



Interactive, online applications increase agent productivity

Adobe technology helps insurance agencies streamline processes, allowing agents and advisors more face time with clients

Contents

- 1 The three Ds: Diversification, differentiation, and demographics
- 2 Agent steps to success
- 2 The problem: Too much process, too little personalization
- 2 The high price of processing delays
- 3 Top hurdles facing agents
- 3 The firm's perspective: Rules and more rules
- 3 Top hurdles facing agencies
- 4 The goal: Less paperwork, more personalized service
- 4 Adobe's solution for agent productivity
- 5 How it works
- 7 Why it works
- 7 The result: Happy clients, less harried agents, and accurate documentation
- 7 The bottom line

When it comes to building and maintaining a base of satisfied insurance clients, there's no substitute for face or phone time. In fact, personal service drives profitability for many insurance agencies and agents. In a recent survey of insurance clients, more than half of consumers cited personalized service and human interaction as the factors driving loyalty to their agent.¹

Yet as more customers use alternate channels, such as the Web, call centers, and mobile devices to research insurance options and apply for and manage policies, insurance agencies must find new ways to achieve their ultimate goal of creating loyal and committed clients. Clearly, the solution for carriers is to increase the amount of time agents have available to communicate directly with clients. And there's only one way to do that: by decreasing time spent on low-value tasks.

Yet due to increasing privacy and reporting demands, agents today are drowning in paperwork. In fact, despite the benefits of technology and automation, many firms find that agents are spending more time on paper processing, often at the expense of client relationships.

The three Ds: Diversification, differentiation, and demographics

Today's insurance market is increasingly complicated, with a rapid trend toward the diversification and commoditization of insurance products. As carriers diversify their product portfolios, agents are pressured to become familiar with a wide variety of strategies and products. In fact, a market share study by the Independent Insurance Agents & Brokers of America, Inc. (IIABA) found that independent agents continue to increase their market share, now writing almost 40% of personal lines.² Because many agents sell products and services from different providers, carriers are strongly motivated to provide an efficient and easy way to sell their services. Agent loyalty is critical to the carrier who relies on independent agents. Meanwhile, industry data shows that competitive differentiation between products continues to decline. Who feels the strain? Both carriers and agents, who compose the key distribution channels. Faced with mounting pressures, both agents and providers must focus on gaining a competitive advantage. In this increasingly competitive battle for market share, "it is vital for independent agencies and brokers and their carriers to position themselves as aggressive competitors by making the needed investments in people, technology, branding, advertising and a disciplined sales process," the IIABA report concludes.³

¹ IBM Corp. survey of 1,000 U.S. consumers in June 2007, published in a company press release dated June 7, 2007

² 2005 market share study by Independent Insurance Agents & Brokers of America, Inc.

³ 2005 market share study by Independent Insurance Agents & Brokers of America, Inc.

Agent steps to success

- Differentiating to gain the competitive edge—Offering personal attention and a unique package of products and services to rise above the competition
- Creating good value—A key driver of customer decisions
- Focusing on growth—Improving profitability while increasing efficiency
- Demonstrating diversification—Expanding market share with diversified products
- Utilizing demographics—Improving the customer experience through personalized services

From the carrier's standpoint, there are two levels of customers to keep happy: the client and the agent. After all, long-term stability is threatened by agent turnover and policy cancellations or transfers. Industry-wide data shows that as the cost of distribution goes up and processing times increase, agent loyalty and satisfaction decrease. Agencies must work harder to find and keep top agents and help them achieve success within the company structure.

Today's solution is surprisingly simple: State-of-the art, interactive processes create a user-friendly portal that agents can use to manage client needs and documentation in a few easy steps. Time savings makes agents happy, personalization and cost savings make clients happy, and a growing client base makes the carrier happy.

