

ANNUAL AGENCY-INSURER CONNECTIVITY REPORT

# 2019 Digital Technology Adoption Trends in Digital Distribution and Automated Servicing

# Key Findings

## The state of agency-insurer connectivity:

### Importance of Connectivity



**83%**

of agencies surveyed found the availability of automated insurer connectivity to be very important when selecting insurers to do business with.

### Top 3 Benefits of Automated Connectivity



**1. Ease of doing business**



**2. Time savings**



**3. Productivity**



**95%**

of insurers surveyed found providing automated agency connectivity to be very important.



**1. Time savings**



**2. Ability to service clients faster**



**3. Ease of doing business**

# Executive Overview

**The digital age of insurance is here. Insurtechs are starting daily. Consumers are demanding new digital services. And regulatory changes are forcing organizations to adapt more quickly than ever before.**

What remains clear is that agencies and insurers are just as committed to their relationships today as they ever have been. 77% of insurers cited that they conduct more than 50% of their Commercial Lines business via the independent agency channel, and 85% indicated the same for their Personal Lines business.

The distribution channel remains alive, healthy and profitable.

Both agencies and insurers are hungry for more digital collaboration. In fact, 73% of insurers surveyed found it very important to have digital collaboration tools to increase productivity and to service agents and clients faster. Agencies expressed similar benefits, noting the ability to provide better products and services, and time savings as the top two benefits of digital collaboration tools. While approaching from different sides of the insured interactions, both agencies and insurers have the same end goal in mind – to provide the greatest protection and service in the most efficient manner possible.

However, the survey found that while the independent agency channel is vital to the success of insurers' businesses, they are not allocating the time or investment to support the connectivity needs of their increasingly digital agencies. Are insurers focusing on the right priorities when it comes to their agency partners? Are they considering agency distribution benefits when selecting technology projects? Are agencies vocalizing their connectivity preferences enough to insurers?

This report documents the state of connectivity; and while demand for increased connectivity continues to grow, there remains an opportunity to align demand with prioritization and implementation of these digital initiatives for the benefit of all stakeholders – agencies, MGAs and wholesalers, insurers, and insureds.

77%

**of insurers conduct more than half of their Commercial Lines business via independent agency channels.**

85%

**of insurers conduct more than half of their Personal Lines business via independent agency channels.**

# Looking for Markets in All the Wrong Places

**When agencies are looking to place new or renewal business, they spend a significant amount of time trying to find the best markets, particularly for Commercial Lines.**

Tried and true practices like calling insurer reps and searching their websites for appetite details, which are time-consuming processes and can lead to lost opportunities, are still heavily relied on. In fact, 73% of agencies cited missing opportunities (up from 68% in 2018) because they could not find the right market to quote the risk. In the digital age, where information is on-demand 24/7, an opportunity to place new business should not be missed because market details cannot be searched for at a moment's notice.

## 73%

**of agencies cited missing opportunities because they could not find the right market to quote the risk.**



## The difference a year makes

In 2018, 66% of agencies surveyed reported using printed appetite guides to identify markets. Notably, that figure was cut nearly in half (34%) this year, while use of online applications increased, showing agencies continued migration to digital technology to identify market appetite. And while agencies are making this shift, insurers are only making partial strides. 81% of insurers indicated that they have moved to digital appetite guides, but 79% still produce printed appetite guides, which could be seen as wasted time and cost.

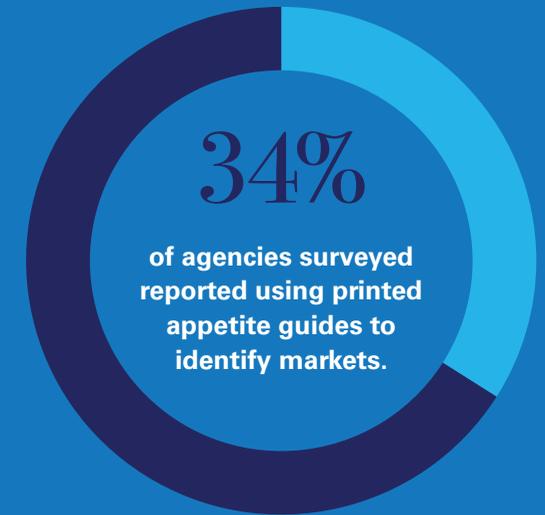
## What this means for digital transformation

### Agencies

According to the survey, the number one method used by agencies to find insurers for commercial insurance risks was to call their market rep. Next time you call to request appetite information, also see if there is an opportunity for your insurer partner to start marketing the product details directly into your management system.

