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Customized insurance



Gian Luiso/The Intelligencer

KMRD Partners founders Kevin McPoyle (left) and Bob Dietzel use a client-centered sales model and an innovative Web site to fuel their progressive insurance company based in Warrington.

AGENTS FOR CHANGE

Warrington's KMRD Partners takes a unique approach to selling insurance.

BY JOHN WILEN
THE INTELLIGENCER

If you think insurance is boring, well, you're right. But at least Kevin McPoyle and Bob Dietzel, founders of the two-year-old Warrington insurance brokerage KMRD Partners, have customers and industry experts excited.

That's because KMRD has created a fresh approach to selling insurance: It aims to actually get to know its customers first, then customize insurance policies to fit their needs.

That sounds fundamental, but it differs from the common industry practice of selling companies one-size-fits-all policies.

"They've created a process around really spending a lot of up-front time with a client," said Scott Primiano, author and founder of Polestar Performance Programs, a Buckingham insurance consultancy. "It's really about custom-developing or custom-designing an insurance program."

The hands-on approach should be expensive, but it's actually not, says Eileen Jacob, vice president of finance at Matcor, a Plumstead engineering firm and KMRD client.

"They are extremely competitive," Jacob said. "We are paying about the same, but with much better coverage."

Dietzel says he and McPoyle — both insur-

ance industry veterans — started KMRD to "reinvent" the way insurance agents interact with their clients. In addition to investing a significant amount of time with clients at the front end, that means using technology to make sure they, their clients and the insurers whose policies they sell can easily keep track of and make changes to policies and coverage levels.

To understand what that means, think about the method you use to keep track of your insurance policies. If you're like most people, you stuff the paperwork you receive from your insurance provider in a file folder and never look at it again.

"Our industry is in the dark ages still in that area," Dietzel said. "What we're trying to do is create a foolproof process on the clerical end."

KMRD built a proprietary document management system from off-the-shelf software created for the legal industry. The result is a robust Web site clients and insurance companies can use to check coverage levels and make changes on the fly.

For instance, a company can use the site to drop policies on two trucks it just sold, and add policies to three new trucks. Or, it can increase or decrease the amount of insurance it is carrying on inventory in its warehouse as that changes. Companies can also get copies of insurance certificates, which are often requested by their clients, from KMRD's Web site.

All are functions other agencies require a phone call, administrative clerk and paperwork to complete.

The site gives VPs like Jacob peace of mind. "They really have a great online package," said Jacob. "Everything's in one spot."

With other insurance policies, just getting

certificates has been a pain, and in some cases has delayed projects, Jacob said.

"Now we get certificates in record time," she said.

The Web site is one of the secrets to KMRD's ability to offer competitive rates. Because customers can handle administrative changes themselves, KMRD can run with a lean staff.

Primiano, author of "Hard Market Selling," a book about selling commercial insurance, says he has observed the way thousands of agencies work. Very few insurance brokers get to know their customers' needs as well as KMRD, he said.

"If they did, I'd be unemployed," Primiano laughs.

And no insurance agency Primiano has seen has an online policy management system like KMRD's, he said.

"Nobody else has that tool that they use," Primiano said.

KMRD has 13 employees, and generated a little more than \$1 million in revenue last year from 30 clients. That was up from \$800,000 in revenue in 2005 and 17 clients.

McPoyle and Dietzel think they've created a business model that will let them keep customers for a long time. The plan is to add new clients as they make sense — KMRD isn't about signing up all comers to generic insurance policies — and to add employees as they're needed.

"We've created the virtual agency," McPoyle said. "I think we're well-positioned for smart growth."

John Wilen can be reached at (215) 345-3169 or jwtlen@phillyburbs.com.