

# TRAVELERS SERVICE CENTERS— STREAMLINED PROCESSING



*Agents say using outsourced approach frees up agency resources*

By Phil Zinkewicz

About 10 years ago, some of the top property and casualty insurance carriers began to develop service centers for their agents and their agents' clients in the small commercial lines area. The idea was simple. Carriers' agents were not able to produce small market business because the costs to process and service those risks were prohibitive. The carriers, therefore, established service centers to relieve the agents of the nagging, but necessary burdens associated with that small market. Today, it appears that experiment has been successful.

One of the first carriers to establish service centers was the Travelers Corp. "We're coming up on our tenth anniversary," says Richard Rogers, vice president of select operations, small commercial accounts for the Travelers Service Center. "The service center concept has been well received by agents because, heretofore, operating costs discouraged them from pursuing small commercial accounts. With us providing the servicing, now they can."

Rogers says that Travelers is the industry's largest service center and has two service center locations with employees numbering roughly 450.

"What set us apart from other service centers initially was that, when an agent or insured called in to the center, a live person answered the phone.

"As time passed, we decided it was more efficient to have a recording system answer the phone because the recording could direct the caller to the exact department required," Rogers continues. "However, we only have two or three options on the recording so that the caller doesn't waste too much time listening to multiple options. Agents like that."

Periodic surveys are conducted by the Travelers Service Center, according to Rogers. The center surveys its agents once a year to determine what is important to them and where there is room for improvement, he says.

"Two of the things most important to agents surveyed are the speedy issuance of certificates of insurance and cross-selling. We can issue a certificate of insurance online almost instantly. And, as far as cross-selling is concerned, we have a renewal questionnaire that asks insureds if they are in need of additional coverages," he explains. "If they do require changes to their policy, we can make the changes on the spot or we can refer them to their agent. We make it very clear to insureds that they are the clients of the agent, not us."

Rogers says that Travelers Service Center employees, especially those who deal with telephone calls and questions from agents or clients, are well trained. "We have a 12-week training class. Our people don't go onto the floor until they have completed that class. Sometimes we have agents sit in on the class just to watch and see how we operate."

As for the future, Rogers says that Travelers Service Center is considering assisting agents who want to acquire new business. "We might be doing some 'warm lead' work for the agents down the road," he says.

Kate Armfield of the Leesburg, Virginia-based Armfield, Harrison & Thomas (AH&T) agency says that AH&T uses Travelers for its small commercial business. "They have made us more efficient in handling small commercial accounts. And, they can do cross-selling as well."

Dot Kidwell, commercial service manager for AH&T, says that the agency has just moved a large book of business to the Travelers Service Center for commercial lines. "When you have a lot of small accounts, a service center cuts down on payroll and benefits costs," she says.

"With the number of smaller accounts we have, we would have to hire three or four new people if we didn't have the service center. Moreover, we want our customers to

know we do care about them and when you have hundreds of people servicing them versus just 15 people at our offices, the service is better," according to Kidwell. "Anybody who has ever visited the Travelers Service Center finds it an awe-inspiring experience. Watching hundreds of people answering telephone calls, assisting agents and their insureds is just amazing.

"Rarely does a problem occur," Kidwell says, "but when a client does complain about the service he or she has received at the center, we can easily solve the problem by a three-way conference call between the client, the service center person and us. And, if a client insists, we can always pull him or her out of the center and handle the account at our office."

The service center concept for personal lines predates such centers in the commercial lines arena. Karen Farris, president of the Dallas, Texas-based Roach, Howard, Smith & Barton, says her agency is strong proponent of service centers in the personal lines area. "Located in a major metropolitan area such as Dallas-Ft. Worth, labor costs are high," she says. "Without the ability to outsource some of the more routine servicing functions, we would not be

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able to handle personal lines in a profitable way."

Janie Atwood, a personal lines sales representative for the agency, says that service centers such as Travelers free up time for sales agents while giving the agency's customers 24-hour service. "The service centers do endorsements, online quotes, make changes that need to be made, deal with payment issues and do claims handling. Without service centers we would be inundated with telephone calls. In effect, they work as our CSR and allow us to use our time to sell."

Atwood says that the Travelers Service Center for personal lines does an excellent job. "We've worked with them for the past 10 to 15 years," she says. "There are a good many smaller accounts that take as much time to service as larger accounts, but they produce much smaller premiums. The service center allows us to take advantage of these smaller accounts without the costs. It saves us the expenses of hiring new staff. We're able to do more with fewer people. And the Travelers Service Center is among the best." ■

**TRAVELERS** 