Best Practice Technology Considerations for Agency Networks

A.J. Lovitt, Combined Agents of America

"If the rate of Change on the outside exceeds the rate of Change on the inside, the end is near"
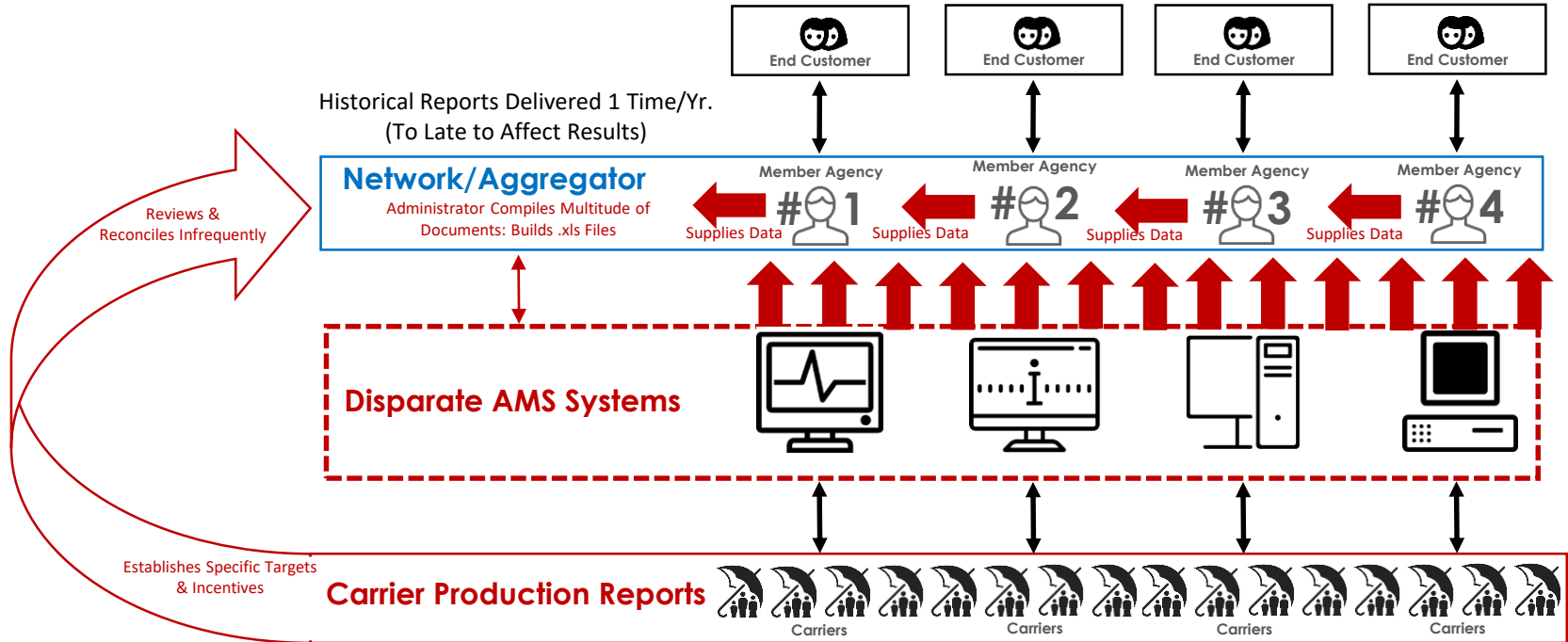
–Jack Welch

9 out of 10

Nine out of 10 insurance CEOs surveyed by PwC agreed technology will either completely reshape or have a significant impact on competition in the next five years

