



LinkedIn™



Commercial Insurance Today

How Rising Adoption of Digital and Social Resources
Impacts Decision-Making

Commercial Insurance in the 21st Century: The Growing Influence of Digital and Social Media

Based on our past research, we know digital and social media resources are having a significant impact across the Financial Services industry. However, what we didn't know was how these resources were impacting the commercial insurance sector in particular.

So we decided to find out by surveying the key players within the commercial insurance ecosystem - agents, brokers, and clients. Our goal? To better understand how digital and social resources are impacting clients' decisions about commercial insurance, and how these resources are changing the way agents and brokers build relationships and sell to clients.

Our survey, fielded in December 2014, was comprised of approximately 800 total LinkedIn members in the U.S., including nearly 500 who are involved in purchasing commercial insurance (clients), and nearly 300 who sell commercial insurance (both independent and captive agents/brokers).

Methodology



Survey

Online survey fielded via LinkedIn platform from December 11 - 23, 2014



Sample

477 Commercial Insurance Clients and 297 Commercial Insurance Producers (all on LinkedIn, based in the U.S.)



Clients

Decision-makers or influencers for commercial insurance or employee benefits at their organization



Producers

Independent or captive brokers/agents selling at least one line of commercial insurance or employee benefits

Commercial Insurance Ecosystem

Read on for more insights and actionable suggestions about the role of digital and social media in the commercial insurance ecosystem [▶](#)

Key Research Findings

1

Intermediaries play a central role in the commercial insurance ecosystem

- Nine in 10 clients use an agent/broker for their commercial purchases
- 43 percent receive at least weekly communication from their agent/broker

2

Clients increasingly rely on digital & social sources to discover and validate info

- More than 3 in 4 rely on professional networks; about half plan to increase reliance
- Clients are primarily looking for industry perspectives and potential agents/brokers

3

Agents/brokers also rely on digital & social sources to build their business

- Nine in 10 rely on professional networks; three-fifths plan to increase reliance
- Agents/brokers are mainly prospecting for clients and differentiating their brand

4

Commercial insurance professionals drive tangible results through LinkedIn

- 43 percent of agents/brokers on LinkedIn have found a new client through the platform
- 23 percent of clients on LinkedIn have been influenced to work with an agent/broker

Satisfying Numerous Commercial Needs

Commercial Insurance clients are responsible for a wide range of organizational liabilities

How many types of risk does a typical client on LinkedIn manage? On average, four – though this tends to vary depending on company size: about half of those at medium to enterprise companies are responsible for three or fewer lines, compared to about a third of small business clients. This is possibly due to greater specialization or greater division of responsibilities within larger organizations.

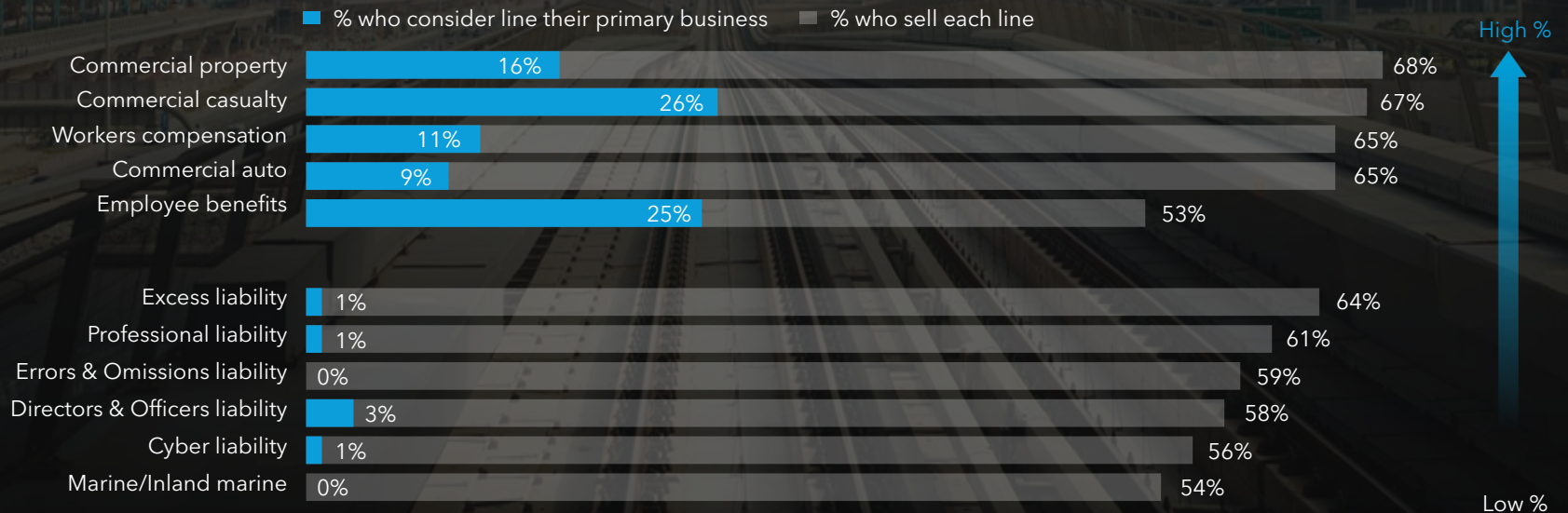
Clients responsible for only one line of coverage tend to focus on employee benefits. And if they are decision-makers or influencers for employee benefits, about half the time, they will also cover workers compensation. A greater overlap of responsibilities is seen with commercial property and casualty: 91% of decision-makers for casualty are also decision-makers for property insurance.

