



Report on May, 2011 ACT Meeting Break-Outs

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The participants in the San Diego ACT meeting were divided into several discussion groups in order to “brainstorm” a series of issues currently facing our industry as we look to the future. They were also asked to identify the obstacles they saw and what appropriate next steps would be for the industry to move the issues forward. Several of the ideas emerging from these break-out sessions deserve further attention by other ACT work groups, and some may merit the creation of new work groups and initiatives.

The Agency of the Future

What are the questions on agents’ minds as they consider how their agencies will need to change in the future? This break-out group considered the following issues and challenges:

- To what extent bricks & mortar vs. virtual? We will need the technology to answer the phones from any location. What about clients who prefer to come to the agency to talk with an agent? While many in their 20’s & 30’s use social media to communicate, they also want to interact with people.
- How will business be transacted? Use technology more for client service.
- Who will make up the agency work force? There are likely to be more remote employees, requiring greater flexibility on the part of the agency. This raises issues such as how to control and track, who is hourly vs. exempt, how to keep track of hours of hourly workers. Will there be more out-sourcing?
- How will we communicate with prospects and customers?
- What changes will be needed in management style?

The group then discussed some of the overall issues that agencies will have to decide:

- Will the agency want to sell in a 24/7 framework? The meaning of 24/7 will vary by agency. It might be after hour phone service provided by agency employees or a third party, client functionality on the agency web site or using a carrier customer service center.
- How will the agency use media to get clients in the door? And once clients contact the agency, the agency still has to sell them & differentiate itself. How does the agency brand itself so it is adding value, rather than just providing a commodity?

In the agency of the future, the agency management system becomes even more important to track and evaluate employees' work, to customize the communications preferences of clients and to permit processing from any location.

Mobile Device Functionality for Agents in the Field

This break-out brainstormed the types of information and tools agents would like to have available to them on their smart phone or tablet while they are in the field. The group said their goals were to be able to prospect, sell and service while in the field, including collecting and transmitting data, social networking, being able to provide service on the spot, and reducing the amount of time to prepare and complete the sales process. To achieve these goals they said they would like to have:

- All the resources that are available on an agent's desktop. Optimally, there should be no difference between the information and functionality of a mobile device and a desktop.
- Need 99% up-time – access speed and up-time need to be reliable and consistent.
- Information, tools and applications that are used in the sales process (i.e., Quote-Application-Proposal-Bind).
- Ability to customize to the individual's sales process. (Mobile technology should actually enhance and improve current capabilities – quicker, more immediate access to needed information – and ability to provide prospect with documentation in “real time.”)
- Service tools – certificates, new business, renewals, endorsements, claims, rewrites, renewal meeting, customer relationship management, company website access for information.
- Funnel process for getting new business – prospecting
- Social Networking – Twitter, blogging, LinkedIn, Facebook – marketing, communications
- Voice Recognition – for writing applications, etc.
- Client Self Service Tools to answer customer questions – policy data, changes, claims, certificates
- Agency Management System Access (Cloud) for the agent and consumer
- Smart Phones – Most of the same needs as for a tablet, but must be simple for the agent to use and in a different, streamlined format so that it is readable on a small surface.

(Editor's Note: One could imagine access to “business intelligence, photos, video, maps, and classification information – pretty much anything of public record that would help qualify

and underwrite the account – information that would populate apps and be sent to carrier underwriter via Real Time.)

The group then identified the current obstacles to realizing their vision for agent mobile functionality:

- Agency Management Systems – Need specific “apps” that work with and/or integrate with Agency Management Systems.
- Company Information Access
- Compatibility of Comparative Rater & agency management system real-time tools
- Disconnected from eForms – electronic transfer of standard data between devices and software that agents use – Who will develop it?
- Security & privacy concerns for access to carrier and agency information, as well as transport and storage of personal confidential information.
- Time needed to develop the applications that we will need.

