

Personal Lines

Winning in the time of the independent agent

Customers are at risk



- **27** separate \$1B weather events in 2024
- Up from **7/year** average from 2000–2010



- **35%** of home losses are due to non-weather water
- **15%** of roofs need attention
- **20%** of homes have major tree overhang and increased risk



- **Over 25%** of homes are still underinsured
- Of those, 40% are underinsured by **30% or more**

Carriers have different strategies...

Insurance advertising at record high of **\$10.8 billion**



83% increase in carrier **financial downgrades**—driven by personal lines

...and customers are shopping

45% of policies were shopped in 2024—a **record high**.



Longer tenured customer shopping increased **33%**

Differentiate your value to come out on top

EDUCATE ON RISK SHARING	CONSULT ON LOSS PREVENTION
<p>Deductibles help discourage small claims, encourage prevention, and keep costs lower</p> <p>Action: quote higher deductibles and explain long term benefits to customer</p>	<p>There's steps customers can take to help prevent the stress of a loss</p> <p>Action: discuss water sensors with every customer</p>
ADVISE ON TOTAL ACCOUNT PROTECTION	PARTNER WITH FINANCIALLY DISCIPLINED CARRIERS
<p>Full accounts with common effective dates have the highest retention</p> <p>Umbrella, cyber and valuables are essential</p> <p>Platinum boat and motorcycle customers benefit from waiver of deductible when bundled</p> <p>Action: quote 3–5 lines per customer</p>	<p>Your partner's strategy is your competitive advantage</p> <p>The Hanover's vision is to be your carrier of choice for preferred accounts</p> <p>Action: sell on value over price when consulting customers</p>

It's about 5–25x more expensive to acquire a new customer than retain an existing one.

The Hanover can help you maximize retention

Price disruption



- **Renewal transparency tool**
- **Platinum** common effective dates
- **Total account** solutions
- Billing **text alerts** and **EFT**
- **Intent-to-cancel** agent notifications
- **Client retention renewal support (CRS)**—exclusive for CSC agents

Customer experience



- **Self-service** with My Hanover Policy
- Best-in-class **Customer Service Center**
- **Customer outreach:** cobranded communications to engage and retain customers
- **Risk prevention resources:** Partners in Protection, home self-evaluations, and high value risk consultants to help keep customers safe
- **Claims excellence 9 out of 10** claimants would recommend

Life events



BUYING A NEW CAR

Adding a car is a major cause of mid-term cancellations, and it's an event direct writers target. Our CSC is open Saturdays, when customers are most likely to be purchasing a vehicle.



MOVING

Platinum Add a Home offers a seamless way to change addresses without rewriting the entire account.



ADDING A TEEN DRIVER

SafeTeen provides three ways to help coach, educate and protect new drivers, along with new discounts.

Did you know?



In 2024, insurance advertising spend reached a record high of

\$10.8 BILLION*

Source: Assured Research



When customers shop:

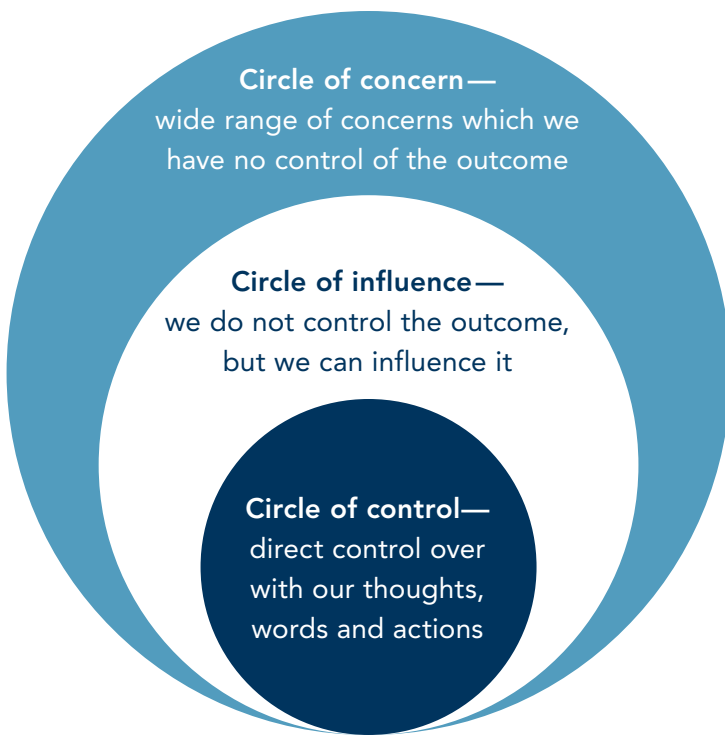
Hanover **Direct Defense** helps retain vulnerable customers—exclusive for CSC agents
Contact your Hanover rep to learn more

Your retention playbook

Covey's Circle Theory

To come out on top, we must embrace a growth mindset and shift how we think of opportunities ahead.

