



The Digital Brokerage:

Developing a Digital Transformation Plan

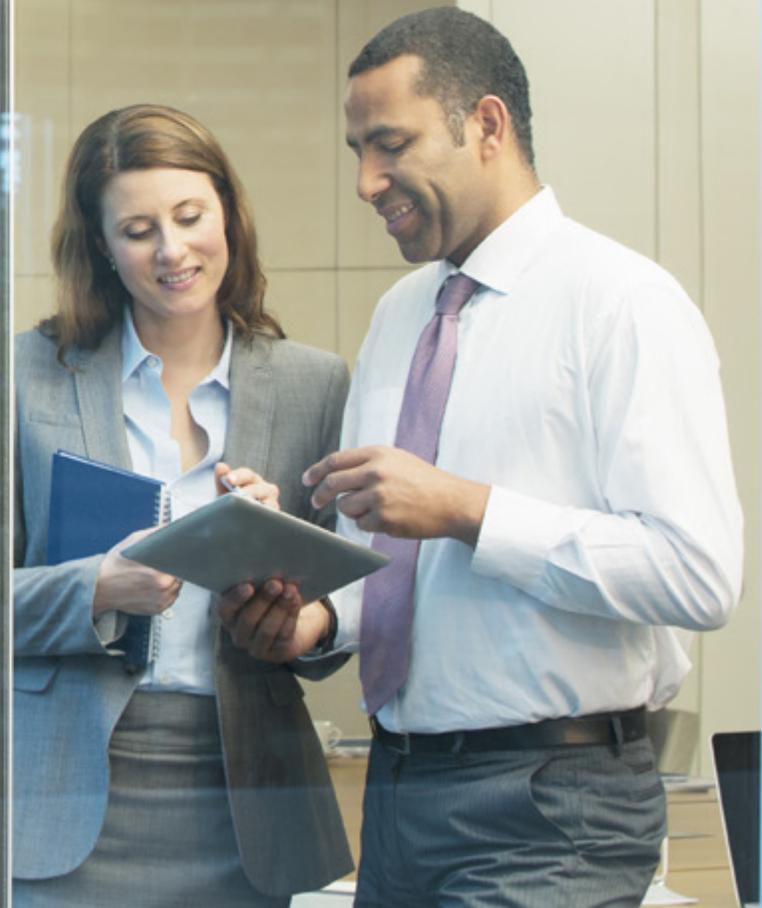




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CHAPTER 1

Introduction

Insurance is undergoing rapid digital transformation, reshaping fundamental business practices in an environment of constant change and evolving competitive landscape. At the same time, digital technology has created a different kind of insurance consumer—one who asks for on-demand self-service from their computer, tablet or smartphone from every company they do business with. Younger consumers like millennials and Generation Z expect mobile and self-service applications that enable them to communicate and make purchases on their terms. The convergence of technology and changing consumer preferences in the insurance industry has brokerages adopting new technologies to grow and thrive during the digital transformation of the insurance industry.





CHAPTER 2

What is a Digital Brokerage?

A digital brokerage leverages modern technologies to connect its brokers, insurers, current policyholders and prospective clients. It automates business operations to transform into a paperless brokerage, saving time and money previously spent on outdated processes. A digital brokerage seamlessly exchanges information, gains informative data-driven insights, and connects with customers through more channels. More and more

brokerages are embracing digital technology to automate their business operations and provide better customer service. These digital brokerages have a competitive advantage as they leverage technology that enables them to realise more business success.





CHAPTER 3

The Four Pillars of a Digital Brokerage

A digital brokerage is built on four pillars that work together cohesively to support a brokerage's digital growth strategy, providing the core capabilities needed to operate more efficiently, make more informed business decisions, build better insurer relationships, improve customer service, and accelerate growth and profitability across all lines of business.



The centre of the digital brokerage is a foundational brokerage management system to efficiently manage customer relationships, policy information and financial accounting processes across the entire brokerage in one application.



Effective and efficient insurer connectivity is critical to enhance communications and exchange data securely and seamlessly between insurer policy systems and a brokerage, as well as provide access to more and better products for customers.



Mobility enables digital brokerages to provide customers anytime access to insurance information from their smartphones, as well as keep brokers connected to the office while on the go.



