

Agency Technology Implementation

I. Description of Technology and its Benefits

General Description of Technology Implemented: Systematic adoption of new technologies and business processes

- A) high speed internet access (DSL) on every desk**
 - B) web-based email (mailsender.net / hotmail.com for 24/7 and worldwide accessibility to our customers)**
 - C) digital imagery (scanning, digital cameras, digital forms)**
 - D) customized letters / applications / documents with "merge" capabilities**
 - E) customized spreadsheets and checklists for non-automated rating**
 - F) customized webpage with links to sites used frequently by agency staff (company websites, State Association, MapQuest, rating bureau, telephone numbers, etc)**
 - G) policy uploads to / downloads from companies**
 - H) computing security (backups, virus protection, firewalls, training, etc.)**
 - I) PDA's, laptops, and wireless communication**
 - J) ergonomic considerations (office layout and accessories)**
 - K) standardized equipment purchases**
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Discussion of What This Technology Does for Agency and How it has Improved Business Processes/Work Flows:

- A) high speed internet access (DSL) on every desk**

Most of the companies we represent are embracing the web-based approach of doing business and communicating. We find that the easier a company is to do business with, the more likely we are to consider their products.

We had previously utilized a dial-up access ISP, and we had installed a telephone line in each office with "data-only" lines. We found this to be a very difficult and costly approach, since it provided such limited access and such slow access speed. When DSL was finally available in our area, we were one of the first businesses to sign up, and we were able to eliminate a number of telephone lines. The difference between the dial-up and DSL was phenomenal. Our CSRs are able to quickly communicate with underwriters and customers to gather needed information and transmit applications. We print screen images, as appropriate, for confirmation of data entry and transaction updates, and we retain electronic information as attachments in our agency management system.

- B) web-based email (mailsender.net / hotmail.com for 24/7 and worldwide accessibility to our customers)**

There are many ways to setup email for the office, and we prefer the web-based email approach. We use a central email address info@treutel.com for our customers, and email is checked frequently throughout the day. We like the capability of being able to check email 24/7 and from anywhere in the world. If a CSR or Manager is out of the office, another staff member may access the email to ensure that nothing is missed throughout the day.

C) digital imagery (scanning, digital cameras, digital forms)

The more online, the better! With the ability to scan documents and forms, we are striving to put all non-ACORD forms on our agency management system, so that we have a good trail, professional looking documents, and less data-entry through the use of system variables. We use digital photos that may be stored in our database or e-mailed to an underwriter. Standard ACORD forms are available through our agency management system and we strive to use the standard forms with as many companies as possible.

D) customized letters / applications / documents with "merge" capabilities

Within our agency management system, we work to customize our correspondence through the use of "merged" customer and policy information. Our agency management system allows us to set up MS Word documents and designate the information we wish to merge from other segments in the database.

E) customized spreadsheets and checklists for non-automated rating

Unfortunately, not all of our insurance companies are using the internet, and not all of them are using automated rating processes. For those companies where we are required to manually rate, we have established specialized spreadsheets which are attached to the customer's file within our agency management system. We have them formatted so that all calculations are performed by the spreadsheet, and we only have to enter the coverage amounts. Sure beats the old calculator approach!!

F) customized webpage with links to sites used frequently by agency staff (company websites, State Association, MapQuest, rating bureau, telephone numbers, etc)

We have set each of our browsers (Internet Explorer / Tools / Internet Options / Home Page) to a special webpage created just for our office. The page contains links to the websites which we use most frequently (www.treutel.com/links.htm). This is extremely helpful because the Favorites are different on the browsers on each computer in our office. The page is constantly evolving based on the needs of our office. Updates are easily made through the MS Front Page program.

G) policy uploads to / downloads from companies

We upload applications with as many companies possible so that we may reduce faxing / mailing / filing / etc. At this point we upload using company propriety programs and websites.

We have been downloading with many of our insurance companies for some time. Each morning we access IVANS and download policy updates from the companies that have forwarded transactions. We are able to match the transactions up with customer policies in our agency management system, and the program updates the policy application on our system. We enjoy the ease of not having to manually update policy applications, and the downloads assist us with more timely cancellation and reinstatement processing. While the process is not perfect, it is far superior to manual updates.

H) Computing security (backups, virus protection, firewalls, training, etc.)

Computing security is essential since we are migrating more and more toward Internet based transactions. We diligently perform backups of our data files, and we have installed a firewall on each desktop. All employees adhere to a strict Internet policy that is part of our Policies and Procedures manual, which requires that email be scanned for viruses and no outside programs installed on the office computers without prior Management approval. Employees are promptly notified of virus threats (via the McAfee virus alert service). Training material is provided to heighten awareness of possible threats.

