

APPLIED WHITE PAPER

Connecting the Business of Insurance: The Connected Broker



Executive Summary

The world is moving toward a business model driven by digital transformation. In a UK post-referendum survey from KPMG, 80 percent of CEOs said they were worried about their organisation keeping up with new technologies, illustrating how critical IT decisions are being treated in board rooms across the country.¹ It's also estimated that digital spend is expected to continuously rise to 60 percent by 2020.²

According to EY, technology is the number one external force impacting today's insurance market, and brokers are building on these trends to connect people, businesses and services in previously unimaginable ways.³ Insurance brokers must adopt the full potential of digital technologies to transform their entire businesses, creating higher-value transactions and superior customer experiences throughout the entire insurance lifecycle.

This white paper explores three essential technologies to create a connected business, including:

- **A single management system:** Enables brokers to efficiently manage all lines of business, customer relationships, policy administration, sales automation, and financial accounting processes within a single application.
- **Mobile capabilities:** Creates better customer service by providing employees and the consumer access to the information they need at any time, and from any location.
- **Management system reporting:** Empowers brokers to make more informed business decisions based on the wealth of data in their broker management systems.

A Single System for a Connected Business



98% of brokers find having a complete view of their business extremely important

Insurance businesses that consolidate operations onto a single broker management system are better positioned to keep pace with the digital forces driving customer expectations. In fact, 50 percent of brokers highlight the need for new and innovative products to grow their businesses.⁴ Brokers are able to manage all lines of business within a single application and streamline processes to provide valuable, consistent customer information with full visibility across the organisation building a business on a powerful technology platform.

A single management system enables every stakeholder in the company to:

- Capitalise on new profitable business and service opportunities.
- Standardise operations and automate workflows for more operational efficiency.
- Easily scale to add new users, office locations and additional books of business.

A key advantage in deploying a single management system is greater visibility into customer information and prospect data. A survey by EY found that 77 percent of brokers would significantly value a piece of technology that automatically identified potential opportunities within their existing book of business.⁵ A single, integrated management system provides one view of every customer and prospect across the entire organisation. The complete view of a book of business automates the process to identify cross-sell and upsell opportunities, as well as ensures employees are focused on upcoming renewals to retain current customers.

Brokers that operate multiple, disparate applications and management systems face numerous challenges to truly connect their businesses. Companies may acquire various applications during organic growth periods or acquire legacy systems through mergers and acquisitions.

When this happens, the systems are often not compatible. Operating with separate systems results in duplicate data entry and disconnected processes, resulting in increased E&O exposure and decreased productivity. Cross-selling lines of business to deepen the customer relationship improves retention and provides greater organic growth opportunities.

A single management system enables brokers to achieve the agility needed to address critical business challenges, solidify customer relationships, and develop new lines of business with a single customer view. The ability to efficiently access and act upon a complete view of every customer has become increasingly important for today's digital broker to operate efficiently and broaden service offerings. In an industry that relies on excellent referrals, word of mouth marketing and repeat business, meeting and exceeding customer expectations is pivotal to building customer loyalty, and ultimately business profitability.

Embrace Mobile to Provide Exceptional Customer Service

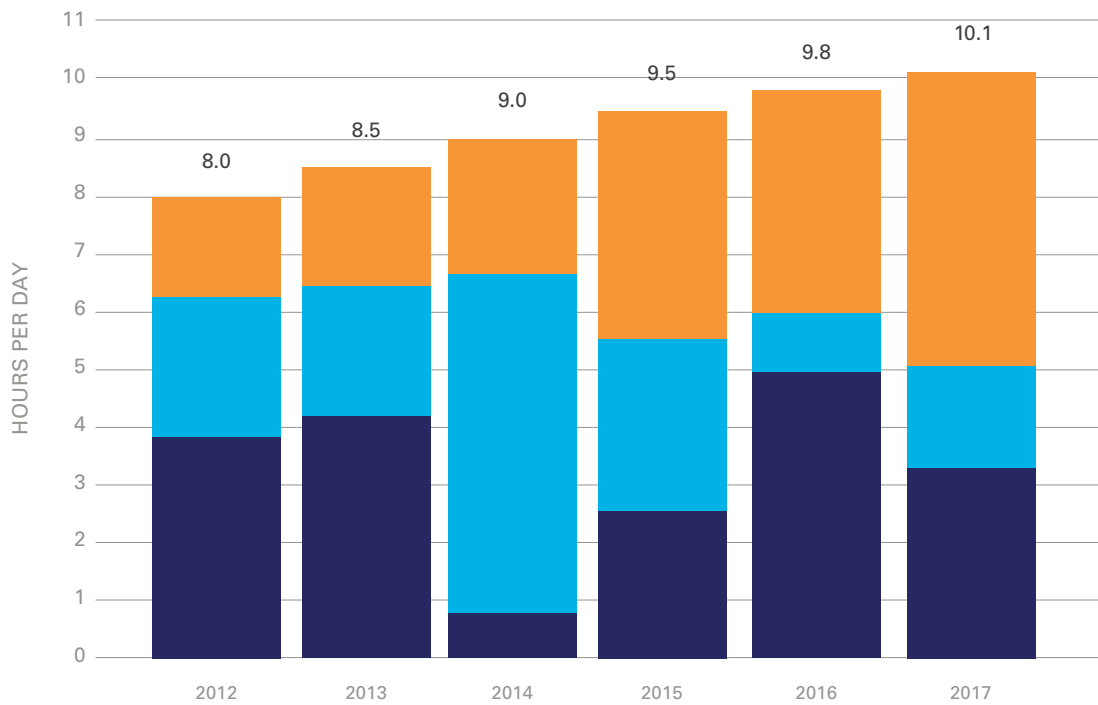
Implementing a single broker management system with integrated capabilities provides a connected broker a common application to share information. Equally important is providing the means to access and analyse the system's information through mobile applications. Time spent on mobile devices is on the rise (see Figure 1), and brokers must provide a mobile-enabled service to keep pace with consumer behaviour. Additionally, 52 percent of consumers choose products and services based on convenience and ease, according to Celent.⁶ Consumer expectations for anytime, anywhere customer service requires that every employee has instant access to policy-related information to exceed the demand for high level customer service.



