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## Around the World in Eight Seconds (Or Less)

Real-time inquiry transactions are now possible for brokers without scripts or detours through carrier portals

By Leslie Lacroix, Regional Vice President, Operations HUB International Ontario Limited.

We had to see it to believe it. After years of less-than-successful carrier attempts to take SEMCI to the next level, the real-time tide is finally turning, thanks to the first true realtime inquiry transaction that does not require scripting or landing in a carrier portal. Now that a carrier has stepped up to enable this solution, brokers and carriers are experiencing the staggering improvements and appreciating their business value.

This new solution comes in response to a group of brokers united in their commitment to the industry and their frustration at the status quo.

For years, "much ado about nothing" was the *modus operandi* for ongoing realtime and SEMCI adventures in Canada. Carriers occasionally offered real-time solutions that posed as SEMCI, but brokers resisted because the processes were slow and inefficient. We wanted transactions to be fast and blend seamlessly into our workflow. We grew more and more disappointed as the goal of a true round-trip SEMCI transaction from within a broker management system remained an elusive target.

The Applied Systems Client Network (ASCnet Inc.) in early 2007 formed an *ad hoc* group to work with the ASCnet Interface Committee to better understand Canadian carriers' development and deliverables in the area of real-time SEMCI insurance transactions. The ad hoc group includes many top-tier brokerages in Canada that need a SEMCI workflow in order to compete and grow in a changing business environment.

The committee conducted a study that showed:

- brokers did not really understand the initial impact of the deliverables from various carriers;
- workflows had become even more convoluted, complex and inconsistent; and
- brokers wanted a solution enabling and empowering them in their chosen business tool, which is the brokerage management system.

The committee sifted through available offerings to verify insurance companies had not already delivered what is needed. We decided to conduct a program of focus meetings to educate major carriers on broker requirements. At every opportunity, we affirmed our position: scripting and multiple carrier portals are not viable, long-term solutions; they do not support the efficiencies required by brokers to compete in this marketplace.

A number of carriers started to understand. One Toronto-based carrier subsequently made a significant investment to provide the technology for which brokers have longed.

York Fire has recently implemented a true real-time, round-trip transaction, starting and ending in the broker's TAM system, *without* a portal landing. It is based on industry standard XML, and provides brokers with the prized ease of doing business. What used to be a painfully slow scripting transaction taking well over one minute is now

accomplished in less than 10 seconds.

The breakthrough solution first covered a broad range of personal lines transactions. The carrier quickly began focusing on commercial lines. Other carriers are now working on their own real-time alternatives to scripting.

What finally convinced carriers and brokers alike that the real-time technology is worth the time and financial investment? Experiencing the lightning-fast transactions.

## **Round Trip**

The action is straightforward: A real-time inquiry transaction was changed to deliver an account summary page from the carrier's mainframe. Brokers no longer have to navigate the carrier portal to review billing, policy and claims information. The data is now delivered directly into Applied Systems' TAM (The Agency Manager) along with a supporting activity record to register the transaction.

"Without this solution, these transactions are extremely time-consuming and can take up a significant amount of brokers' time," said Jeff Roy, vice president of P. A. Roy Insurance Brokers, based in Clinton, Ontario. "This simple transaction will improve broker efficiencies and allow us to spend more time focusing on advising our clients."

As a result of the transaction beginning and ending in the broker management system, three key benefits increase customer satisfaction and employee productivity:

## **Speed**

The XML transaction averages 8-10 seconds for delivery, whereas scripting takes 30 seconds or longer.

## **No Portal Landing**

No passwords to remember (or write down), no company screens to navigate and no additional keystrokes. All actions are completed within a familiar system.

## **Reduced E&O Exposure and Transaction Costs**

Brokerage staff experience consistent workflows.

One key to successfully developing the transaction was the participation of the carrier's senior management in the process. Colin Simpson, York Fire president & CEO, said he became involved because he personally supports efforts to strengthen the independent broker channel. "We understand the competitive market our brokers face, and we are firmly committed to finding solutions to help them successfully compete and grow their businesses," Simpson said. "It is an absolute priority within York Fire to provide the technology necessary to help brokers compete and win against direct writers and affinity groups."

Also key was the carrier's commitment to working with the brokers on the ASCnet Interface Committee and its ad hoc group. The carrier and brokers engaged in numerous meetings and research studies to ensure all parties understood what was needed. A round-trip transaction was not a first initiative, but rather the culmination of many activities that preceded it.

"We appreciate the leadership York Fire has shown in providing a true real-time transaction -- one the entire marketplace can follow," said Brian Bartosh, president of Top O'Michigan Insurance and chair of the ASCnet Interface Committee. "ASCnet will continue to work with the industry to provide quick and efficient real-time transactions."

Finally participants are feeling the power of developing true XML transactions. Development on a pre-existing platform is being done quickly and smoothly, with the multi-part goal of strengthening the independent broker channel/insurer relationship, undertaking business process redesign, streamlining underwriting and strengthening technology to enable ease of doing business.

There is work yet to be done to deliver other round-trip SEMCI workflows that enable brokerages to compete and grow more effectively and efficiently. Brokercarrier automation must continue to expand and extend so the independent broker channel can continue its strong tradition of delivering high value to insurance consumers.

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### **Case Study: Setting the stage for change?**

The first action York Fire undertook was to develop a broker-facing portal to handle automobile new business. The portal, called the Gateway, offered quoting and policy binding. It was combined with EDI download services so that policy information could be downloaded directly into broker management systems.

Now commonplace, this action represented a starting point for a series of initiatives that demonstrated York Fire could deliver as promised and was willing to invest in its delivery channel.

The next phase was to develop real-time connectivity with broker management solutions, including Applied Systems and Compu-Quote. The solution accesses third-party data such as motor vehicle reports in real time and, with pre-set rules, validates information. It identifies errors, gaps or omissions and launches a browser window in TAM, directly linking to the policy editor, all in real-time.

This automation streamlines actions, removes underwriters from much of the administrative work they had done in the past, and allows them to focus on exceptions. From the broker perspective, the ease in submitting new business is improved, responsiveness is enhanced, and lead times are dramatically reduced. With this connectivity in place, the move to a round-trip transaction was the next logical step.

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