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## *News Release*

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**FOR RELEASE:** Dec. 15, 2008

### **Independent agents look to the future, boost use of technology**

*PIA members report increased use of Real Time, comparative-rating technologies*

**GLENMONT, N.Y.**—Members of the Professional Insurance Agents associations in four states are using Real Time transactions and comparative rating in greater numbers this year than last, according to data gathered by a PIA membership survey.

“Independent insurance agents realize that technology is the key to their success moving into the future,” said Diane Fowler, CAE, executive director of the Professional Insurance Agents of Connecticut, New Hampshire, New Jersey and New York State Inc. “PIA’s survey results underscore this growing trend and further emphasize the opportunity for our members to embrace technology in order to remain competitive.”

Administered during fall of this year and compared with the same survey done in 2007, PIA’s survey found:

- More agents are using Real Time;
- Agents transact in real time with more of their companies;
- Comparative rating use increased more than other transactions;
- Comparative rating accuracy is improving; and
- Agents are much more likely to quote companies they can rate via a comparative rater.

Survey participation in 2008 increased more than 250 percent, to 730 agents in 2008, compared with 279 in 2007. “We credit the Real Time Download Campaign and PIA’s participation in this all-industry effort with raising our members’ interest in our survey, as shown in this year’s response,” said Ellen D. Kiehl, Ph.D., PIA’s senior research analyst.

### **More Real Time users**

In the 2008 survey, 432 respondents said they used Real Time, whereas only 157 did in 2007. Sixty-nine percent of respondents with agency management systems employ Real Time, compared to last year’s 63 percent. For all survey respondents, Real Time use increased from 56 percent to 59 percent.

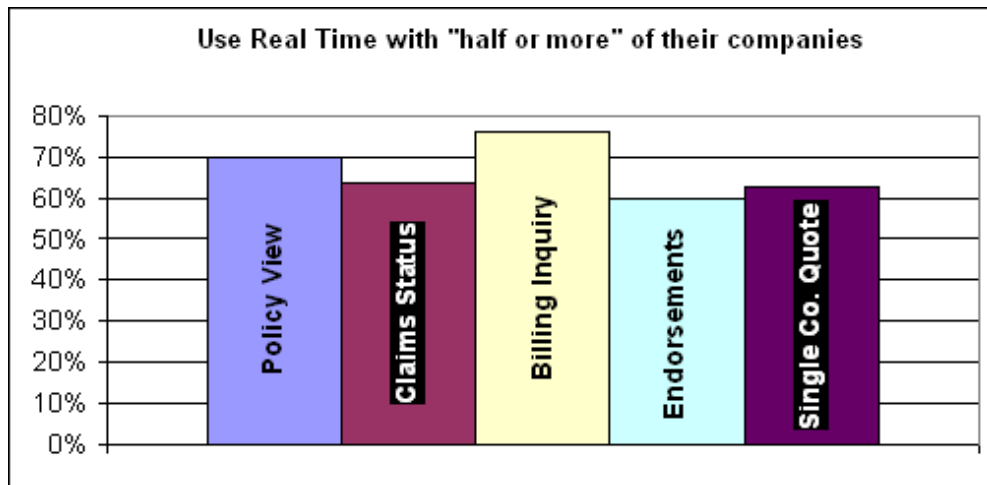
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### **Agents transact Real Time with more of their companies**

Agents using Real Time found that they can do Real-Time transactions with a growing portion of the insurance companies they represent; this holds true for every type of Real-Time transaction.

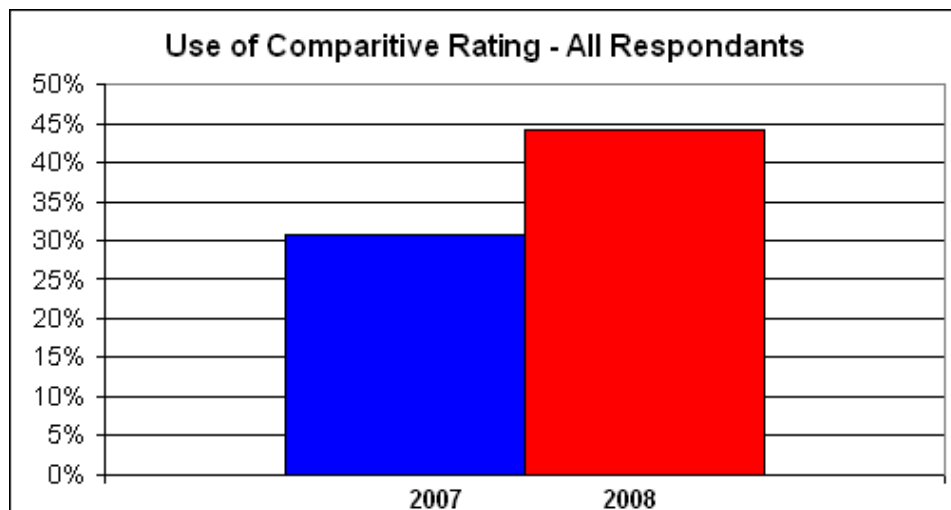
“We find this result especially meaningful, because agents may hesitate to adopt a workflow they can use with only one or two companies,” said Kiehl. “When half or more of an agent’s companies enable a given Real Time transaction, it’s more likely to become the standard workflow for this function throughout the office.”

