There appears to be little argument: mobile devices have become a normal part of everyday life and incorporating their use into the business side of insurance is not only advisable for brokers, it is imperative. But are brokers ready to take a mobile leap toward real-world business applications? And what must be done to successfully ride the wave of customer expectations?

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The use of mobile devices has become so inextricably intertwined in daily living that it seems odd when devices are not in plain sight — whether at work, home or play. The near-panic induced by a chosen device being out of reach, followed by the relief of its return to a familiar grasp, signals a combination of reliance and preference that is fuelling user expectations in an on-the-go culture.

Expectations around access and ease of use touch all facets of life. Those providing insurance-related services are no exception. Whether a customer’s chosen mobile device is a smartphone or a tablet — and everything in between — expectations are increasing and show no signs of abating.

With customer expectations, however, come questions that need to be asked and decisions that need to be made: What information should be available? How do current systems mesh with going mobile? And do groups of customer have different preferences that demand different solutions?

At the end of it all, there must be solid customer service — that is, being available with whatever information is needed to answer whatever question is posed.
COVER STORY
Well in Hand

GREAT EXPECTATIONS
Regardless of whether the mobile device is a smartphone, laptop or tablet, all are designed to be close at hand. To understand how important that is to users, consider these survey results from Ipsos Open Thinking Exchange and Ipsos Global @visor: 67% of respondents reported they never or rarely turn off their mobile phones or smartphones.

“There is no denying that the world is going mobile. More than 15% of the world’s Internet traffic comes from a mobile device (which includes tablets), and brokers must accommodate this,” says Brett Boadway, director of broker relations and communications for Insurance Brokers Association of Ontario (IBAO) in Toronto. “It’s not unreasonable to assume that more than half of the prospective or current customers are interacting with the brokerage website while they’re on the go,” Boadway says.

“We need to be multi-modal. We need to be able to do business the way the consumer wants to do business at that moment,” says Peter DaSilva, president and chief operating officer of Cornerstone Insurance Brokers Ltd. in Woodbridge, Ontario.

Bill Redford, director of development at Keal Technology in Toronto, would likely agree. “Customers want to be connecting with insurance brokers in multiple ways. It will be the broker’s ability to use all of the technology available to meet the needs of the ‘new customer’ so they will continue to use the broker insurance stream,” Redford says.

“The consumer is looking for ways to do things by themselves, self-fulfill, if you will,” DaSilva notes. “We have to be able to interact with them via chat, via text and give them the ability to look at their own stuff in their pajamas, from their house, from their tablet, if that’s what they want to do.”

Redford sees consumer online self-serve built on the foundation of automated real-time policy change as one of the next technology waves for insurers and brokers. “Currently in development, this offering will give brokers the ability to offer their existing clients a broker-branded website, built into the broker’s existing site, to view, get quotes and, in some cases, change their information in real-time,” he reports.

“The data would move from the website, through the broker management system (BMS), to the carrier and back to the policyholder in real time. Available transactions are 100% determined by the broker and the relationship with each client and carrier,” Redford says.

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Applied Systems offers a browser-based product, so it form fits to the device being used, meant for the end-user, says Jeff Purdy, the company’s senior vice president and general manager for Canada. It enables the end-consumer to have access to their information stored in certain Applied Systems products so they can, for example, view renewal documentation, upcoming billing and, claim status, Purdy says.

The option “basically allows the broker to brand itself on the mobile device of the customer,” he says, and enables that customer to take an action. An end-consumer can now initiate a change, but Purdy says looking forward, he can see a time when the consumer will be able to complete the change.

In general, Brenda Rose, vice president/partner at FCA Insurance Brokers in Toronto and technology champion at Insurance Brokers Association of Canada, says customer requests can certainly be sent, but changes should not be bound until reviewed by a licensed individual. “We’re not talking about buying a book from Chapters here. This is a financial transaction that could impact your financial security,” Rose says. Customers must understand the consequences of any such change, and brokers will be able to provide that, she emphasizes.

DOWN TO BUSINESS
The need to expand offerings in platforms of customers’ choosing is a message that is starting to be heard, at least by some. Massachusetts-based FirstBest Systems reported in May that a survey of global insurance carriers and managing general underwriters in the United States shows that using smartphones and tablets to provide customer service has increased. “Mobile functionality is no longer just a personal convenience — it’s viewed as a valuable and strategic business tool,” John Belizaire, founder and CEO of FirstBest Systems, which offers underwriting systems and insurance-related software, says in a release.

“As the use of smartphones and especially tablets displaces the use of desktops and laptops in more areas of personal and professional life, support for these platforms is becoming critical to insurers’ abilities to communicate electronically across the value chain,” Matthew Josefowicz, a partner at Novarica, notes in a statement.
“Avoiding mobile today is like avoiding web browsers in the late-90s,” adds Chad Hersh, also a partner at Novarica.

