



## **Independent Insurance Agents of Texas (IIAT) 2006 Media Perception Study Report**

**Submitted by  
PetersGroup Public Relations  
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## **I. Executive Overview**

### **Situation**

The Independent Insurance Agents of Texas (IIAT) is focused on raising visibility of its organization and overall offering. The organization believes there is confusion among consumers and the media about the difference between an independent insurance agent and a salaried agent (i.e. State Farm, etc.) and a lack of knowledge among the media and public about IIAT.

### **Objective**

This media perception study was conducted in an effort to better understand how key media perceive IIAT and independent insurance agents and to determine if suspicions regarding the lack of knowledge about independent insurance agents are valid. Responses from this study will help build/refine overall messaging to be incorporated into external communications. The study will help identify what the media and industry influencers are interested in, their perceptions of *IIAT*, the offering, the competition, views on the independent insurance industry and what they know/don't know about emerging industry and consumer-related issues, etc.

### **Observations**

- The majority of media surveyed can define an independent insurance agent, but are not knowledgeable regarding the companies represented by independent agents.
- In general, the view of independent insurance agents is positive. They are recognized as unique from insurance companies or the industry as a whole.
- There is very minimal knowledge of IIAT among media around the state.
- Media surveyed are informed about the differences between independent insurance agents and insurance companies, however there is a prevailing misconception that independent insurance agents adjust claims

## **II. Methodology**

The perception study was conducted from April 26, through July 31, 2006 to . The following methodology was used to gain responses from participants.

1. Compiled detailed lists of insurance industry trade publications and daily and weekly newspapers from across the state and major market broadcast media.
2. Developed series of interview questions focused on achieving IIAT objectives
3. Provided survey via online form
4. Conducted outreach to survey targets via:
  - e-mail pushes with survey questionnaire
  - phone follow up to direct potential participants to survey
  - phone follow up to conduct interviews
5. Gathered data from all sources
6. Compiled and analyzed participant responses
7. Developed recommendations for IIAT based on feedback secured

### **Sample size and responses**

- Target lists included 12 contacts at insurance industry trade publications, 500 contacts at daily/weekly publications, business journals and/or magazines and 29 members of major market media.
- Outreach via e-mail and phone resulted in 27 total responses
  - Insurance trade publications – 4
  - Dailies and weeklies – 23

### III. Questionnaire

- 1) What is an independent insurance agent?
- 2) What three characteristics come to mind when you think of an independent insurance agent?
- 3) Which companies do you believe work through independent insurance agents? Please check all that apply.

- |   |                                      |                                       |
|---|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> Allstate           | <input type="checkbox"/> Geico       | <input type="checkbox"/> The Hartford |
| <input type="checkbox"/> Chubb              | <input type="checkbox"/> Nationwide  | <input type="checkbox"/> Travelers    |
| <input type="checkbox"/> CNA                | <input type="checkbox"/> Progressive | <input type="checkbox"/> USAA         |
| <input type="checkbox"/> Farmer's Insurance | <input type="checkbox"/> State Farm  | <input type="checkbox"/> Zurich       |

- 4) Please name the top three resources you turn to when looking for information about the insurance industry.
- 5) Please name the three to five trends or issues that you think made the greatest impact on the independent insurance industry in 2005.
- 6) Name the top three independent insurance agent organizations.
- 7) What are the key challenges faced by the insurance industry?
- 8) What are some unique challenges **independent** insurance agents face in serving consumers?
- 9) What is the difference between an insurance company and an independent insurance agency? Please check all that are true.

- |  |   |
|--|---|
| <input type="checkbox"/> Independent agents set rates        | <input type="checkbox"/> Insurance companies set rates        |
| <input type="checkbox"/> Independent agents adjust claims    | <input type="checkbox"/> Insurance companies adjust claims    |
| <input type="checkbox"/> Independent agents sell policies    | <input type="checkbox"/> Insurance companies sell policies    |
| <input type="checkbox"/> Independent agents explain coverage | <input type="checkbox"/> Insurance companies explain coverage |

10) From the following list, please choose the top three insurance providers by the level of service you believe they provide customers.

- |   |                                      |                                       |
|---|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> Allstate           | <input type="checkbox"/> Geico       | <input type="checkbox"/> The Hartford |
| <input type="checkbox"/> Chubb              | <input type="checkbox"/> Nationwide  | <input type="checkbox"/> Travelers    |
| <input type="checkbox"/> CNA                | <input type="checkbox"/> Progressive | <input type="checkbox"/> USAA         |
| <input type="checkbox"/> Farmer's Insurance | <input type="checkbox"/> State Farm  | <input type="checkbox"/> Zurich       |

11) From the following list, please choose the top three insurance providers by how easy they are to deal with when looking for information for a story you are writing.

