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Becoming a Carrier of Choice

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In spite of new technologies that have promised to replace the independent agent, most insurers still rely on independent agents as the primary means of distributing products. And that's not changing. The independent agent today acts not only as the insurer's sales organization, but also as its eyes and ears, relaying important information on rates, policyholder perception about claim handling, the validity of existing products and even ideas for new products.

However, by the nature of the term, "independent," agents can choose for which insurer they write business and which of those companies within their provider base ultimately get the most business and best risks. Making your company easy to do business with can mean the difference between establishing a relationship with a top producer, or not.

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Keep in mind, independent agents and brokers are almost singularly challenged to increase profitability and productivity every day. Independent agents are losing ground to direct writers, and the fight is on for every policy sold today. That's why implementing real-time connectivity to better communicate with, and enable, independent agents to write more business is one of the best ways insurers can become a carrier of choice for top producers.

A 2009 survey of independent agents by industry analyst firm Novarica, "Agency Connectivity Snapshot," found the top four factors that determine why carriers are favored by agents include responsiveness, underwriting speed, underwriter relationship and convenience. This perspective is further reinforced by insights from top performing companies as identified by Ward Group in the Ward's Top 50, and that also participated in Ward Group's recent Agency Management and Compensation Practices Study. According Jeff Rieder, president of Ward Group, the study found, "top performers focus on ease of doing business and assertive agency management practices to drive new business results."

REAL-TIME CONNECTIVITY

Real-time connectivity solutions can enable agents to directly connect to insurance company systems to perform new business and endorsement quoting, inquiry, submission and a variety of other transactions.

Currently, most insurers are using Web portals to deliver insurance products to distribution partners at the point of sale. But, in today's world, agents are demanding better communication between agency management systems and insurers' rating and policy systems. For an insurer that has not yet endeavored to offer real-time connections through the most popular agency management systems and comparative raters, the most effective way to get started is to enable industry standard ACORD Web Services for the transactions deemed most important for achieving business goals and objectives. Using ACORD standards enables most technology vendors offering real-time solutions a familiar path into processing systems that can enable connectivity much quicker than you may think.

While many insurance IT shops have enabled these standard interfaces for connectivity, there also are a variety of data integrators offering services to provide connections between the vendors and the insurers when internal resources may be unavailable. Many insurers start out with some of the inquiry transactions, which require less integration and mapping. Over time, these companies work toward more complex transactions involving new business processing and endorsement quoting.

Real-time connectivity can enable new business opportunities, superior customer service, set the standard for consistent workflow, ease problems with processing of policy transactions and even automate logons for insurers' Web sites. With a combination of real-time transaction workflow and instant sign-on to insurers' Web sites, agents are able to process business and service customers without re-entering data already residing in-house more efficiently than individual insurer Web sites. Real-time connectivity makes it easy and cost-effective for agents and insurance companies to do business.

Needless to say, the competition for top producers is fierce, and independent agents will work with the insurer that makes it easy to do business, provides quick and accurate pricing and responds to agency needs faster and more efficiently. Implementing real-time connectivity can make your company the carrier of choice for top-performing producers everywhere.

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