

From the Chairman

by Sherri Stein, CPCU, CIC

As agents and brokers, you constantly face changes in:

- the marketplace
- staff dynamics
- carrier relationships
- client needs and demands
- technology
- profit margins
- etc., etc.!

And yet . . . you have committed the time and energy to obtain your CPCU designation and have chosen to become a member of the CPCU Society's Agent & Broker Section. The goal of your committee is to provide meaningful assistance to you and to add value to your membership in the Society.

In our last newsletter, we included a survey regarding the value of the newsletter to you. We thank the 21 members who have

responded so far, and hope that additional members will fax or mail their responses to the Society's interest sections manager. In the near future, we will be sending you a more comprehensive survey to solicit your input on other areas that interest you.

Your Agent & Broker Section Committee is also looking for ways to provide networking opportunities at the Annual Meeting in San Antonio—live and via the Internet—and with the IIAA at its National Convention in Orlando in October. Your suggestions will be appreciated!

We look forward to talking with you to explore ways the CPCU Society and the Agent & Broker Section can enhance the value of membership. If you have ideas or suggestions, please contact me or any member of the section committee. ■

How to Sell When the Customer Is in Charge of the Sale

by John R. Graham

It only takes a few words to describe the dramatic change that confronts every salesperson today. The customer is in charge of the sale, not the salesperson. Whether it is who will get the sale, when the order will be placed, the specifications, or price to be paid, the customer is calling the shots. The role of the salesperson is to expedite the customer's decisions, not to influence the process as in the past.

While such a scenario might be expected in lean times, it's particularly confounding when it occurs in a strong economic environment. What has changed? While the answer may seem obvious, those in sales find it difficult to accept. In effect, the customer has dis-

covered that "the Internet will set you free." Every salesperson has had the experience of walking into a meeting to make a presentation only to discover that the customer is already informed about the advantages and disadvantages of a series of competitive products.

Despite such circumstances, many sales managers continue exhorting their reps to get in front of more customers and stay there until they can come back with a signed order.

Today, as in the past, salespeople spend their time figuring out ways to "hook" the customer. They try to establish rapport and identify the customer's so-called "hot buttons." The telephone still rings and a friendly voice asks, "Do you want to save money?"

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or "All I need is 20 minutes of your time to show you what we can do for you. Would tomorrow at 2 p.m. be best or Wednesday at 10 a.m.?" or "Are you the person who is responsible for making the insurance decisions?" or "Last week I sent you a letter about our company. I want to make sure you received it. Do you have any questions?" Notwithstanding the fact that the customer is now in charge of the sale, salespeople continue pursuing prospects as if nothing has changed.

This selling scenario is not only hopelessly inefficient and expensive, but painfully ineffective as well. Salespeople will admit their number one problem is getting through the door for the appointment. If they get in, they encounter an empowered prospect who takes charge of the selling process, leaving the salesperson defenseless.

The solution to this problem is not to be found in exhortations to salespeople to "Do it faster, do it better; get up and get going." As the situation becomes more critical, American businesses futilely spend tens of millions of additional dollars attempting to motivate their sales representatives. The mistake is assuming that the fault rests with the salespeople, that they are not doing their best. In a world where the customer is in charge of the sale, it generally isn't the salespeople who are to blame.

When the tables are turned and the customer is in charge of the sale, the selling philosophy must change. In the past, motivating the sales force was helpful. Not now. Ask sales reps what they want most and they'll say: "Good, solid leads." In effect, they want to sell, and they need motivated prospects to do so. Salespeople will have more than sufficient motivation to improve their skills and sell at top speed if they have prospects who want to talk with them.

Now comes the clincher: If the motivated prospect offers a salesperson the ideal selling opportunity, why do businesses fail to establish programs that produce the desired results?

Why do they try to change the sales force when they should be developing the

prospects? Since we know what works, why do we continue to shoot ourselves in the foot?

The only worthwhile approach is to get the customer or prospect to want to do business with the salesperson. Instead of the salesperson spending time attempting to find more customers, the new sales situation requires customers to find the salesperson because they want what is being offered. Someone has said that who you know was important in the 1990s. Now, the key to success is who knows you.

