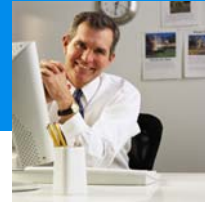


THE POWER OF SELLING ONLINE: INDIVIDUAL HEALTH INSURANCE IN CYBERSPACE



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Why Is Selling Online So Powerful?

The Internet has made a big impact on the health insurance industry. Insurance carriers, agents, and consumers alike are taking advantage of technologies that foster efficiency and convenience. Web-based automation is speeding up the process of selling and issuing business, and many insurance agents are developing their own transactional websites and e-marketing plans. With a few clicks of a computer mouse and keyboard, agents are exploring new ways to prospect for new customers, communicate with carriers, and share information with clients.

According to the U.S. Department of Labor's Bureau of Labor Statistics, insurance agents who embrace Internet technology are growing their business and increasing their value with clients. In fact, many agents conduct all of their business online! Some agents are just getting started. In either case, it's a good idea for agents to consider how the Internet can make a difference in their business.

The Internet is helping agents to save time, attract new clients and provide enhanced service to existing customers. Agents who are using the Internet as a sales tool are learning that Cyberspace helps them grow their business in a variety of ways.

Reach new customers. The Internet expands agents' potential client base as far and wide as they'd like to reach. After all, Cyberspace is visited by people around the country—and many of these people are online searching for individual health coverage. Using e-marketing tools such as websites, e-mail, online lead services, web optimization and online advertising, agents can attract new clients who are already on the lookout for insurance products and agents to help them make a purchase. Incidentally, many agents find that they spend less time actively prospecting for new clients because qualified leads are finding them through the online channel.

Work in a virtual office. Convenience, convenience, convenience—for agents, clients and prospective clients. Customers can explore and interface with an agent's website 24 hours a day, 7 days a week. This affords agents with flexible hours of operation and makes the address of their office space wherever they have an Internet connection. Agents don't have to work entirely online, but electronic communication makes it easy to conduct business where and when it's most convenient for them.

Provide multiple points of contact with customers. One way agents provide superior customer service is by offering their clients and prospects various ways to get in touch with them. They can make contact when they need to in a way that's easy for them, and vice versa. Using Internet technology such as an agency website or e-mail, agents can provide options beyond traditional telephone and face-to-face appointments.

Work efficiently with carriers. From generating quotes and locating provider network listings to submitting applications and interfacing with customer service and underwriters, agents are using carriers' websites to expedite the entire sales process. Agents can visit carriers' websites for answers to their product and service questions—and can do so at any time from any place as long as they have an Internet connection. Answers are essentially "a click away."

Filling out electronic applications for individual health insurance products has become the most popular way to apply for coverage. The technology provides ease-of-use and even helps save time for everyone in the process. Some carriers offer their agents quoting programs and online applications that can be placed on the agent's own website, helping make their site a convenient "one stop shop" for their clients.

Insurance Companies Partner with Agents Online

All of the major insurance carriers have websites that serve as an important resource for agents as well as consumers. Agents can find just about anything they're looking for and anything they need to sell just by clicking through a carrier's site!

Insurance carriers value the service that agents provide to their policyholders and they want to support their agent allies out in the field. That's why many offer online tools to help agents capitalize off of the popularity of the Internet. Agents can even incorporate some of the technology, such as online applications and quoting programs, onto their own agency websites.

Take advantage of the online sales tools offered on most carrier sites:

- product details
- instant quotes and downloadable quoting programs
- online applications
- electronic sales materials
- applicant pre-screen services
- underwriting guidelines

Plus, some carriers offer online agent directories so web-browsing consumers can search for and contact an agent in their community if they have questions or need advice.

Using the Internet to Help You Sell

Consider these power-packed ways to use the Internet and build your business every day!

Your Own Agency Website Setting up a website for your agency is one of the best ways to *capture the attention of consumers, build exposure, grow sales, and provide various forms of customer service*. Your website serves as your virtual storefront that's nationwide and always open for business. Providing information about yourself and the lines of insurance you offer—in addition to quoting and online application capabilities—makes your website a value-added destination for your clients and an income-generating vehicle for you.



Agents with websites can invest in web-optimization to attract consumers who are searching the Internet for the products and services you offer precisely when they're looking for it. There are a number of web-development companies and independent consultants available to help you affordably build and maintain an agency website.

