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Three Tips to Make Sure Your Carriers Use Automated Workflows

By Paul Warga



If a carrier isn't offering automation technology to make your job easier, now is the perfect time to get engaged and find out what you can do to help change that. Staying ahead of the curve in today's fast-paced market is critical. Carriers and agents must work together and embrace technologies that enable rapid response and automation, or the customer will pass them by.

In an industry where instantaneous communication is changing customer expectations, insurance companies that integrate automation technology into their agency-company workflows give their agencies a significant edge over the competition. This is especially true with personal lines and small commercial lines of business, where some agents fear commoditization is happening due to consumers focusing more on price than on the type of coverage they are buying. According to *IVANS 2011 Insurance Agents, Carriers & Technology Survey* (<http://www.ivans.com/assets/189.pdf>), more than 43 percent of the agents surveyed indicated that "customers shopping around for quotes" (primarily on the Internet) was the most threatening issue to their bottom line.

Nineteen percent of survey respondents also indicated that another concern to their bottom line is direct online sales. Some agents fear that carriers are starting to overlook the value they bring to the sales process and are beginning to pursue direct online sales instead. A number of agents even expressed their concerns

that carriers will potentially leave the independent agent distribution channel altogether. The pre- and post-sale support that agents provide, however, can be a key differentiating point in customer retention and loyalty.

With competition heating up among insurers that is only being fueled by a lingering soft market, rapid response can be a game changer in the way agents do business with their carriers. This is where automation can help. Agency-company interface technologies, such as real-time and download, can help agents enhance the customer experience through a single workflow, thereby enabling them to respond faster to customers and provide more consultative value to the sales cycle.

Real-time facilitates the process of allowing insurance agents to process policy transactions and retrieve account information directly from within their agency systems or comparative raters. This technology enables agents to respond quickly with real-time claims, service, and quote and policy issuance for both personal and commercial lines. Download takes data from the carrier and provides this data to the agency in an effort to keep the agency current with policy revisions made by the carrier through transactional processing. The trick is in providing the data in such a way as to preserve data the agency has that the carrier is unable to provide. The good news is that more agents are already using these tools.

In *IVANS 2009 Agent Survey*, only 36 percent of agents reported using real-time upload. This number increased to 52 percent of agents IVANS surveyed in 2011. Commercial lines download also saw an increase from 42 percent to 59 percent of agents, and claims download is up to 30 percent from 18 percent previously. More agents are realizing the benefits of agency-company interface automation through reduced data re-entry and number of passwords, and they are enjoying the fact that real-time and download essentially places the data at their fingertips.

In fact, Allied Insurance (*alliedinsurance.com*), which recently conducted a real-time survey with agents, found that of those agents using real-time technology, 52 percent are saving four hours or less a week, and over 47 percent are saving five to 11 hours or more each week. Other automation processes, such as commercial lines download and claims download, take speculation out of what data is required and where it is located, so agents can focus on up-selling and cross-selling opportunities instead of performing administrative tasks. While this is encouraging news, there is still room for growth.

For example, when those agents who are not using real-time were asked in the IVANS 2011 survey why they hadn't implemented it yet, an overwhelming 60 percent said it was because their carriers do not offer the technology. Carriers, however, want to make certain that agents are actively using automation so they can validate their investment. Agents, on the other hand, want to reduce redundancies and streamline workflows, so they can respond to customers immediately and be able to focus more on business opportunities and less on administrative tasks. Agents are more likely to select an insurance company that is easier to work with, thereby enabling that carrier to write more business and grow market share organically.

As more insurance companies look to invest in new policy administration systems and upgrades, now is the perfect time for agencies to tell carriers they should be implementing real-time and download technology to maximize those larger investments if they haven't done so already. And, if download and real-time have already been integrated, carrier should ensure the growth of these technologies continues in their new or upgraded system, and work with agencies to evaluate the possibility of expanding automation into other lines of business.

Today's industry is faced with mounting pressures: increased regulation, a struggling worldwide economy, weakened prices, limited market share and challenges to produce underwriting profits. Agents need to proactively seek information for their own benefit and make certain they are working with carriers that are implementing interface solutions that will help them keep up with consumer demands for quicker service and faster quotes. The old adage, "the squeaky wheel gets the oil" is a lesson agencies can learn from.

How? Here are three ways:

1. **Keep an eye on their websites.** For starters, agencies can visit their agency management system vendors' websites to identify the transactions types currently being offered by their carrier(s) and find out how they can get on board. If one of their carriers is not listed, the agency should contact the carrier's representative and find out their plans for integrating automation and what they can do to prepare.
2. **Communicate, communicate, communicate.** Education is also essential to create universal buy-in at an agency. It is important that everyone--from the president to the customer service representative--understand the economic and time savings of implementing automation versus going directly to carrier websites.
3. **Name an "agency advocate."** Assign an agency advocate to assist in promoting real-time and download and demonstrate its savings. The advocate can visit such industry websites as www.getrealtime.org to download resources and forms that will help agency staff members understand the benefits of using real-time and download. Other websites have audio testimonies and case studies given by agents which discuss real-time and download's features and how it improves the ease of doing business with carriers.

The agency advocate can also set defaults to real-time transactions to speed up adoption in the agency. Reporting on employee usage will show where further training might be needed and demonstrate to the carrier where improvements can be made while the implementation is in the early stages. If a carrier sees strong agent usage, they will be more likely to invest in other transactions and lines of business, all of which will help them grab more market share.

About the Author

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