

The New Agent

Floyd was a new agent, recently licensed to sell property and casualty products for the Benson Insurance Agency. Finally, the day came when his employer had allowed him to meet with a small commercial account – in the restaurant business – on his own.

After meeting with the prospective client, Floyd returned to the office and prepared his written proposal, spoke with the underwriter, Frances, at Full Coverage Insurance Company and finalized the pricing. Two days later, he met again with the prospective client, went over the written proposal, and the insured accepted the terms and price – knocking out several competitors of the Benson Agency who had also quoted the program.

Floyd was ecstatic and returned to the office with his first sold program that he had done entirely on his own! He was proud of his work, and high-fived all the other producers. Floyd sent the submission to Frances for policy issuance.

Floyd became a star producer for the agency, being #1 four months in a row. He had received accolades from his supervisor, Jim, and the agency owners. He qualified for a special trip to Cancun arranged by Full Coverage Insurance Company and was looking forward to meeting the executives at the company during the trip. The agency began airing a new TV ad featuring Floyd as representative of the agency's professionalism and effectiveness.

In the meantime, Jim attended several industry functions – luncheons and CE programs – and it seemed to him as if his competitors were avoiding him. He didn't really understand why, and put it off to jealousy over the success of the Benson Agency.

A week before the trip to Cancun, Jim received word from Frances at Full Coverage Insurance Company that they would be conducting premium audits of several of Floyd's accounts. Jim thought it would be a good idea to spot check some of the accounts, to make sure there would be no surprises. He visited several of the insureds and found that they were very pleased with the service that Floyd had provided. He took notes about the risks involved in the accounts and returned to the office to review the agency files. He found discrepancies in the files that would reduce the premium if not disclosed to the underwriter. In all, he found 8 accounts priced incorrectly – to the insureds' advantage.

Two days before the trip, Jim received another call from Full Coverage, advising him that the auditor had become ill, that the audit was cancelled, and that they did not know when the audit would be able to take place.

What is going through Jim's mind?