

Chapter 9.

Generating Referrals

WHY YOU WANT TO GATHER REFERRALS

Referrals, which are essential to an agent's long-term success, come from six possible sources:

- ✓ Prospects
- ✓ Clients
- ✓ Family members
- ✓ Friends
- ✓ Work associates
- ✓ Centers of influence like attorneys, insurance agents, accountants, etc.

There are various reasons why an agent would want to cultivate referrals; perhaps because:

1. Referrals are free.
2. There is an element of trust already established, making referrals easier to present to.
3. Referrals help build and endorse the agent's brand reputation.

Many seniors who have a need for life insurance or Medigap plans will ask a person close to them how they should go about finding a new plan or better rate for their current plan. The number and frequency of referrals will increase when agents:

- ✓ Position themselves as referable experts.
- ✓ Provide consistently great customer service year-in and year-out.
- ✓ Demonstrate value by shopping multiple companies.

EARNED OR SOLICITED?

There are two ways of obtaining referrals: earning them (passively) and soliciting them (actively). Some agents feel they should get referrals as a natural result of performing great customer service.

Tom Massey prefers to rely on providing good service to earn referrals:

“The best way to get referrals is to provide great service. I return calls the same day and get my clients’ problems taken care of ASAP. When they buy, I let them know that I’ll be glad to help their friends and family. I also send a thank you card after the sale.”

Josh Doe’s success revolves around good customer service:

“I just try to provide good service and the referrals come naturally. I don’t generally ask for them.”

Then there are agents who feel that actively soliciting referrals from prospects can improve an agent’s bottom line. You may not always be able to rely on business flowing to you passively, so developing a program to directly solicit referrals can be strategic business development.

Frank Bahr actively asks for referrals after helping prospects find a plan:

“I hope I have been helpful to you and your family. Other than your immediate family, who are three friends you know would attend your funeral? Would it be okay to tell them about the service I was able to provide for you?”

FINAL EXPENSE REFERRALS VS. MEDICARE SUPPLEMENT REFERRALS

Medicare Supplement agents are more likely to receive passive referrals than a Final Expense agent, because Medicare Supplement agents typically provide more consistent customer service. There is relatively little servicing work needed after selling a Final Expense plan, but Med Supp agents stay in touch with clients regularly to discuss changes to Medicare, annual changes to Part D and Medicare Advantage plans, and rate increases — which keeps them top-of-mind throughout the year and gives clients more examples of their referable service.

Plus, seniors are far more likely talk with each other about their medical insurance, various prescriptions, and what they pay for them than they are to chat over coffee about final expenses, life insurance, and other morbid subjects.

Because Final Expense agents generally earn fewer referrals than Medicare agents, they might want to consider soliciting referrals more proactively to lower (and maximize) their lead budget. Here are some ways Final Expense agents can ask for referrals:

Todd Graves takes good notes and refers back to potential family members who might need coverage:

“After a policy is placed, I usually have a good idea as to family members like children and grandchildren, and talk about the unexpected death of younger loved ones, saying the time to cover them is when costs are low at a younger age. Then I go from there.”

LEARN HOW TO ASK FOR REFERRALS

It’s not enough for an agent to simply ask for referrals. If you’re going to ask for referrals, be strategic and specific with it. Asking blanket “who do you know?” questions without a qualifier will just confuse the senior.

Todd R. King has sage advice for new agents learning to ask for referrals:

“One of the first mistakes I see agents making when asking for referrals is to ask a blanket statement like, ‘Do you know of anyone else who could use my help?’ You have just given them the whole world to think about, and therefore most can’t think of anyone. If you find out things that they like to do through your warm-up and presentation, then that will help you in narrowing it down. For instance, if they are a golfer or avid church-goer, you would ask something like, ‘*Do you know anyone you golf with that could use my help?*’ or ‘*Do you know anyone in your Sunday School class that I may be able to help?*’ It just helps them think about it easier. Be sure to leave extra cards, too!”