The group then recommended these next steps for the industry to take with regard to mobile apps:

- Develop a plan to implement what is needed, with goals and objectives that are time bounded with people assigned who are responsible for this endeavor and periodic follow up to monitor the results.
- Need a different way of thinking about this. Not in the now but what will the future hold?
- Build Personal Lines Applications for consumers to use for 24/7 access and service needs
- Need electronic standards for electronic data transfer from tablets and smart phones
- Carrier, vendor and agency management system development and implementation – We need to get this mobile functionality into the planning and budgeting process.
- Use the combined clout of the Users’ Groups and associations in order to influence development of the tools needed.
- Use third party applications that are already out there and modify them as needed, instead of reinventing the wheel.
- Once these tools are developed, then there is a need to educate agents on what works and how to use.

Mobile Applications for Agency Clients

The break-out participants first noted the challenges they are currently facing with providing mobile apps to their clients. How can agencies best get started providing mobile functionality – making their websites mobile ready, creating apps, additional steps? How do we create agency apps that connect to multiple carriers, as an alternative to asking clients to download multiple carrier apps? What about age group differences and Commercial Lines vs. Personal Lines?

The group then identified the following desired functionality for mobile apps for personal lines customers:

- Bill payment or inquiry
- Id cards – proof of insurance always available on their person
- Claims reporting and tracking, including status at body shop
- Scan car info and send to agent to bind – QR codes
- Premium reminder note as text
- Roadside assistance
- Coverage analyzer
- Automatic shopper on renewals – push to client: election to shop my account
- Contact us – call, chat, after-hours contacts for agencies and companies
- Create a home inventory or schedule
- Policy inquiry

And for commercial clients:

- Id cards
- Certificates
- Claims tracking including body shop status
- Schedules of vehicles, property, etc.
- Contacts to call, chat; after hours contacts for agencies and companies
- Coverage analyzer general info
- Policy inquiry
- Consider needed functionality for surety bonds

The group identified the challenge of how best to resolve client authentication issues and protecting the security & privacy of client information.

(Editor's Note: mobile apps offer the opportunity to dramatically improve the communication and servicing processes between agents and their customers. One can also envision agents using these apps with their clients for important or urgent customer messages, live video streaming, mobile photo sharing, better claims documentation, and improved agent-client processes of all kinds.)

Impact of New Technologies on Current Industry Approaches

The break-outs above discussed some the challenges agencies are facing as they consider what their agencies should look like in the future and the types of mobile applications they would like to see. This break-out considered how new technologies such as cloud computing, mobility, etc. will change the current solutions the industry is pursuing, such as Real Time, data download, etc.

This group first noted that in today's environment there are too many unique solutions that make consistent and efficient implementations difficult for all of the parties. With these new technologies, we will once again have the opportunity to determine and agree upon a

methodology (workflow) as an industry in order to create consistent solution deliverables. We should not wait this time to create (or recommend) a set of guidelines. Technology should not drive the end solution; it should be driven by the business need (cannot have the cart before the horse). Ultimately, the consumer should drive the expectation on how the solutions look & work, not the carriers' Business and IT departments.

The group felt that this is a very difficult overall topic to recommend a single solution set. One possibility is to create a workgroup or industry forum to investigate, discuss, and recommend a consistent solution set. The primary challenge will be – how do we set the direction and then drive its adoption, when many other types of industry functionality have so much differentiation within the end-user platforms? One way would be to create a cooperative group with agents, vendors, and carrier IT/Architecture representatives to first determine the functionality, and then develop blueprints.

Some of the issues various industry stakeholders are grappling with include:

- Is there an opportunity for download from the cloud?
- Carriers designing new apps to include a mobile slant and forming dedicated mobile/social media groups
- The ability for carriers to push mid-commercial data into agency systems
- Carriers have been focusing on coming up to speed with Real Time; what can be done next to achieve more consistency? A major stumbling block is that there is no single method to pass the business from the agent to the carrier and back to the agent.
- What workflows could be transferred to the cloud, while maintaining the use of the standards?