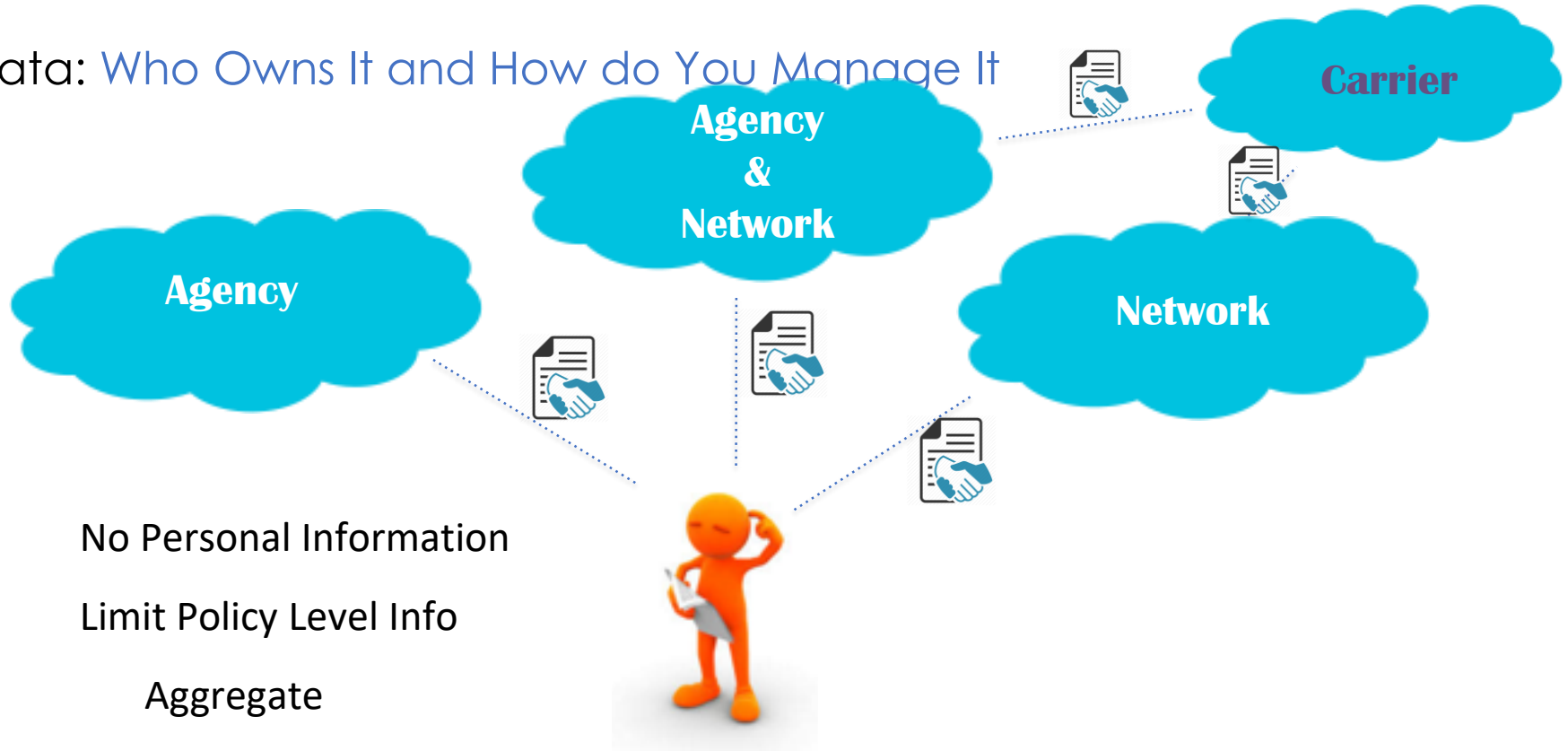"Data has become one of the most sought-after network resources"

Data is merely unorganized "bits of information"; however **_structured_** & **_measured_** it becomes business intelligence.