- |   |                                      |                                       |
|---|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> Allstate           | <input type="checkbox"/> Geico       | <input type="checkbox"/> The Hartford |
| <input type="checkbox"/> Chubb              | <input type="checkbox"/> Nationwide  | <input type="checkbox"/> Travelers    |
| <input type="checkbox"/> CNA                | <input type="checkbox"/> Progressive | <input type="checkbox"/> USAA         |
| <input type="checkbox"/> Farmer's Insurance | <input type="checkbox"/> State Farm  | <input type="checkbox"/> Zurich       |

12) Name the top insurance organizations that most influence your reporting.

13) Have you ever heard of the Independent Insurance Agents of Texas? (IIAT). If yes, what is its primary reason for existing?

14) What information from IIAT would be useful for you to include in future article development?

15) Have you contacted IIAT in the past to gather information for an article you were working on?

Additional comments:

## **IV. Analysis**

### **1) What is an independent insurance agent?**

24/27 or 89 percent of respondents were able to give a definition of what they believed an independent insurance agent was.

Responses to this question varied. Some respondents defined independent agents with multiple details while others listed only one differentiator.

- 14 respondents described an independent agent as one who sold insurance from multiple carriers
- Eight respondents stated an independent agent is someone who owns his/her own business
- Eight respondents described an independent agent as someone who is not affiliated with a major carrier

Although most respondents had some idea of what an independent insurance agent is, many perceptions are still incorrect. Some believed an independent agent owned his or her own business, but was still affiliated with a major company, somewhat like a franchisee.

**2) What three characteristics come to mind when you think of an independent insurance agent?**

Responses to this question varied greatly, but were overwhelmingly positive. Customer service oriented was listed the most times with seven mentions and personable/friendly or outgoing was listed six times.

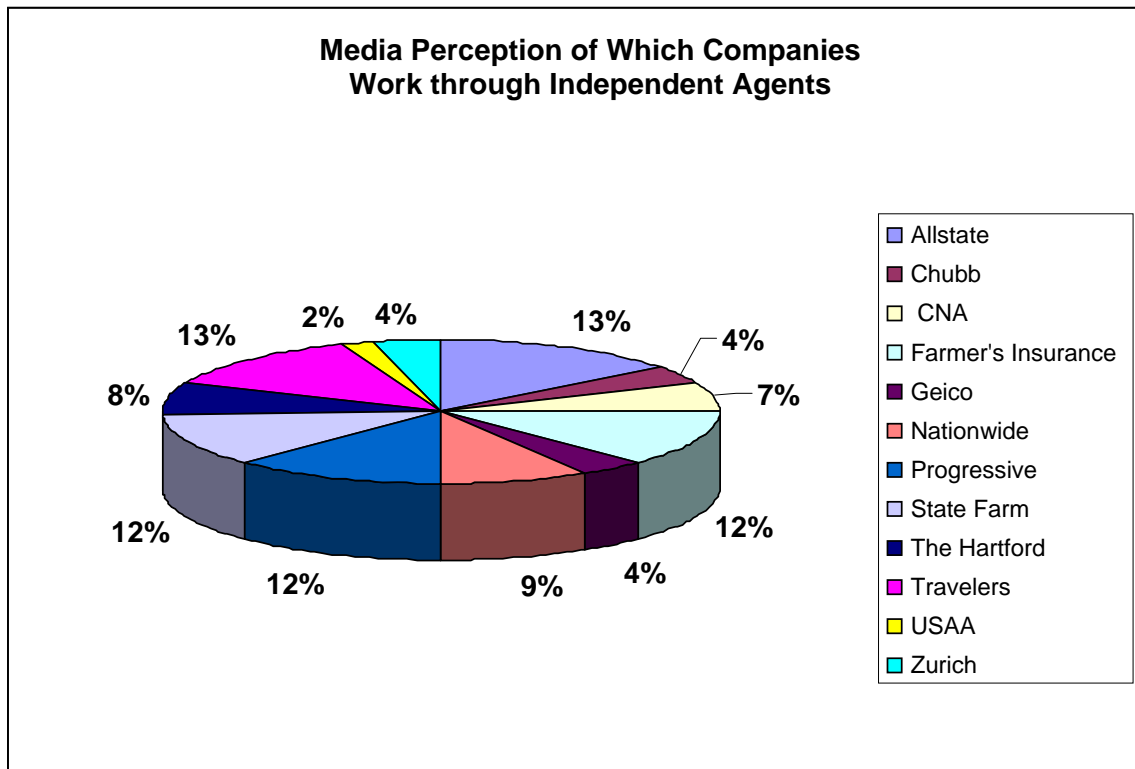
Although the insurance industry as a whole does at times suffer from a negative public perception, descriptions were largely positive when asked directly about independent agents. This reinforces the need to emphasize the uniqueness of and benefits provided by independent agents.