I) PDA's, laptops, and wireless communication

This is a new area for us, but the opportunities are tremendous. Through the use of PDAs (personal digital assistants), we are able to synchronize meeting schedules and customer visits with the calendars of others in the office. The wireless access allows us to communicate via e-mail or chat any time someone is out of the office. Laptop computers are used for customer presentations and allow us to accumulate information for applications more quickly. There are many more opportunities in this area which we have not yet explored, but this is an exciting opportunity for us to provide better customer service from remote locations.

J) ergonomic considerations (office layout and accessories)

To avoid employee discomfort, each work area is periodically analyzed to ensure that there is adequate wrist protection and posture support. We provide gel wrist pads, ergonomic seating, document holders, and similar peripherals to allow each employee a work area that is suited to their individual work style, while ensuring that ergonomic considerations are reviewed and corrections implemented.

K) standardized equipment purchases

To reduce incompatibility among equipment in our office, we always purchase the same brand of computer (Gateway). We used to purchase a couple of different brands, but we encountered compatibility problems with hardware components.

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Description of the Major Benefits/Payback from this New Technology to the Agency and the Customer (Try to be specific in terms of dollars saved, staff time saved, new capabilities created, etc.):

A) high speed internet access (DSL) on every desk

Faster logon time (savings 3 minutes per access); faster load time (30 seconds per page); estimated daily time savings per employee = 1 hour per day

B) web-based email (mailsender.net / hotmail.com for 24/7 and worldwide accessibility to our customers)

Improved organization through centralization of incoming emails and correspondence (similar to the way we handle snail mail to ensure requests are processed timely and we maintain adequate documentation for E&O purposes).

C) digital imagery (scanning, digital cameras, digital forms)

Scanning reduces the number of copies that must be made, filed, mailed, etc. Digital cameras save film and the need for storage of documents/filing. Estimated time savings – 1 minute per policy.

D) customized letters / applications / documents with "merge" capabilities

Time savings in typing and re-wording of documents (estimated savings 5 minutes per document). The webpage is easy to change and changes are implemented across the office in seconds (rather than having to make changes on each machine).

E) customized spreadsheets and checklists for non-automated rating

Time savings in performing calculations; the spreadsheets produce professional looking reports and reduce calculation errors. Estimated time savings – 10 minutes per quote.

F) customized webpage with links to sites used frequently by agency staff (company websites, State Association, MapQuest, rating bureau, telephone numbers, etc)

Time savings for employees in being able to access websites more quickly. Estimated savings – 10 minutes per day per employee.

G) policy uploads to / downloads from companies

Uploaded policy time savings (saved faxing / mailing / time / handling time) – estimated savings 2 minutes per policy (total savings 2 hours per day). Downloaded policy time savings as compared to manual application updates – estimated 1 minute per policy (total savings 1 hour per day)

H) computing security (backups, virus protection, firewalls, training, etc.)

Security precautions avoid future problems and possible down-time. (dollar savings - \$70/hour would be required to hire a network consultant to restore the computer should security be breached).

I) PDA's, laptops, and wireless communication

Improves customer service; we can go to the customer instead of making them come to us; benefit = new capability created!

J) ergonomic considerations (office layout and accessories)

Improves employee satisfaction and avoids lost time due to physical strain; reduced expense (lost time and medical expenses).

K) standardized equipment purchases

Reduced down-time which would result from incompatible hardware (dollar savings - \$70/hour would be required to hire a network consultant to make the computer compatible with the network).

II. Details of the Technology Implementation

More Detailed Discussion of the Specific Hardware and/or Software acquired, the Steps Taken to Implement it, and how it fits with the rest of the Agency's Technology: Time Required for Agency Staff to Implement the New Technology: Please describe any difficulties in implementation: Would you do anything differently in hindsight:

A) high speed internet access (DSL) on every desk

The actual implementation (from time of ordering to actual start-up) took one month. Since DSL was new in our area, there were a few problems with start-up, but once we were finally online, it was great. We experienced little-to-no down-time and very little speed degradation. Unfortunately, our initial service provider went out of business after

one year, so we were forced to scramble to a “big name” provider (Bellsouth.net). My advice would be to save yourself a headache and go with a major provider.

B) web-based e-mail (mailsender.net / hotmail.com for 24/7 and worldwide accessibility to our customers)

We initially obtained our domain name and web presence through a local internet service provider. We experienced a lot of down-time and problems with our e-mail. We finally migrated to Yahoo Web Services and have had no further problems. Again, my suggestion would be, go for the name brand, and save yourself problems.

C) digital imagery (scanning, digital cameras, digital forms)

The scanning technology available at reasonable cost is good, but it is quite slow. Setting up the equipment and the programs and having it interface with other software on your system can be quite time consuming. Since a single scanner will be slow, it may create a bottle-neck in your productivity. We use Hewlett Packard equipment. My recommendation would be to have multiple scanners, if possible, one on each employee's desk.