Real Time users reported using the technology with at least half of their companies for the following functions: policy view (70 percent); claims status (64 percent); billing inquiry (76 percent); endorsements (60 percent); and single-company quote (63 percent). (See graph A)



### **Comparative-rating use increased more than other transactions**

The use of comparative rating increased at a greater rate than other transactions, up to 44 percent compared to last year’s 31 percent. (See graph B)



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“Comparative rating delivers major time and cost savings for agencies by eliminating the need for duplicate data entry,” said Jim Pittz, PIA’s director of business issues. “With the growth in the amount of data that companies require to rate a policy, company-by-company rating is simply impractical, placing major stress on agents. Customers who are used to instant pricing for hotels, air fare and other online purchases expect their agents to deliver quotes with comparable speed.”

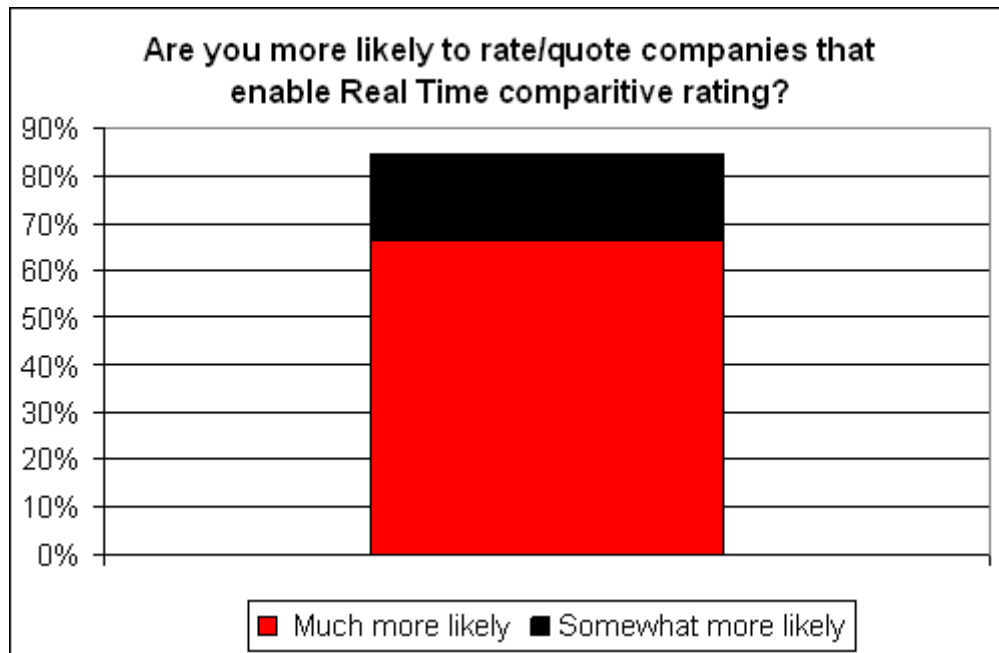
**Comparative-rating accuracy is improving**

Though more than half (52 percent) of respondents reported “some accuracy issues” with comparative raters, this is down from last year’s number (58 percent). Reports of “big accuracy issues” fell from 8 percent to 4 percent. And, there is further proof of improved performance: last year, 35 percent called their raters “very accurate.” That number jumped to 44 percent for 2008.

According to Kiehl, “Though satisfaction is improving, accuracy still remains a concern for agents when using comparative raters. An industry work group has just completed a report on a proposed workflow that could incorporate more underwriting data earlier in the process.” Kiehl, who participated in the work group under the auspices of the ACORD User Group Information Exchange, added, “At the option of the agent, the proposed workflow could include loss history and motor vehicle reports up front, providing agents with greater accuracy.”

**Agents are much more likely to quote companies they can rate via a comparative rater**

Nearly nine-out-of-10 respondents said they are either “much more likely” (66 percent) or “somewhat more likely” (18 percent) to quote with carriers that enable comparative rating. (See graph C)



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“We were surprised by the overwhelming number of users who stated they are more likely to quote with companies that facilitate comparative rating,” Pittz reported. “Yet it makes sense, given the enormous time savings this technology can yield.”

A greater portion of users’ companies also are participating in comparative rating, the 2008 survey found. Users who can comparative-rate half or more of their companies for personal lines runs from 64 percent to 90 percent, depending on the system used.

The month-long poll, conducted October through November 2008, asked real-time experts at participating agencies about the types and frequency of real-time transactions employed. The results were compared to similar data from last year and will be used in the associations’ ongoing dialogue with vendors, agents and the industry, in order to provide improved technology options for agents. The information will help stakeholders evaluate and strengthen the interaction between agents and their companies by providing carriers with a better understanding of their agents’ technology needs.

“Technology, particularly real-time functionality, has become a critical factor in agency-company relationships, and in an agency’s ability to meet the needs of customers,” said Fowler. “Clients expect instant information and pricing. By learning how agents are utilizing technology currently, we can better address the needs of our members and help them work more effectively to maintain market share.”

PIACT, PIANH, PIANJ and PIANY are trade associations representing professional, independent insurance agencies, brokerages and their employees throughout their respective states.