



HOW TO GET YOUR AGENTS TO UPSELL

iPipeline White Paper



Upsell

A sales technique in which an agent entices a client to purchase additional coverage to make a more profitable sale. There's a reason why most agents don't upsell. There's also a way to automate upsell so the client has an opportunity to select more coverage, the agent makes a higher commission, and you get more premium.

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THE CHALLENGE TODAY

Printing, mailing, and collecting requirements on paper policies are costly and time consuming processes. It takes an average of 28 days for a policy to roundtrip from a carrier to a consumer and back to the carrier with all signed delivery requirements. 20% of the time, policies are returned to the carrier for re-issue due to policy changes. This adds another 14 days to execute the final policy (yes, that's 42 days for some policies). These delays prevent policies from going inforce and often effect placement ratios when consumers change their mind during this lengthy turnaround.

WHY DO AGENTS AVOID UPSELLING?

At the policy delivery stage (after the policy is already printed), applicants often ask agents if they can purchase additional coverage. The reality is, they had almost 45-60 days in underwriting to re-think their original purchase decision. Although agents can make more commission by selling a larger policy, they typically avoid this discussion. Why? They often fear if they send the policy back to be re-issued, they risk losing the potential commissions they have in hand. By waiting another 14 days for a policy to be re-issued, clients' washing machines break, their cars need repair, people lose their jobs. Agents want to make their commissions now! The old adage, "a bird in hand is worth two in the bush" surely applies here.

CONSUMER UPSSELL CAMPAIGNS, WOULD THEY WORK?

Heck yeah!

The Campaign

To combat agent fears of policy re-issue and the delays associated with it (14 days), several well known distributors and top-tier carriers have tried to manually upsell with some success to applicants, after an applicant's underwriting approval, but, before the policy was printed. These distributors and carriers contacted the writing agent, by phone or email, right before the policy was printed to determine if their applicant is interested in accepting a higher death benefit amount. Most agents had about 48 hours to take advantage of this offer without subjecting their client to additional medical underwriting. If they did not hear back from the agent within that time frame, the policy was issued as originally applied for.

The Result

Approximately 18%-22% of the applicants decided to take advantage of the upsell offer, which generated about \$110-\$150 of additional annual premium, per policy. With this process, the carrier simply attaches an Amendment Form, indicating the requested death benefit change. This Amendment form is signed by the policyholder at the policy delivery time and the policy is re-issued post-sale with the appropriate death benefit amount. The problem? This process is manual, paper-driven and most importantly...not scalable.



SWIPE RIGHT TO UPSELL

Let's assume a carrier issues a policy for \$400,000 on a male applicant and that policy is delivered electronically through DocFast® to the client.

Often, during the underwriting stage, policyholders qualify for more coverage than they applied for. How? When a carrier sets up a paramedical exam, gathering blood and urine from an insured, the underwriting requirements are based on a death benefit range. For example, medical requirements are the same for a 45-year-old male whether he's applying for \$400,000 or \$750,000. So, in this example, the carrier actually underwrote this applicant for \$750,000 even though they applied for \$400,000.

Carriers also factor in financial underwriting. This financial underwriting is based on your income and your net worth. It's typically a multiple of your income, that varies depending on your age. For example, a 25-year-old qualifies for 40 times their annual income while a 50-year-old only qualifies for 10 times. So, your maximum insurance amount is based on both medical and financial underwriting.

DocFast "upsell" allows the customer to increase coverage based on pre-approved amounts. Think of it as an impulse buy – no different than adding a pack of gum on the conveyer belt at the grocery store. A slider bar embedded in DocFast allows both the agent and consumer to see alternative death benefit amounts and the corresponding price. An insured can buy any amount in \$10,000 increments, up to their maximum coverage.

Carriers pass an XML feed to iPipeline that provides the minimum and maximum death benefit amounts for each policyholder. They also indicate whether the policyholder is eligible for upsell or not.

With DocFast "upsell," iPipeline has automated this manual process by allowing instant re-quoting and dynamic amendment forms, enabling the agent to place the upsold policy in force instantly.

No delay, no re-issue, no 48 hour wait time. The applicant can instantly take advantage of the re-prioritization of their insurance needs. And let's not forget, carriers and agents enjoy millions of additional premiums with little or no effort.

With DocFast and its new "upsell" feature, carriers not only reduce the time and cost of policy delivery, but they turn their e-delivery into a revenue producing experience. Think of it as the "butterfly model." One wing flaps with cost savings while the other wing flaps with revenue generation. Now that's a carrier CBA that really flies.

For more information on DocFast Upsell, visit:
<http://www.ipipeline.com/docfast-sells-more-product>.