To make more sales, the job is to motivate the prospect or customer to want to do business with you—to know you. There are five parts to the process:

1. Identify the correct customers. Too many businesses fail at prospecting because they have not identified as precisely as possible who they want to do business with if they had a chance. They are so intent on getting through the door, they don't care who is on the other side.

Identifying prospects is a demanding, multifaceted process. In the race to make sales, this step may seem unnecessary and a waste of time. The worst possible assumption is expressed by these words: "We know our customers."

Developing in-depth profiles of prospects who fit various niches of a business is critical. Knowing specifically who you want to influence (motivate) to do business with is essential.

2. Work your way inside the prospect's head. If customers are in charge of the sale, then the assumption that you know what they want and how to deal with them is a deadly one. "Our customers want good service and the lowest possible price. That's it," the sales manager of a medical gases firm reported. "That's all they want from us."

A survey of the company's customers revealed quite a different picture. At the top of their list were complaints about scratched and dirty cylinders, late deliveries, and unresponsive

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equipment repair service. Price was not an issue. Unfortunately, the sales manager had failed to identify what "good service" meant to his customers. When a data processing firm recognized that many of its customers were downsizing their staffs, it saw this change as an opportunity to offer a forms inventory service. This outsourcing helped retain and attract customers.

3. Pull the customer to you. Once it is clearly understood what drives the customer, a "magnetic field" is ready to be created. The customer-created message, or "pull," can be implemented with relevant e-mail messages, a web site that provides helpful information, and facilities communications that make ordering easy. Companies may also want to consider sending highly-focused direct mail, publishing niche market newsletters, holding seminars, distributing bylined articles to trade, business, and consumer publications, and advertising. In every instance, however, the goal is to present (position) your company as a valuable, relevant, and unequaled customer resource.

The key is to let customers know that you understand their businesses and the issues they face, along with the steps that they should take to make their businesses more successful. The goal is to get the customer to want to do business with you, and to give that customer a way to respond. The key is creating a "buying environment" that sets the stage for the salesperson to walk through the door and be perceived by the prospect as a valid, useful ally or partner.

The results are both long term and immediate. An insurance agency created extended access hours for its customers and prospects using a special toll-free 800 number. The calls started immediately. A medical office remodeling firm received more than a 10.5 percent response in the first week following a direct mail promotion.

On the other hand, a prospect telephoned a security firm two years after clipping a trade journal article written by the president of the company. "I knew the time would come when I would need you," commented the prospect, a retail store chain CEO.

The task is to get inside the customer's mind and be there when the customer gets ready.

4. Stay with the pulling process. Most sales are lost because the salesperson quits too soon. When the customer fails to buy according to the salesperson's schedule, the prospect is dropped.

With the customer in charge of the sale, staying close to the customer is essential. Once a company has created its "magnetic field" to pull the customer, the job is to keep pulling.

One company reviews its prospects weekly and determines the next step to be taken by considering as carefully as possible what's happening with each one. It calls this its "who's going to do what to whom" session.

Also, look for new ways to enlarge the "magnetic field" by identifying and focusing on additional prospect niches or extending the pull beyond the current marketing area. Constantly seeking new opportunities to pull customers to your company, product, or service is essential.

5. Keep your hands on the prospecting controls. An all too prevalent tendency in business is to view everything as a project, an activity with a definable scope and time frame. Project thinking leads to viewing every activity as limited, i.e., terminal. The idea is to complete the project and move on to something else.

But the marketing and sales functions are not a project. They are an integral part of the company's total, ongoing operations. They are not "turned up" when sales are down or minimized because sales are

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strong. Once the magnetic field is turned off there may be a residual effect, but the pull diminishes rapidly as competitors step in to fill the void. Implementing this five-step process changes the selling process. It recognizes that the customer is in charge of the sale by aligning with the prospect's interests. More specifically, it positions a company and its salespeople so that they are valued by prospects. This approach to sales also demonstrates the inappropriateness of the idea that "nothing happens until someone sells something." At the heart of selling today is a different concept: Nothing happens until someone wants to buy something. Once this occurs, the professional salesperson is in business.