Agents/brokers offer a range of core and specialized lines for their clients

Most insurance agents/brokers carry a number of lines, and a majority sells property, casualty, auto, workers compensation, and employee benefits. At the same time, agents/brokers tend to sell these additional lines: excess & professional liability, E&O, D&O, cyber liability, and inland marine – though these are not considered their primary lines sold.

Whether selling a broad range of lines or a narrow set, the majority of agents/brokers are tasked with staying on top of lots of information and subject-matter expertise.

Top commercial lines sold by brokers and agents



Interactions with Intermediaries are Important to Clients

Most clients are working with an agent/broker

Nine in ten commercial insurance decision-makers and influencers use an agent/broker for at least some of their commercial insurance purchases. Those that never use an agent/broker tend to work with a colleague with the needed licensing.

Clients who never work with an agent/broker tend to have fewer coverage lines (median of 2), while those who always work with an agent/broker tend to have more coverage lines (median of 5).



9 in 10

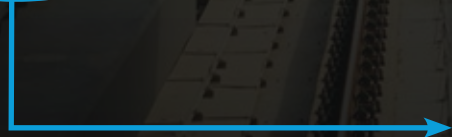
Clients on LinkedIn use an agent/broker for at least some purchases (NET)

Interactions with Intermediaries are Important to Clients

Clients receive regular communication from their agents/brokers

On average, 43% of clients who use an agent/broker hear from them at least weekly. These clients are more satisfied with the level of communication they receive, compared with clients who hear from their agents/brokers less frequently. That said, the satisfaction level was high across the board: 93% who hear from them at least weekly are satisfied vs. 83% overall.

Broken down by company size, clients at larger companies are more likely to hear from their agent/broker at least weekly: 54% of enterprise clients, 44% of clients at medium-size firms, and 29% from small organizations hear from their agent/broker weekly or more.



93%

are satisfied with that level of communication

A Greater Reliance on Professional Networks Across the Board

Even with an intermediary to consult, clients are increasingly using digital sources for their own research

