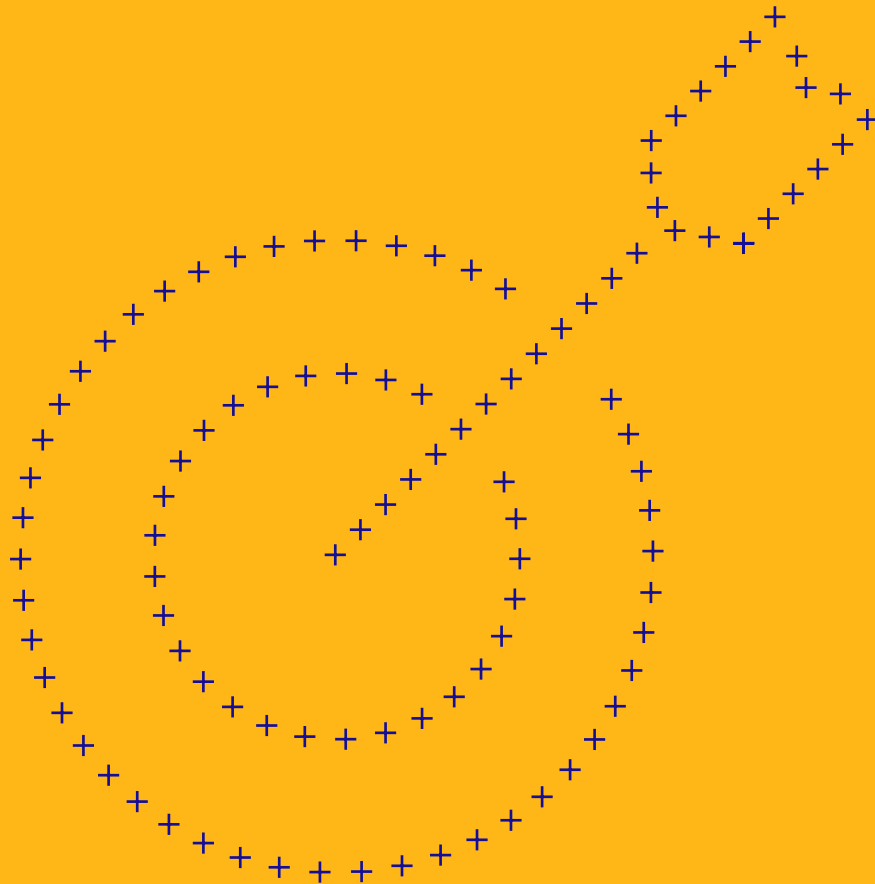
Example pressure points:

- A sense of urgency or concern about a lack of coverage
- A lack of substitute insurance solutions or alternative providers
- Bad experiences with (or bad reputations of) previous and competing providers
- Unique problems or needs which other providers may not understand
- Financial pressures – either due to market struggles or expansions
- The need for a seamless transition, and a willingness to renew or purchase

These are just a few examples, and pressure points can take many forms. The better an agent or broker understands their client, the easier it will be to tailor a value-added solution to support them.

Presenting *with purpose*

Presenting insurance solutions to clients in a way that excites and engages them is an everyday activity for agents and brokers. But approaching these meetings through the lens of value-added selling reveals that there's room for an even more persuasive presentation.



Especially during uncertain times, it's critical to communicate the right message with the right tone, because above all, clients are looking for support, flexibility, and experience.

Support

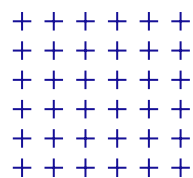
The message should strike a supportive tone in uncertain times, to ensure clients know that that their agent or broker is there for them.

Flexibility

Rigid policies and procedures don't play well in tough environments. Clients expect agents and brokers to make exceptions and do business on their terms.

Experience

Clients want to partner with companies that have seen it all before. So, agents and brokers should emphasise personal experience and their firm's longevity.



Getting the most out of client conversations

89%

of respondents were somewhat or very confident that agents and brokers can help during uncertain times.

They want reassurance – presenting in the right way, with the right messages, can help to meet their needs when they feel less sure of the future.

Nearly 100%

of businesses want to hear about better insurance solutions during a crisis.

Proactively preparing enhanced solutions to offer clients could help agent and brokers appear more valuable in their clients' eyes.