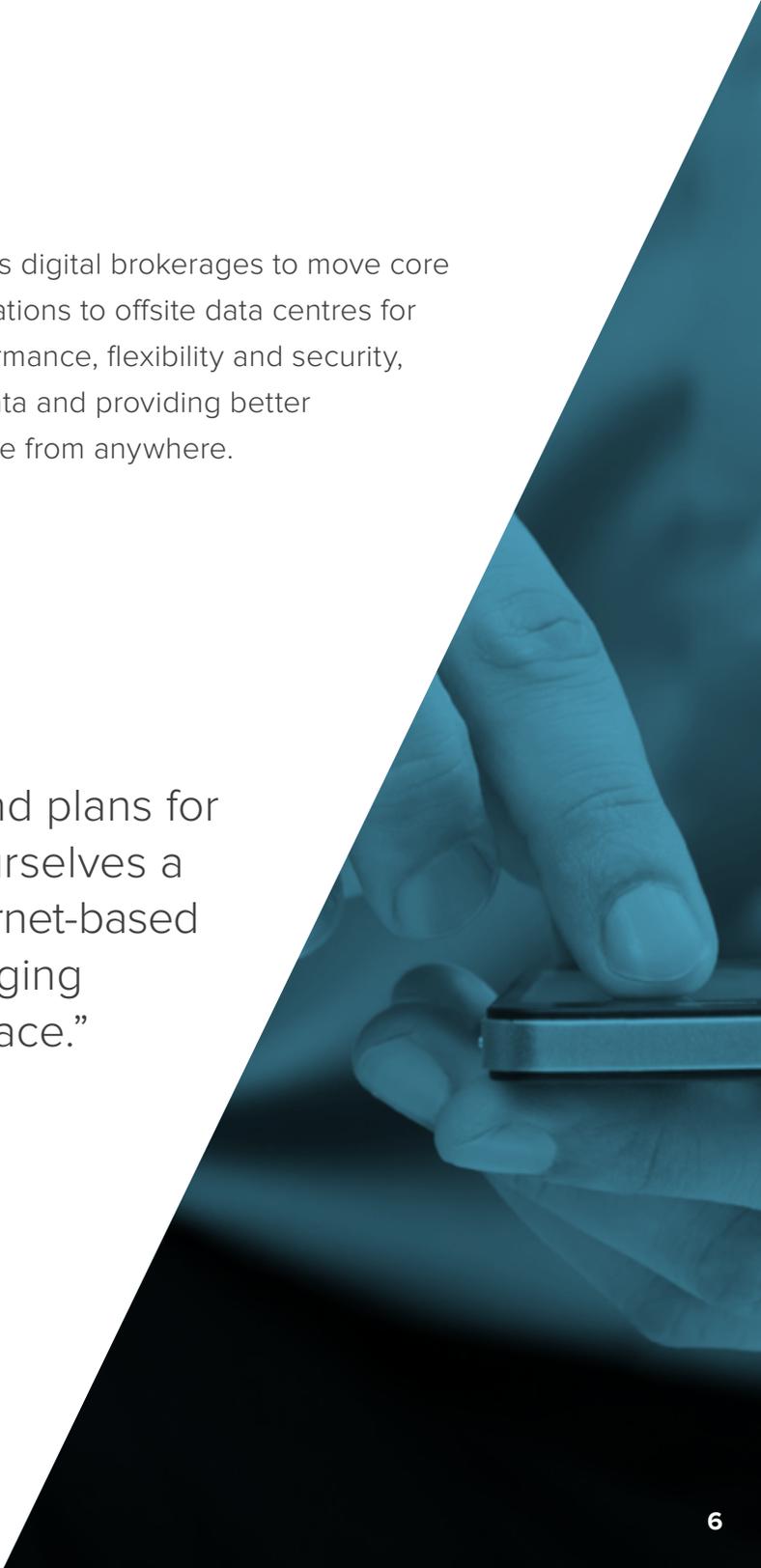
The cloud allows digital brokerages to move core software applications to offsite data centres for improved performance, flexibility and security, safeguarding data and providing better customer service from anywhere.

“With our cloud-based broker management system and plans for self-service and mobile technologies, we consider ourselves a digital broker. We are fully embracing software and Internet-based applications to grow our business and meet the changing consumer demands in the digital insurance market place.”

MARTIN JACKSON

Director

McParland Finn Limited





CHAPTER 4

A Foundational Brokerage Management System

The centre of the digital brokerage is a foundational broker management system to efficiently manage customer relationships, policy information and financial accounting processes across all lines of business in one application. Additionally, a foundational broker management system must be built on scalable architecture with standardised data that enables brokerages to seamlessly add new customers, lines of business and locations across multiple geographies to quickly expand their business.