52% of consumers choose products and services based on convenience and ease

Figure 1:

Time Spent Per Adult Per Day with Digital Media by UK Adults, 2012-2017



Source: eMarketer⁷

Mobile Desktop/Laptop Other Communication Devices

Embracing mobile technology allows brokers to:

- Meet consumer expectations, increase productivity and enhance competitive value.
- Provide employees with anytime, anywhere access to customer, prospect and sales information.
- Synchronise and keep customer and prospect information current across systems.

Studies indicate that mobile business applications in the field increase selling time by 28% and eliminate redundant activities by 27%.⁸ A purpose-built mobile app enables insurance broker staff to access and manage customer, prospect and business information anytime, anywhere to more effectively service clients. Information going into the app from the field should also sync back to the management system in real time, so that all staff members have access to the same accurate account information. Staff can better service customers when they have the most current information from the field.

Insurance is a service-driven business and any convenience created for the customer is significant, particularly when dealing with a loss. Recently J.D. Power conducted a property claims satisfaction survey and found that only 42% of respondents said that when contacting their insurer, someone was “always immediately available” to assist them.⁹ A mobility solution is essential to be immediately available and equipped with information at a moment’s notice to expedite communication and claims processing, enabling staff to focus on the customer and provide better, more valuable service.

Mobility initiatives are a driving force in the digital transformation journey. Brokers that leverage mobile applications to enhance field capabilities will improve service levels and engage customers — like never before.

Empower the Data-Driven Organisation

Unleashing the insights hidden in unstructured data is providing every type of business a competitive advantage and the ability to improve in areas that previously had limited visibility. Insurers are already taking advantage of this trend and leveraging data and analytics to drive underwriting results. For example, insurers are able to view disparities in frequency and severity of trends among several large personal auto insurers.¹⁰ Competing in the digital era requires brokers to develop a well-planned approach to manage the vast amounts of data generated by insurers, customers and daily business operations.



80% of global CEOs say data mining and analysis are strategically important to their organisation

Data analytics solutions built specifically for insurance brokers provide the ability to:

- Gain deeper business insights to make faster, more informed business decisions.
- Obtain powerful graphical business insights from existing management system data.
- Drive employee productivity and increase profitable customer relationships.

More businesses are realising the value of management system reporting and tapping into the potential power of turning information into insights and action. According to a recent survey, it is expected that 60 percent of insurance executives in the next two years (up from 18 percent) will use data to make better management decisions (see Figure 2).

Figure 2:

Percentage of Insurance Executives Leveraging Data Analytics

Data Category	Now*	Two Years from now
Pricing, Underwriting, Risk Selection	42%	77%
Better Management Decisions	19%	60%
Loss Control and Claim Management	17%	58%
Understanding Customer Needs	17%	50%
Product Development	19%	48%
Marketing/Distribution/Sales	15%	48%

*Survey fielded September 9 – November 2, 2015

Source: Willis Towers Watson ¹¹

The proliferation of reporting and data analytics is expected to continuously grow across all industries. In fact, 80 percent of global CEOs say data mining and analysis are strategically important to their organisation, and 68 percent of CEOs see data analytics technology as generating the greatest return on investment for stakeholders.¹² Now is the time for brokers to capitalise on the wealth of information in their management systems through reporting.

Extracting useful insights from data requires careful planning and execution of advanced reporting techniques and technologies. Management system reporting provides brokers greater business insights from their management system data for policies, employees, customers and insurers to make quicker, more informed decisions, resulting in greater productivity and more profitable relationships with customers and insurers. Extraction of this powerful data for productivity and business gain is the foundation of data analytics, which categorises, stores, and analyses data to identify behavioural information and patterns based on organisational requirements. The connected broker can successfully harness insights from data and reporting to determine valuable insights available from internal and external sources.

Conclusion: Claiming the Future

As technology rewrites the rules of business, digital transformation is fundamentally changing the insurance industry. Connected brokers maximise the value of digital technology to create an anytime, anywhere engaged business. Digital transformation is revolutionising the way brokers manage their operations to drive growth, with continuous innovations from data analytics and mobile applications to self-service consumer platforms. As the business of insurance becomes truly connected, brokers have the opportunity to improve operational efficiency, capture new customers across all lines of business, and increase loyalty and retention.

About Applied Systems

Applied Systems is the leading global provider of cloud-based software that powers the business of insurance.

Recognised as a pioneer in insurance automation and the innovation leader, Applied is the world's largest provider of broker management systems, serving customers throughout the United States, Canada, the Republic of Ireland, and the United Kingdom. By automating the insurance lifecycle, Applied's people and products enable millions of people around the world to safeguard and protect what matters most.



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