

NJSLA - Wholesalers to Retail Agents

Top Things That Would Help Retail Agents When Placing Business with Surplus Lines Brokers

- Develop a rapport with the wholesaler. Building relationships is only going to benefit a retail agent on behalf of his clients.
- Many wholesalers specialize in certain types of business. Know what their appetite is and send them accounts that they will be successful at. Understand whether they are a broker or an underwriter. If they are a broker, they will send your account to many markets to get you the best available product. If they are a binding authority agent they will have the ability to underwrite in house and will use their best market to quote your account.
- Program managers specialize in certain types of risks. They are your best source for the risk that your standard markets generally don't write. Whether it be construction, apartments or security guards, these specialists will be able to offer competitive pricing and terms.
- Choose your wholesalers wisely. If you continually send out submissions to many wholesalers you will find that the response level will deteriorate. The amount of work that goes into a submission on the wholesaler's part is significant. Many wholesalers use the same carriers so let them know upfront what markets have been approached and assign them certain markets so they don't trip on one another. It's ok to try and get the best price for your client, but the worst thing you can do is continue to send submissions and not write business.
- Know what type of risk you have in detail. The more information to the wholesaler, the faster the quote and more accurate if a claim occurs.
- Provide complete information. A good submission gets full attention and complete accord applications, with a target premium, loss runs and supplements, if necessary, make the wholesalers' job much easier and they will offer better terms to the retail agent.
- If there are certain requirements, like an A rated carrier, or certain coverages or endorsements needed we should know that upfront so we can choose the correct carrier.
- Re-evaluate current exposure of insured due to current economy. Most are rated on payroll or gross receipts. If exposure is down, premiums should be adjusted.
- Make a call to the wholesaler on an account if you are not familiar with the type of risk. We can help you with questions you need to obtain from your insured's and also whether or not we are the right wholesaler for this risk.
- Let the wholesaler know if you are the incumbent producer or you are shooting at the risk, it makes a difference.
- Let us know up front if it is price or coverage that you desire.
- Collect premium prior to binding. Tough economy can lead to bad debt issues. Insurance agents and brokers do not have great enough margins to absorb bad debt.