"I'll get it for you wholesale" are words dear to the heart of every American.

Bypassing the middleman¹ has long been a buyer's goal. But with few alternatives available, consumers have had to use basic distribution channels to make their purchases.

Much of the success of the "big box" merchandisers can be attributed to the way they have positioned themselves to look like "wholesalers." That's the Wal-Mart, Home Depot, Best Buy, and Staples story. Pricing, store environments, and promotions are designed to create the impression that a costly link in the distribution chain has been eliminated.

The Internet provides the next step in the devolution of the middleman as it gives customers what may be the ultimate step in "going direct." Each day, the list gets longer for online buying of airline tickets, homes, clothing, cars, insurance, and just about any other product or service. The long-established firewall between the customer and the manufacturer is quickly disappearing.

The drop in mutual fund sales appears to be a reflection of this developing trend. Sixty years ago, the mutual fund simplified stock ownership at a time when it was awkward for the individual to gather and evaluate information on individual stocks, and brokers only did business with "persons of means." In effect, mutual funds are a classic illustration of the middleman at work. Now that all investors can research

stocks online, determine what they want to buy or sell, and execute the transactions themselves at a low cost, the mutual fund may be something of an anachronism.

The Internet has changed the equation. Armed with research from the Internet, many individual investors feel the need to depend on the services of a "fund manager." As a result, mutual funds lack the appeal that they once held. There's a trend away from placing one's financial fate in someone else's hand, an attitude change that can be traced to the rise of the Internet.

Given the opportunity, most Americans appear ready to circumvent the middleman, and the Internet gives them that capability.

The implications of this fundamental change for business are far-reaching:

1. Protected territories are a myth.

They simply don't exist, even though manufacturers continue to act as if they are a reality and attempt to enforce geographical boundaries. The Internet has made a joke of territorial boundaries, dramatizing the inappropriateness of their antiquated reality. Whether manufacturers understand it or not, geography no longer defines. There are no boundaries.

2. The customer is empowered.

In the past, one of the primary functions of salespeople was to provide customers with product information, offering only what was absolutely necessary to make the sale. In this environment, it was buyer beware. With the Internet, the roles have changed; actually, they've reversed. It's now salesperson beware because the customer has direct access to the information necessary to evaluate options and make appropriate comparisons.

In effect, the buyers trust themselves more than they trust salespeople. A recent study indicates that 20 percent of industrial buyers looked to salespeople for information in 1997, while only 12 percent did just a year later.

Nowhere has customer empowerment had greater impact than on Wall Street

The long sacrosanct role of the “broker” in making a trade came to a somewhat ignominious end almost overnight with online stock trading. Even staid Merrill Lynch & Co., with its corps of 14,000 commissioned brokers losing customers to online trading, went with discounting, fee-based accounts and online trading in one fast move. Provocatively, *The Wall Street Journal* (June 1, 1999) labeled it “a watershed on Wall Street.”

The message is clear: the middleman is in jeopardy. Whether it’s the stockbroker or real estate broker, the empowered customer is eager to cut out the intermediary.

3. Seeing is no longer believing.

For the past half-century, customers have wanted to see and touch what they were buying. They could walk into an appliance store and view eight or 10 refrigerators lined up and make comparisons. Seeing the actual refrigerator before buying was essential since this was the environment in which information was obtained.

Getting you in the store was the key to making the sale. No longer is it necessary to “go and see” in order to make an informed buying decision since the experience can be virtual.

Dell Computer was the first to understand the implications of “seeing is no longer believing.” Starting with a vision of going direct to the customer, it made sure its systems passed the “plug ‘n play” and customer support tests. While its products get high ratings, customers are confident that they will also be easy to use. Dell has been a major contributor to breaking down the belief that “I’ve got to see it before I buy it.”

4. Convenience is the customer’s top priority. As consumers, we’re willing to pay more for convenience—sometimes a lot more. “I want what I want when I want it” is the customer’s mantra. What the Internet has done is demonstrate to buyers that this is possible. It’s not necessary to go to a big box bookstore to get the book. It can be ordered at 5:03 a.m. or 11:17 p.m. any day of the week. This fundamentally changes the customer’s expectation level. It’s not that you or I will necessarily place an order at 2:23 a.m., it’s knowing that we can do it if we want to that makes the difference.

