Time to embrace consumer facing technology

By Scott Andrew, President & CEO, Custom Software Solutions Inc.

Over the last year there have been some promising projects and initiatives that focus on improving the efficiencies in the broker distribution model. The IBAC automation initiative, using the IBAC real-time principles and the CSIO standards, will be delivering a working model of real-time transactions, including but not limited to new, renewal, cancellation, and endorsement transactions, starting in the Broker Management System (BMS) and ending in the BMS. All BMS vendors in Canada have been part of this initiative. The Organization Of Real Time Brokers implementing Technology (ORBiT Canada) is a non-profit broker driven organization with the mission to facilitate collaboration and education between all stakeholders in the broker distribution channel for the advancement of real time, once-and-done transactions to drive efficiencies by way of best practices workflows following industry standards. CSIO has also recently released new standards that allow insurance companies to securely send documents electronically to BMS systems to update client's data files when the documents are received, eliminating time-consuming scanning and filing procedures.

While these projects and initiatives are excellent at improving the efficiencies in the broker distribution model, they focus on the interface between the broker and insurance company. In conjunction with these business-to-business internal improvements, brokers need to embrace **consumer facing technology** for servicing new and existing clients in an automated online environment. The brokers' primary competition, direct writers and banks, continue to move forward and expand their online platforms and offerings. Traditional brokers are already seeing an erosion of their market share with no sign of this slowing. Much of this lost market share can be attributed to online services provided by the competition. The consumer's use of online purchasing for products and services will continue to expand and 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 existence of the broker as it is today will be in jeopardy.

Most brokers have moved forward and established a web presence but the online offering on broker websites 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, we have seen both broker associations and insurance companies move forward on developing online systems to fill this void. Association initiatives have been focused on quoting and have not addressed added functionality. Insurance company initiatives have the potential to offer more functionality, but are restricted to offering the online services only to the clients the broker has placed with that company. In the case of the company initiatives, the broker ends up turning control of the online experience over to the company. When the broker re-markets the client they are faced with moving to a different company that may or may not have an online presence. If the company has online tools the client will be faced with different interfaces and new user names and passwords.

The broker vision for future online services should include everything they do today as a full-serve broker. The services must be offered in an online self-serve environment in a system that the brokers own and control. This vision of online services owned and controlled by the broker may appear to be a stretch, but many of the tools and most of the information required to make this work lie within the broker's management systems depending on the solution he/she employs. BMSs need to be fully integrated to work as one and include tools to deliver all services. 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 too must be fully integrated into the BMS. 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 BMS providers.

The BMS providers will require assistance and participation from companies and brokers to move forward on this next step in service. Companies will need to be involved in development so their systems are automated to provide additional processing capabilities and to allow the broker's 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 companies will rely on how well the integration between the different parts in the delivery chain work; client, broker website, BMS and insurance company.

The extension of full-service online will happen over the next few years, as the consumer will demand it. The end client will have the ability to perform many of the transactions described in the list above. For the broker to ensure their future success providing an online full-serve self-serve will be important. It is now time for brokers, vendors and companies to include consumer facing technology in their initiatives. •