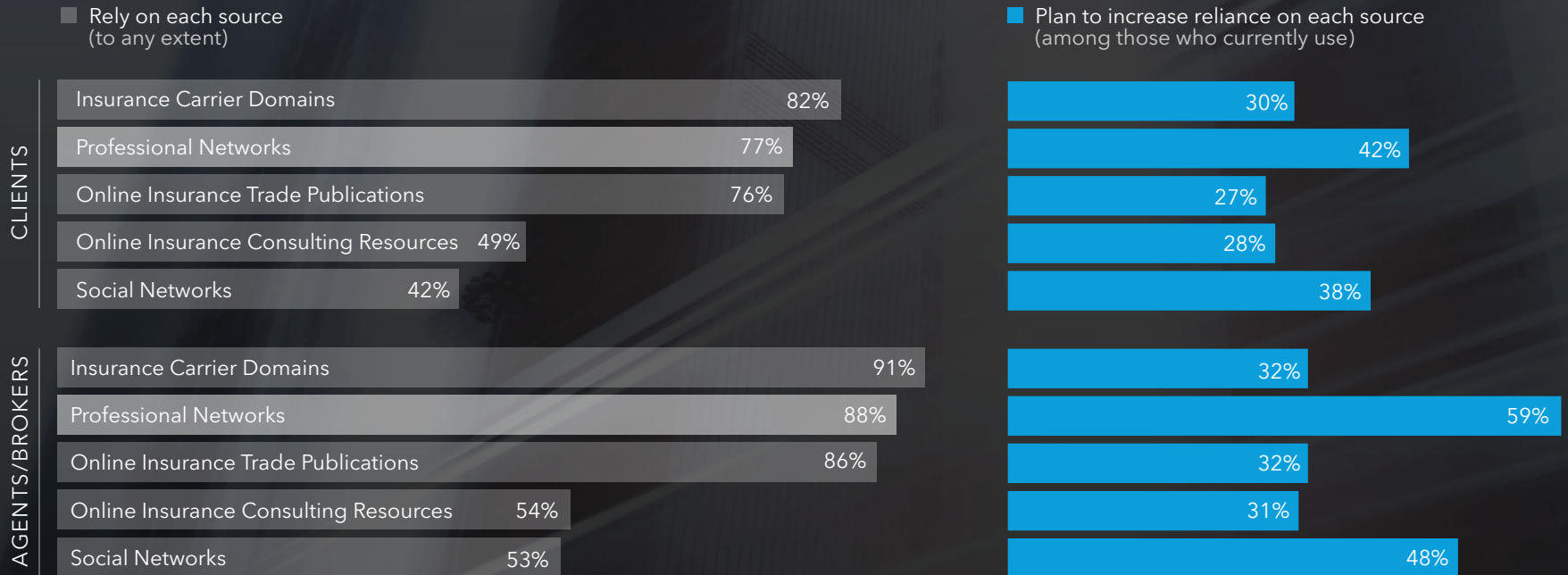
In the past year, more than three in four clients relied on professional networks like LinkedIn or SlideShare to discover, consider, and/or validate information pertaining to their role in commercial insurance or employee benefits. This is just slightly lower than the 82 percent who relied on insurance carrier websites to this end.

What's more, 42 percent plan to increase their use of professional networks for this purpose over the next year. While it's true that these clients are all LinkedIn members, the numbers are significant when compared to insurance carrier sites offering pertinent product information.

Agents/brokers are also turning to digital sources to inform their roles, and most expect to increase their reliance on professional networks

Similarly to the clients they service, agents/brokers are relying heavily on insurance carrier websites, professional networks, and online insurance trade publications for information pertaining to their roles. Nearly nine in 10 turn to professional networks, and 59 percent of these plan to increase their reliance on professional networks over the next year.

Extent of reliance on digital for discovery, consideration, and/or validation pertaining to commercial insurance



A Greater Reliance on Professional Networks Across the Board

Clients leverage LinkedIn for specific purposes, driving tangible business results

Clients who turn to social media – and LinkedIn in particular – are seeking perspectives on industry topics and vetting agents/brokers. In other words, they value the additional commentary and discussion that isn't part of the traditional digital information resources. Clients also consult social media – including LinkedIn – to identify and check credentials of prospective brokers/agents, and keep up with company risks and emerging liabilities.