Write down what falls in your circles in the boxes.



CONCERN:

INFLUENCE:

CONTROL:

Break the shopping habit on your next call

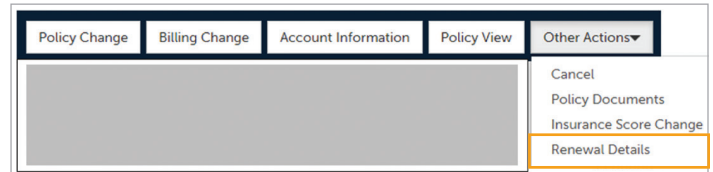
EXPLAIN	RETAIN	CONSULT
<ul style="list-style-type: none"> <input type="checkbox"/> Find the renewal transparency tool in TAP sales during your next price call <input type="checkbox"/> Educate on impact of trends like weather and policy changes, like Coverage A 	<ul style="list-style-type: none"> <input type="checkbox"/> Use our renewal toolkit and checklist for your next discussion <input type="checkbox"/> Practice your talk tracks to respond confidently to common objections 	<ul style="list-style-type: none"> <input type="checkbox"/> Quote home, auto, umbrella, valued items and cyber for every prospect <input type="checkbox"/> Ask customers about installing water sensors as a way to protect their home from common losses

Let's practice—*explain*

Your customer calls asking why their price increased. How would you explain industry trends? Here's a sample approach:

STEP 1: look up the policy in the [renewal tool in TAP Sales](#). Identify what factors may have contributed to the increase, such as:

- Coverage A changes on the home
- Risk changes, like a new vehicle or driver
- Losses from the prior year



STEP 2: Explain the changes to the customer. Here's a sample response:

"Yes, you're correct, your policy premium did increase. There's a few factors that go into this:

- Severe weather across the country are more frequent and costly. There were 27 separate \$1B weather events in 2024 alone. Those events have lead to rate increases across the insurance industry.
- For your home policy:
 - Your coverage A dwelling limit—the amount to rebuild your home—increased. Your policy has inflation guard built in to help ensure your home is protected in the event of a total loss.
 - Let's say there's a kitchen fire that severely damages part of your home. There's the cost of materials (counters, floors, appliances) and hiring contractors to do the work, and potential temporary living arrangements. As these costs increase, your coverage needs increase too.
- On the auto side, newer vehicles come with more advanced—and expensive technology. A bumper isn't just a bumper anymore—there's cameras, sensors which makes it more costly and complicated to repair when they're damaged. These costs impact rates across the industry."

WRITE YOUR OWN RESPONSE:

Your retention checklist

In the moment, it can be easy to accidentally overlook an opportunity to help a customer with premium concerns. Use this checklist as a guide to help you identify potential savings.

GENERAL QUESTIONS

- Did any discounts fall off that can be re-added?
- Were there any mid-term changes resulting in a full-term premium change?
- Were there any added violations, accidents, or losses since the last renewal?
- Is client getting best group discount?
- Is there a mono-line, split account, or missing multi-policy credit opportunity?
- Is the insurance score eligible to be re-run?
- Is the insured interested in a paid in full discount?

AUTO QUESTIONS

- Are they comfortable with a higher deductible? \$1K for collision is a common selection.
- Is there a change in usage?
- Did you discuss PIP options with the insured?
- Are there youthful driver(s)? If so, consider options like Good Student, Student Away at School, Teen Smart, Smart Path or Parent Choice Deductible.
- Are there senior or retired driver(s)? If yes, offer waiver of PIP work loss.
- If it's a single car policy, does the insured own a second car to insure/company car?
- Is standard collision an option (ex: older car)? Could collision/comp coverage be changed?
- Are there any safety devices on the auto?
- How many miles are they driving?—low mileage discount up to 15%

HOME QUESTIONS

- Has their roof been replaced recently?
- Personal property—how much do they need? (Can quote as low as 30%)
- Have you quoted an increased deductible?
- Are there scheduled items on the policy that the insured no longer owns? Are updated appraisals needed?
- Do their service line limits reflect their need? (Can be reduced/removed)
- Does their home qualify for protective device or alarm credits? (Ex: burglar alarm, fire alarm, permanent generator, temperature monitoring device, water leak detection)
- Have you made recent improvements to your home? (ex: finished basement, add a pool)

Shifting from price to value—*consult*

Reinforce current benefits

Coverage highlights, such as:

- Guaranteed replacement cost
- Service line
- 2nd chance accident forgiveness
- Credits earned through disappearing deductible
- Platinum waiver of deductible
- Discounts on their policy

Value add services, such as:

- Partners in Protection: discounted rates on water protection, security systems, jewelry appraisals and more
- Self service through My Hanover Policy
- Extended hours if part of our Customer Service Center

Brand reputation, such as:

- A financial rating
- 9 out of 10 claims recommendation
- Award highlights, such as Forbes America's Best Insurance Companies



Consult on loss mitigation

Many customers may not be aware of the steps they can take to help protect themselves from experiencing a disruptive loss. You can differentiate your value by helping them take steps to reduce their chance of a loss.

