



Getting Partner Expectations and your business plans on the Same Page

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What we will deliver to you today

- Where the industry was, is, and is headed.
- How companies' and agents choices (or non-choices) can affect their competitive position, and P&L
- The little things that make a big difference
- How Agents & Brokers can help this change
- What "everyone" needs to keep doing (to Do List)

The 3 Legged Stool

-
- Agents
 - Carriers
 - Vendors



*"The pink form is for accounting.
The blue form is for underwriting.
The yellow form is for the commissioner.
The green form is for the broker.
The white form is for the tooth fairy."*

History Lesson #1

- Early days of automation – Interactive
 - Agent enters data in multiple carrier terminals + Agency system Progress (“color screen”)
- Progress
 - Dial up from one terminal, or dedicated line
 - “interactive” to carrier system
 - Agents could reinput some data into agency system
 - Comparative raters (in P/L) contain rates locally aiding new business process.
- More Progress
 - ACORD Download to agency system reduces duplicate input
- Enter the “internet”



History Lesson #2

- Late days of automation – “Internet powered”
 - Agent enters data in multiple carrier web sites + Agency system (“color screen”)
- Progress
 - Broadband from your PC
 - Still interactive to carrier system
 - Still need to re-input into agency system
 - Insurance Scoring affects ability of “agent hosted” rating to be accurate
- More Progress
 - ACORD Download to agency system still reduces duplicate input, download of commissions added.
 - XML is sneaking onto the scene



So where are we now

- More bad news ?
- Naaaaaa



*"The IT guys want to know whether you want more wires,
more servers, or more IT guys."*



What would happen if ?

- The user groups put Agents, Carriers and Vendors in one room ?
- Shared our collective Technology issues
- And....We asked everyone to agree ?

AUGIE User Groups Leadership Council:

Ascnet, Aneu, AMSUG, Instar and SIS

Plus 3 Members of the Acord Board.



We would achieve

- 2 Things

- AUGIE
 - Formalized “casual” conversation into a working group
 - Objective “think tank” that helps to get consensus on priorities at a high level
 - Provides fuel for National and Local volunteer groups and associations to attack & Communicate these priorities. (e.g ACT)
 - Has become a catalyst to get agents back involved in the standards process.
- Better standards process
 - Now includes “business” and “implementation” committees, in addition to “technical”.
- (Over 110 at Saturdays AUGIE meeting)



So What have we agreed to ?

- Baby Steps
 - Inquiry Functions
 - Billing
 - Policy
 - Claims
- Next Steps
 - Real Time Processing for
 - Endorsements
 - New Business
 - Renewals
 - Alerts
 - Improvements in download (aids turning off paper, and real time)
 - More...
- Embrace and use “standards” to ease the implementation among carrier, vendors and agents.
 - Standards ARE the 3 legged stool
- Goal - Real Time processes should follow existing or create/drive new Acord Standards.



Carriers

- Many of you began to develop websites with proprietary interfaces.
 - Good for agents without systems
 - Competitive edge when you were the first
 - Some contain great management tools, and reference information
 - Don't drive blind, get connected and on the page.
 - Be careful of...
 - Sites developed without grass roots agent involvement
 - Transactions developed outside of existing Acord Standards
 - Ecommerce spawns new technology agreements that run in conflict with existing producer agreements (see ACT whitepaper on this topic)
 - Agents need "machineable" data.
- FYI - ACORD began developing XML Standards for insurance in 1999



Start Thinking “Roundtrip”

- Efficiency now combines many existing, and newer technologies to create a “complete” experience for the Agency and Company staff in the sales and service process.
 - Upload
 - Download
 - Claims
 - Transactions
 - Inquiry



How are the new standards going ?

Increase in work group participation (look fast)

- Dec. 2002
 - 13 WGs / 57 Participating Orgs / 119 Participants
- June 2003
 - 14 WGs / 119 Participating Orgs / 198 Participants
- Dec. 2003
 - 6 WGs / 76 Participating Orgs / 125 Participants
- June 2004
 - 9 WGs / 82 Participating Orgs / 140 Participants
- Nov. 2004
 - 4 WGs / 113 Participating Orgs / 170 Participants



XML Progress 2001

○ Personal Lines

- Auto
- Home
- Dwelling fire
- Dwelling valuation
- Inland Marine
- Umbrella
- Watercraft

○ Commercial Lines

- BOP
- E&O
- Workers Compensation
- Schedules (driver, locations, property, vehicles, umbrella underlying coverage's)
- Bond Request
- Report of Execution



XML Progress

2002

- First Notice of Loss
- First Report of Accident or Injury
- Workers Comp Proof of Coverage