One-quarter of clients on LinkedIn have learned something from the platform that has influenced a decision to work with an agent/broker

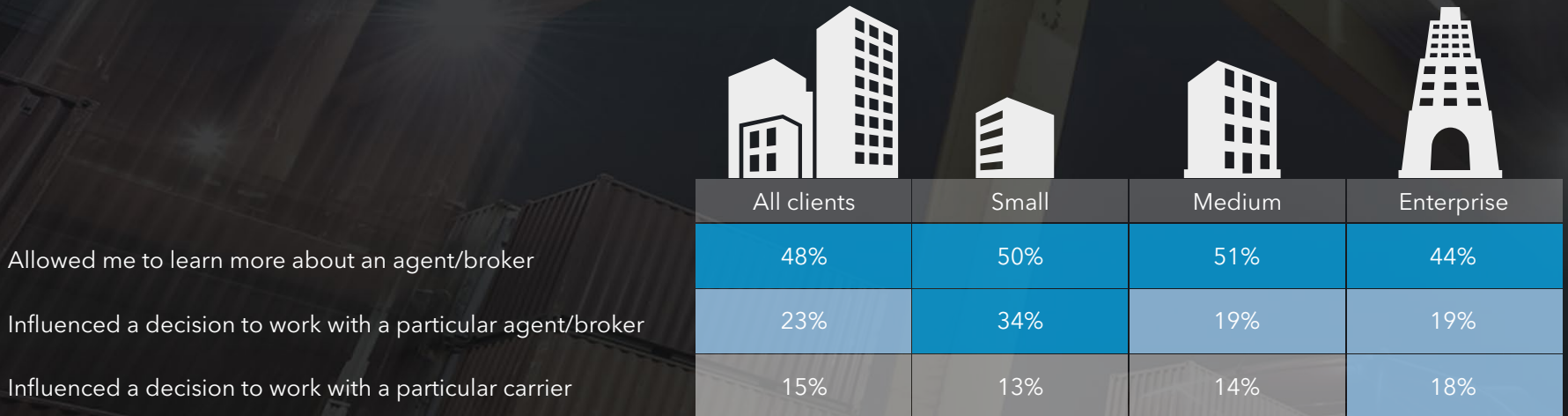
It's no surprise that commercial insurance clients plan to use LinkedIn at higher rates. What they learn on the platform influences important decisions, such as whether to work with a particular agent or broker. Clients at small companies are especially likely to have learned something on LinkedIn that influenced their decision to work with an agent/broker.

LinkedIn is...instrumental in my ability to leverage my network to find the best carriers and brokers for my needs.

- Commercial Insurance Client on LinkedIn



Client results from LinkedIn use (by company size)



Agents and Brokers are Using LinkedIn Strategically to Win Business

Overall, 43 percent of all agents/brokers who use LinkedIn have found a new potential client through their use of the platform

While a significant number of agents/brokers have driven new business via LinkedIn, just as many have generated an opportunity. And about a third have secured a meeting as a result of using the LinkedIn platform. In fact, those producers that exceeded their 2014 projected target revenue or quota were highly likely to have benefitted from their use of the platform: 62% found a new potential client (vs. 43% overall), while 46% secured a meeting (vs. 31% overall).

Agent/broker results from LinkedIn use:

