The Hanover Insurance Group®

Personal Lines

Agency retention playbook

Acquiring a new customer is anywhere from **5-25x** more expensive than retaining an existing one. But price-focused advertising may drive customers to shop for savings, especially through direct carriers.

As a trusted adviser, you can help customers understand the value of their coverage and focus on the protection that matters most to them.

Did you know?

Insurance advertising has reached a record high of

$14.4 billion

47%

of consumers shopped their auto policy in the last 12 months*

Why do customers shop?

Price disruption

- Unexpected premium increase without a clear explanation
- Multiple renewal dates or bills
- Reactive remarketing

60%

of consumers cited an increase in an **expense other than insurance** caused them to shop*

Poor experience

- Lack of communication
- Difficulty getting responses or resolutions
- Coverage or service that doesn't meet expectations

Customers with a poor carrier experience have a

6x higher

shopping rate**

Life event

- Buying a car
- Moving
- Adding a new driver
- Change in income

11.2%

of policies have at least 1 midterm endorsement

Policies with endorsements close to renewal are

12%

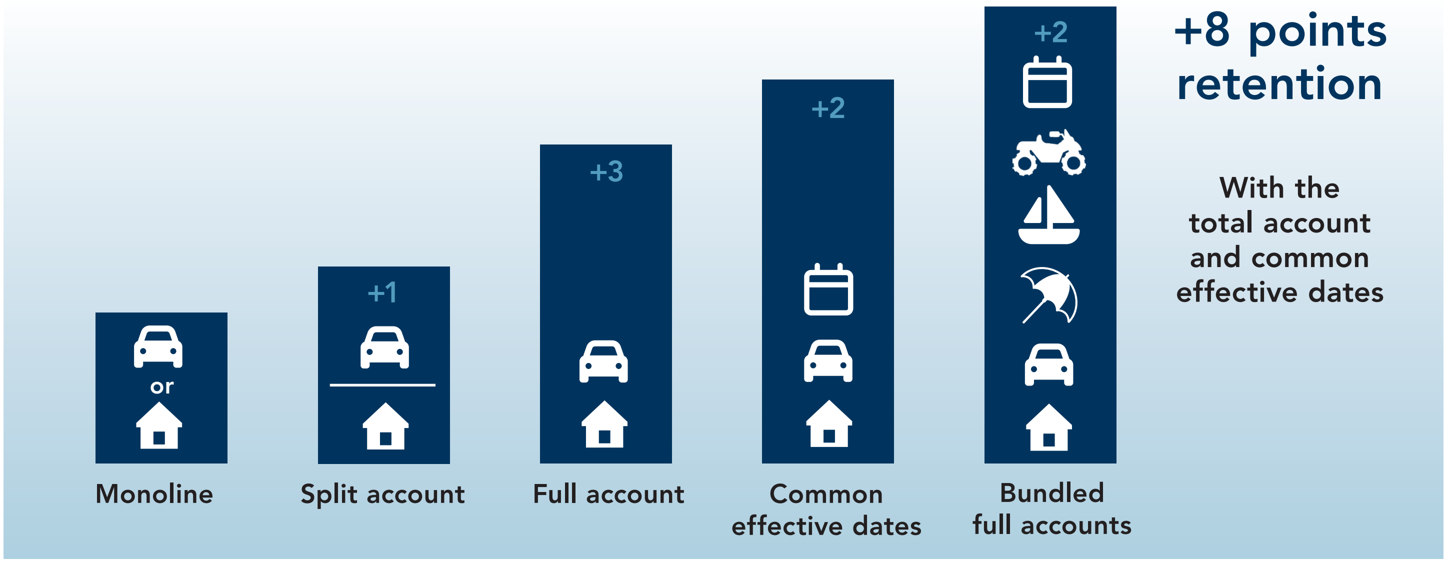
more likely to shop***

Three top habits of high performing agents

1. Focus on writing full accounts with common effective dates

Retention is rarely won one policy at a time. When accounts become fragmented, competitors often gain additional opportunities to market directly to your customers. Agents that prioritize building complete customer relationships can deliver greater value, strengthen loyalty and reduce the likelihood of customers shopping elsewhere.

Retention grows as the account grows



Source: Internal Hanover data

2. Proactively engage with customers to consult on value

Nearly half of insurance shopping occurs within **60 days of renewal**. By the time a renewal conversation begins, the focus often shifts to price. Agents should engage early and create touchpoints throughout the life of the policy.

PRE-RENEWAL REVIEW (90–60 DAYS BEFORE RENEWAL)	**LIFE EVENTS AND POLICY UPDATES**	**YEAR-ROUND RELATIONSHIP BUILDING**
The goal: Shape the conversation around value before price becomes the focus. Consider discussing: • Recent life or household changes • Coverage adequacy and gaps • Available discounts • Loss prevention opportunities • Account rounding opportunities • Common effective dates where applicable	**The goal:** Turn key moments – including new vehicles or drivers, coverage updates and claims – into opportunities to reinforce the adviser relationship. Consider discussing: • Whether coverage still aligns with needs • New exposures created by the change • Loss prevention recommendations • Addtional protection opportunities	**The goal:** Retention is built between transactions, not just at renewal. Maintain regular visibility through seasonal outreach, periodic account reviews, customer appreciation and more. Consider discussing: • Seasonal risk prevention • Household updates • Emerging protection needs • Available resources and services (e.g. Partners in Prevention)

3. Maximize retention and protect your preferred accounts with The Hanover

Value with Platinum

- Total account solutions with common effective dates
- Billing and text alerts
- Renewal transparency tool and intent-to-cancel agent notifications
- Options for client retention support at renewal

Customer experience

- Self-service account management through My Hanover Policy
- Best-in-class claims service
- Customer engagement through co-branded communications
- Risk prevention resources

Life event

- **Auto** - Adding a new car is a major cause of mid-term cancellations. Our customer service center is open on Saturdays, the days customers are most likely to purchase a vehicle, to help service the account and retain the customer.
- **Home** – Platinum "Add a Home" offers a seamless way to update the account without rewriting.
- **Teen drivers** – The Hanover's SafeTeen program provides three ways to help coach, educate and protect new drivers and vehicles.

Source:
**LexisNexis*
***JD Power 2024*
****Verisk*

Questions

Contact your territory sales manager for assistance developing your retention playbook.

The Hanover Insurance Group®

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