What do you hear when you call someone’s business voicemail? More than likely, the message sounds something like this: “I’m away from my desk right now. I’ll get back to you as soon as I can.” That was good enough before the Internet impacted our expectations. But not today. The words sound almost arrogant.

Given this background, what is the future of the middleman? Is there one? The answer is yes, if . . . if distributors and retailers think creatively. Here are a few suggestions:

1. Add value that’s valuable. Such phrases as “personal attention” and “personal service” fall far short today. A different approach is required.

For example, a promotional products distributor (a middleman) makes up free spec samples for customers, knowing that customers are more likely to place an order if they can see the actual product in advance. Of course, there’s a cost but this is a significant way that this distributor sets itself apart from the competition.

Charles Schwab understands what it means to add value.

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MySchwab.com isn't just a site for electronic stock trading. It's a financial services portal offering a vast array of information resources that can be customized to empower the individual investor. That's value.

2. Make it easy for the customer.

"Let me call you back" is the killer phrase today. Even doctors are getting the message. Waiting until 4:35 p.m. for a 3 p.m. appointment isn't acceptable to many patients. One patient calls in advance and is put in line. When he walks in, his name is called.

A plumbing company in Pennsylvania stocks special trucks with parts and offers 8 a.m. to 8 p.m. service six days a week. The combination of having parts on hand and extended hours have high customer appeal.

3. Cultivate constantly. The Internet is making it clear that making the sale isn't enough today. Subscribers to *The Wall Street Journal* online receive regular email messages regarding timely articles along with a URL link that takes the viewer directly to that particular page. If the *WSJ* subscriber isn't using the site, it's time for an e-mail reminder. Microsoft and others do it too.

The objective is to keep pulling the customer closer and closer, a process that requires consistent reinforcement. With intense competition and pressures on time, customers appreciate the reminders.

The strong customer appeal comes from being offered helpful information, not just something to buy.

The middle is shrinking. Whether it's a retailer or a distributor, the pressure is on the stockbroker, travel agent, and bank teller. In the life insurance business, a recent report by Conning & Company on life insurance distribution strategies reinforces the decline of the middleman.

Twenty years ago, virtually all life products were sold through agents. That has dropped to 82 percent and the study projects that the figure will soon drop to 68 percent as other channels of distribution drain off sales.

If the middleman is to find a secure place in the marketing chain, it will take an intense, concentrated effort. Like Charles Schwab and others, the power will be in serving as a valuable resource for the customer. ■

Endnote

1. The term "middleman" is used here in its form that dates back to 1795.

A Look into the Future of Producer Licensing

by Timothy B. Mullen, J.D., CIE, and Eric C. Nordman, CPCU, CIE

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Editors note: This article was originally published in the CPCU Society's Regulatory & Legislative Section Quarterly, Vol. 9 No. 2.

Introduction

There are significant changes on the horizon that will affect agents and brokers in a positive way. This article will discuss the Producer Licensing Model Act that was adopted by the National Association of Insurance Commissioners (NAIC) on January 27, 2000. It will also discuss the NAIC's Producer Information Network (PIN) and a project called the Declaration of Uniform Treatment.

In general, the Producer Licensing Model Act creates a system of reciprocity for producer licensing and creates uniform standards for key areas of producer licensing. This model replaces the NAIC's Single License Procedure Model Act. The Producer Information Network is an electronic system that will facilitate one-stop licensing for insurance agents and brokers. The uniform treatment project is an initiative intended to address concerns about the multi-state licensing system currently in place.

Significance of Model Act

In light of Public Law 106-102 (the Gramm-Leach-Bliley Act or S. 900), this model act is very significant to the preservation of the states' regulatory authority over the licensing of insurance producers. Public Law 106-102 mandates that a majority of the states either:

- Enact uniform laws and regulations governing the licensure of individuals and entities authorized to sell and solicit the purchase of insurance within the state
- Enact reciprocity laws and regulations governing the licensure of nonresident individuals and entities authorized to sell and solicit insurance within those states

If states fail to enact uniform laws and regulations or enact a system of reciprocal licensing by November 12, 2002, the National Association of Registered Agents and Brokers (NARAB) will be established. The NARAB would be a nonprofit corporation that is

charged to provide a mechanism through which uniform licensing, appointment, continuing education, and other insurance producer sales qualification requirements, and conditions can be adopted, and applied on a multi-state basis. State insurance regulators and legislators are working together diligently to assure that a state-based solution is implemented.