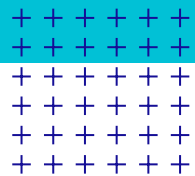
87%

of respondents said they would be willing to give up some protection to save money during a crisis.

Agents and brokers need to be flexible during uncertain times and consider what clients should prioritise – and how to support cost-saving efforts in a way that's reasonable and practical.

Crafting messages that are *compelling and compassionate*

The ‘tough-times proposition’ can act as a helpful template for framing messages at a time when clients are tempted to put things on pause, hoard resources, or cling to the status quo.



What is the “tough-times proposition” and how does it work:

- **Articulate the problem:** To compel the client to act, first identify the problem that they’re experiencing. Because when there’s a problem, there’s an opportunity to create value.
Ask: What common problems are my clients experiencing?
- **Identify the outcome:** The outcome is the tangible result the client receives from experiencing the value-added solution. That could include peace of mind, greater profitability, improved cash flow, or risk mitigation.
Ask: How will solving those problems affect my clients?
- **Establish urgency:** Urgency is a critical element of the tough-times proposition. Because clients are tempted to pause during tough times, agents and brokers must share a compelling reason for the client to find an alternative **now**.
Ask: Why does my client need my solution, right now?



Another powerful presentation technique is to draw parallels with other areas of a client's business to personalise the message. This simplifies the decision-making process, because we all use past experiences to help contextualise the decisions we face.

By placing previous decisions (and their positive or negative outcomes) in relation to the decision a client needs to make, it'll be that much easier for them to see the value of investing in the right solution — or the dangers of not doing so.

A good starting point for identifying these previous decisions is by asking: "how has my client already bought into this concept in other areas of their business?" By identifying that precedent, agents and brokers can then draw a connection between that, and their new solution.

Here's how this could break down for a client that's already investing in risk mitigation:

- **What is the fundamental concept?**
Mitigation of risk to protect the client's business.
- **How has the client already bought into this concept?**
With security systems, safety protocols and various audits.
- **What is the link between this solution and the client's previous decision?**
Insurance is another layer of protection that comes into play when others fail in addressing the same fundamental concept.

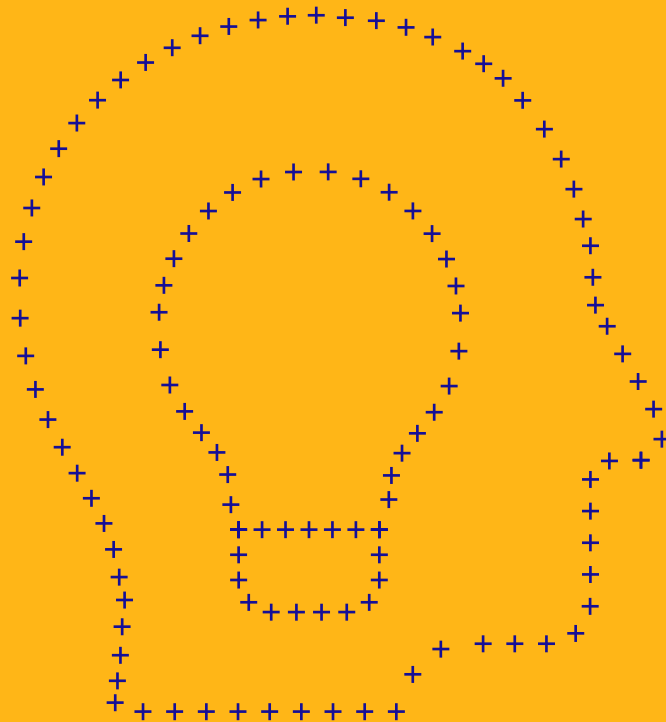
This process is called 'value alignment', and it's all about ensuring that each solution matches up with a client's definition of value. That definition may include a quick response, great claims experience, ongoing support, maximum protection, or a partner with the right reputation.

There are too many brokers and agents just selling a policy or product. Which opens the door to too much competition and to a premium-based discussion. Instead, focus on selling a bigger package, to suit clients' wider needs.

A presentation should also highlight the three dimensions of value (the product, the agency/brokerage, and the agent/broker), and explain how each of these contributes to a tailored solution, in a way that resonates with the specific client contact.

