

“Pushing” the Point

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The idea of real-time transactions—once known as SEMCI (single-entry, multiple-company interface)—between agents and carriers is getting plenty of publicity in insurance technology circles these days, yet the practice could hardly be called widespread.

Despite the obvious benefits for agents and carriers in terms of speed of doing business, adoption of real-time technology has been less than rapid. But according to Michael Gray, newly elected president of the AMS Users’ Group, based in Irving, Tex., both insurers and agents can remedy that situation by “selling” each other on the concept.

Gray says the educational effort to get real-time adoption needs to be “pushed” by both entities if it is to succeed. “[Agents] need to keep pushing the carriers on this,” he notes. “The carrier marketing folks also need to push agents [on using] real-time technology where it is available.” He finds some insurer marketing representatives “don’t know about their own real-time products,” which obviously hinders adoption.

“I’d say [to agents], ‘We can make it easier for you with real-time tools,’ if I were an insurance company marketing person,” says Gray, who is president of Lehr Insurance Agency, Pittsfield, Maine.

Where insurers are not providing such technology, he adds, “a gentle, consistent push” from the agent community is necessary. “It’s not going to happen immediately, but many carriers are adopting real time,” he observes.

“Insurers need to know real time saves [agents] time, and that lets us sell more of your products and sell them faster,” says Gray. “Companies that make it easier to do that are the ones that are going to get the business.”

CHANGE IS EXPENSIVE

On the other hand, “Insurance companies are not without problems themselves” when it comes to real-time adoption, acknowledges Gray. He points out providing real-time capability is “an expensive proposition” from a carrier standpoint. “They want to do it right,” he says of carriers that are considering providing real-time technology. He also acknowledges the need to educate agents who do have access to real-time technology from their carriers but don’t use it. “Agencies are slow to adopt technology,” says Gray. “Nobody likes change—insurance agencies least of all.”

Such agencies, however, need to know “if you’re not using real time, it is hurting your business,” he explains. “You could be more profitable and have more time to cross-sell.” Furthermore, agencies that don’t take advantage of available real-time technology “run the risk of losing clients,” he adds. “If you don’t do it, other agents will.”

REAL-TIME SHIFT

In his own agency, Gray says, using real-time technology has enabled a shift down from doing business with many companies to doing business with fewer companies. “Having to enter things twice on a transaction is once too many,” he continues, pointing out agents need to keep telling their carriers real-time technology is the answer to building insurer sales volume.

“Insurance companies understand what insurance companies do, but I wonder whether they understand what agencies do,” he remarks. “They may not understand the workflow in insurance agencies” and how that workflow affects bottom-line sales.

Increasing the level of understanding between carriers and agents—and clarifying the role of technology for both—presents a challenge for both groups, indicates Gray. “I think [insurers] do get it, but they think change is a huge process,” he says. “There are a lot of legacy systems in place at insurance companies, and with a soft market, carriers have to look closely at [budget issues and priorities].”

This combination of money issues and the fears associated with change have combined to slow real-time adoption, he points out. “Certainly, the technology is available.”

While agent groups have been quick to tell insurers why they want and need real-time capability, Gray asserts, carriers also need to let the agent community know what their “pain points” are.

Involving the AMS Users’ Group in face-to-face meetings with insurers to discuss financial and other aspects of real time is one of Gray’s goals as president of the group, he notes.

When it comes to promoting the benefits of real-time technology, however, Gray admits, “We have a ways to go.” In particular, he says he would like to get the real-time message out to smaller agents who might not have the benefit of attending technology conferences that deal with the topic.

“Agents tend to believe other agents when it comes to issues such as comparative rating,” he states. “We need to do a better job of educating agencies and letting them know this will build their business.”