The problem: Too much process, too little personalization

There's a reason many people turn to an agent to help them navigate the choppy waters of today's insurance markets. Making decisions about insurance needs is not a simple task for the average customer, particularly in today's volatile economy. Customers look to an advisor for individual, personalized service that takes their unique situation into account so they can protect and preserve their financial future; agents are uniquely positioned to provide the personal attention that ensures customer satisfaction. This relationship plays an important role in maintaining customer loyalty. In a recent survey of U.S. insurance consumers conducted by IBM Corporation, more than half said they wouldn't switch to a faceless agent, such as a website or call center, even if doing so could save them a considerable amount of money. More than half said personalized advice was the most important service provided by their agent and that quality of service was the main factor in choosing an agent. "Many clients are very invested in their insurance agent relationship, feel strongly about the brand, and want a lot of hand holding," said Mark McLaughlin, global strategist for IBM.⁴

Finding the time to establish and develop such relationships has become increasingly difficult for most agents. Instead, they find the bulk of their time spent on the less satisfying tasks of enrolling clients for services, processing myriad policy changes and declarations, and otherwise being bogged down in back-office tasks. The result is harried, unhappy agents, dissatisfied customers, and lost sales.

The high price of processing delays

For insurance carriers, being behind the times comes with a high price tag. Agents feel enormous pressure to stay current on new offerings and policies, which requires them to dedicate more time to researching new products and comparing them to existing options. Agents also spend an increasing amount of time dealing with the compliance issues generated by the ever-increasing range of new products, each with its own set of rules and regulations.

For example, in a 2006 survey of 7,500 agents carried out by ACORD-User Groups Information Exchange (AUGIE), almost half of all agents cited "learning and using various company proprietary systems" as their most difficult challenge in supporting automation. In addition, 47% of agents described duplicate data entry as their biggest time waster.

⁴ IBM Corp. survey of 1,000 U.S. consumers in June, 2007, published in a company press release dated June 7, 2007

In order to simplify operations and focus on customer acquisition, retention, and service, many agents are implementing various long-term strategies, including reducing paperwork. Jeff Yates, executive director of the Agents Council for Technology (ACT) for the Independent Insurance Agents & Brokers of America, based in Alexandria, Virginia, explains, “It supports the agent’s ability to operate with consistent workflow in a multiple company environment and cooperate with all partners to move to effective real-time capabilities.”⁵

However, the increasing amount of automation used by many agencies can be more of a hindrance than a help if systems are not designed properly for maximum efficiency. Surveys show that information overload has a direct negative effect on agent productivity. For example, agents may have to learn numerous systems to process applications for different carriers and types of policies. Also, many current systems do a poor job of displaying customer information, and without a comprehensive and intuitive interface, selling becomes difficult.

The result? Lost selling opportunities, frustrated agents, and dissatisfied customers.

Top hurdles facing agents

- Paper forms—Retyping information from paper forms inevitably introduces inaccuracies; studies show that nearly one quarter of hard-copy forms are returned because they are not in good order (NIGO). Mistakes and omitted information prevent or slow processing.
- Inefficient data input—Using multiple forms requires that important data be rekeyed multiple times, an unnecessary inefficiency that also offers more opportunity for error.
- Delays in transaction processing—Every error or piece of missing or incomplete data brings transaction processing to a halt. Once the error is corrected, forms must be resubmitted, leading to further delays.
- Compliance errors—Nothing is more frustrating for agents than being told that the correct certification is not in place to allow them to sell a particular product.
- Poor display of product information—When clients and agents aren’t looking at identical data, charts, graphs, and other displays, the result is poor communication and wasted time. Agents must take extra time to present and explain policy and product information to clients. Otherwise customer frustration may lead to lost sales.
- Inaccessible customer information—Not knowing key facts about clients’ personal situations and insurance goals presents a significant barrier to cross-selling and upselling.

The firm’s perspective: Rules and more rules

It’s easy to understand why financial services firms that responded to a recent Adobe survey rated authentication and compliance as their top customer acquisition–related issue. The regulatory environment is changing rapidly across the world, and financial services firms must keep up with the new regulatory amendments and reporting requirements. At the same time, to attract and retain new customers, firms need to maintain the tradition of a personalized, intimate customer experience.

Even as back-end processes become more complex, customers expect their user experience to become more seamless. Sign-up procedures need to be simple and painless, while behind the scenes, firms will screen customer identity and secure data from fraud.

Top hurdles facing agencies

- Document and data retention—Many agent systems don’t support straight-through processing. Staff must type and retype customer information. Misplaced data equals lost time.
- Compliance—Agencies must comply with increasingly complex regulations regarding process security, transparency, and accountability. To do so cost-effectively, firms must leverage their compliance investment for operational efficiency and effectiveness.