(Editor's Note: Part of our ongoing challenge is to determine when changes in customer expectation and technology simply require continued "improvement" or when more transformational "innovation" is called for. [Click here](#) for Amber Naslund's blog post clearly articulating the distinction between the two and the need for both.

With the convergence of Mobility, Cloud Computing and Social Networking, one can imagine a very different set of processes for connecting and communicating between carriers, agents and consumers. For example, what are the opportunities for agencies, carriers and clients to access a common record that would exist in the "cloud"? Auto ID card and Certificate validation could happen through access to a master record in the "cloud". Agency systems could access this master record when needed to process changes and renewals.)

Reinventing Certificates of Insurance

Perhaps this is an area in need of "innovation" rather than just "improvement," given the current dissatisfaction with Certificates on the part of agencies, clients and certificate holders. This break-out group brainstormed a number of possible changes:

- Eliminate Certificates of Insurance from the industry and use Evidence of Insurance or Proof of Insurance for each policy type.
- Develop levels of Evidence of Insurance or Proof of Coverage:
 - For simple requests, a short form delivered through a mobile application or through an agency's self-serve website portal.
 - For more complex requests, email encrypted policy to the requester and let them find the endorsements and check for the coverage.
- Create "ProofOfInsurance.com" – a virtual clearinghouse accessible by consumers (which can extend federated access to third parties, i.e., mortgagees, loss payees, vendors, public entities, etc.), agents and carriers. Agents and carriers would provide the Proofs of Coverage (e.g., Evidence of Insurance, auto ids, policies, etc.) to the clearinghouse.

The Opportunity with Federated Identity Management

Managing carrier passwords has been a major headache for agencies. The industry now has the opportunity to move to a new Federated Identity Management approach of agency authentication that eliminates the use of carrier passwords and results in more efficient and secure agent-carrier interface. The success of Federated Identity Management, however, depends on the parties in the federation agreeing to a Trust Framework which would spell out the business, technical and legal agreements that would apply to the participants. This break-out session discussed the potential that Federated Identity Management offers to the industry and how a Trust Framework would work. The group agreed that it would be appropriate for the industry to engage a consultant who could help us establish the federation and create the Trust Framework.

The Trust Framework would enable carriers to trust the authentication that takes place in the agency system (federated identity), through the use of security tokens passing from the agency system to the carrier to identify and authenticate the source of the real-time inquiry or transaction. In May, 2011, the industry took a major step in this direction when a carrier and large agency put into production a trust framework that allows the agency user to authenticate on the carrier's web application server by passing a security token rather than entering a password. A vendor is currently working on creating a federated identity management tool that could be used to authenticate agency users to carriers when performing real-time transactions, based upon the establishment of a Trust Framework and the passing of security tokens. (As of August, a group of carriers, vendors and associations have engaged a consultant and are in the process of developing a Trust Framework that they hope will garner broad participation by the industry.)

Improving Current Industry Processes

This group discussed a number of areas which could benefit from new functionality and greater standardization:

- Some MGAs are prepared to offer policy download to retail agents but are finding that while agency management systems track the issuing/billing company, some cannot track the MGA, and the agent may use several MGAs that place business with the same issuing/billing carriers. The group suggested that we get all of the involved parties together to discuss possible solutions.

- The group recommended that activity notifications/alerts® (where available) be used by carriers to alert the agent when clients perform self-service on the carrier portal.
- The group recommended that carriers use activity notifications/alerts® (where available) to transmit electronic policies to the agent (or at least links to the policies), rather than expecting the agency to go to each carrier's portal daily to retrieve the policies.
- Agents have the need for additional fields in their agency management system that they can customize, beyond the fields provided in the ACORD standard. There are valid business reasons for maintaining non-ACORD standard information at a risk, policy and/or client level so the information can be included in reports generated by the agency management system. If agents had these customizable fields, they would be more likely to use the ACORD standard fields properly, thereby reducing the overwriting of data by commercial lines downloads.
- It would also be very helpful for agents to have the ability to look at data in the management system and know the source of the data.