Traditionally, a broker management system was thought of as a software application that automated the management of all business processes in an insurance brokerage, from policy management to financial accounting and billing. It's

no longer enough to go un-automated with paper files and manual records. Disparate systems of record cannot support a growing digital brokerage either. Today, a single application with centralised customer data and seamless insurer connectivity is necessary to effectively manage a digital brokerage. It provides seamless integrations to third-party applications, proprietary systems and other data sources for a single view of the entire business.

A foundational brokerage management system manages the entire brokerage, serving as a single source of the truth and core hub for all prospect, customer, policy and financial data across all lines of business. It also offers automated insurer connectivity to write new business.

“Having a unified system in our business means our data is in one place, improving the efficiency of our employees and the customer journey.”

LORRIE MASLEN

Commercial Operations Manager
Quality Care Insurance Services



Best Practice Workflows—Digital brokerages standardise operations around workflows for increased efficiency and lower administrative costs, while ensuring a high-level of customer service

Marketing Capabilities—Fast, easy access to information in one system enhances customer relationships, including policy sales, marketing initiatives and customer service

Financial Oversight—Accounting and reporting provide consolidated financials for ease of use and flexible accounting and structure to allow for easy documentation

Insurer Connectivity—End-to-end communications between a brokerage and insurers need to happen within the management system for optimal brokerage productivity and efficient business operations

Open Architecture—In order to easily expand across offices and geographies, a scalable software application that seamlessly integrates third-party applications with secure access is imperative to become a digital brokerage



A DIGITAL BROKERAGE LEVERAGES A FOUNDATIONAL BROKER MANAGEMENT SYSTEM TO:

- > Quickly identify business opportunities via a single view
- > Drive digital connectivity between brokerage and insurers
- > Interact with prospects, clients and employees via insurance mobile apps and client portals
- > Host critical software applications in the cloud for anytime, anywhere access to secure data



CHAPTER 5

Insurer Connectivity

Effective and efficient insurer connectivity is critical to enhance communications and exchange data securely and seamlessly between brokers and insurers, whilst providing access to more and better products for the consumer.

Insurer connectivity is the ability to enable brokers and insurers to communicate efficiently and seamlessly for the purposes of obtaining quotations and managing the full life-cycle of the policy once purchased. This connectivity also enables the process of utilising third-party data in the

quotation process providing brokers with the opportunity to provide an enhanced customer experience and capitalise on more desirable business opportunities.

Effective and efficient interactions are critical to enhance the core value proposition of the independent broker to consumers and strengthen their position as a digital brokerage.

“Client service is our top priority. Our quoting process is automated to enable our employee service representatives to recommend the most comprehensive coverage options and ensure the personal and business needs of our clientele are protected.”

MIKE AUSTEN

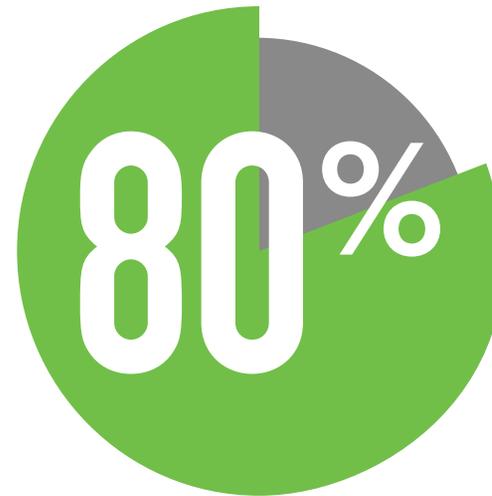
Broker

Austen & Noble Insurance Brokers Limited



Automated insurer connectivity eliminates time spent on daily manual administrative tasks, including looking up quotes and policy information by visiting multiple websites. Integrated insurer connectivity allows brokers to efficiently service commercial and personal lines customers and easily select products that meet their requirements. Commercial Lines insurance is being driven by consumers who want more choice, competitive pricing and real-time access.

Today, brokers leveraging full-cycle integrated eTrading **achieve an 80 percent time savings** compared to previous time taken to obtain five quotations.¹



A DIGITAL BROKERAGE LEVERAGES INSURER CONNECTIVITY TO:

- > Access a wide range of products
- > Receive accurate quotes in real time
- > Identify the best cover for the client's risk
- > Improve productivity and efficiency
- > Ensure the timely delivery of documentation



CHAPTER 6

Mobile Capabilities

Mobile capabilities enables digital brokerages to provide customers anytime access to insurance information from any device and keeps brokers connected to the office while on the go. Mobile solutions in the insurance industry provide the ability for brokers to work whilst away from the office in order to continually provide the best customer service and keep daily operations running smoothly. With information flowing freely to mobile devices, straight-through processing is enabled at the moment a request or transaction is made.

