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Standards are only part of the solution

Although ACORD is a global insurance standards organisation, we have always been defined from the bottom up – because ACORD is, after all, a global coalition of communities that come together to share ideas and improve a process. And that is why I stress the importance of working with communities, be they sector, segment, channel or regional.

Too often you hear our industry is “fragmented” and the word itself has a negative inference, just like the word “friction” suggests resistance or slowness. But as I said last month, some friction is not only good but essential. I view industry fragmentation in the same way. It also represents a tapestry of specialised products, services and skills that make up communities working together for the common good.

The Real Time coalition described by Jeff Yates and Cal Durland (see main piece) is another great example of a community of firms with different interests coming together. It embodies a sense of purpose and meaning that can get lost in more overarching industry crusades. They allow players to embrace a problem and look across the table at someone else that brings value to the relationship. And they can more easily see the results of their effort, as you can see by the statistics quoted on this page.

ACORD data standards are certainly vital for the digital exchange of information, but they are only part of a large puzzle. At a recent meeting, the word “efficiency” echoed in the room.

Addressing workflows, business rules, passwords, e-signatures and process challenges are all part of the ongoing challenge of improving the business. In the US, that is what ACT, AUGIE and the Real Time coalition are all about.

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Independent agents need real-time information: a coalition rises

Real Time/Download campaign aims to highlight the benefits for agencies of a single workflow



Jeff Yates, executive director Agents Council on Technology



Cal Durland, membership director ACORD

As with most intermediaries, the challenge is working in different ways with different trading partners. And while some differences can be good, others are unnecessary and can be costly and even detrimental to one's business. One of the challenges for agencies in the US is working with the different insurer systems to access information in real time to service clients. And while independent agencies do have management systems, not all needed information is contained in those systems. So the challenge has been to form a coalition of agency system vendors, insurers, agencies, associations and user groups to improve how information can be available in a more standardised way.

The Real Time campaign

Real Time is the ability to click on a button from a client file in the agency management system or comparative rater for immediate access to carrier information on that client. The transaction may be a quote, billing inquiry, claim inquiry/loss runs, policy view, endorsements or a request for information. This approach provides a single workflow for servicing or quoting with multiple carriers.

The Independent Insurance Agents & Brokers of America created the Agents Council on Technology in 1999 to encourage independent agencies and carriers to enhance their productivity and competitiveness by using the latest technologies and most efficient workflows. Likewise, agency system user groups have worked with ACORD in a coalition named AUGIE (ACORD-User Groups Information Exchange). Both these groups came together to lead the Real Time campaign, supported by

carriers, solution providers and independent agent associations, striving to encourage standardised and streamlined workflows. This industry campaign is intended to educate key agency system leaders about the benefits of using Real Time and Download (carrier data in bulk sent to update agency systems).

Some 7,500 independent agents answered a survey on carrier communications in 2006, leading to the campaign's launch that autumn. They said their primary challenge was dealing with different proprietary company interfaces. That challenge was followed closely by duplicate entry, multiple IDs and passwords and training agency staff on different carrier workflows.

The Real Time/Download campaign was founded to champion the adoption of Real Time and Download for independent insurance agencies. Real Time provides agencies with a consistent workflow through agency management systems or comparative raters when doing business with multiple carriers, rather than having to learn the workflow of each carrier portal and enter data multiple times into these portals.

Vision confirmed

Over the past five years, the adoption of Real Time has continued to expand and deliver outstanding benefits to agencies. This confirms the vision that Real Time offers these firms a more efficient and responsive workflow than navigating through various carrier portals. Consider what 3,110 agencies and brokerages told us in the cam-

campaign's latest agency survey, conducted a couple of months ago; fully 63% of agency management system users employ real-time rating on comparative raters and management systems to access multiple carriers at once. This represents an increase of six percentage points compared with a similar 2010 survey. And the use of real-time rating tools for personal lines saves agencies an estimated 68 minutes per employee per day.

Close to three-fifths (62%) of those using real-time rating also use real-time inquiry and service transactions through management systems, most often for billing, policy and claims inquiries, but also for endorsement processing (55% for personal lines, 29% for commercial).

Real-time inquiry and servicing are saving 50 minutes daily for those employees using the functionality, because the Real Time tool can enter IDs and passwords automatically and it can either return the information directly to the management system or navigate precisely to the information on the carrier website.

50 min
Time saved by employees using real-time inquiry and servicing

Moving forward in 2012

Our industry has an excellent opportunity in 2012 to increase implementation and enhance the benefits being delivered by Real Time to our distribution channel. To encourage more agencies to implement Real Time, the campaign is planning a National Real Time Day on February 29, during which the campaign, individual vendors, user groups and carriers will hold events to help agency owners and employees fully understand what real-time functionality can do for them. Details for the day will be announced soon.

Independent agency owners are busy people, to be sure. But as we enter a new year, the campaign calls on even more agency leaders to take a step back and examine, desktop to desktop, how employees write and service business. Real Time provides strategic benefits that enhance agency productivity.

But there is more: if principals insist on Real Time as the required workflow for all employees, it promotes consistent workflows across the firm, which simplifies staff training, allows managers to monitor employees' performance more effectively, increases the security of processing and creates better transaction records for errors and omissions protection.

Distribution channel competitiveness

Real Time workflows were designed to ameliorate the challenges created by carrier portals. Today, carrier portals continue to play a role in enhancing some Real Time transactions and in providing additional information to agencies that is not otherwise available. But portals should not be seen by carriers as a substitute for implementing Real Time transactions for the many agencies that prefer to work through their agency management systems and comparative raters.

The Real Time/Download campaign is dedicated to improving the competitiveness of the independent agency distribution channel. The campaign is not advocating a specific technology, but a workflow approach that frees up more time for agencies to sell, process and service business. Most agents can leverage tools already contained in their agency management systems or comparative raters. And in 2012, ACORD will be developing specifications and implementation guidance to assist the industry in implementing ACORD standards and forms. The campaign will also encourage greater use of real-time transactions and download within the excess and surplus market and for mid-commercial submissions. The coalition and the campaign have been a marvellous success. It shows what we can do when we come together and work toward a common objective. ■

Jeff Yates is executive director of the Agents Council on Technology (jeff.yates@iiba.net) Cal Durland is a membership director at ACORD (cdurland@acord.org). The Real Time website is at www.getrealtime.org