"Best Practices" for Electronic Policy Delivery to Agents & Insureds

ACT Policy Delivery Work Group

January 14, 2014

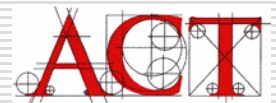*The webinar will begin shortly*!

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Today's Presenters

Susan LaBarre, Liberty Mutual

Cindy Hurless, Central Insurance Cos

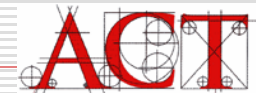Jeff Yates, ACT Executive Director

Today's Presenters

Bonnie Two Bears, Interwest
   Insurance Services

Angie Gross, The Harry A. Koch Co.

Joyce Sigler, Jones & Wenner

Our Agenda

- ☐ Review the Key Findings & "Best Practices" recommended by our WG
- ☐ Review implementations by two carriers
- ☐ Review implementations by three agencies

Housekeeping Items

- ☐ Enter questions in the written Question & Answer Box
- ☐ Work Group's "Best Practices" Report is online
- ☐ The recorded webinar will be made available on the ACT home page & at the Recorded "Webinars" Link
- ☐ You will get follow up email with presenters' email addresses

Key Findings

- Electronic policy delivery:
  -- next step in "going paperless"
  -- more efficient
  -- meets changing consumer expectations
  -- provides equivalent level of service as direct carriers

- Work group was set up to bring agents carriers & vendors together to define "best practices" for the future of electronic policy delivery from carrier to agent, as well as from carriers/agencies to policyholders

- These Best Practices will not be implemented overnight but will be a progressive process as:
  -- carriers, vendors & agents modify their systems & workflows
  -- client preferences continue to change.

Key Findings– Cont'd

- Focus needs to be on carriers, vendors and agents working together to implement consistent processes that integrate with the agency's management system -- not to shift the burden of delivery from one party to another

- Agents play a key role in encouraging their clients to move to electronic policy delivery

- State & Federal regulations are changing rapidly due to carrier lobbying & increased consumer demand for electronic documents

- Recognition that print & delivery requirements vary by line of business with small commercial & personal lines in one category and mid to large commercial lines in another.

Best Practices

1. Full copy of insured's policy at NB & Renewal
2. Agent vs. Insured copies of policies
   - With electronic delivery, "agent" copy no longer required
   - Insured copy + any agent only docs (ex: commissions or premium worksheets)
3. Print & Delivery Preferences - PL & Small CL
   - Deliver direct to policyholder by carrier
   - Delivery Preferences managed by carrier
4. Print & Delivery Preferences – Mid/Large CL
   - Delivered to the agent/broker
   - Delivery Preference managed by the agent/broker

Best Practices – Cont'd

5. Electronic Delivery to Agent/Broker
   - ACORD Activity Notes
   - Secure Email
   - Direct to agent's website or AMS
   - Agent chooses delivery method

6. Delivery to Policyholder
   - Secure & registered Email
   - Using e-Signature Solution
   - Obtain from secure website
   - Save on media (e.g., CD)
   - Mail/Deliver paper copy
   - Invoices should always be delivered direct to policyholder

Best Practices – Cont'd

7. Electronic Copies of Policies
   - Must be easy to use & navigate
   - Mobile compatible
   - Secure & protected

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Use Case – Central Insurance

- All Agent mail discontinued in 2004 for Personal Lines and Commercial lines. Agents access information on-line.

- Implemented electronic policy delivery for policyholders for all lines of business for both Personal Lines and Commercial Lines in 2009.

- Adopted an 'opt out of paper' approach with policyholders

- Policy notifications are emailed to consumers for new and policy changes

- Policies are viewable from Central's secure consumer portal

- Added to Apple and Android mobile applications in 2011

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Insights & Tips

- ☐ Consider enabling all lines of business rather than specific ones. Consumers want 'all' or 'nothing'.

- ☐ Educate your agents on the value of e-policy for their clients at New Business time. Greater success at new issuance time.

- ☐ Educate your clients about the benefits they receive by having access to their policy information in an electronic format

- ☐ Important to set objectives and measure success

- ☐ Make the sign up process simple!

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Hypothetical Use Case – Liberty Mutual (Small Commercial only)

- ☐ This is a progressive, iterative process
- ☐ Begin with CL Service Center Policies
  - ■ Leverage secure e-Mail/e-Sign solution to deliver to PH
  - ■ Use as way to work out the "kinks", refine process
- ☐ For non-Service Center business, offer an Optional Opt-in to agents
  - ■ Option #1 - Agent delivers policy
    - ☐ Offer financial incentive/support to encourage adoption
  - ■ Option #2 - Carrier delivers policy on agent's behalf
    - ☐ Online "Dashboard" of policy activity & delivery preferences
  - ■ Option #3 – Continue current paper process
- ☐ Strive to deliver an electronic/online experience that is desired rather than continued reliance on paper

Use Case – Interwest Insurance Services

- Paperless Client Files
- Current Status of Policy Delivery
  - Paper
  - Email
  - Download from Website
  - Download to our system via Activity Notes
- Use of Agency Management System

Insights & Tips

- ☐ Commercial Carrier Using Activity Notes
    - ■ PDF document downloaded with nightly batch
    - ■ Routed and attached to appropriate client in TAM
    - ■ Notification given to Account Manager in the form of an Open Activity
    - ■ Document can be emailed or posted to Client Portal for electronic delivery if desired by client

Use Case – The Harry A. Koch Agency

- ☐ Personal Lines –
  - ■ Direct Bill policies are sent to insured Direct from Carrier
  - ■ Agency Bill are delivered by secure email, mail or agent delivery
- ☐ Small Commercial –
  - ■ Only forms received from Carrier are delivered to client, do not pull missing forms
  - ■ Policies are delivered by secure email unless otherwise requested
- ☐ Mid/Large Commercial –
  - ■ Currently pull all missing forms
  - ■ Policies delivered by secure email, mail or agent delivery

Insights & Tips

- Agency Wide
    - Paper copies of policies are Front-End Scanned
    - Electronic Policies are imported into system prior to policy checking
    - Standard email templates used by all CSR's for emailing policies to clients
- Our Experience with Electronic Delivery
    - More clients and agents are requesting electronic delivery
    - This provides an ease of doing business and a faster delivery time for getting the policies to clients
- Future Plans – increase electronic delivery, and commercial download

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Use Case – Jones & Wenner

- ☐ Agency vision
- ☐ Customer facing
- ☐ Carrier facing
- ☐ Options available
- ☐ Implementation / Revision

Conclusions

Electronic document delivery is all about:
-- The next step in "going paperless"
-- Meeting changing consumer preferences for electronic copies
-- Increasing agency & carrier efficiency
-- Providing equivalent options to those of our competitors

Discussion & Questions

Next Steps

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- ☐ For other help: jeff.yates@iiaba.net