

The Missed Commission Exercise

Tips & Tricks To Insure You Don't Leave Big Commissions On The Table

By Steve Crowhurst

Usually we focus on 'how to sell' ideas and we've done this many times with the insurance product. This time around, we're going to focus on how you can develop your personal plan to sell more based on the commission you leave on the table. Without further ado, we introduce the Missed Commission Exercise.

As a travel agency manager, you might want to have each counsellor complete this grid for themselves as you complete one for the entire agency. Then gather round the agency espresso bar – what, you don't have one? Hey, with the insurance commissions you could be/should be making, you could buy the best and even hire your own barista!

The Missed Commissions Exercise

This exercise is very important and every travel agency should complete it monthly in order to track their insurance sales. The grid below demonstrates how much travel insurance commission is missed due to lack of sales. This 'lack of sales' could mean that the client purchased their travel insurance elsewhere – either at another travel agency, directly from the supplier they are travelling with, online or at the airport prior to departure. It's lost. Missed.

The worst-case scenario would be that they were neither sold travel insurance by their travel agency of record, nor did they buy insurance from any of the possible outlets. They travelled without coverage. Whoops! Litigation waiting to happen.

The Missed Commission Grid

Agency 1: This agency shows 1,750 clients who travelled last year. The average premium was \$75 and the agency should have earned a

minimum of 40 per cent of the premium in commission or a potential \$52,500 (A x B x 40 per cent) if all clients were persuaded to buy travel insurance.

A review of how many clients *actually* purchased travel insurance indicates only 525 – that's 30 per cent – were sold or persuaded to buy coverage. Calculate the commission earned from these transactions, then deduct the total from the potential figure of \$52,500. The amount of commissions missed or lost to this agency then is: \$37,150 (D x ExF - \$52,500).

Agency 2: The same calculations are used for Agency 2; however, Agency 2 has become more proactive in closing their insurance sales, as you can see in Row D. They have increased their sales to the point where 60 per cent of their clients have purchased travel insurance. This results in commissions of \$31,500 being earned by the agency. Now, while this is an excellent turnaround, when you follow the same calculations as you did with Agency 1 above, there is still \$21,000 worth of commissions 'left on the table' and lost perhaps to the competition.

Your Turn

Here's your mission if you choose to accept it. Using your agency's insurance sales statistics, complete your own Missing Insurance

Commission table. You could also use the same formula and check the insurance sales for each travel counsellor in the agency. If one counsellor stands out with very high commission returns, then perhaps they can tell everyone else their secret to high insurance sales.

10 Quick Selling Tips

Here are ten easy ways to help scoop up extra commissions.

1. Promote insurance in your agency window
2. Include an insurance tagline in all e-mails
3. Add a "Why Buy Insurance" comment in all flyers
4. Place a click-through insurance icon on your website
5. Install a sign that features a red "STOP! Did You Buy Insurance?" sign above the agency exit
6. Place a sign on the front of the agency door that says, "ASK us about Travel Insurance"
7. Mention travel insurance at the start of the sales process
8. Have insurance promotional tools on your desk
9. Make sure your computer screen when 'idling' has an insurance comment scrolling across it
10. Wear an "ASK ME ABOUT INSURANCE" button

		Agency 1			Agency 2	
Number of clients travelled last year	A	1,750	1750	A	1,750	1750
Average premium	B	\$75	\$131,250	B	\$75	\$131,250
Agency commission %	C	40%	\$52,500	C	40%	\$52,500
Number of clients who purchased	D	30%	525	D	60%	1050
Average premium	E	\$75	\$38,375	E	\$75	\$78,750
Agency commission %	F	40%	\$15,350	F	40%	\$31,500
Missed Commissions	G		\$37,150	G		\$21,000

TLC FROM TIC

One of the largest travel insurers in Canada, **TIC Travel Insurance Co-ordinators Ltd.** is 100 per cent owned by Co-operators Life Insurance Company, part of the Co-operators Group, the country's largest Canadian-owned, multi-product insurer. TIC has been providing coverage to Canadians for more than 40 years, and continues that tradition of quality while looking ahead to the future with cost-effective, innovative products, Internet-based sales solutions and a strong focus on customer service.

TIC's brokers, found in offices in every Canadian province and territory, offer a wide variety of plans designed to cover just about every client – from individuals and families to groups and sports teams – and every possible travel-related situation they could ever face, from emergency hospital and medical insurance and flight accident to trip cancellation or interruption, lost or stolen baggage and rental car damage.