Critical Sections of the Model Act

There are several sections of the new model that are of particular interest to producers. Particular attention should be paid to the following sections: Section 4-The Exceptions to Licensing; Section 8-Nonresident Licensing, and Section 16-Reciprocity.

In general, insurer representatives wanted the exceptions of Section 4 to be broader and agent representatives wanted the exceptions to be narrower.

Sections 8 and 16 establish a system of reciprocity for all lines of insurance, including limited lines insurance. While the agent representatives did not fully support extending reciprocity to limited lines insurance, reciprocity in the model law was extended to limited lines insurance in order to satisfy the reciprocity requirements established by Public Law 106-102.

Section by Section Summary of the Model Act

Section 1. Purpose and Scope: This section clarifies that the model act governs the qualifications and procedures for the licensing of insurance producers.

Section 2. Definitions: This section defines key terms used throughout the model act. The terms sell, solicit, and negotiate, which determine when someone needs to obtain a producer license, are defined in this section of the model act.

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Section 3. License Required: This section clarifies that a person shall not sell, solicit, or negotiate insurance unless the person is licensed as an insurance producer.

Section 4. Exceptions to Licensing: This section sets forth the exceptions as to when a person does not need to be licensed as an insurance producer.

Section 5. Application for Examination: This section specifies that an individual applying for an insurance producer license must pass a written examination unless exempt pursuant to Section 9 of the model act.

Section 6. Application for License: This section sets forth the procedures and the core requirements a person should follow to submit a resident individual producer license application and a resident business entity license application.

Section 7. License: This section defines the five major lines of authority for which a producer may receive a license and the pertinent information that should be contained on the license.

Section 8. Nonresident Licensing: This section sets forth the procedures a nonresident person should follow to obtain a nonresident producer license. This section, in conjunction with Section 16 of the model act, establishes a system of reciprocity for the licensing of nonresident producers.

Section 9. Exemptions from Examination: This section sets forth the exemptions from the examination requirement established in Section 5 of the model act.

Section 10. Assumed Names: This section states that a producer doing business under any name other than the producer's legal name is required to notify the insurance commissioner prior to using the assumed name.

Section 11. Temporary Licensing: This section states that an individual may be issued a temporary insurance producer license, under limited circumstances, for a period not to exceed 180 days. A temporary license may be issued to a person without having to complete an examination if the insurance commissioner deems that the issuance of a temporary license is necessary for the servicing of existing insurance business.

Section 12. License Denial, Nonrenewal, or Revocation: This section sets forth the reasons why an insurance commissioner may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or levy a civil penalty against an insurance producer.

Section 13. Commissions: This section establishes who may and may not receive commissions generated from the sale of an insurance policy.

Section 14. Appointments: This section, while optional, establishes uniform procedures for the appointment of producers.

Section 15. Notification to Insurance Commissioner of Termination: This section establishes uniform procedures for "terminations for cause" and "terminations without cause." This section establishes immunity for entities reporting terminations unless the entity reported inaccurate information with actual malice. This section also establishes confidentiality provisions related to producer licensing information in the possession of the insurance commissioner.

Section 16. Reciprocity: This section, in conjunction with Section 8, establishes a system of reciprocity for the licensing of producers.

Section 17. Reporting of Actions: This section requires a producer to report any administrative action or criminal prosecution against him/her to the insurance commissioner.

Section 18. Regulations: This section states that an insurance commissioner may promulgate reasonable regulations to carry out the purposes of the model act.

Section 19. Severability: This section states that if any provisions of the model act are invalid the remainder of the model act shall not be affected.

Section 20. Effective Date: This section sets forth the date the model act should become effective and recommends a minimum of six months to one year implementation time period for the proper notice of changes, fees, and procedures.

