

HANSCOM FEDERAL CREDIT UNION BLASTS INSURANCE AGENCY PERFORMANCE BENCHMARKS OUT OF THE WATER

Credit Unions naturally like to help their Members -- but it's even better when the member wins and the CU wins.

Management at Hanscom Federal Credit Union, which has 45,000 military and federal government Members across the U.S., decided they wanted to start a CUSO, but were having trouble deciding what kind -- compliance, real estate, or something else altogether.

At the time Hanscom's Members were getting insurance recommendations from Liberty Mutual through CUNA, and while Hanscom generated goodwill with this setup, they gained little from it financially -- so they decided to start a CUSO with an insurance agency.

A PLAN TO DAMPEN CAPITAL, EXECUTION & REPUTATION RISK

Hanscom considered purchasing an existing agency or starting their own agency from scratch, but in the end chose to go with a turn-key insurance agency provider. They looked at several vendors -- and Insuritas was the clear winner. "Insuritas offered the most cost effective, proven platform to offer insurance to our Members," says Hanscom President and CEO David Sprague. "The industry trend to online and telephone channels mirrors our own distribution of members around the entire country -- and Insuritas' Insurance Agency Aisle Solution was the perfect fit."

A big part of the process for this CU was getting licensed in the states where they wanted to sell insurance. "We chose the six states where most of our members live," explains James Potter, Senior VP of Operations for Hanscom.

Insuritas set about obtaining all the necessary licenses.

"Hanscom has a broader footprint than we usually see with a Credit Union of their size, because they're military based," adds Scott Strickland, Senior Vice President of Client Relations at Insuritas. "We had to secure a nonresident license for their agency in multiple states, a process that our licensing team coordinated in just 4 weeks."

BEST PRACTICES LEAD TO BEST RESULTS

Insuritas installed links to the CU's lending systems and created an online web portal, and Hanscom's in-house team embedded the agency links into their home website to promote it. The CU integrated the key best practices that Insuritas advocates, including a rotating banner ad, a dedicated tab for insurance, and a permanent piece of real estate on their site specifically for the insurance agency. As we'll see, implementing these best practices led to instant results.

Training was also important to the success of Hanscom's insurance agency. Insuritas provided customized training to fit the client's needs; for example, they may train employees via

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webinar, or “train the trainer” so that the CU can take ownership of the instruction.

In the Hanscom case, Strickland went on-site to conduct 55-minute training sessions for groups of 25 employees at a time. “For the back office people, who don’t have consumer contact, it’s just an education process,” he says. “Other people -- like lenders, tellers, and Member Services Representatives -- need to understand not only what the program offers, but also how to respond to questions from Members; what information should they collect from them, and where to send Members to get assistance with the insurance.”

The thorough training helped Hanscom get buy-in from all employees, from the top down and from the back office to the front, for this business-changing project.

Hanscom Insurance Agency was up and running in early February 2012. Members seeking insurance fill out a fast, interactive questionnaire online, and the Insuritas system compiles the top insurance quotes from the nation’s leading carriers that fit the Member’s needs. The member can shop and compare on-line, use online chat to get help from an Agent, or talk to an agent directly. Referrals are automatically generated whenever a Member applies for a home or auto loan, and prospective members can phone the Agency for competitive quotes.

THE NUMBERS SPEAK FOR THEMSELVES

Wondering how successful Hanscom Insurance Agency, LLC has been?

The results have exceeded all expectations. “Hanscom has done particularly well in terms of key metrics: The number of leads, the quality of those leads, the quotes delivered, and sold policies,” says Strickland.

Insuritas is able to reach and interview 82% of Hanscom’s members who are shopping -- well over the benchmark of 50 percent. Hanscom’s Agency delivers quotes to 72% of the people they reach, and converts 40% of those into sold policies. Says Strickland, “That’s a shopper-to-sold rate of 23.41%, and

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Hanscom’s monthly quote-to-sold goal is 39%. In March -- just one month after launching -- they blew that goal out of the water by selling policies to 60% of the Members quoted. In April, the quote-to-sold results were an impressive 48%.

Since the agency launch, between 6 and 11% of Hanscom’s households have shopped in the online the insurance agency portal every month, which has consistently ranked them among Insuritas’s top three clients in getting their members to shop for insurance.

Strickland gives Hanscom all of the credit for the success of their insurance agency: “They were a very focused client to work with,” he says. “From the CEO on down, the management team was committed to making insurance a permanent ‘aisle in their store’, recognizing that 100% of their members buy these products from someone every year, and committing to treating insurance with same passion and discipline that they give to their deposit gathering and loan making..”

According to Potter, Hanscom Insurance Agency, LLC members are “very happy” with the cost savings they’re seeing, and Hanscom, in turn, is excited about the results.

And the best thing? Hanscom is generating added value and goodwill with their members -- but now they’re building an important annuitizing fee income stream too.