

Founder's Forum: Elevated Speech

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At our recent annual meeting I had the opportunity to see John Fouert from State Farm speak about selling subrogation to upper management at Insurance companies. John is a high level executive who truly is a visionary. He has helped reengineer subrogation from the ground up at one of the largest insurance carriers in the world. John spoke about the need to have an “elevator speech” in your back pocket when someone inquires about subrogation. In other words, if you only have two minutes to explain what subrogation is or why it is important, you need to be able to deliver your canned message in the time it takes to ride up the elevator.

I had to laugh when I heard John's message. My kids are in their twenties now. From the time they were ten years old, they could give my elevator speech. In fact when we were all together and someone asked me what subrogation was, they immediately jumped in with the speech in a tone meant to mock their father.

So for those who don't have the speech, feel free to use mine:

If the furnace in your house explodes and your house is destroyed, your insurance company will pay to rebuild it. They are subrogated to your rights. That means they assume any rights you may have against the party responsible for your loss. They will make a claim against the manufacturer or installer of the furnace to recover the loss they paid for. That way, the party ultimately responsible for the loss, ends up paying for it.

It is important that we be able to tell our story on cue. You never know how much time you will have to convey your message. I know John was talking about this speech in a little different context than my explanation. His speech was more focused on why subrogation is important to the enterprise you work in. Last year in many company's subrogation was the second largest source of revenue. In most years it is no less than the third largest source of revenue. This short story alone conveys a compelling message about the importance of subrogation.

There are other stories we need to be able to convey as well. Our insureds care deeply about their deductibles in today's environment. Our efforts around investigation and recovery are often the only way our insureds can be made whole. Our industry wide efforts to identify defective products help make our world a safer place. The insurance industry played a key role in getting 14 million defective Firestone tires removed from the roads, saving countless lives in the process.

I urge you to heed John Fouert's advice. Develop your own elevator speeches about the world we dwell in. You never know who you will bump into in a situation where you have two minutes to make your case. Don't be left stuck in the realm of small talk. Important messages can be delivered in the elevator, no matter which way you are going.