Technology - Business Intelligence
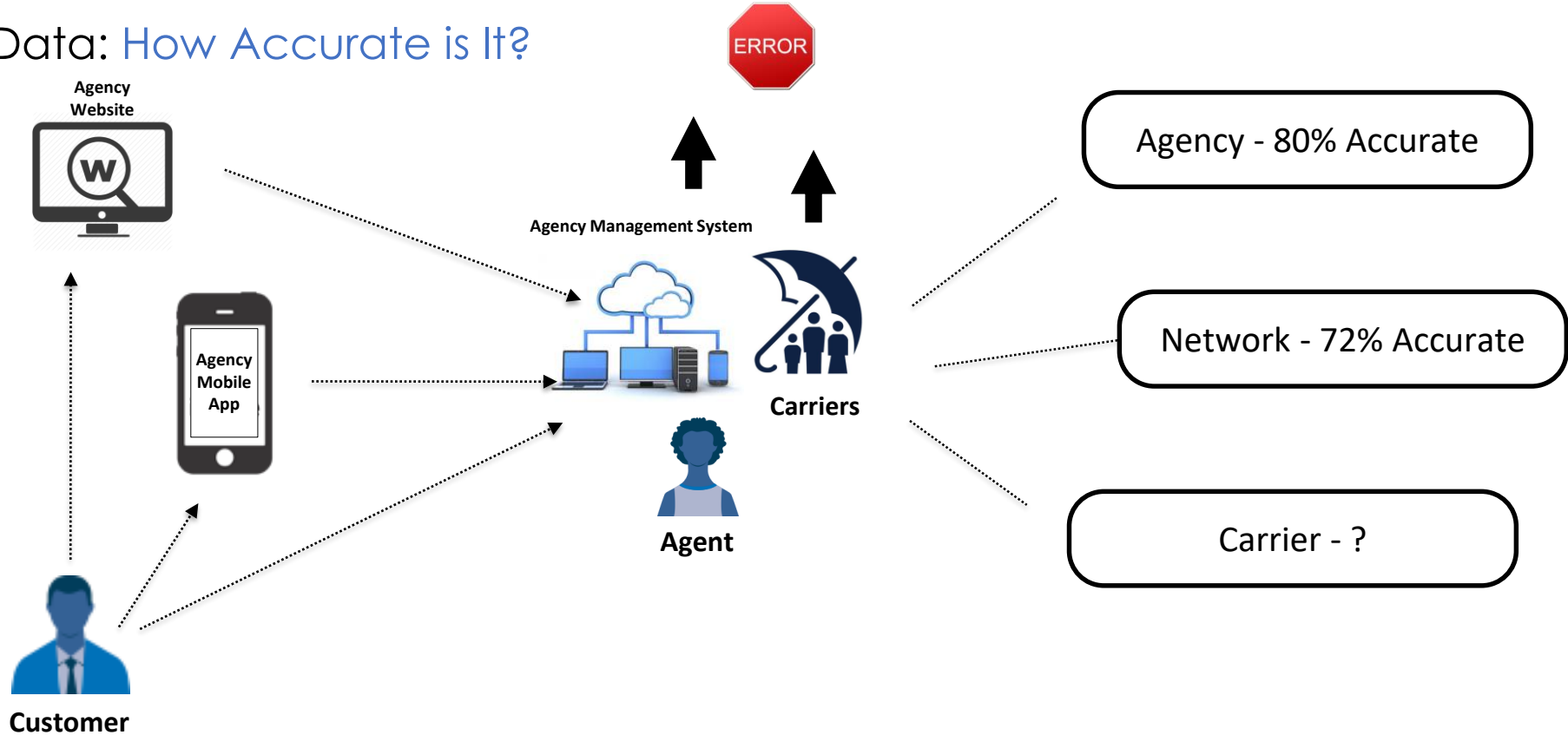
Current State: Fragmentation Dilemma- Complex Horizontal Management (Many-to-Many)

Data: Who Owns It and How do You Manage It

Carrier

Agency & Network

Agency

Network

No Personal Information

Limit Policy Level Info

Aggregate

Data: How Accurate is It?