“We optimized an important process in customer service at little cost. Return on investment was achieved after only three months. Based on these very positive experiences, our field employees want more processes transformed to the Adobe® Acrobat® and PDF solution, which we will definitely do.”

Günter Gruber,
Electronic Forms Manager,
Allianz Private

⁵ Yates quote from article about AUGIE survey in Insurance Networking News: www.insurancenetworking.com/protected/article.cfm?articleId=4679&pb=ros

- Training and education—Firms need to get agents and employees up-to-date quickly on new products, services, and mandates.
- Risk management—As financial markets become less stable and the regulatory environment becomes more complex, carriers must cope with increasingly complex risk management procedures and corporate governance mandates.
- Agent loyalty—Frustration with time lost to paperwork and processes as well as decreasing rates of return can leave agents as dissatisfied as their customers. Agent turnover pulls down the bottom line due to retraining and rebuilding costs.

The goal: Less paperwork, more personalized service

The need is clear: Companies must heed the agents’ call to free them from the demands of paperwork and back-end processes so they can focus on customer relationships. This will not only improve operational efficiency, but it will also fulfill every firm’s need to attract and retain top-tier talent. Offering a dynamic and efficient automated solution is one of the best ways a firm can support the success of individual agents and avoid talent drain.

But to do this right requires the right tools. Some automated solutions are cumbersome and counterintuitive, causing more problems than they solve. The right solution requires an automated, online platform carefully designed to enable seamless straight-through processing, training modules, and back-end compliance checks so that transactions can be executed in a few simple steps.

When this happens, results are immediate. In the AUGIE survey, nearly 90% of respondents agreed that the adoption of new technologies had enabled their agency to become a more effective sales organization. An impressive 88% said they believe new technology procedures have had a significant or moderate impact on proactive client servicing in the agency, while 84% say new technology procedures have significantly reduced staff processing time.

Flexibility and personalization are also key. Agents want to be able to customize what they see onscreen to reflect their top daily priorities; they want a web-based hub where they can do their work and process information. At the same time, the firm needs one central hub to process and store information while tracking compliance and regulatory information.

Adobe’s solution for agent productivity

Adobe worked with insurance agencies and their agents and brokers to determine what was most needed in an online account management solution—and how to offer it in one efficient set of tools. Incorporating suggestions from agents and advisors around the world, Adobe understood the need for its solution to enable a single interface for multiple, disparate data streams, which gives agents a consolidated view of all customer, product, and market information in real time.

Agents begin by accessing a rich Internet application (RIA) via their browser. The RIA enables them to create a flexible, customizable portal for all the information and materials they need to run their business. The RIA functions as one point of access with multiple modules for customer data, commissions, and company information where agents can find all the forms and marketing materials they need to open and maintain accounts. Training modules are available to educate advisors and customers about each new product, policy, or procedure. The solution is built around three central principles:

- Interactive process management—Automated data capture and straight-through processing make implementing customer requests efficient and accurate. A portal can be easily customized so agents receive only the research feeds they want. A unique comparison engine enables agents and clients to narrow down policy options based on cost, coverage specifications, application criteria, and more, without page refreshes. The application integrates video, real-time data, and chat for comprehensive interactivity. Guided selling and data visualization tools enable agents to tailor communications and make personalized recommendations.
- Consolidating customer information—With all customer data stored in one place and easily accessible, the solution lessens the time agents must spend searching for customer data and executing basic processes. With dynamic document generation, agents can easily create

About Adobe LiveCycle® ES (Enterprise Suite) software

- Streamlines and automates business processes to help people interact with information more effectively
- Enables agents to create engaging online applications that make processing client requests more efficient and accurate
- Features dynamic document generation to help brokerage firms create more personalized customer communications

About Adobe Acrobat Connect™ Professional

- Helps institutions create, deploy, and modify highly engaging online training modules
- Offers easy and fast online training, giving managers and agents the ability to stay on top of new products and services
- Enables managers to easily develop and update training modules, ensuring that information offered to the brokers is always current and correct

personalized customer correspondence, product offers, and documents of record for archival and compliance needs. Agents can also customize a consolidated record of commissions. In the past, it was difficult to see commissions because agents had to dig through multiple spreadsheets to keep track of them. All-in-one information access enables agents to sort data and information according to key client parameters, making it easy to analyze the pros and cons of each alternative and to personalize recommendations.

