

Conn. teachers try to make the grade in insurance sales

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by Pat Healy
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MERIDEN, Conn. — Thanks to Connecticut Life & Casualty Insurance Co., teachers are learning something new — how to become agents for auto and homeowners insurance.

With the launch of the Teacher Agent Network, Direct Response Corp., which owns CL&C, is creating a new avenue for distribution.

"We'd like to think maybe we've created something new here," said Direct Response Spokesman Ray Palermo.

CL&C already offers Teachers' Insurance Plan especially for teachers, and now some of the teachers enrolled in the plan can become agents of the plan. The Teacher Agent Network provides training and helps facilitate licensing, as well as processing all the paperwork for the applications.

Palermo said with the way the Teacher Agent Network is set up, if a colleague buys a policy through a teacher agent's lead, the agent earns a 5 percent commission and gets a commission each year the policy is renewed.

"So if you arrange the sale of a \$1,000 auto insurance policy, you are paid \$50 — and you receive commission each year for as long as that person remains a customer," he said. "As you add policyholders and they renew, your income grows and grows."

No Sales Quotas

He said other advantages include the fact that there is no work schedule to keep and no minimum sales quotas to meet.

Stephen T. Zerio, city council majority leader of Meriden, where the company is based, has been hired as the Teacher Agent Network manager.

"We're not looking at this as a way for them to supplant their job as teachers," he said of the Network, "we're just looking for them to be spokespeople more than salespeople.

"That sets us apart from our competitors who simply market to teachers. We're looking for teachers to open up some new quoting opportunities for us."

While no teachers have become licensed agents yet, Zerio said he has about five teacher agent recruits going through the education process right now. After a 40-hour licensing program, teachers take the state licensing exam, upon completion of which the Teacher Agent Network pays the teacher agent \$500.

What's more, the program is not just for teachers. School administrators and employees can also participate.

"We're looking for someone who is or has been a teacher or someone affiliated with the school who has the ability to mingle with teachers on a regular basis," said Zerio.

William M. Lutz, who used to teach English and now runs the computer network for Notre Dame High School in West Haven, is half-way through the first chapter of what he said is a giant book of insurance instruction. Upon completion, he can take the test to become licensed. Lutz is already one of the few thousand teachers insured through the Teachers' Insurance Plan for his home and auto policies.

He said one of the aspects he found most appealing about the network was the low-pressure approach and the fact that he is not actually selling policies as much as representing them.

"I would not feel comfortable selling stuff, because I don't know if the faculty room is the place to do that other than for kids' candy bars," he said. "I'm just giving people information and putting them in contact with people who will give them a quote."

Lutz is also looking forward to the summer with more downtime. "I usually build decks and work as a general handyman, and I'll probably still do some of that, but this really is a nice way to supplement my income," he said.

Warren Ruppap, executive vice president of the Independent Insurance Agents of Connecticut, said he is not so sure the Teacher Agent Network will work.

Part-Time Person

"I wonder about these types of mass-marketing or networking types of plans and wonder how much time an individual can put in from his or her regular career and become a part-time insurance person," he said. "Does this mean agents can become part-time teachers? Selling insurance is not a part-time job."

Palmero argued to the contrary, saying that the beauty of the network is that once the teacher agent finds potential customers and has walked them through the application, CL&C does the rest of the work.

"After a sale is complete your job is done," he said, "we provide all customer service, and what service it is. We were ranked number one by the Connecticut State Insurance Department based on our not having a single customer complaint against us."

Ruppap is still skeptical.

"Any time there is an association or group program they usually target customers with pricing and over a period of time losses catch up and you have to price it higher," he said. "You just can't keep the rate low all the time."

Ruppap said he is not nervous about teachers taking away business from independent agents. "Competition is always good because competition always proves how great an independent agent is," he said.

Zerio said the industry doesn't have to worry about a market saturated with teacher agents. "This is virgin territory here," he said. "It's going to be a while before we see any real numbers." □