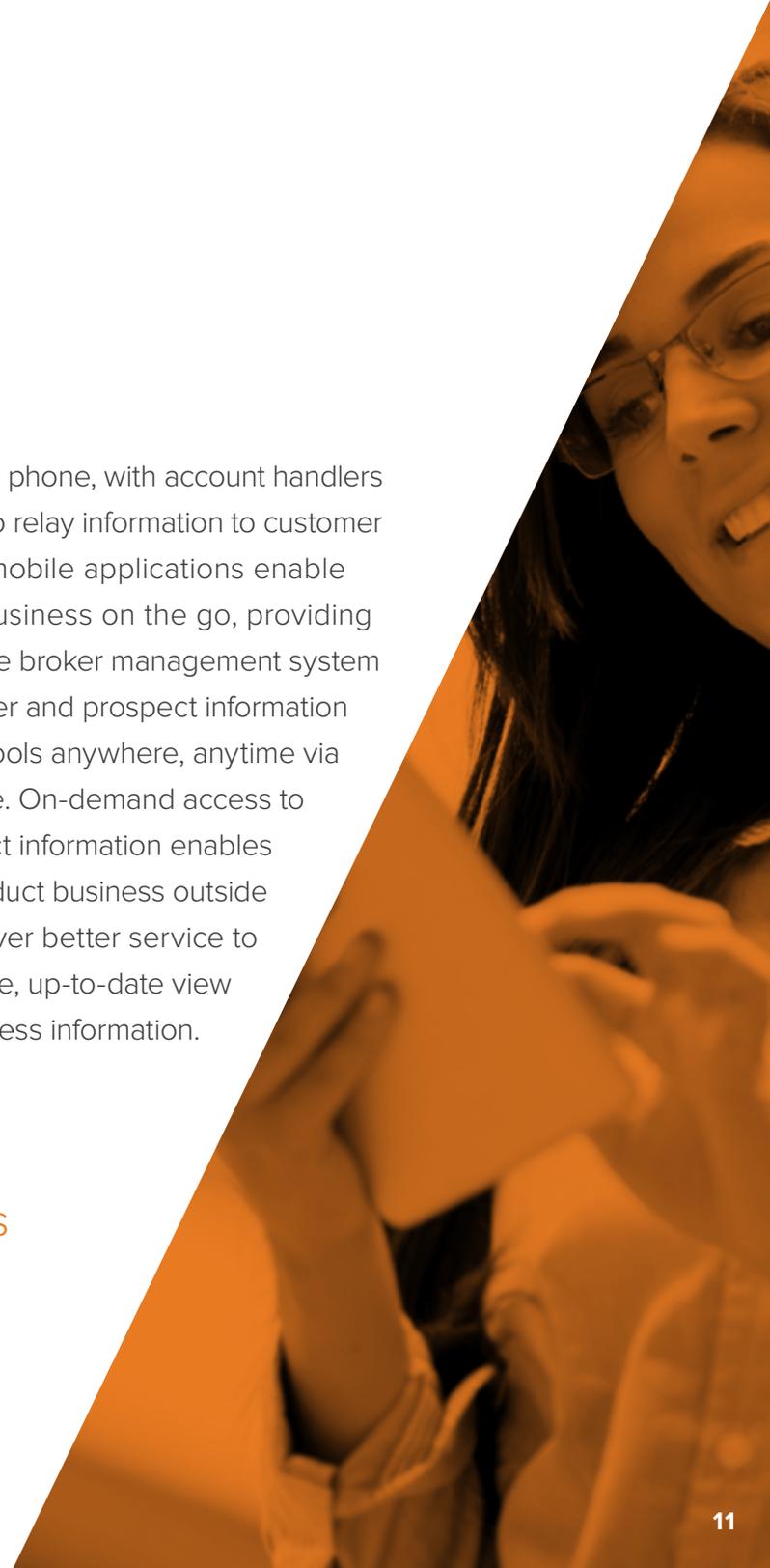
Before digital technologies entered the workplace, brokers had to be in the office at their desks to complete tasks or provide customer service. Most

business was done via phone, with account handlers calling into the office to relay information to customer service staff. Today, mobile applications enable brokers to conduct business on the go, providing a direct link back to the broker management system and access to customer and prospect information and risk assessment tools anywhere, anytime via a tablet or smartphone. On-demand access to customer and prospect information enables a digital broker to conduct business outside the business and deliver better service to customers with a single, up-to-date view of customer and business information.