CHALLENGES

Complex Horizontal Management

Data

      Ownership

            Contracts/Permissions

                 Accuracy

The Changing Digital Demands

Platform Strategy: Open Architecture

Salesforce
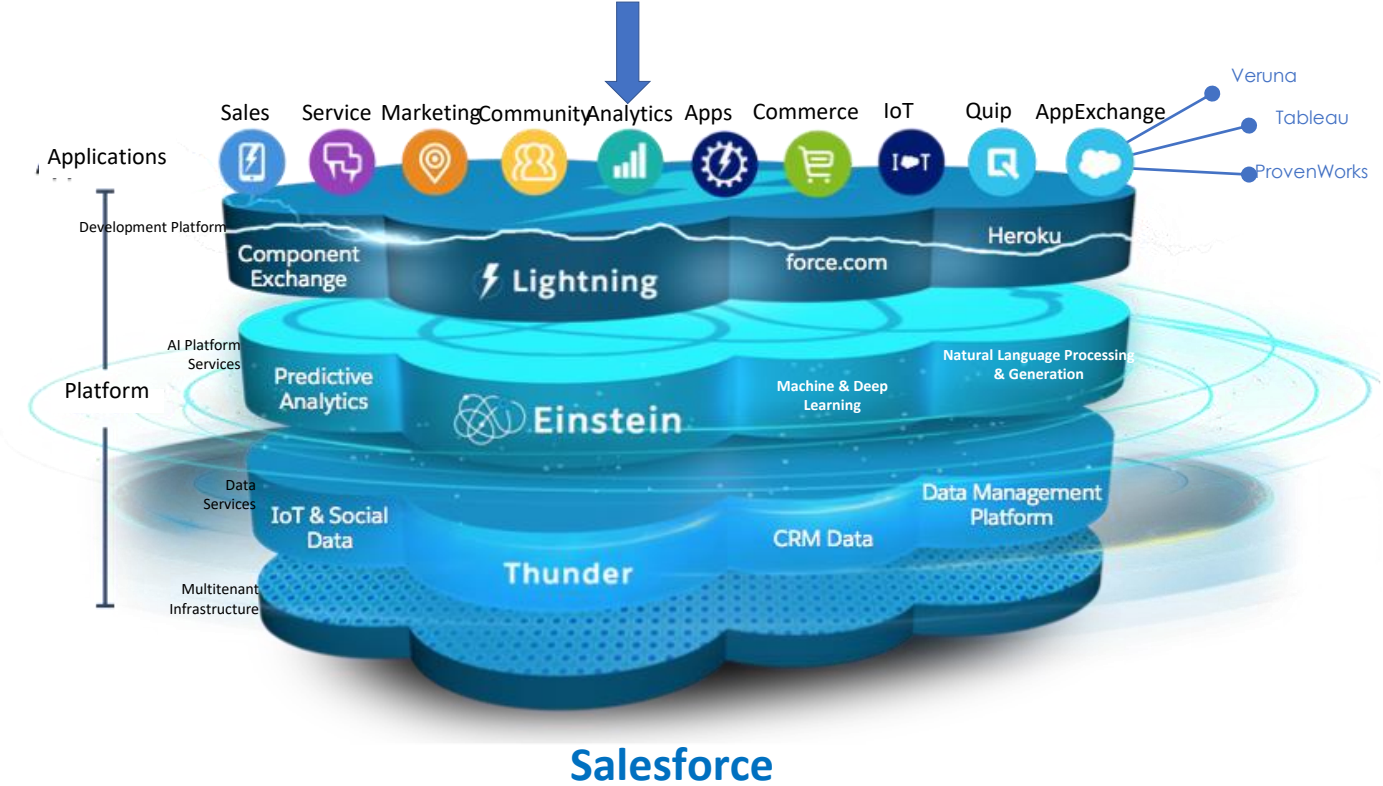
$100,000,000 Network Revenue

$2,800,000 Technology

Compete

Large National Agency

Network Agency
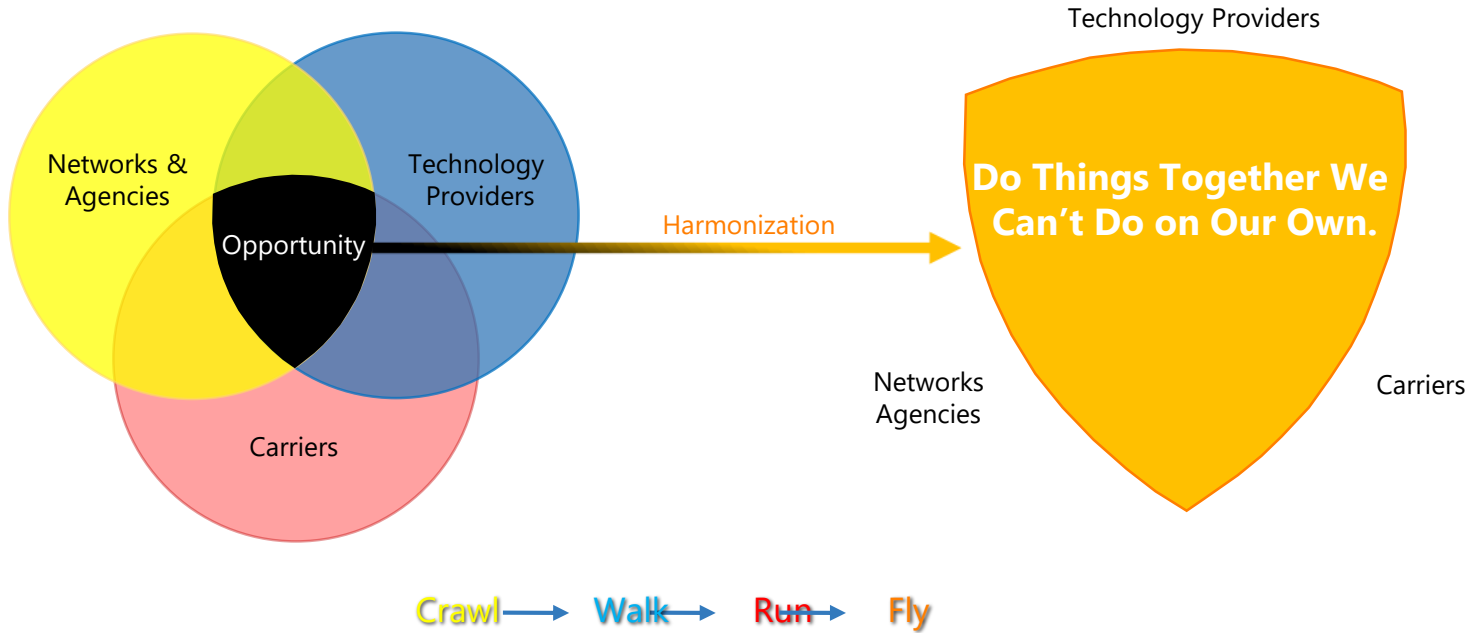
$7,500,000 premium

$1,000,000 revenue

2.8% technology

$28,000 annually

Collaboration, Operational Efficiencies & Benchmarking

Networks & Agencies

Technology Providers

Opportunity

Carriers

Harmonization

Technology Providers

Do Things Together We Can't Do on Our Own.

Networks Agencies

Carriers

Crawl → Walk → Run → Fly

The State of Insurer-Agency Connectivity

IVANS
A DIVISION OF APPLIED

82%
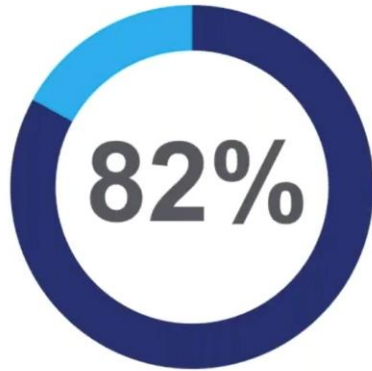
More than 80% of agents surveyed found they place more business with those insurers that provide automation.