- Built-in training for new products and services—Agents can keep their certifications to sell products up-to-date through eLearning classes on their portal. Automatic tracking means compliance procedures for each product are initiated at the point that a product is selected. This keeps staff and agents up-to-date without overwhelming them with information about products outside their selling area. These capabilities can also be used to teach customers about new products and services. For example, investment advisors at the retirement planning firm TIAA-CREF created online educational modules to teach clients about various investment topics. Training modules are easy for managers to track and for agents and customers to use.

How it works

An agent could easily display the pros and cons of several different types of policies or annuities so the agent and customer could work together to compare options. Multiple screens enable toggling between current policies and new products. At the same time, the agent could see the client's personal data, making it easy, for example, to add a child recently born—which would then trigger a process to add a dependent to an existing life insurance policy.

Updating a life insurance policy or annuity or processing the application for a new policy can be a tedious process, requiring the agent to input a great deal of information. There may be as many as seven different forms to complete, and agents must be well informed about which ones are required and how to fill them out correctly. One mistake, and the whole process gets kicked back to the starting line. Because there are usually not a lot of commissions on these policies, this is time spent without a motivating rate of return.

Now imagine that both the agent and client are able to look at the exact same interface—even when the parties are in different locations—to discuss financial options while accessing real-time market information. Using Adobe tools, a few simple prompts generate the correct forms for this particular product, which the technology has narrowed down from the hundreds of different forms available. The application converts the forms to a dynamic, user-friendly interface that makes it simple to type information into the correct fields.

Online help pops up if the user has a question or enters incorrect information. Correcting information the instant it is entered incorrectly eliminates virtually all NIGO errors the moment they happen. Most valuable of all, the RIA is engineered to pull data from all data streams across product lines, so fields are prefilled with client information that was previously entered for other accounts and products. As the client and agent fill in new data, it is entered into all the forms at once—eliminating the need to fill in the same information again and again.

Agents comfortable with using digital signatures can have their systems configured so the RIA generates an offer to sign the forms digitally, which allows the data to be submitted electronically. This increasingly popular feature eliminates the need to print pages, wait for mail service, and then wait for data to be re-input on the other end once it is received. If, however, the agent is among the 20% who still prefer paper forms, the RIA allows a real-time transition to PDF, giving anyone the ability to easily apply wet signatures.

Both processes include the benefits of automation, so that even when a wet signature is required, the customer can still enter all necessary information online. When the PDF form is generated for printing and mailing, it contains a 2D barcode with all the captured data. Upon receiving the form in the mail or via fax, the recipient scans the barcode, and the data enters the back-end system—error-free. Offering both options enables agents to customize their portal. Agents can also offer their clients the option of conducting their business transactions in the way they are most comfortable. This type of flexibility helps agents maintain their focus on personalized service and increases customer and agent loyalty.

An agent and client can select an insurance product using Adobe's interactive interface. Still looking at the same online view, they are empowered to discuss the pros and cons of various policy types, with the agent using drag-and-drop technology to demonstrate possible scenarios.

With more than 700 million deployments of Adobe Reader® software and the popularity of the Adobe Flash® Player software, agents can have confidence that their customers will be able to engage in the collaborative process and complete transactions successfully.

Once the client has selected specific investment products, the dynamic features of Adobe's solution operate invisibly so the process looks simple to both advisor and client, while behind the scenes, rules are applied to reduce the risk for both the agent and the firm.

Security is also taken care of behind the scenes, with state-of-the-art security procedures, such as encryption and the Secure Sockets Layer (SSL) communication protocol. With constant media reports of the unauthorized release of consumer financial data, consumers are understandably concerned about online security. Agents can reassure clients that Adobe solutions use the highest level of encryption and authentication to protect their financial data and personal identities. Once all selections have been made and the forms are filled out, the Adobe solution generates a personalized welcome packet as a PDF file or printed document that contains all the customer's account information and disclosures.

With more than 3,000 different forms required to process the surety bonds it sells, Safeco needed a way to streamline document process management and generation for the company's agents. Safeco used Adobe solutions to set up an online hub to assist agents with integrating and processing captured data and creating surety transaction documents in real time. More than 8,000 agents nationwide can now log onto www.safeconow.com to quickly generate surety bonds for their clients.