With enhanced customer service being the goal, Purdy says Applied Systems offers a product for broker staff to do just that when they are out in the field. The option provides mobile access to all information resident in the BMS, pushing that information to the mobile device, he explains. “I really believe mobile extends the value of the broker to the consumer in the consumer’s time of need,” Purdy says, whether that need revolves around, among other things, a claim, payment or contact.

NEW GENERATION
“Embracing technology is something that the broker world in general, but every business, needs to do now to continue to grow, to continue to attract that new generation. And it’s really about trying to make it easy,” suggests Jeff Aube, vice president of commercial lines for Cornerstone Insurance Brokers.

While 20-somethings grew up with a mouse in their hand, making them good at interacting with computers directly, children today are growing up with a smartphone and a tablet in their hand, and are touch screening, DaSilva says. “That is the way they experience the world, and we have to, if we expect to survive as brokers, adapt to that because in just a few years, those people will be our customers.”

Consider the findings of a Time Inc. survey last year, one that considered the impact of digital natives. Defined as those who have grown up with mobile technology throughout their everyday lives, the study found that digital natives switch their attention between media platforms — i.e. televisions, magazines, tablets, smartphones or channels within platforms — 27 times per hour. As such, a multi-platform sales approach may be the best way to engage these consumers.

“The younger generation — the Ys and the Xs — are more apt to at least look for a digital solution before picking up the phone,” says Aube. That said, platforms must meet the needs and wants of the full range of customers.

It is important to remember that mobile and online is “not a different distribution channel. It’s just another means of people communicating with one another,” Rose emphasizes.

Cornerstone Insurance Brokers recently introduced an online portal where clients have access to their personal lines (home and auto) insurance information. The portal follows the company’s launch of Insurance Companion in late 2012, a mobile application developed by IBAO to provide insurance information from a client’s smartphone. Aube calls the portal “just another element of trying to provide that ease of doing business and communicating with customers in their preferred method.”

Kevin Campbell, president of Policy Works Inc., speaks to the commoditization of personal lines making low price a primary customer demand for all but the most discerning clients. “In a commoditized market, the only way to compete effectively is to drive costs out of the system and this is where direct writers excel, which will lead to further erosion of broker market share,” Campbell says. “To buck these trends, we see brokers and insurers looking towards commercial lines as a way to compete on the value rather than price.”

Boadway suggests the fruit is ripe for picking. “Being mobile-friendly is now the minimum expectation. Consumers may soon start to select against those that are not present in the mobile space, versus reward those who are,” she says.

FITTING THE DEVICE
But to turn offering into advantage, presentation is key, as is guarding against visually or practically erecting barriers. “While Flash animation and fancy graphics look great from a desktop computer, some mobile devices such as the iPhone are not able to display this information at all. It may also slow down loading time, leaving your customers impatient,” Boadway cautions.

DaSilva says there should be two types of websites: one for the non-mobile world and one for the mobile world. A website should contain plenty of real content, information that people actually want to read, he suggests — the Accenture report shows 72% of respondents had a strong or moderate preference to go to a carrier’s website and the Xs — are more apt to at least
to get information about products and prices — while the mobile site should cuts down on content and graphics, and offer big buttons to click on.

For people using a phone, they are likely looking to make contact by phone so it is necessary to have quick-to-call technology right on that first screen that they land on, DaSilva says. For a person using a tablet, he or she may be using that to research a quote. “So what your landing page has to look like is very different; it has to go directly into quote because that’s what they’re looking for.”

The FirstBest Systems survey identified the top-ranked tasks insurance carriers and managing general underwriters performed on mobile devices: 87% of respondents noted looking up information; 75% reported checking claim status; 75% cited checking the status of an application; and 73% noted showing information to a client.

**MIXING IT UP**

Meeting customer expectations will likely require integrating both online and offline channels. “I would suggest that brokers view mobile technology as an important complement to their service, but to keep all other forms of contact proportionality balanced. Don’t throw away the opportunities that a face-to-face conversation can bring,” Boadway recommends.

“We need to make sure that we are available for those clients who want to have a fulsome discussion, but also that we are accessible and find a way to convey our advice to a customer who wants to keep it brief in a text message,” Rose says. It will likely be necessary to change existing operating models — perhaps providing 24/7 monitoring of website traffic or offering live chat, with the calls recorded, she notes.

“There will need to be innovations to respond to customer expectations,” she suggests. “It’s not necessarily a 9 to 5 job anymore.”

Competitive companies must invest in understanding customer needs, notes Top Insurance Industry Issues in 2013, released by PwC in the U.S. “It is important for insurers to tap into technological advancements to stay current, but also have an open line of interaction with clients,” says Jamie Yoder, co-leader of PwC’s U.S. Insurance Advisory Practice.