Source: 20... ...nectivity Survey

Confidential

PREMIUM ALIGNMENT fueled with organic growth
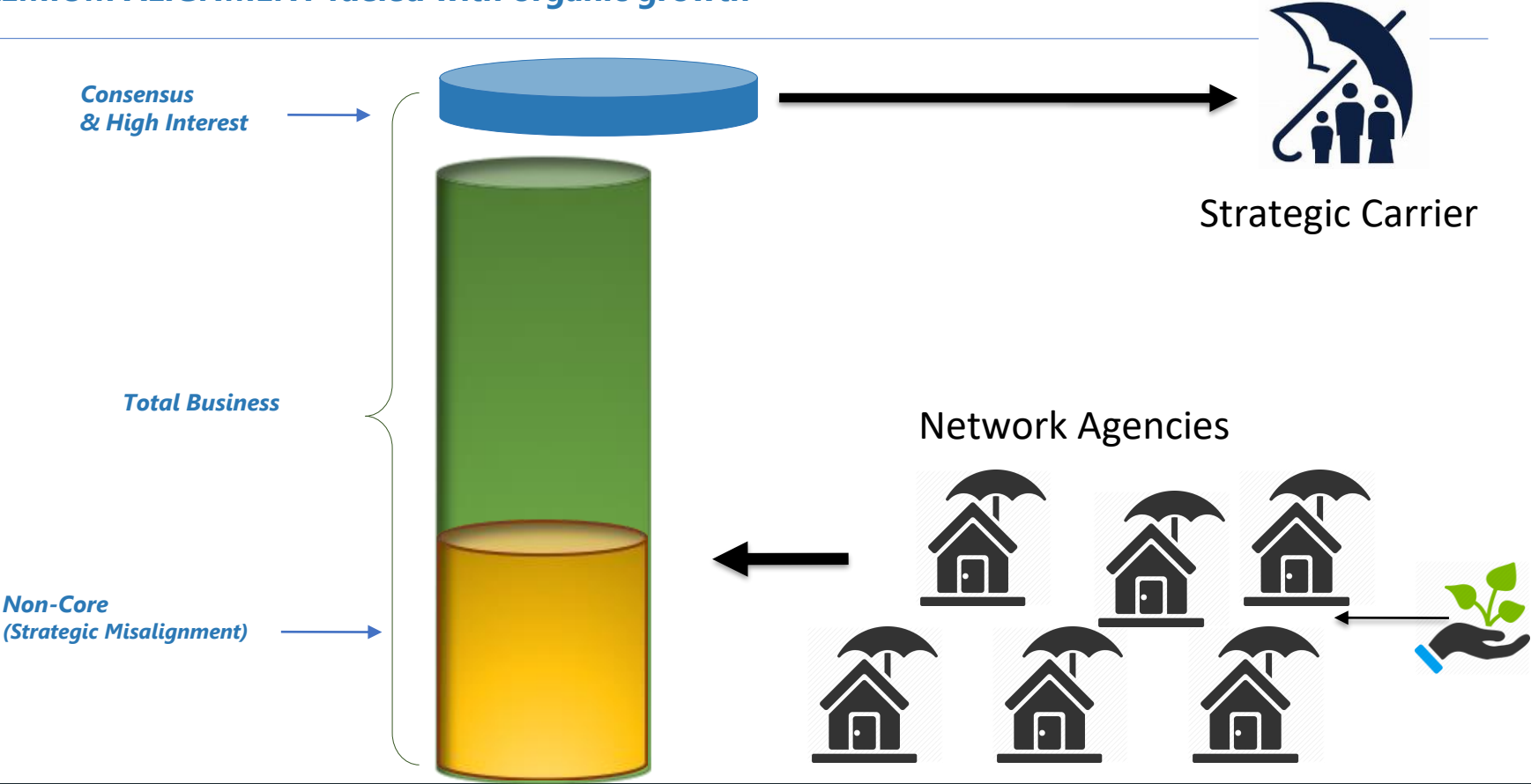
1. **Collaborative Planning**

Strategic Planning (+2-year horizon line)- long term planning between Networks and Carriers currently happens at the "highest level" with the mutual intent to achieve the agreed too objectives/goals by the senior executives of both parties. The difficulty of target setting, consensus and alignment from agencies, customer service representatives and underwriters compromise the opportunity to succeed at the highest levels.

Annual Planning- the process between the 3 constituents (Carriers, Networks and Agencies) is currently lacking a formal and systematic approach to establish objectives, measure the progress at various milestones and "ring the bell" to share the success more broadly.

2. **Operational Efficiencies**

Carrier Monthly Production Reporting- the carriers provide a production report to the networks and agencies in many disparate formats. Many times, the production reports are not provided in a timely fashion due to the exhaustive effort it takes carrier employees to create the unique reports for each network and individual agency.

Network & Agency Reconciliation Process- the networks ability to understand performance across all their member agencies is a time consuming and human resource intensive activity. Due to this situation the reporting and reconciliation is either not accomplished or at best once a year when it is too late to address any challenges or opportunities.

3. **Benchmarking**

Multi-level benchmarking between carriers, networks, agencies and employee's in an anonymized fashion is limited or non-existence on a single platform today. Development of historical and near real-time datasets (Big Data) with the opportunity for trending, predictive models and future AI capabilities.