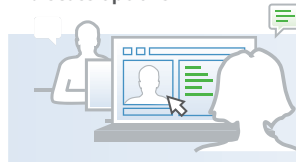
The dynamic features of the RIA can also generate cross-market selling opportunities, which the broker can personalize into marketing materials for inclusion in this packet. This makes the Adobe solution ideally suited to support customer follow-up because agents can tailor their portals to generate reminders for future selling opportunities. The result is an agent-client relationship built on service and advice rather than on transactions.

"Adobe document services are extremely stable and handle high-volume document processes. The solution delivers excellent results—and does so in much less time and with far fewer resources than if we tried developing the same capabilities on our own."

Keith Raymond,
Director of Information Technology,
Trumbull Services, L.L.C.

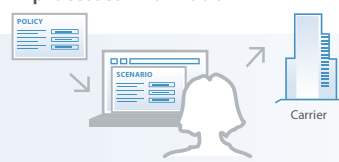
Agent productivity: Mobile office

1. Agent and customer discuss options



Real-time collaboration enables the agent to walk the customer through various scenarios and illustrations.

2. Agent retrieves and processes information



Agent retrieves information from consultation with the customer and automatically initiates a policy request to the carrier. Checks and balances are automated, ensuring that the illustration matches the policy.

3. Carrier performs underwriting steps



Process automation minimizes data entry and errors, helping to speed processing.

4. Policy documents are generated



Compliant policy documents are automatically generated and assembled based on business rules. The documents can be delivered in paper or electronic format to the customer and agent as needed.

Why it works

- Customer information, product information, processes, and training modules are accessed through a single, easy-to-use interface.
- Automated processes speed transactions, increase efficiency, and eliminate manual errors.
- The ubiquity of Adobe Reader and Flash Player gives agents confidence that customers can engage in successful transactions.
- Productivity of indirect channels is increased with self-service applications that are intuitive and easy to use.
- Tailored, personalized customer communications create customer loyalty.
- Straight-through processing enables more personalized and secure communications.
- Easy-to-create training modules quickly update staff on new products and services.
- Adobe technology provides a mechanism to automate structured processes and ensure information control and assurance, easing compliance and risk management requirements.

The result: Happy clients, less harried brokers, and accurate documentation

There are many ways to measure success, but perhaps the two most important gains are saving time and cutting costs. Satisfied users of Adobe's solution can cite both. Farmers Home Mutual reduced the company's administration costs by more than half a million dollars annually by implementing Adobe's online system to generate and process all client enrollment paperwork. The web-based system also eliminated the delays associated with mailing materials, which cut up to ten days from the processing time of each transaction and resulted in a total time savings of 70%, according to the company.

The Gerling Group, a market leader among European insurers based in Switzerland, used Adobe solutions to develop a claim portal to enable the company's customers, located all over the world, to communicate in real time. The results, achieved in only four months, included improved efficiency of claims settlement and enhanced customer satisfaction with all aspects of claims processing. Gerling employee productivity increased by 30%, and the company experienced improvements in customer satisfaction and company image. "Insurance is about public service, and instituting a company-wide process such as this makes sense for us so we can optimize procedures and to provide our customers with more information," says Remo Rigoni, leader of information technology and logistics at The Gerling Group.

The bottom line

It's no secret that personal attention is the key to customer satisfaction. With Adobe solutions, agencies can increase agent productivity while delivering the highest quality service to customers. Automated tools make it easy for agents to stay up-to-date on the latest products and services, while streamlining processes and increasing efficiency company-wide. Adobe solutions help agents focus on building and nurturing customer relationships without sacrificing speed or quality. The result: happier customers, increased selling opportunities, and more productive, loyal agents.



Adobe

Adobe Systems Incorporated
345 Park Avenue
San Jose, CA 95110-2704
USA
www.adobe.com

Adobe, the Adobe logo, Acrobat, Acrobat Connect, Flash, LiveCycle, and Reader are either registered trademarks or trademarks of Adobe Systems Incorporated in the United States and/or other countries. All other trademarks are the property of their respective owners.

© 2007 Adobe Systems Incorporated. All rights reserved. Printed in the USA.
95009847 11/07