Make it easy by selecting one of TIC's **All-Inclusive Plans**, which

package emergency hospital and medical insurance together with the Trip Cancellation and Interruption Select Plan, which insures your clients' travel arrangements against unexpected loss or cancellation not just before their trip, but while they are away.

Have a clients who travel frequently? Consider TIC's **Multi-trip Plans**: Basic or Select Plans include emergency hospital & medical insurance for Canadians for trips of 8, 15, 35, 60 or 105 days in duration. The Select Plan also offers the choice of flight accident coverage only, or flight accident plus trip cancellation and trip interruption insurance, combined for a great rate.

How about a young client with a taste for active, thrill-seeking pursuits? TIC also offers a **Youth Adventure Package**.

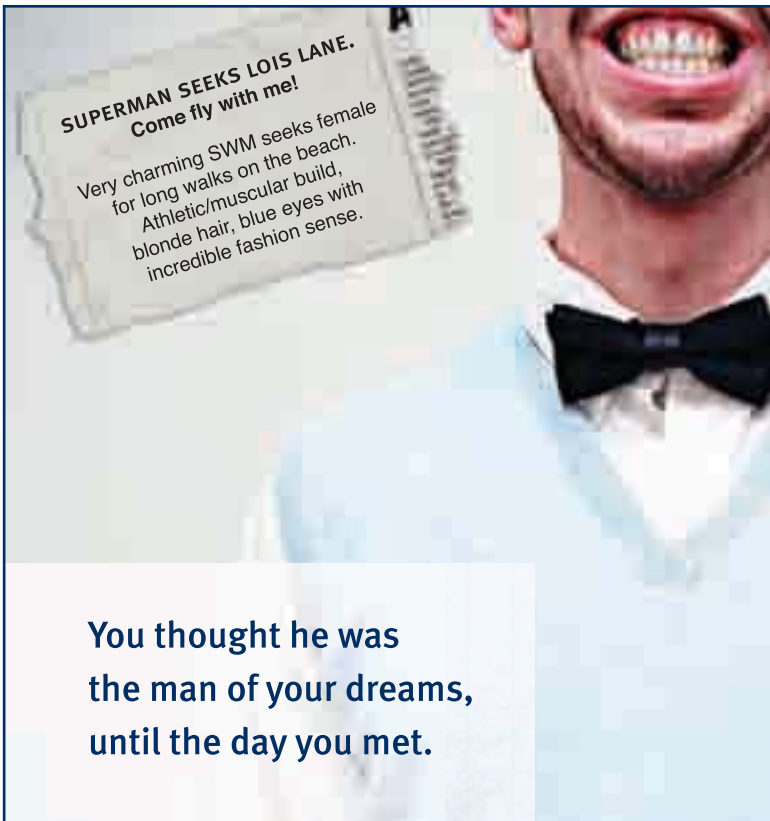
Rates start from as little as \$1.15 per day, and TIC guarantees 24-hour, multi-lingual support from their team of claims professionals, consultants and medical experts. For more information, visit www.travelinsurance.ca.

The New World of Insurance Products

At this time in our travel lives we are plagued with war and acts of terrorism. Some insurance companies have moved ahead and

created policy riders/add-ons to cover this risk. Make sure you are well-read and understand the coverage in detail. Other types of insurances cover backpackers and adventurers. Another includes trip cancellation if a pet

becomes ill. Oh yeah! Your insurance vendors have you, them, us and even old "One Eye" the cat covered! And they still pay the highest commission out of all products you sell. Be sure and insure! †



SUPERMAN SEEKS LOIS LANE.
Come fly with me!

Very charming SWM seeks female for long walks on the beach. Athletic/muscular build, blonde hair, blue eyes with incredible fashion sense.

You thought he was the man of your dreams, until the day you met.

Isn't it annoying when people pretend to be something they're not? Same with businesses. Unlike many insurance companies, at TIC we mean what we say.

- ✓ **Great customer service.** We prove it with a 94% overall customer service score and 60 years industry experience.
- ✓ **No outsourcing.** We handle all our own assistance and claims. We're 100% Canadian, 100% travel insurance.
- ✓ **Competitive products.** New Tour Assure product for tour operators. New products and updates every quarter.
- ✓ **Competitive prices.** Low trip cancellation and interruption rates mean some customers see premiums reduced by up to 20%.

AT TIC TRAVEL INSURANCE, ACTIONS SPEAK LOUDER THAN WORDS.



support wherever you go

Call: 1-800-465-4279 www.travelinsurance.ca