MGA Consulting Ghana Limited

TRAINING ON MTC DRIVING SALES AND BUSINESS GROWTH IN INSURANCE BROKING

CASE ONE: TWO BROKERS, ONE MARKET

Kofi runs a five-person broking firm in Kumasi. Seventy percent of his commission comes from motor renewals for transport operators, and he spends most of his week chasing renewals and processing claims. After VAT was introduced on non-life premiums he noticed that motor was exempt and assumed his book was protected. His income has been flat for three years.

Ama runs a similar-sized firm in Accra. Two years ago, she analysed her book, found that her SME clients held an average of 1.4 policies, and set a target to reach 2.5. She trained her team to complete a risk discovery for every client, started renewal reviews 90 days before expiry and began approaching commercial property owners about compulsory fire cover. Her commission has grown by about a third, and her retention has improved.

Discussion Questions

a. Which driver limits Kofi's growth? Which has Ama improved?

b. What risks does Kofi's motor concentration create?

c. Name three steps Kofi can take in 30 days.

CASE TWO: THE SPINTEX MANUFACTURER RENEWAL

A plastics manufacturer on the Spintex Road has been a client for four years. At renewal the finance director forwards a quotation from another broker that is 18 percent cheaper and says, "Match this or we move." On review, the competing quote reduces the sum insured on machinery, excludes business interruption and carries a much higher deductible. The current insurer, GLICO, has paid two claims for this client in the last three years.

Discussion Questions

a. Apply LAER: what do you say at each step?

b. What tradeables can you offer without undercutting?

c. How do you present a like-for-like comparison?

d. Which close would you use, and why?

CASE THREE: THE PRICE-SHOPPING SME

A Tema-based haulage company holds only motor insurance through a broker. A new finance manager has joined and sent the fleet renewal to three brokers for quotes. The current broker has had no contact with the client since last year's renewal and learns of the tender 21 days before expiry.

Discussion Questions

a. How vulnerable is this account, and why?

b. What can the broker still do in 21 days?

c. How would a 90-60-30 process have changed the outcome?

d. What cross-sell opportunities exist in haulage?