“Being mobile enabled is core for our business. It makes everybody more efficient, and it is the way forward”

MICHELLE BAMFORD

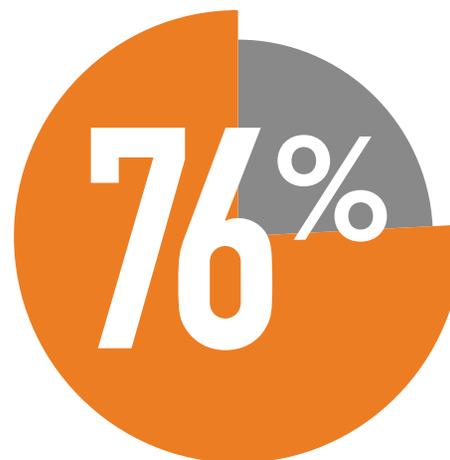
Finance Director
The Burley Group





For both millennial and Generation Z consumers, mobile access to information and online service is important when choosing an insurance provider. To allow customers to interact with their insurance brokers 24/7, digital brokers require customer self-service software that allows customers to review policy information, request changes, make premium finance, and manage claims processing via online and mobile apps. According to a recent study, adults in the UK will spend an average of two hours and 26 minutes each day on mobile devices.³ Native mobile apps offer customers quicker, more convenient access to insurance information directly from their smartphone or tablet, providing greater flexibility and servicing options whilst keeping their broker's trusted advice top of mind.

Millennials and generation Z have unique preferences and attitudes toward mobile technology as **76 percent** believe having access to information and service through a mobile app is very important.²



A DIGITAL BROKERAGE UTILISES MOBILITY TO:

- > Increase agility and streamline customer service
- > Improve productivity with access to customer account information at any time
- > Enhance customer service with mobile and Internet-based service options



CHAPTER 7

The Cloud

The cloud allows digital brokerages to move core software applications to offsite data centres for improved performance, flexibility and security, safeguarding data and providing better customer service from anywhere. The cloud is commonly understood as the delivery of software applications and data as a service through the Internet. With local, on-site servers, brokers risk a cyber or natural disaster destroying all company data, creating downtime and financial repercussions. Additionally, manual

software and hardware updates require time, money and IT resources, which can hinder broker productivity.

More and more businesses are accessing software through the cloud, and the insurance industry is no exception. Cloud adoption is expected to continue to rapidly grow across the insurance industry as brokerages take greater advantage of the flexibility of moving their software to the cloud. The cloud enables companies to focus more on growth opportunities and develop new

“The cloud provides access to the same data across all locations. The accuracy of data mitigates our E&O, and I sleep better at night knowing that our data is safe.”

BOB MCINTYRE

IT Training & Quality Assurance Manager

Burns Insurance



business strategies for a competitive edge. From cost savings to better data management, the cloud offers digital brokerages an opportunity to operate in a secure and flexible environment that rewards speed and business continuity with profitable results.

According to a survey commissioned by the Cloud Industry Forum, **four in five UK organisations** have formally adopted at least one cloud service.³



A DIGITAL BROKERAGE LEVERAGES THE CLOUD TO:

- > Gain improved data security and enhanced system performance
- > Access broker applications and data from anywhere
- > Eliminate time spent on manual software updates
- > Easily scale and grow
- > Reduce investments in hardware and IT resources
- > Provide mobile access to information



CHAPTER 8

Conclusion

To thrive today in a time of digital transformation, brokers must seriously consider their technology options and develop a digital transformation plan. It's no longer viable to remain un-automated and consumers expect mobile and self-service technology during all interactions. To become a digital brokerage, a business must have a digital transformation plan and the four pillars in place to support digital strategies.

All four pillars work together cohesively to support a digital brokerage, providing the core capabilities needed to operate more efficiently across all lines of business, make

more informed business decisions, build better insurer relationships, improve customer service, and accelerate growth and profitability. More importantly, implementing a digital brokerage strategy enables a brokerage to strengthen its core value of being a trusted advisor to customers, while remaining viable into the future with a more competitive position. As technology continues to alter the insurance landscape, businesses that embrace the possibilities of becoming a digital brokerage will be best positioned to grow and prosper in this new era.

Contact Applied today to discover how to develop a digital transformation plan.

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