What value is derived by partnering with AgencyKPI?   Operational Efficiencies
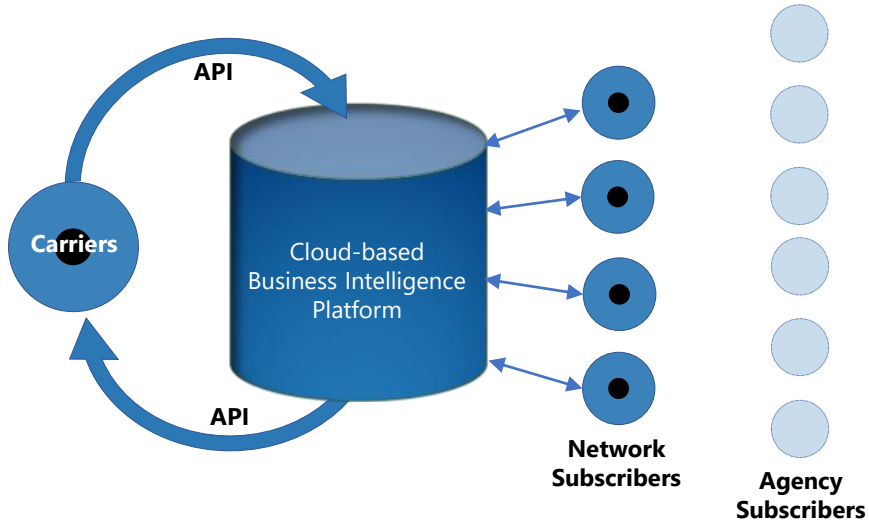
Operational Efficiencies

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API

Carriers

Cloud-based Business Intelligence Platform

API

Network Subscribers

Agency Subscribers

Beta Partnership Benefits
- Streamlines reporting through API connectivity.
- Lowers the number of human resources required to create, manage and distribute information.
- Removes "rote chores" and realigns talent for more critical thinking activities & analysis.
- Increase accuracy of reporting by lowering human error possibilities.
- Opportunity to test operational changes in a "lab environment" without disrupting the current processes.

What value is derived by partnering with AgencyKPI?　　Benchmarking

Benchmarking

Best Practices-
Multi-level benchmarking between/across carriers, networks, agencies and employee's in an anonymized fashion is limited or non-existence on a single platform today.

Learn & Predict-
Development of historical and near real-time datasets (Big Data) with the opportunity for trending, predictive models and future AI capabilities.
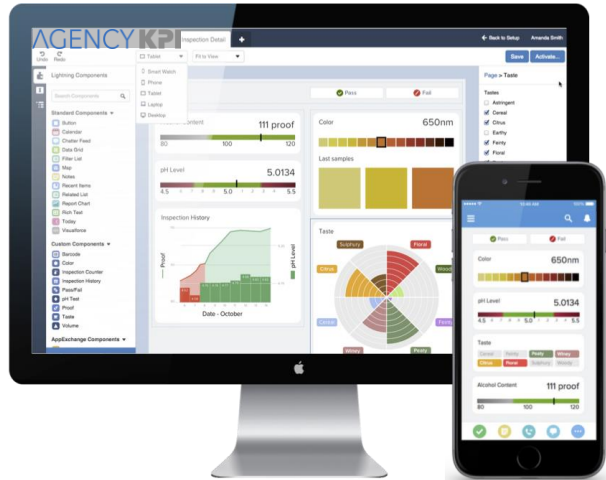
Beta Partnership Benefits
- Comparative data (attributed and/or anonymized) by:
  - a. SIC/NAICS
  - b. By/Across Peers (Anonymized/Syndicated)
  - c. By Geography
  - d. By/Across Networks
  - e. By/Across Agencies
  - f. By/Across Employee
  - g. By/Across Underwriter

- Internal benchmarking- a comparison of a business process to a similar process inside the organization.

- Competitive benchmarking- a direct competitor-to-competitor comparison of a product, service, process, or method.

- Functional benchmarking- a comparison to similar or identical practices within the same or similar functions outside the immediate industry.

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