

# Top 4 Technology Trends for Brokers

Better company integration and paperless workflows are a couple of the tech trends that will help strengthen your business

>> BY PAT DUREPOS

**C**hange is hard. Poet Ralph Waldo Emerson said “We change, whether we like it or not.”

Embracing change was one of the top responses from Canadian brokers when asked what was necessary in order to adapt and thrive, according to a 2009 survey facilitated by The French Group and Keal. The question, “In order to adapt and thrive brokers need to” garnered the following responses:

- Embrace change (78%)
- Train their staff to be proactive (78%)
- Invest in technology for productivity improvements (64%).

Brokers consistently say that staying current with evolving technology is challenging because it’s coming from so many different avenues. Whether it’s new insurance company procedures and/or portals, broker management system (BMS) updates, evaluating third-party software options or managing the changing communication preferences of tech-savvy clients and prospects, technology isn’t slowing down.

Embracing change through the following technology trends can help brokers increase their competitive advantage through productivity improvements and a proactive marketing approach. More productive workflows will benefit everyone in the brokerage, especially the staff members currently tasked with repetitive, redundant daily operations and looking after the brokerage’s bottom line.



>> Integrated call recording (#2 below) is reaching the point of critical mass where it is affordable for brokerages of all sizes.

## 1 Company Integrations

A recurring theme has echoed in the last few months during meetings with VPs and Chief Technology Officers (CTO) of nine insurance companies.

Insurers are investing in various technological projects to benefit brokers, from BMS integrations to making insureds’ documents available online. When asked about brokers’ adoption rates, the highest participation rate cited was 20%. A CTO commented that as a result of the limited broker adoption, they had no choice but to seriously review further technological investments.

The lack of consistency between carrier portals is challenging for brokers. The Insurance Brokers Association of Canada (IBAC)’s Data Exchange initiative continues to make steady progress towards that missing uniformity. Its goal is straight-through processing to provide brokers with transactional consistency

between carriers. The objective is for all transactions to start and end in the BMS, so that all information needed from the broker is sourced from, and recorded in, the broker’s own system, and transmitted to all insurers in a standard accepted format.

The participating BMS vendors have completed stage 1: generating one standard-specific, CSIO-compliant XML policy change transaction from within their respective broker systems and electronically transmitting it to an assigned location. Six insurers have been participating through 2010: Intact, Royal & Sun Alliance, Economical, Gore Mutual, Guarantee of North America, and The Dominion. Aviva Canada joined the project in January, and other insurers are expected to follow shortly. Keal is working with other companies that have not yet endorsed the IBAC project but are using the same principles and the guidelines in their current project.

The insurers are now on stage 2: evaluating the standard policy change transactions pitched from the broker management systems and projecting what level of automated responses would work within their respective environments while con-

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forming to CSIO standards.

The participating BMS vendors will tackle stage 3 shortly: accepting the responses back from the carriers to complete the round-trip transaction.

Brenda Rose, technology champion at IBAC, explains what brokers can do to help. "We are encouraging brokers to support their provincial and regional broker associations, support participating insurers and urge other carriers to work with IBAC. It's important that we strive towards common industry initiatives and not settle for proprietary solutions with limited scope and benefit."

## **2** Call Recording and BMS Integration

Direct writers have been benefiting from integrated call recording for years. The technology used to be complex and too costly for most brokerages. As technology has evolved, so too has its accessibility for brokerages of all sizes. The brokerage's existing phone system typically doesn't even need to be changed.

How does it work? All incoming and outgoing calls are recorded, with digital, analog or Internet Protocol (IP) phones. Calls are linked in the BMS activity log providing a complete client communication history for enhanced E&O protection. E&O insurance premiums are often lowered as a result. Call playback is quickly available directly from the BMS, or from the call recording software dashboard.

Call recording also aids in measuring employee productivity by arming managers with sophisticated Google-like search and reporting capabilities. Managers can compare call volumes, hit ratios, and control quality between employees. For example, why does it take Susan 10 minutes to complete an application versus 20 minutes for John? Listening to calls will identify which employees need coaching and who is ready for advancement.

Brokers are even binding business over the phone using verbal signatures with no paper. A handful of companies now accept audio signatures, and in

a recent Keal survey, 56% of responding insurance companies said they'd like to accept audio signatures in the future.

Call recording coupled with strong marketing functions in your BMS add a host of opportunities to turn prospects into customers faster than ever before.

## **3** Web Integrations

Most brokers know being online is critical but few have embraced the opportunities and tied it all back to their BMS. Keal's BMS, sigXP, for example, uses an application program interface (API) to allow broker websites to speak directly to their BMS.

One Keal client is using this type of integration to offer a specialty auto

e-signatures to bind business online. Only 9% said yes, while 89% said they'd like to in the future. Carriers are also offering white-label websites to their brokers to increase their online exposure and facilitate online quoting.

## **4** Document Management

More than 80% of corporate memory is still on paper. The hidden costs and liabilities of not employing a document scanning and management system are staggering. Consider the physical storage space, printing/copying costs, paper handling, and disaster recovery nightmare associated with a paper-rich brokerage. A document management system is not only environmentally responsible, but also helps automate and measure

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insurance program through multiple leasing companies. The broker's website facilitates the communication between the consumer, leasing company and brokerage.

After entering necessary information on the broker's website, their custom-built quoting software generates a quote that electronically notifies the broker. The broker validates, and confirms the coverage and premium. Once the insured accepts the approved quote online, the broker's website calls the sigXP web service, which automatically creates a new customer file, new policy and generates an invoice, to initiate automatic billing directly in sigXP—without user intervention. Manually processing the business from the leasing companies was taking at least 10 minutes per new client. This has been decreased to 1-2 minutes, reducing the staffing requirements by 75%, from four days of work to just one.

Binding business online is also gaining popularity. Insurance companies were recently asked if they allowed

workflows. Electronic files create an audit trail, are easily searched and accessed regardless of physical location, and can be tracked via automated workflows. As our industry continues to digitize, document management is no longer an option; it's a necessity.

According to PwC's Insurance Review: A Canadian Perspective, the independent broker channel steadily continues to lose market share to the direct channel at a rate of 0.81% for automobile, and 1.27% for personal property. Efficient workflows, powered by sophisticated technology, can play a vital role in regaining market share and strengthening margins. If your brokerage could sell, retain more policies and service more clients each day while attracting and retaining motivated employees, why wouldn't you? Those benefits are at your fingertips by embracing change and taking advantage of the technology before you. ■

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