Full-Serve, Self-Serve

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In the future, online broker services need to be offered in a full-serve, self-serve environment, in a system that brokers own and control.

Over the past few years, people have been talking about the need for brokers to embrace the "new" social media. Facebook, Twitter and LinkedIn are rapidly growing services, and we will find a need for them in our industry. But the focus on embracing their offerings may have taken the spotlight off of the need for brokers to concentrate on servicing new and existing clients in an automated online environment.

The broker's primary competitors, direct writers and banks, continue to move forward and expand their online platforms and offerings. The traditional broker is already seeing an erosion of his or her market share with no sign of this slowing. Much of this lost market share can be attributed to online services provided by the competition. With our competitors already ahead in the race, it will take little time for them to jump further ahead by launching services on mobile devices, thus extending the automated service gap between traditional broker and direct writers.

Without question, consumers will continue to purchase products and services online. This reality will eventually encompass even the relationship-driven world of the insurance broker. Without a plan to compete online in a true full-serve, self-serve environment, the future existence of the broker channel will be in jeopardy.

LIMITATIONS OF ONLINE SERVICES
Most brokers have moved forward and established a Web presence, but the online offering on Web sites is very limited. To date, we have seen development from established software vendors limited to quoting. In the absence of

available online tools for brokers to deploy, insurance broker associations and insurance companies have developed online systems to fill this void. Although admirable, these initiatives will never fully get brokers to where they need to be.

The associations' initiatives to date have been focused on quoting and have not addressed added functionality. The individual insurance company initiatives have the potential to offer more functionality, but they are restricted to offering the online services only to the clients the broker has placed with that company. With insurance company initiatives, the broker ends up turning control of the online experience over to the company. When the broker remarkets the client, they are faced with moving to a different insurance company that may or may not have an online presence. If the new company has online tools, the client will be faced with different interfaces and new sets of user names and passwords.

FUTURE VISION

In a perfect world, the broker vision for future online services should include everything they do today as a full-serve broker. The services need to be offered in an online self-serve environment, in a system that brokers own and control. This future full-serve, self-serve model should include the following as a start:
• Anonymous quoting for home, auto and rateable commercial lines, including the ability to calculate replacement costs on personal dwellings, outbuildings and commercial buildings.
• Online ability for the user to move forward with the anonymous quote and become a new secure client with a bound application.

• Electronic delivery of the new insurance policy documents in real time, if available, based on the rules of the insurer, and/or the electronic delivery of the policy documents at a later date, once the broker has received them.
• Electronic delivery of renewal documents to the client.
• Client will have online access to perform all policy transactions including endorsements, cancellations and reinstatement.
• Client will be able to view policy and related documents, billing information and claims information.
• Online account payment.
• Online claims management.

The focus on embracing the offerings of the "new" social media such as Facebook, Twitter and LinkedIn may have taken the spotlight off of the need for brokers to concentrate on servicing clients in an automated online environment.

This vision of online services, owned and controlled by the broker, may appear to be a stretch. But many of the tools and most information required to make this work reside within the broker's management systems, depending on the solution the broker employs. The management systems need to be fully integrated to work as one and must include tools to deliver the services identified above.

Quoting, rating and underwriting systems need to be integrated into business and accounting systems, all wrapped in a robust client relationship manager. If commercial is to be included, it must be fully integrated into the solution. Once you have the management systems integrated and operating as one, the extension to online services is not a huge lift. Exposing the information and automation tools in a secure online environment to the end client becomes the next step for the broker management system providers.

NEXT STEPS

Broker management system (BMS) providers will require assistance and participation from insurance companies and brokers to move forward on this next step in service. Insurance companies will need to be involved in development, because their systems would have to be automated to provide additional processing capabilities and to allow brokers' systems access to certain types of information. To deliver a system as described, brokers will need to be committed financially to assist in development and fully committed to deployment to the end client. Delivering a usable experience to the client and driving costs down for brokers and insurance companies will rely on how well the integration between the different parts in the delivery chain work — client, broker Web site, broker management system and insurance company.

The extension of full service online will happen over the next few years. The end client will have the ability to perform many of the transactions described in the list above. For the broker to ensure their clients' future success, providing an online full-serve, self-serve service will be important. The lift will be significant but so will the rewards. ≡