Another popular option for agents to obtain referrals and increase the number of “touches” throughout the year is by using a passive but personal marketing service like SendOutCards. SendOutCards is a website where you can set up campaigns with pre-designed, personalized postcards or holiday greeting cards that you can schedule to be sent to your clients. This service is a very inexpensive set-it-and-forget-it marketing machine that allows agents to:

1. Stay in contact with clients throughout the year, which reduces the chances of them going to a competitor.
2. Remind pipeline leads of possible savings of switching plans if they haven't become clients yet.
3. Demonstrate thoughtfulness and genuine care for clients, which helps build relationships and rapport.
4. Obtain referrals.
5. Cross-sell other services.

Lawrence Malone asks for referrals by focusing on how clients feel after taking care of their final expenses:

"Mr./Mrs. Jones, how does it feel to have finally taken care of this? Alright, well if you don't mind, could you write down about five people who would also benefit from the peace of mind you have right now?"

Brandon Webster trains his staff how to collect referrals after a sale this way:

"I have my assistant contact all clients after the policy has been received and issued. We always ask if they can give us 3-5 names of people they know who they want to make sure are protected just like them."

Jeff Cornelius explains his passive referral strategy:

"I usually do not ask for referrals. I have a call/mail drip program that starts with a thank you card (with two or three business cards to share with friends) as soon as I send in the application, and a "what to expect next" email. Then I answer any questions via phone about two weeks out, send a summer postcard to stay in touch (around July 4th), birthday card with business cards, AEP letter or postcard, Christmas card with business cards, Happy New Year card that says thanks for your business, along with business cards and a calendar for the fridge."

Tamara Sasso has a novel method of asking for referrals:

“I ask my clients if they know anyone else I can help, such as friends or family. I also get a page of contacts who would need to be called if they passed away, and call those contacts as well, with their permission.”

Debbie Majher explains how she cultivates referrals on top of referrals:

“We use SendOutCards and send small gift cards to reward clients for referrals.”

Justin Bilyj cultivates referrals with SOC:

“I am a big fan of the book “The E-Myth Revisited”, where in it the book describes the automatization of the business processes similarly to Tim Ferris’ book ‘The Four Hour Work Week’”

“Being able to send a card right after the application is taken, then another after they are a client, another cross-selling card for Final Expense three months later, and a renewal card one month before the anniversary helps me keep my clients happy, and I don’t have to do anything but load the name and address into the site.

Of course, you don’t have to use SendOutCards; you can go to Vistaprint and design a similar series of cards. You can even sit down and handwrite a few cards or letters for special clients, though this method will be the least scalable as your client base grows. The set-it-and-forget-it automation (and/or the help of an assistant) is key to keeping your referral program running smoothly in the background of your business.

WHEN SHOULD I ASK FOR REFERRALS?

Agents have many opportunities to ask for referrals. Some agents will ask for referrals when they:

1. Make the sale
2. Deliver the policy
3. Months after enrolling a client
4. A year later after they have demonstrated good customer service
5. Systematically throughout the year

6. Or even if the prospect doesn't buy.

Glen Shelton asks for referrals, even from prospects who can't take out a policy due to health, timing, or affordability issues:

"I ask for referrals every time before I leave a house. Something I have found to work in my favor is if I sit down with prospects and the policy I offered just was not a fit for them, but I have already taken the time to introduce myself and what I do, I make sure to push for the referral at the end of the conversation. I noticed that some folks still would want to help me out even though they weren't ready to become a client at that time. They sometimes would happily refer me to a friend or family member."

Possible examples of different types of cards are available on our website, along with additional information on how to set up a SendOutCards account to create a passive marketing machine.

Now that you have a good idea on how to earn and ask for referrals, let's figure out what keeps agents motivated and on track. Selling a policy is one thing; it's another thing to be consistently selling policies throughout the year, building a pipeline lead list, and creating a passive marketing strategy to keep bringing in business.