



American
Bankers
Association

American Bankers Insurance Association
an ABA subsidiary

P&C Industry Panel

Personal and Commercial (P&C) Insurance Solutions for Evolving Customer Needs





Panelist



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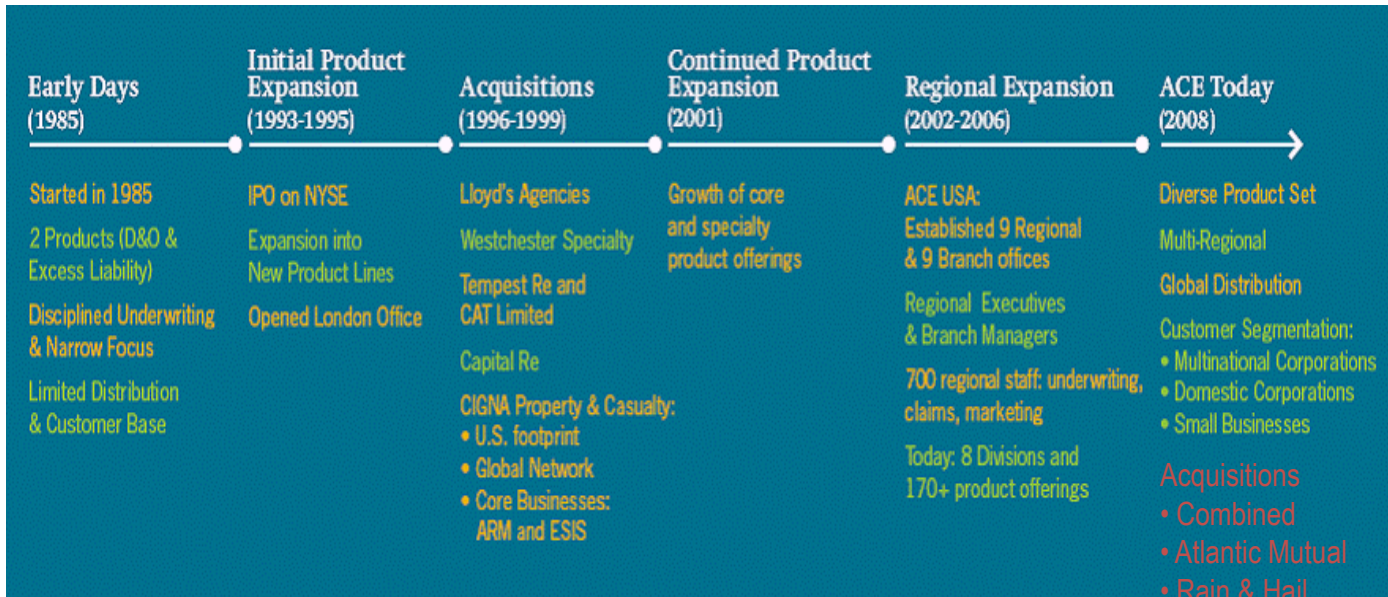


Moderator:

Markham McKnight, President, BancorpSouth Insurance Services

ACE American Insurance

Ace – 25 years of insurance progress



Zurich North America

Financial strength:

- A.M. Best A+ Stable Outlook*
- Moody's Aa3/stable
- S & P AA-/stable*

Committed to the Independent Agency System and helping our producers grow

Committed to the financial institution customer segment - **insuring banks for over 120 years**

Focused on creating leading edge solutions beyond the "insurance contract"

Dedicated teams of industry specialists to help our agents, brokers and customers



*Rating as of 9/22/11. For more information about the ratings of Zurich American Insurance Company, access the ratings section on www.zurichna.com. For more complete financial information about Zurich Financial Services Group and ratings for Zurich Insurance Company Ltd. access www.zurich.com

NATIONWIDE'S OPERATING PRINCIPLE:

A Purpose Driven, Mutual Enterprise Protecting What's Most Important To Our Members.

6th

LARGEST
auto insurer



7th

LARGEST
homeowner insurer
in the U.S.



15

MILLION
policies in force

#1

farm
insurer



#4

excess and
surplus lines
insurer

#7

provider
of variable
universal
life insurance



#1

Provider of
public sector
retirement
plans

#9

provider
of variable
annuities



The question at hand...

What are the challenges facing
community bankers and small
producers trying to get access to the
LARGE INSURANCE COMPANY?





Community Banks & Small Producers

What do you want? Here's what we hear from you...

- Niche products to satisfy your customers needs and help you retain them
- Differentiation in the marketplace to help search for new clients
- Minimal to no required changes to your current operational infrastructure
- No risk to the strongly guarded financial institution brand
- Competitive pricing on commodity based products
- Additional compensation



Working towards a happy medium

Ideas in action:

1. **Relationships not size** – dedicated division for small commercial community banks and small producers
2. **One size does not fit all** – innovative surplus lines solutions minus the operational burden to the client
3. **Dedicated sales staff** – knows yours and the market needs



More thoughts to consider:

Personal Lines:

Make certain the carrier meets your geographic footprint needs. Creating expertise in personal lines in regards to the products and services that you are representing requires unique focus. Having too many carrier relationships offers many challenges relating to maximizing carrier benefits and scale.

- Effective utilization of automation capabilities relating to the same above is critical if you are to gain scale and become efficient.

- Work with your carriers as partners in all aspects of the personal lines business model. Training and education, exchange of information, leverage the carriers knowledge of your book of business.

- Personal lines is not a commodity but it can become so if you treat it as such from both a price/product and delivery methodology. Comparative raters while essential to some degree can be a crutch to sell only price. The customer experience you deliver will ultimately be a greater determinant of success than price.

- Banking organizations have an opportunity to differentiate themselves on relationships per household. When the above is combined with the proper CRM delivery and retention strategy you can make personal lines a very profitable venture.

- Specialization within the HNW customer segment is a critical success factor for high performing personal lines agents.

- Turn your personal lines operations into pipelines for transactional life insurance sales. Retention and profits will follow.

- Variable compensation systems based upon value created. CVM - pay for true performance.



Further considerations:

Commercial Lines:

- Expertise and alignment of the talents and skills of your staff are critical. The stakes get higher when you move from personal to commercial. Small mistakes and lack of mgmt talent are amplified.
- Consider centralization of your small commercial operations. Scale and efficiency are critical the same as personal lines.
- Establish successful business referral and compensation systems between your retail banking operations and centralized placement divisions.
- Leverage service centers and company resources to the fullest extent on small commercial business.
- Leverage commercial field underwriting specialists and align them against your top commercial placement centers/offices.
- Efficient utilization of your policy management systems and technology platforms.
- Establish the proper thresholds on compensation systems both internally and for field producers. Balance is the key.
- Proper alignment with financial services and employee benefit services is a must



For charts and graphs





For spreadsheets