If you have your own website, do you have a strategy to drive traffic there? Make sure you let all of your clients know you can be found online. Place your web address on return mailing labels, letterhead, business cards, and yellow page ads. You can even exchange links with other websites to achieve "cross traffic" from other sites visited by consumers in your target market or geographic area.

E-mail You don't need a complex e-mail marketing plan to realize the benefits of communicating with customers online. E-mailing is now a standard method of sharing information, as most of your clients have e-mail access at work and at home. E-mail is low-cost (no postage stamps required!) and immediate. It helps you keep in touch with clients and prospects—for sales-related issues, lead generation efforts and customer service questions—and enables you to get information (including quotes, downloadable files and online applications) out instantly.

Consider these sales-boosting e-mail ideas:

- After collecting all of your clients' e-mail addresses, send them a monthly newsletter with insurance tips, product profiles, and links to interesting websites, including your own
- Send an e-mail to a client following-up on receipt of application materials or as a status report
- Develop a cross-selling campaign and send an e-mail to a select group of clients you'd like to introduce to a new product

E-mail is also a great tool to use when you want to communicate with multiple individuals at one time, to share news through an electronic newsletter or create awareness with an e-mail based advertisement. Importantly, e-mail is measurable and traceable so you can track your marketing efforts and keep discussion message threads on file.

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Online Advertising If you have your own website, it's a great idea to take advantage of opportunities to advertise online. You'll bring more traffic to your site and capture leads in the process.

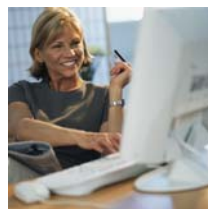
There are various ways to advertise online, including:

- Placing "pay-per-click" ads on online news sources, your local Yellow Pages, or other sites commonly visited by your target market
- Sharing site links with other websites—it's like a free endorsement and may encourage visitors to your site
- Simply using traditional advertising media (print and radio, for example) to promote your website! Be sure to include your web address on all of your written and online communication pieces!

Lead Generation Services Some specialty technology vendors offer automated, web-based lead generation services that provide you with qualified leads for a fee. These leads can save you prospecting time and lead to sales—not to mention new clients for your books.

Some things to consider when purchasing online leads:

- Who is your ideal lead? Where do they live? Do they have dependents?
- How many leads per day/week/month are you prepared to follow-up with?
- Do you want to purchase shared or exclusive leads?



Are You Ready to Give it a Try?

There are countless advantages to using Internet technology. But what if you're concerned about the potential drawbacks of using the Internet as a part of your sales process? Let's take a look at some agents' concerns.

"I don't want to lose the personal touch. Websites and e-mails are so impersonal!"

Keep in mind that taking advantage of technology doesn't have to mean losing your personal touch. Your ability to create relationships with people face-to-face can only be *enhanced* by incorporating new and efficient ways of communicating with them. Think of technology as a tool to provide faster, more convenient service, rather than a replacement for face-to-face telephone contact. If you have a website, you can give it a more personal look-and-feel by incorporating details about your agency, your experience as an agent, and your focus on developing close working relationships with individuals and families.

"I'm successful running my business without the Internet."

Think of the Internet as your partner—a resource to complement what you're already doing to serve your customers. You might start by using e-mail and visiting carrier websites to get information, and this could lead to trying online applications or even creating an e-mail database from which you can send your clients reminders or offers.

"Why should a consumer visit my website instead of a carrier's site"?

More consumers are turning to the Internet for information about health insurance. They want to learn about their coverage options, run rate quotes, and compare their alternatives. But this doesn't mean they aren't working with insurance agents! Carriers' websites provide information and can be a great starting point from which consumers can get educated on insurance products, but they can't do the job of an agent.

Even if they're using the Internet to do research, most consumers are looking for the expert advice and personalized service only you can provide. Agents will always play a significant role in the health insurance sales process. You explain products, make recommendations, manage the application process, and lend insight that only a seasoned professional can bestow!

The Internet is here to stay, and it is likely to keep changing the way the individual health insurance industry does business. While the Internet can help agents build their business, communicate with clients quickly and conveniently and even provide a virtual office space, nothing will ever replace the personal touch and expert service that only you can provide. It's clear that agents who adopt an e-marketing strategy will improve their bottom line and set the stage for growth over the long-term. So get online and discover ways to make the Internet work for you!

Sources: www.bls.gov, www.norvax.com, www.producersweb.com, www.salesdog.com