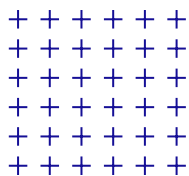
Thinking beyond *the sale*

The last component of value-added selling in uncertain times is that when selling insurance, agents and brokers need to make sure they get credit for the solutions they deliver, and the impact that they provide for their clients.



This is particularly important with existing clients – especially when it's time to talk to them about premium increases. In a hard market where clients are already questioning the value of their policy, these conversations are even more difficult than normal.

And at a basic level, when asking a client to pay more for coverage than they used to, any agent or broker needs to enter the conversation with reminders of the value they deliver. Especially if that client hasn't had to make a claim, and therefore hasn't experienced the full value of their insurance solution.



Don't leave room for competitors

Nearly Half

of all respondents would be willing to meet other agents/brokers after a premium increase.

So agents and brokers really need to emphasise the value they bring to the relationship – to set themselves apart from the competition.

1 in 5

respondents don't remember the name of their agent or broker without checking.

Agents and brokers need to work hard to stay in touch and keep themselves in their clients' minds.

98%

of businesses wanted their agent or broker to help protect their business before a crisis occurs.

Offer proactive advice and recommend new solutions to stay ahead of potential future risks.

Placing value *front and center*

As much as people don't take notice of the air they breathe, most clients are unaware of the value they receive after an initial sale. So, agents and brokers need to consistently remind clients of the value they provide.

This is called value reinforcement, and can take many forms, including:

- Sending regular 'thank you' letters — subtly highlighting past positive experiences.
- Keeping clients up to date with the latest information on reducing risk, in all its forms.
- Sharing content that highlights value the client doesn't always see — for example, recent claim examples and case studies.
- Circulating testimonials from other clients that highlight value. Or asking for testimonials — which will encourage clients to think about the value of their solution as they prepare.

'Value reminding' is another example of value reinforcement. This is when an agent or broker positively and subtly 'brags' about the value they deliver, but with an emphasis on how that value impacted or relates to the client. For example, if a brokerage received an award for client satisfaction, they'd be wise to share that news with their clients, while thanking them for their business.

Business reviews or value audits are two other great ways to reinforce value with clients. Most clients will forget about all the little things their agent or broker does for them throughout the year, and these formal or informal reviews are a chance to re-surface all the benefits provided to a client (be it Cost, Utility, or Impact from the value formula), to help take the focus off price and zero in on the outcomes and deliverables.

Plus, regular reviews are great opportunities to reassess clients' insurance needs, and potentially offer them new policies or packages.

Value reinforcement in practice

Ninety (90) days before a premium or rate increase is generally a good time to initiate value reinforcement communications. This will allow time to build enough positivity from clients to justify a potential premium increase or change in policy terms. When it comes time to communicate the policy changes, it's important to:

- Provide clients with notice in advance and explain the reason for the adjustment.
- Offer different options or a more comprehensive package.
- Discuss additional cost-saving options and ideas to mitigate risk.



Putting it *all together*

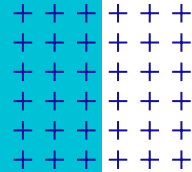
Ultimately, while uncertainty makes it challenging to attract and retain clients, entering sales processes with empathy and a value-added approach can also lead to new opportunities, and strengthen existing relationships.

Agents and brokers make up a significant part of the value that each solution provides. And now more than ever, it's crucial that they lean into that value, and use it to make themselves — and what they offer — a clear benefit that clients won't want to do without.

By leveraging the value-added selling techniques outlined in this report, and using the findings from our global survey to better understand clients, we are hopeful that agents and brokers will be able to sell more valuable insurance solutions which are worth investing in — particularly in uncertain times.



About the research



During 2021, Chubb commissioned a global survey asking business decision-makers and consumers about their views, attitudes and priorities in uncertain times.

2,250 business decision-makers in small to mid-sized businesses across multiple industries and 1,000 consumers based in 15 major markets around the world participated in this survey. All statistics cited in this document are taken from the global results of this survey, so are not specific to an individual country or region.

Countries/Regions surveyed

Argentina	Italy
Australia	Malaysia
Brazil	Mexico
Canada	Singapore
Colombia	Spain
France	United Kingdom
Hong Kong SAR	United States
Indonesia	

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