### Insurers

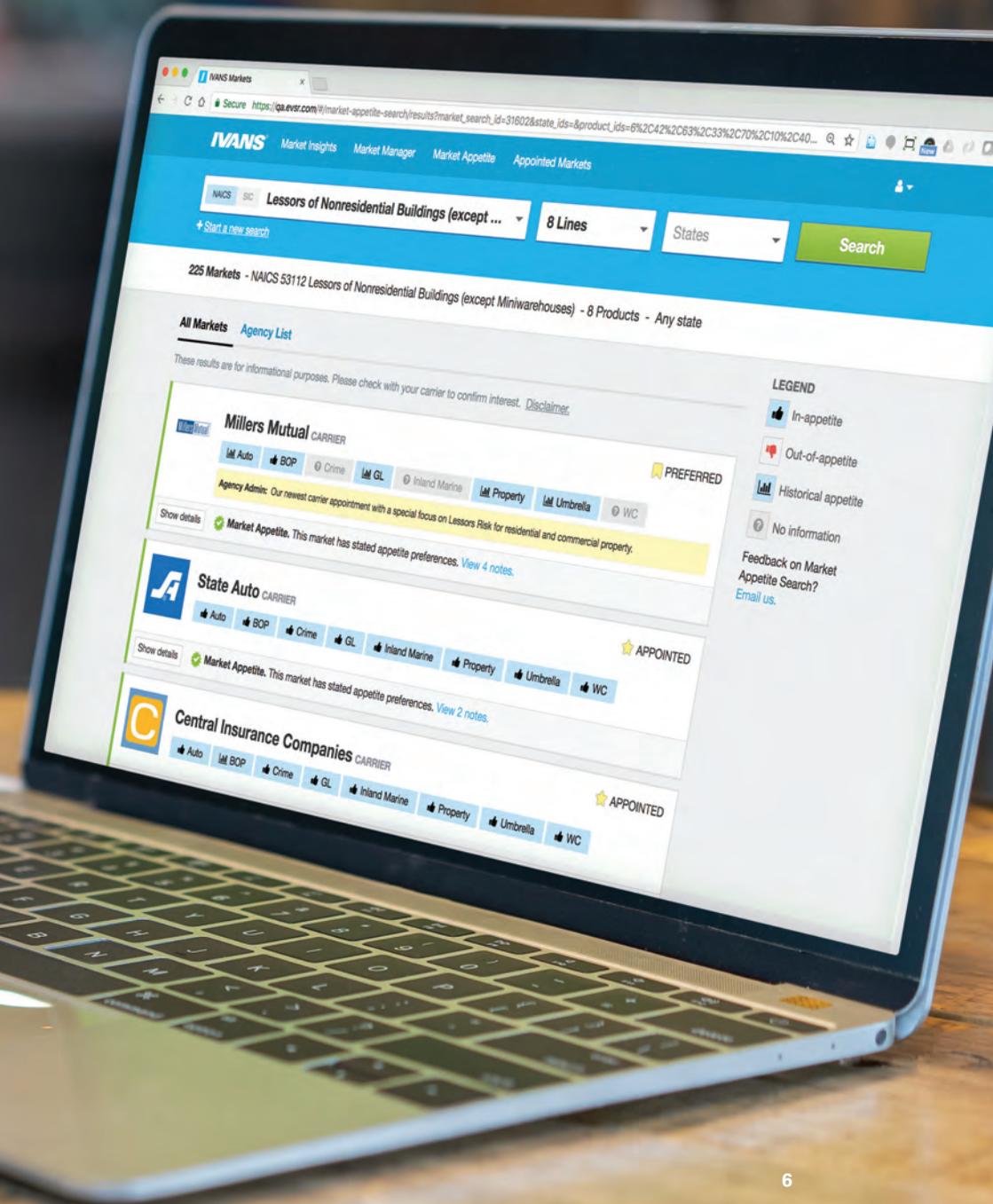
Agencies want convenience, and that means providing them product details in the systems that they operate every day. 88% of agencies believe that they would write more business with insurers if they provided real-time appetite within their management systems. You need to use technology channels that integrate into agents daily workflows to ensure you are present at the moment an opportunity arises.



## Tech to get started

### IVANS Markets

Integrated directly within management systems and a stand-alone website, IVANS Markets enables better-targeted marketing submissions via an agent-driven, real-time search engine for commercial insurance. A complimentary tool for all independent agents, they just enter two fields to denote the specific type of commercial risk and then receive back information as to the most likely insurers to have appetite for that risk and appropriate pricing. Insurers also have the opportunity to customize details included in their product listing, as well as target specific agencies by line of business.