Tip: Lead into the discussion with a discount or service. Here's what that could sound like:

"As a Hanover customer, you have access to Partners in Protection where there are discounted rates for water mitigation devices. Do you have any of those installed today?"

Non-weather water losses, like from bathrooms or laundry, are some of the most common home losses today and can be very disruptive. Nearly 1 in 60 homeowners are affected each year, and can be out of their homes for months at a time while repairs are made. Water sensors are an easy, affordable option to better protect your home. Plus you could potentially get a discount on your policy for it. Would you like me to send you a link for where you could purchase some?"

WRITE YOUR OWN TALK TRACK:

Shifting from price to value—*consult* continued

Consult on coverage opportunities

Customers trust you to advise them on potential coverage needs. This includes:

The Essentials umbrella, valuable items, cyber

- Nearly every customer needs these
- Many customers don't know about them

Tip: claims examples help explain how coverage would apply with or without these valuable additions.

Recreational vehicles Boat, motorcycle, collector car, off-road

- Need to own one of these vehicles
- Likely have coverage, but may not be bundled

Tip: Emphasize the value of bundling—simpler experience, fewer hassles. Plus, with Platinum waiver of deductible, if a loss affects multiple insured property, only one deductible applies.

Try these tips in your next discussion. Here's a sample for umbrella

- Start with a question:** "I noticed that you don't have umbrella coverage on your policy. May I ask why?"
- Reinforce the risk:** "Lawsuits are more common, and as a homeowner with assets, you want to ensure your legacy is protected. Many of our customers don't realize just how much they have at stake between their home, cars, savings, investments, and future wages.
- Explain how the coverage helps:** "An umbrella steps in if your home or auto limits run out in the case of a bad accident or lawsuit where you're found liable, starting at \$1M."
- Make it real with a claims example:** "Let's say you're driving in the rain and slide into a car. There are serious injuries, resulting in \$750k in damages. Your auto policy is for \$250/\$500. Without an umbrella, you're responsible for anything over that limit."
- Reinforce affordability:** "\$1M in coverage can start at as little as \$35/month—annually that's less on average than an hour with a lawyer. It's a small cost with long-term value."

CHOOSE A COVERAGE YOU WANT TO OFFER MORE, AND WRITE YOUR OWN TALK TRACK:

Let's practice—overcoming common objections

OBJECTION	SAMPLE RESPONSE	NOW WRITE YOUR OWN
<p>My price is too high. I can get this cheaper online.</p> <p>Remember: price only matters absent value</p>	<ul style="list-style-type: none"> • I completely understand—it's frustrating to see your premium go up, especially without a claim. • These increases are happening across the industry. The good news is your current rate is competitive for the quality of coverage you have. • In this market, many people are looking for ways to save. But when it comes to protecting your legacy, cutting corners can cost more in the long run—especially if it leads to coverage gaps or poor claims service. And often, those lower initial rates increase after the first year. • Here's what I'd like to do: let's take a few minutes to review your policy together. We'll make sure you're getting every discount you qualify for and that your coverage still fits your needs. That way, you can feel confident you're protected—and not overpaying. Sound good? 	
<p>I don't need all this coverage. I've never had a claim</p>	<ul style="list-style-type: none"> • That's great that you've never had one! It can be a stressful experience. It's important to remember that insurance is about protecting your future and the unknowns that come with it. • My goal is to make sure you feel confident in the protection you have—and that you won't look back wishing you'd kept something you needed. Is there a coverage you're unsure of? 	
<p>Why should I stay with The Hanover?</p>	<ul style="list-style-type: none"> • As your trusted advisor, I'm here to help you make the best decision for your protection and peace of mind. Insurance isn't about the lowest price. It's about being confident you'll be able to recover from the unexpected. • I work with many carriers. The Hanover is one I trust will be there, every step. They have a long-standing reputation for putting people first and delivering on their promises when it matters most. • We've built your account to provide powerful coverage and services designed to help you feel secure that your legacy is safe. At the end of the day, my job is to protect you. And I truly believe you're well protected with The Hanover. 	



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