<b>Characteristic</b>	<b>Number of Mentions</b>
Customer Service Oriented	7
Personable/Friendly/Outgoing	6
Finds the best deal for customers from variety of choices	4
Small town/local	4
Trustworthy/Honest	4
Community Oriented	3
Independent	3
Self-starter/entrepreneur	3
Career-minded/Goal Oriented	2
Dependable	2
Knowledgeable	2
Accountable	1
Better Value for the dollar	1
Business owner	1
Commission	1
Compassionate	1
Customized policies	1
Expensive	1
Fast	1
Flexible	1
Hustler	1
Mobile	1
Must make an appointment	1
Open-minded	1
Organized	1
Play a lot of golf	1
Professional	1
Reliable	1
Responsive	1
Sales-minded	1
Subscribers to the Insurance Record	1

**3) Which companies do you believe work through independent insurance agents?  
Please check all that apply.**

It is clear from responses to this question; media are uneducated regarding insurance available through independent agents. Allstate, which is not generally accessible to independent agents, was listed the most by 13 percent of respondents (15 mentions). Farmer's which is also off-limits to independent agents was named 13 times. Progressive was also listed 13 times, but is being considered accessible to independent agents due to the availability of Drive Insurance. Travelers was named 13 times.

Company	Number of Mentions
Allstate	15
Chubb	4
CNA	7
Farmer's Insurance	13
Geico	4
Nationwide	9
Progressive	13
State Farm	12
The Hartford	8
Travelers	13
USAA	2
Zurich	4



## **V. Recommendations**

**1)** The majority of respondents provided a correct definition for an independent insurance agent, however they overwhelmingly incorrectly identified insurance companies available through independent agents. In addition, they were unfamiliar with IIAT and its purpose. Responses to this study demonstrate a clear lack of knowledge among the media about independent insurance agents and IIAT. This information reinforces our previous recommendation to implement an aggressive education campaign.

- Introductory Media Tour
  - Major market dailies
  - Major market broadcast
  - Select trade publications
  - First tier coastal counties (conducted August 2-3, 2006)

- Media Relations to Educate Key Audiences
  - Contributed article placement
  - Editorial calendar outreach and article placement
  - Craft and pitch story ideas
  - Take advantage of bounce-back opportunities
  - Aggressive follow-up to news release distributions
  - Develop success stories to illustrate benefit consumers have gained from working with an independent insurance agent

**2)** When asked specifically about independent insurance agents, media responded with positive characteristics. The common negative perception of the insurance industry does not seem to include independent agents. Therefore, it is key to emphasize the differences between independent insurance agents and the rest of the industry in all external communications with media and the public.

**3)** Natural disasters proved to be top-of-mind for media when asked to list trends impacting the insurance industry in 2005. This validates the IIAT objective to provide information and support regarding natural disasters through the Agency Catastrophe Plan and presenting that plan via a community road show. We recommend continuing to publicize the plan through active outreach and briefings with major market print and broadcast publications, specifically those in or near affected areas. (i.e.Houston)

**4)** The media recognize the challenges facing independent insurance agents as small business owners, noting competition as the number one difficulty facing independent agents. Highlighting the small business owner angle when communicating to the media and the public will prove beneficial as media will tend to support individual entrepreneurs verses large corporations.

**5)** Respondents provided solid specific details on the type of information they would like to receive from IIAT. One key suggestion revolved around IIAT providing checklists for consumers dealing with specific disasters or insurance issues. Providing the checklists regarding catastrophe planning directly addresses this suggestion. We recommend the development of additional checklists regarding other issues like hail damage and fire. Placing these lists in a clear, simple format will allow print media to directly lift the content and place it in publications crediting IIAT as the source.

**6)** In an effort to extend IIAT's reach across Texas, identify key member 'evangelist' who can serve as IIAT spokespeople in their area. Conduct message training with them and organize introductory briefings with area media, city officials, professional organizations.

**7)** Conduct key messages/talking points training with IIAT spokespeople. Rollout key messages/talking points to members. Develop and incorporate a communications tools packet so area members have an IIAT approved template for distributing news about their business locally.