# Can Opposites Attract to Build Lasting Relationships?

**Customers want choice, but more than anything, they want the best products at the right price. Currently, the best way to deliver that for Personal Lines remains comparative raters. 53% of agencies indicated they use comparative raters to quote more insurers per customer. Yet, when asked for their preferred method to quote a Personal Lines policy, 73% of agencies said rating within their management system. When asked why, agencies indicated time savings/increased productivity (58%), direct data integration into their management system (54%), and faster quoting (51%).**

For Commercial Lines, agencies' main quoting channel is insurer portals (71%). Yet similar to Personal Lines, agencies reporting a preference for quoting via insurer portals dropped significantly (34%), while quoting via the agency management system saw a substantial increase (39%). Insurers had a similar, albeit slightly inversed, response to the same question, with 41% preferring to quote via their own portals and 37% preferring integrated quoting via agency management systems.

## 53%

**of agencies indicated they use comparative raters to quote more insurers per customer.**



## The difference a year makes

Since 2018, quoting preference has remained similar for both agencies and insurers across both lines of business. While preferences have remained the same, there has not been significant movement in actual use of the preferred channels to manage the quoting process.

## What this means for digital transformation

### Agencies

Challenge your management system provider to provide integrated quoting technology. Eliminate time spent and potential errors that come with rekeying customer data and switching between multiple, disparate systems while allowing you to find the best coverage for your client's specific risk. Push your insurer partners to invest in real-time and integrated quoting technology alongside their portal investments, providing agencies service choice.

### Insurers

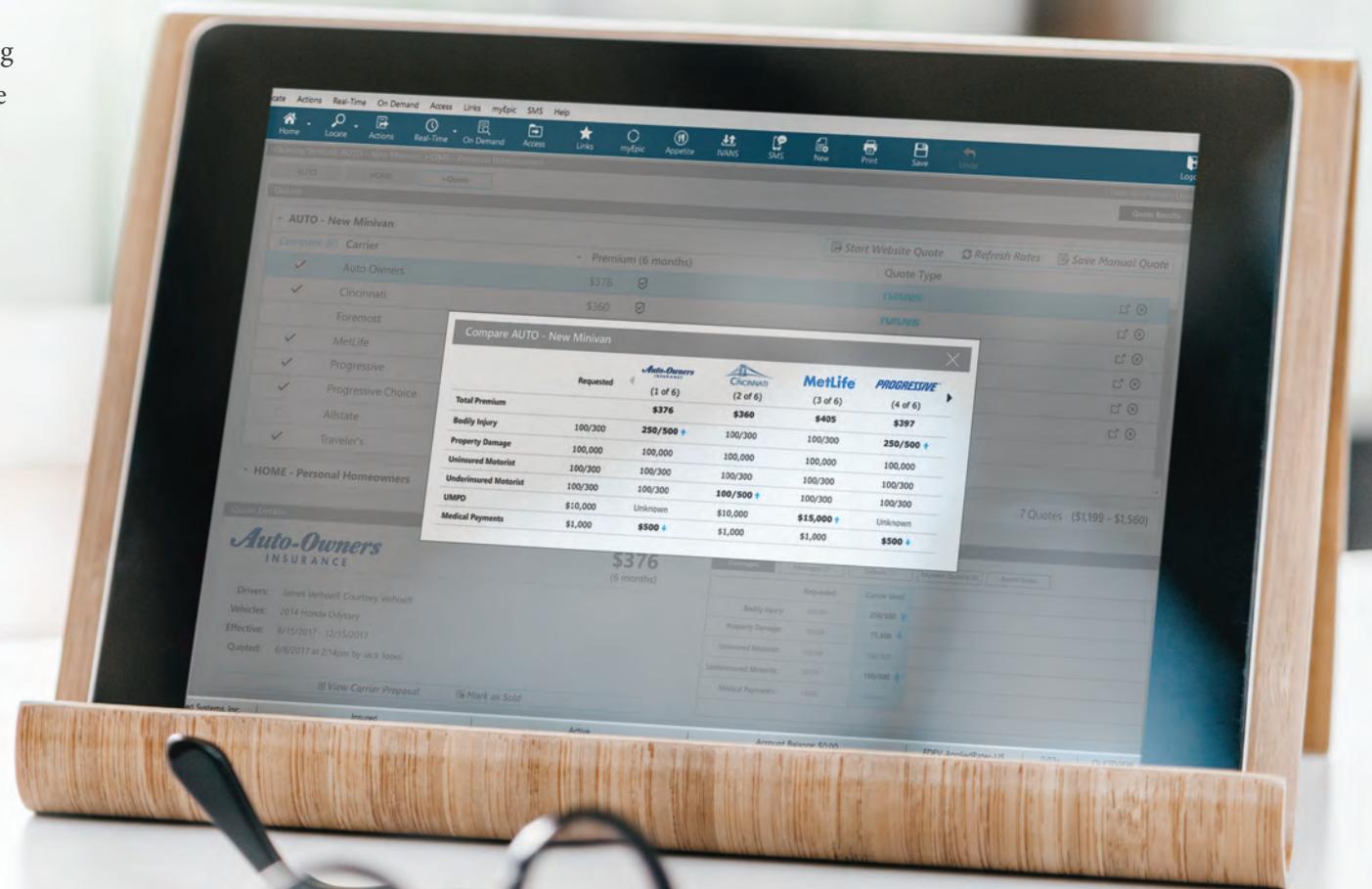
According to the survey, 80% of insurers (up from 72% in 2018) believe they are not getting the most written premium out of their agents. The reality is that insurers are not making the quoting process – for both Personal and Commercial Lines – as seamless as it could be. Having to visit multiple sites, using separate comparative raters, and being bogged down by requests for redundant data that is readily available to insurers is creating too much friction in the quoting process for agencies. Consider ways to provide integrated quoting in management systems that have the potential to leverage both real-time and your portal to gain return on investment in your own technology.