2004

- Boiler and Machinery
- Claims Download
- Commercial Umbrella

2003

- Loss Runs
- General Liability
- Package
- Premium Audit
- Premium Finance
- Fraud
- Farm
- Crime
- Flood



What's up with Claims & Commercial Download

Presented by:
Donna J. Barr

Current Interface Capabilities

Workflow	Function	Real-Time XML	Upload	Download
New Business	Bridging	X		
	Commercial Submissions	X		
	Issuance	X	X	X
	Rating	X		
Renewals	Loss Run Reports	X		
	Rating	X		
	Remarketing/Rollovers	X	X	
Servicing	Billing Inquiry	X		
	Claim Inquiry	X		
	Endorsements	X	X	X
	First Notice of Loss	X	X	
	Policy Inquiry	X		
Transactions Initiated by the Carrier	Endorsements			X
	Reissue, Renewals			
	Reinstatements, Cancellations			
Accounting	Account Current		X	
	Automated Download Invoicing			X
	Direct Bill Commission			X



Servicing Claims

- FNOL (first notice of loss) via Real Time to report claims
 - Attach police reports, pictures and documents
- Claims Inquiry
 - Using Real Time, an agency can check the status of a claim with the carrier in seconds, avoiding phone calls or waiting for a faxed status back from the carrier.
- Claims Download?



Why Claims Download?

- Everything manual 20 years ago and still is today!
- Company Proprietary upload/download in the 80's
- Download for all transactions but claims in 90's and today.
- We need a "standard"?



What will Claims Download Do?

○ Claims Download

- Direct reports of first notice of loss can be downloaded so that the agency is notified of the loss promptly, allowing the agency to council the insured. In addition, this transaction prevents the claim notification originating from various other means such as e-mails, faxes or U.S. mail, and eliminates the need for the agency to re-key this information.
- Claim status download can include adjuster assignments, payments, subrogation, reserves and claim closures. Again, this will prevent notification coming through other means.
- Ask your carriers to partner with the vendors to implement this new ACORD Standard.



Commercial Download Current Issues

- Lack of Usage by Agents, why?
- Carriers not implementing, why?



Commercial Download Solutions

- ACT, AUGIE and ACORD
Commercial Download Working
Group
- Implementation Guide for
Commercial Download
- Certification and Testing
- Education of Agents



Commercial Download Results

- More agents implementing
- More carriers implementing
- Greater Efficiency for both Agents and Carriers:
 - Agents Database current and reliable
 - Agent does not have to enter manually
 - Carrier can turn off paper



Want to hear more?

- Come to the next session at 10:45AM “Commercial Download, Can it be Perfected”

Conclusion

- Investing in technology and implementing what is available today is a win-win for carriers and agents.





Carriers To Do List

- Get Involved in Acord
 - Who is ?
 - Over 200 carriers including...
 - Over 70% of the top 10 and 60% of the top 25 Life & Annuity carriers
 - Over 75% of the top 50 Property & Casualty carriers
 - 70% of the top 10 Reinsurers, as well as the Top 5 reinsurance brokers representing 80% of the top 20's gross revenue.
 - Over 250 vendor members, all the major Vendor user groups, all the major industry associations (24) , lots of movement again.



Carriers To Do List

- Get Involved in Acord
 - Volunteer for working groups
 - Multiple people from one carrier.
 - XML opens a world of possibilities, where roadblocks were before
 - New Lines of business in the Specialty Lines and Professional Liability segment are now on the table
 - Shameless Plug for my Professional / Executive Lines Group
 - New standards process allows faster processing of Working Group (WG) proposals and flow of ideas.
 - It's not just about forms anymore
 - We need Business People !!!



Carriers To Do List

- Your Agency Council Meetings are not enough of a mandate to roll out technology
 - Get feedback from all levels within your agents
 - Use survey results from AUGIE executive summary or raw data (over 9,000 respondents)
 - New survey being planned 05/06
- Get involved with Vendor user groups
- Stay involved at the local and state association level and share your knowledge to them
- Build tools that integrate, and gain a competitive edge.



Agents

- Let Acord, your Carriers and your Vendors know your issues with forms, standards and particularly the business issues
 - There is a resurgence of attention to these issues
- Keep current on your systems and releases.
- Embrace new Real-Time technologies
 - We asked for it, now use it !!!!
 - Real, Real-time pays off !!



Everyone – get on the same page

- Augie to create a priority list
 - Past -Accomplishments, and positions
 - Present – Working project
 - Future – New initiatives
- Connect the dots between technology and income.
- Get involved
 - Give your card to Keith, Donna, Linda, Neil
We'll get you on the right groups, or with the right people.



Questions ?