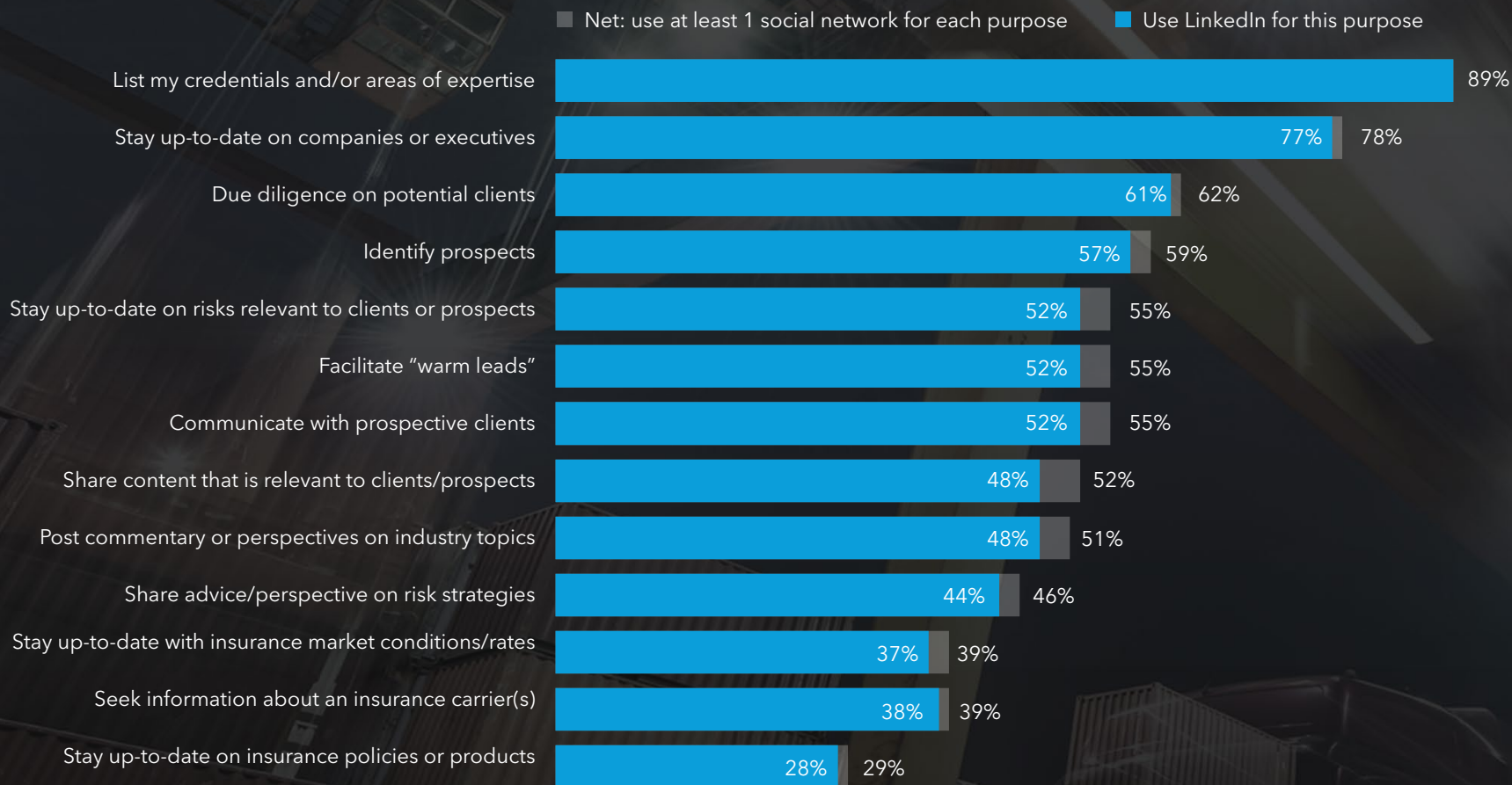


I've found the most success using LinkedIn to research prospects. I've had prospects review my profile, which highlights education, prior experience and writing, all of which enable me to distinguish myself from other brokers.

- Independent broker

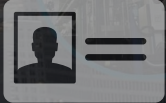
To drive business, more than half of agents/brokers on LinkedIn identify prospects, while nearly as many share content and perspectives

When it comes to the top reasons agents and brokers use social media – and specifically LinkedIn – listing credentials and expertise came out on top. Today it's table stakes to list this type of information; the next step is to start differentiating themselves and their brands. Hand in hand with this, producers use these networks to stay abreast of company and executive changes and company risks, identify prospects and perform due diligence on potential clients.



Best Practices for Financial Marketers

Want to take advantage of these insights? If you're looking to market to commercial insurance clients, keep these best practices in mind:



Build out your profile.

Clients use LinkedIn to check the credentials of potential agents/brokers, so boost visibility with embedded keywords, up-to-date credentials, and areas of expertise.



Grow your network.

Facilitate "warm leads" by connecting with a broad range of contacts on LinkedIn - from potential and existing clients to colleagues and peers.



Engage your clients with the content they seek.

At least weekly, share content on LinkedIn that provides value - i.e., company news, articles, industry trends. Sponsor the content to extend your reach beyond your Followers.



Establish yourself as an influencer.

Demonstrate your expertise by publishing long-form content to deep dive on topics that matter to you and your business - such as industry commentary, company risks, and emerging liabilities.



Ready to engage with the commercial insurance ecosystem on LinkedIn?

Visit marketing.linkedin.com for more info.