



News Release

For Immediate Release

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More than 7,500 Answer AUGIE Agent Tech Survey; Point to Workflow Frustration, Needed Changes

While the Independent Agency System has benefited by real-time communication improvements among carriers, agencies and customers, frustration remains over multiple workflows brought on by carrier-unique systems, according to findings in the ACORD-User Groups Information Exchange (AUGIE) 2006 Agency Technology Survey. The results were announced here at a panel presentation of the annual ACORD LOMA Insurance Systems Forum.

When asked, "What is your agency's greatest challenge in supporting automation?" nearly half of respondents said "learning and using various company proprietary systems," while another 20 percent said "multiple user IDs and passwords."

Respondents overall agreed that "difficulty in securing multiple quotes have restricted the number of carriers" from which they seek quotes. "This is not a healthy trend," said Lisa Leach Goth, Vice President of New Bethlehem, PA-based Charles P. Leach Agency and chair of the survey working group.

"Many independent agencies appear to have workflows so dependent on a couple of carriers, they are missing out on opportunities to serve clients as they deserve to be served," Goth warned. "While carriers have made great strides in making their proprietary Web sites, as they describe it, efficient and convenient, we on the AUGIE Leaders Council worry that without industry standard, multi-carrier workflow, the growth of the Independent Agency System could be hampered.

"The survey shows that many agents are frustrated with the process of having to go from Web site to Web site to get quotes – a process some liken to the situation 15 or 20 years ago, when we moved within our agencies from one company-provided terminal to the next," she added. "Carriers and vendors interested in helping independent agencies grow – and interested in growing their own business along with the agents – can take the survey findings as an encouragement to support more uniform processes that work through the agent's own system."

By completing the AUGIE survey, an update of the 2002 benchmark study, agents and brokers have offered insight that will help insurance carriers and software providers introduce real-time technology to better serve customers and operate profitably.

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Ease of Doing Business

Overall, seven of 10 respondents strongly agreed that "ease of doing business" has become increasingly important in an agency's decision to place business with a carrier in the last two years. In surety, personal, and small-commercial lines, respondents said "ease of doing business" is the number-one reason to place business with a carrier. In mid-size commercial, the leading factor was "price"; and in large commercial, specialty lines and financial services, "product." However, "ease" ranked highly in all of these as well.

Clearly, independent agents are struggling with multiple entry of information on carrier Web sites – more than nine in 10 agents say they "always" or "sometimes" bypass their agency management system and go directly to Web sites, the AUGIE survey found.

Among other findings, agents said they:

- Will invest in training and education to maximize consistent workflows;
- Are seeking a paperless office;
- Want access to their customer data within their management system (on site or application service provider), including a full client view of all policies and additional attachments;
- Believe carriers should focus on real-time functionality for endorsement and new business processing; and
- Want carriers to develop download capability for new business, renewals and endorsements.

"Duplicate data entry" was overwhelmingly cited as the major automation "time waster" in workflow (by 47 percent of respondents).

Positive Changes

On the positive side, nearly seven in 10 respondents said most or all of their carriers have implemented technology (e.g. download, real time, online rating) that has increased their ease of doing business.

The ability to do real-time transactions has increased dramatically since the 2002 survey, Goth pointed out. Agency management system providers have interacted with carriers to drive a range of inquiry and other capabilities for agency and brokerage professionals. Most of these are billing and/or policy inquiry transactions.

"The call to develop real-time inquiry functionality came out of the 2002 AUGIE survey," Goth said. "The research actually helped drive a shift from where many carriers were headed in their development work, and ended up creating workflow changes that agents actually have incorporated into their workflows. As real-time inquiry capability has matured, and more agents and brokers are using it, the push now should be toward real-time new business processing, endorsement processing, and quoting."

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More Action Required

"Agents and brokers have, for the most part, responded to technology-related developments and their impact", said Goth, who serves as president of the National InStar Users Group (NIUG). "But user groups, software providers, associations, carriers and others have an opportunity to drive further action", she said.

"For instance", Goth said, "the issue of automation security has taken center stage in many businesses. Eighty-five percent of respondents say they've adopted a specific automation security policy within their agency. Still, this leaves 15 percent without such a policy."

"A higher percentage of respondents say they've implemented a policy to protect client information", Goth said. Ninety-three percent agree – 60 percent-plus strongly so – with the statement, "Our agency has adopted a specific policy to protect the privacy of clients' information."

When it comes to traditional disaster planning, however, agencies have been less diligent. Seven out of 10 respondents say their agency has adopted a specific catastrophe-preparedness plan, despite continual calls from industry organizations. This leaves 30 percent of agencies, brokerages, MGAs and wholesalers operating without a formal plan to address how the firm will operate in the event of a disaster.

The Big Picture

The survey gathered insights from principals, producers, CSRs and systems professionals who use technology at work. About 86 percent of respondents work at independent agencies, and about 9 percent identified themselves as brokers, with the rest from a variety of firms, such as wholesalers and managing general agencies. Agencies of all revenue categories are well represented in the survey.

The AUGIE survey also gathered information from the many staff positions within each firm. At the top level, roughly 40 percent of individuals identified themselves as agency principal or member of agency senior management. More than one-third of those who identified a primary responsibility (36.5 percent) selected client servicing.

The first AUGIE technology survey, four years ago, led to improvements such as expanded real-time inquiry and commercial policy download developments, said Goth. The 2006 findings and subsequent follow-up communications efforts will lead to greater agency involvement in ACORD standards development, better dialogue between agents, their carriers and vendors, and a unified approach to agency technology, she noted. Independent agency carriers and vendors are expected to incorporate findings into their technology planning for 2007 and beyond.

More survey results will be available in the next several weeks, including:

- Comparisons with 2002 survey data;
- Differences by line of business and revenue size of firm;
- Specific views of independent agents, brokers, MGAs and others; and
- Opinions of service staff vs. management.

Agents, carriers, vendors, associations, user groups and all others seeking results should e-mail requests to augiesurveyresults@acord.org.

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About ACORD: Based in New York, ACORD (Association for Cooperative Operations Research and Development) is a global, nonprofit insurance association whose mission is to facilitate the development and use of standards for the insurance, reinsurance and related financial services industries. With offices in London as well, ACORD accomplishes its mission by remaining an objective, independent advocate for sharing information among diverse platforms. ACORD Standards and services improve efficiency and expand market reach. Affiliated with ACORD are hundreds of insurance and reinsurance companies, and thousands of agents and brokers, related financial services organizations, solution providers, and industry organizations worldwide.

About AUGIE: The ACORD-User Groups Information Exchange (AUGIE) is a collaboration of agency User Groups and ACORD whose mission is to: amplify the voice of automated agencies through their respective User Groups; hasten the implementation of ACORD Standards throughout the industry; and collaborate on any other industry initiative of mutual interest to the participants. AUGIE is led by agents and brokers who represent the top national agency management system user groups. More information: <http://www.acordadvantage.org/augie>.