When it comes to apps, functionality is king. Redford sees insurance-related apps becoming more important to customers. “Consider that there are 900,000 apps in the Apple App store, and 93% are downloaded monthly.”

Certainly, there are insurance-related apps that are currently available:

- Kanetix’s mobile app allows iPhone users to, among other things, compare auto insurance quote estimates, scan in car VINs for quote updates, save quote and vehicle details and receive policy renewal reminders;
- the McLennan Group Insurance Inc., a nationally licensed personal lines brokerage owned by Northbridge Insurance Company, offers a mobile app for CARP members to, among other things, browse product information, rates and applications, and organize insurance information;
- Zurich Canada’s app, available for Apple and Android smartphones and tablets, offers brokers and businesses such things as information on coverages and relevant risk management tips by industry segment, as well as information-sharing capabilities for brokers and customers;
- Applied Systems’ MobileProducer software — which runs on Apple’s iPad and wireless devices running Google’s Android operating system — works on the company’s system to allow users to access client accounts, activities, contacts, prospective customers and insurance policy information, among other things; and
- the Insurance Companion — for iPhone, BlackBerry and Android devices — allows brokers to have their own branded mobile app available to clients, and offers, among other things, the ability to create accident reports on their phones.

The Guarantee Company of North America demonstrated its support of Insurance Companion with the announcement last November that the insurer would subsidize the cost of the app to Ontario broker association members contracted with its personal lines business. “We strongly believe that by

**APP FOR THAT**

Boadway sees two ways to offer insurance information/services in a mobile-friendly format: optimizing the website for visitors via their choice device, or developing a mobile app. “A mobile app is faster, more interactive and can integrate with all kinds of other phone features,” she says. “A mobile site can simply be navigated on a user’s whim, without download. The ultimate strategy is to have both.”
Commercial lines may be an area where brokers and insurers are able to compete on the basis of value rather than price, Kevin Campbell notes. That said, “insurers are hamstrung by disparate legacy systems while broker systems do not store or exchange commercial lines information.”

enabling brokers with innovative technology, we can offer clients better customer and claims service,” said company president and COO Robert Dempsey.

Boadway notes about 500 brokerage offices are using the technology, but emphasizes “this is a tool that more brokers need to consider adopting.”

“Mobile apps, such as our Policy Works Producer app, have been developed to extend the reach of the automation and connectivity efforts to the point of sale,” Campbell says. “When executed well, real-time allows the broker channel to achieve efficiencies rivaling those of direct writers,” he adds.

**SYSTEM SUPPORT**

The challenge is putting together data in broker and insurer systems so it is of use. “A brokerage may be extremely efficient and technologically advanced — working in a paperless office with integrated telephony, call recording, online quoting and chat, and offer their clients a mobile app — but that brokerage will be limited by what services their carriers offer,” Redford says.

Until more carriers offer truly automated real-time policy change that starts and ends in the BMS, “brokers are wasting time,” he suggests.

“All of the major BMSs are working on building (mobile access to some BMS information) functionality right now,” Rose says. “The key thing is that brokers need to have good information in their systems. It’s not just about having the system available, but you have to have good information in the system. That means that brokers need to pay more and more attention to the quality of the information that they have and that they have received electronically from insurers.”

There are perceptions around risk, says Purdy, such as a self-serve customer being able to see everything in the brokerage’s BMS. But products exist to allow the broker to “actually identify what they want their end-consumer to see.”

Insurers are replacing disparate legacy systems with modern systems where data flows seamlessly between quoting, rating and policy administration systems, Campbell says, which opens the door for providing a broad spectrum of real-time transactions to brokers. That said, “insurers are hamstrung by disparate legacy systems while most broker systems do not store or exchange commercial lines information,” he adds.

Redford points out that “many carriers are dealing with legacy systems that may not offer the agility required to respond to rapidly changing technology.”

For a broker, errors and omissions exposure “begins the moment a producer sets foot in a prospect’s office and follows the flow of data from producer to marketer to insurer and back,” Campbell says. “Together, mobility, automation and connectivity dramatically increase efficiency and reduce errors by eliminating re-keying of risk information.”

Purdy has heard concern among some brokers who believe enabling customers to self-serve will disassociate brokers from customers. “I don’t believe for a second that enabling a mobile customer is a bad thing. I think if you enable a mobile customer and then forget about your requirements to add value in the relationship, as it relates to the insurance products that you’re representing, then I think that’s a problem.”

Says Boadway, “As the world goes digital, we’re only just beginning to see the potential for how insurance and insurance brokers can further integrate in the mobile space.” Telematics will offer abundant opportunities for social touchpoints and value-added opportunities; weather-related losses could be minimized simply by sending real-time warnings; education and information could be shared during real-life situations,” she says.

“A couple of generations ago, there was this thing called the telephone and it changed how business was done. Some people adapted their business models; other people did not,” Rose says.