States and Associations Involved in the Drafting Process of Model Act

The drafting of this model act involved state insurance regulators from the following states: Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maryland, Minnesota, Nebraska, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Texas, and Wisconsin. With the exception of California, all of the states on the working group supported the adoption of the model act.

The following associations were involved in the drafting of the model act: Council of Insurance Agents and Brokers, National Association of Insurance Financial Advisors, Independent Insurance Agents of America, Professional Insurance Agents, National Association of Professional Surplus Lines Offices, Consumer Credit Insurance Association, National Association of Life Companies, American Council of Life Insurers, GEICO, Alliance of American Insurers, American Bankers Association Insurance Group, USAA, Association of Banks in Insurance, National Association of Independent Insurers, National Association of Mutual Insurers, American Insurance Association, and Progressive Insurance. While the Independent Insurance Agents of America and the American Insurance Association could not guarantee full support of the model, all of the other associations supported the adoption of the model act.

Uniform Treatment Project

The Uniform Treatment Project is an initiative intended to address concerns about the multi-state licensing system currently in place. Uniform treatment means that all participating states agree to license non-resident producers, who are in good standing in their resident states, without imposing additional restrictions or qualifications not required of resident producers. To help facilitate this process the Producer Information Network Working Group of the NAIC developed the Declaration

of Uniform Treatment, the Uniform Application for Individual Non-Resident License and the Uniform Application for Business Entity Non-Resident License/Registration.

The Declaration of Uniform Treatment is a common statement of principles concerning non-resident licensing. By signing the declaration, a state commits itself to treating resident and non-resident producers in the same way and commits to accepting the uniform applications as the only non-resident licensing applications. Under the new system, a producer residing in a state that participates in the uniform treatment project will be able to take advantage of a more streamlined, efficient licensing system. A producer will only need to complete one uniform application that can be filed in his/her resident state, as well as in other states that have agreed to accept the uniform application. All producers must continue to meet and fulfill the state-specific licensing requirements that may be in place in the other participating states. As of Feb. 1, 2000, 34 states had signed the Declaration of Uniform Treatment.

NAIC Technology Solutions for Agents and Brokers

The members of the NAIC and, in some cases, the insurance industry have been involved in developing technology solutions that address business needs of insurance regulators, insurers, and producers. The Insurance Regulatory Information Network (IRIN) is a coalition of insurance regulators and entities that they regulate. Incorporated in October 1996, IRIN is a nonprofit affiliate of the NAIC that is charged with development and implementation of the Producer Database (PDB) and the Producer Information Network. A board of directors structured to include five members representing the NAIC and four industry members representing a cross-section of the insurance industry governs IRIN. Details about PIN and PDB follow.

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PIN—The Producer Information Network

Network is an electronic communication network that links state insurance regulators with the entities they regulate to facilitate the electronic exchange of producer (insurance agents and brokers) information. Data standards are being developed for the exchange of license application, license renewal, appointment, and termination information. All data flowing over PIN will conform to these standards. The key benefits of PIN are reduction in paperwork and data entry, development of national standards regarding electronic transmission of licensing data, and faster turnaround time for license renewal and appointments. As of Feb. 1, 2000, 19 states had implemented PIN. To be considered as having implemented PIN, a state must have had its test transactions successfully processed by IRIN and an insurer must have sent a live transaction through the IRIN/PIN Gateway.

PDB—The Producer Database is an electronic database consisting of information relating to insurance agents and brokers (producers). The PDB links participating state regulatory licensing systems into one common system establishing a repository of producer information. The PDB will also access other information sources such as the Regulatory Information Retrieval System and others. The NAIC has also discussed information sharing with the National Association of Securities Dealers. The PDB will also send an electronic notification to state users if an administrative action is taken against a licensed producer in their state, or if a producer no longer holds an active resident license. The key benefits of PDB are immediate access to detailed disciplinary history, immediate electronic notification of administrative action and verification of licensure and good standing in all participating states. In the near future, PDB should eliminate the need for Certificates of Good Standing. The following information is main-

tained in the database and is updated daily by participating state insurance departments:

- general demographic information relating to all producers such as name, social security number, address(es), and phone number(s)
- license information such as states licensed, license numbers, authorized lines, license status, and a continuing education compliance indicator
- appointment information such as company appointments, effective date, termination date, and termination reason
- company appointment/termination information

There are 26 states (as of Feb. 1, 2000) that have implemented PDB. For a state to be considered to have implemented PDB, it must have successfully completed the PDB seven-day test plan and have sent at least one PDB daily file that has been successfully loaded to the IRIN database.