## Tech to get started

### IVANS Rating Services

A cloud-based, end-to-end integrated data exchange solution that quickly and accurately exchanges quote information between insurer systems to agency management systems and comparative raters. For agencies using systems supported by IVANS Rating Services, it allows new and remarketing of existing policies and eliminates time spent and potential errors that come with rekeying information into multiple portals or applications.



# It's Just a Matter of Time

**Gone are the days of mailed or faxed policy details to be scanned into an agency's management system, and then filed away. The industry is pushing to be paperless, and data shows that insurers and agencies are adopting the technologies to automate this information exchange between their systems of record.**

The main benefit? Time savings. Agencies cited nearly two hours of time savings per day/per employee when using automated information exchange technologies like download. 59% of agencies prefer to access client policy information, including billing and endorsements, directly in their management systems. Similarly, 58% of insurers rely on download to distribute policy information to agencies.

## 59%

**of agencies prefer to access client policy information directly in their management systems.**



## The difference a year makes

Agency demand and adoption for download services continues to rise. 70% of agencies receive eDocs and Messages download (up from 66% in 2018), with 74% of agencies indicating interest in having each of their insurers offer this type of download (remains flat year over year). Insurers recognize the benefits of eDocs and Messages download, citing an increase in ease of doing business and stronger agency relationships as the main reasons behind their investment in this download service. The percentage of agencies using Claims download remained consistent year over year (approximately 51%), but demand by agencies for all insurers to send Claims download increased to 75%. Investment in Claims download remains low for insurers.

## What this means for digital transformation

### Agencies

Vote with your feet. Insurers will often not prioritize projects until they hear loud and clear from their agency partners that there is demand. Speak to your insurers directly and leverage your technology partners to advocate on your behalf.

### Insurers

The number one reason cited in the survey for why insurers are not currently sending specific download services is a lack of time/resources to implement. Yet, year over year, agency demand for these services remains the top request to increase ease of doing business. Insurers need to evaluate if they are prioritizing the right agency connectivity projects to make sure they gain the greatest return (think time savings and stronger agency relationships).



## Tech to get started

### IVANS Download

A cloud-based data exchange software that delivers the latest policy-related information from insurers' systems directly into agency management systems, ensuring that current, accurate information is instantly available throughout underwriting and servicing. Automates information exchange and reduces time spent manually managing individual agent information requests via a single end-to-end application.

### IVANS Exchange

A complimentary online tool that provides an easier way to track current and new download connections to increase agency and insurer connectivity. Both agencies and insurers gain a comprehensive view of current and potential download activity, as well as a channel to communicate desired download connections and download quality feedback.





# About IVANS

**IVANS is the property and casualty insurance industry's exchange connecting insurers, MGAs, agencies and the insured.**

IVANS' cloud-based software automates the distribution and servicing of insurance products. For more than 35 years, IVANS innovation and expertise has connected 32,000 independent insurance agencies and 400 insurer and MGA partners to enable millions of people to safeguard and protect what matters most in people's lives.

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