Reducing the Time Needed to Check Commercial Lines Policies & Downloads

Currently many agencies are spending an inordinate amount of time checking commercial lines downloads and policies for accuracy. Some agencies check every commercial lines policy; others audit a percentage of downloads, where they have confidence in the carrier's downloads.

Agencies are also policy checking for form edition date changes and other changes that impact the policy coverage – e.g., deductibles, new exclusions, class codes, territories, protection classes, etc. This break-out group discussed steps agencies, carriers and agency management system providers could take to help agencies save the time required for policy/download checking:

- Where download is used to check policies, agents should first make sure their database is accurate by entering data into the proper fields according to the ACORD standards and understanding exactly the data that particular carriers will download and to what fields by testing those downloads first.
- Agents should use Real Time to send the data to the carrier, so that potential errors in the manual entry of that data are minimized.
- Some agents can also use their communication log to flag downloaded policies, where either dollar amount of premium increase or percent increase/decrease hits a certain level.
- Some agents save cost by outsourcing the policy checking function.
- Agency management systems should be encouraged to provide a reconciliation tool, so that agents can tell where the download differs from the system's current data.
- Carriers should be encouraged to send policy form numbers and edition dates with their downloads and to indicate form edition changes with an "*", so they can be easily checked. It is also helpful when carriers return real-time quotes and note any changes that have been made, such as in a deductible or with a carrier specific territory or class code if they were doing something other than ISO. Could carriers also note changes of this nature in their downloads of renewals?

Agency Needs for Business Intelligence from their Systems

This break-out group discussed the kinds of business intelligence agencies need from their systems in order to improve their marketing and management decisions. First, they identified some of their needs:

- Need to be able to identify the types of risk the agency is most successful with to have a more finely tuned marketing process. (e.g., their closing ratio for artisan contractors with over \$1,000,000 in revenue is substantially higher than for those under \$500,000 in revenue.)
- Track producers' books of business – where are individual producers most effective?
- Identify cross selling opportunities
- Identify “value added” services based on book of business.

The group then identified new capabilities agencies would like to have from their systems:

- Ability to measure the profitability of a book of business
- Client preferences for communications and links to the client's social media sites in the agency management system
- Ability to generate “on the fly” custom reports.

The group also noted the following challenges in today's environment:

- Some agency management systems are not geared toward marketing, but instead are designed for servicing the client data “after the sale” or the data in the system is not easily extracted in a usable format. In addition, some management systems are data based, not relationship based causing many sales oriented agencies to use two different systems – one for prospecting, one for servicing. This causes a “disconnect” between the servicing staff and the sales staff.
- In other cases, the agency is not aware of or trained on the marketing capabilities available in their systems.

Increasing Implementation of ACT Recommendations

This break-out session focused on how ACT can continue to raise its visibility among grassroots agents, as well as the industry's business executives, and how it can better inspire them to adopt recommended workflows and technologies:

- ACT should continue to build its relationships with the state association executives and the state associations to encourage them to communicate ACT's messages to the grassroots agents and to put on relevant programs where agencies can share success stories. IIABA can also help ACT get its message out to agency and carrier business executives.
- ACT also needs to stress the business benefits that flow from its recommendations, in order to get the attention of business executives. ACT has a good case to make since many ACT resources and recommendations go beyond a technology focus to enhancing

business productivity, increasing online presence and protecting the security of client information.

- We need to consider different “packaging” to encourage agencies to implement workflow efficiencies.
- ACT should help communicate the industry’s opportunity with Federated Identity Management to the carrier security officers and business executives.
- ACT should continue to use webinars to help communicate and train agencies on ACT recommendations.
- How can ACT use social media more effectively to get its message out (e.g., including a blog and presence on Facebook, Twitter, and YouTube)?
- ACT can do more to communicate success stories with agency websites – ideas, tips and tricks – short webinars.