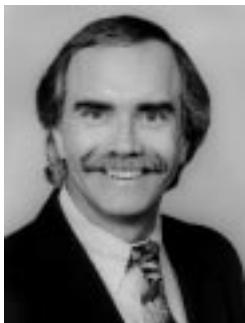
Summary

As you can see, the processes for producer licensing and continuing education are undergoing rapid and significant change. It won't be long until insurance producers are able to take advantage of one-stop electronic shopping for a licensing in their home state and convenient one-stop electronic shopping for non-resident licenses. For further information on how agent-licensing modernization is progressing, please refer to the NAIC's web site at www.naic.org/.

For specific information on the Uniform Treatment Project and how to submit a Uniform Non-Resident License Application, please refer to the IRIN web site at www.irin.org/. ■

What's New at the Institutes

by Chuck Hussey, CPCU



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This article begins a regular column in the *Agent & Broker Solutions*. The column will highlight new products and services available from the American Institute for CPCU and the Insurance Institute of America.

The Institutes are much more than traditional textbooks and exams these days. In fact, we have recently established the Center for Educational Innovations. This center will develop new products and services that include custom-designed courses, an online database, educational partnerships, and multi-media products. We would like your ideas—let us know if you have a need for a course covering new material or for repackaging of existing materials.

One of the new products to come out of the center, released in April, is a CD-ROM called Insurance Essentials. This interactive CD provides a basic understanding of the insurance industry and how it works. It describes the various entities that offer insurance products and services, and it introduces users to insurance-specific terms and concepts. The program also explains how insurance and risk management can be used to handle the risks to which every person and

business is exposed. This is an excellent orientation tool for new employees and for those employees who work in technology and accounting and are not familiar with insurance. The price of a single-user CD is \$69. Multiple-user licenses and LAN applications are also available at a reduced unit price.

Also released in April are two new educational monographs on advanced risk financing techniques. *Finite and Integrated Risk Insurance Plans* includes topics on the design and operation of finite and integrated risk plans as well as the accounting and tax implications of these plans. *Capital Market Products for Risk Financing* covers the basics of securitization, swaps, options, and spreads plus other insurance-linked capital arrangements and a comparison of these products to traditional insurance. Both monographs include learning exercises to reinforce key points and a self-assessment quiz. The price for each monograph is \$25.

For more information about these new Institute products or to place an order, visit our web site at www.aicpcu.org or call customer service at (800) 644-2101. ■

Join us in San Antonio!

October 22-24, 2000

The CPCU Society's 2000 Annual Meeting and Seminars features an outstanding slate of educational seminars.

The following seminar, which will be held on Monday, October 23, is sponsored by the Agent & Broker Section.



Fraud—Early Detection Will Pay Dividends

Insurance industry estimates put the cost of property and casualty insurance fraud at more than \$20 billion each year. Agents, underwriters, claims adjusters, and fraud-fighting organizations will increasingly turn to predictive technology to apprehend criminals. This seminar explores current methods and tools available to help you detect fraudulent applications and claims. Doing it right the first time saves your company time and money—and is in the best interests of your policyholders, too. Filed for 2 CE credits.

Check your May issue of the
CPCU News or call the Society at
(800) 932-2728 for registration information.

Agent & Broker
Section
Quarterly



720 Providence Road
PO Box 3009
Malvern, PA 19355-0709

Agent & Broker
Section
Quarterly

Vol. 13 No. 2
June 2000

Agent & Broker Solutions

is published four times a year
by and for the members of the
Agent & Broker Section of the
CPCU Society.

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Statements of fact and opinion are
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Society.

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U.S. POSTAGE PAID
PERMIT #4438
PHILADELPHIA, PA