As to digital cameras, we used to have cameras that required adapters to connect from the camera to the computer in order to save and print the pictures. This was a very slow process and really tied up the cameras. The next cameras we purchased were Sony MV that use 3 ½ inch disks as storage media. This has really worked well for us. We pop the disk out and print the pictures through MS Photo Draw, and we are able to annotate the photographs. The digital images are then attached to the customer's file in our agency management system and/or emailed to the underwriter.

For online forms, we use Pagis Pro. The forms scan very nicely, and the program attempts to identify fields for data entry, which is helpful. It is easy to navigate through the program and simple to fill out forms MUCH better than the old typewriter approach! The scanning takes 30 seconds and the document completion process, depending on the form, takes from 2-5 minutes.

D) customized letters / applications / documents with "merge" capabilities

We have customized letters and custom applications created using MS Word and the system variables available through our agency management system. This expedites letter writing and application completion. We create the templates on an as-needed basis. Each document requires about 15 minutes of setup time.

E) customized spreadsheets and checklists for non-automated rating

The initial setup of the MS Excel spreadsheet could take a couple of hours. Safeguards should be built in to protect cells which should not be changed, and then a few minutes

must be spent training the staff on proper usage. We use one color, like red, for all input areas to make the spreadsheet easier to update.

F) customized web page with links to sites used frequently by agency staff (company websites, State Association, MapQuest, rating bureau, telephone numbers, etc.)

The initial setup of the web page only takes a few minutes through MS Front Page. Updates can be done in a matter of seconds.

G) policy uploads to / downloads from companies

Depending on the company, this could be a very short or very long set-up. Some companies provide automated procedures for all of the “company specific” data fields. Other companies will send you pages of information that must be updated manually. The first company which you set-up will take the longest time. Each subsequent company will be setup more quickly.

H) computing security (backups, virus protection, firewalls, training, etc.)

We purchased Zone Alarm Pro for our office computers. It was very easy to download and install (less than 1 minute per computer). Our internet-based e-mail has a built-in virus scan program to check e-mail attachments, and we use McAfee Virus Scan for ongoing protection.

I) PDA's, laptops, and wireless communication

Of all the wireless hardware, the laptop took the longest to set up because we needed to make it compatible with our office network. Thankfully, the laptop maker (Winbook) had a good technical support department.

We use the Palm operating system on our PDA's.

J) ergonomic considerations (office layout and accessories)

As employees change assignments or move to a new office location, we review their work area to determine what accessories may be needed to assist the workflow and ergonomic needs.

K) standardized equipment purchases

We generally upgrade 2-3 computers each year so that over a 3-4 year period, all machines are upgraded in the office. We don't purchase the highest speed processor available at the time of our purchase, since the cost is typically high. We opt for the second-highest to get more computer/features for our dollar.

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III. Costs and Return on Investment

Cost of the New Technology Broken Down as follows—

A) high speed internet access (DSL) on every desk

Hardware: \$600 - router

Software: \$0

Outside Technology Consultant/Professional: \$70 dollars; 1 hours

Other (Please describe this cost factor(s)): monthly fee \$79

Total number of agency workstations impacted: 12

Please estimate the Return on Investment time period for this implementation:

1st year – 13% 2nd year and beyond – 120%

B) web-based email (mailsender.net / hotmail.com for 24/7 and worldwide accessibility to our customers)

Hardware: \$0

Software: \$0 (use Internet Explorer Browser)

Outside Technology Consultant/Professional: 0 dollars; 0 hours

Other (Please describe this cost factor(s)): \$0 included with web-hosting fee \$14.95/mo

Total number of agency workstations impacted: 12

Please estimate the Return on Investment time period for this implementation: n/a

C) digital imagery (scanning, digital cameras, digital forms)

Hardware: 2 Sony cameras \$499/each

Software: Photo Draw \$100

Outside Technology Consultant/Professional: 0 dollars; 0 hours

Other (Please describe this cost factor(s)): 3 ½ in diskettes \$10 for 50 diskettes from Office Depot (each diskette holds 15-24 medium resolution pictures)

Total number of agency workstations impacted: 12

Please estimate the Return on Investment time period for this implementation:

1st year – 39%; 2nd year and beyond – 142%

D) customized letters / applications / documents with "merge" capabilities

Hardware: 0

Software: 0 (MS Word – included with MS Office)

Outside Technology Consultant/Professional: 0 dollars; 0 hours

Other (Please describe this cost factor(s)): set up time – estimated 15 min per template

Total number of agency workstations impacted: 12

Please estimate the Return on Investment time period for this implementation: 61% in 1st year.

E) customized spreadsheets and checklists for non-automated rating

Hardware: 0

Software: 0 (MS Excel – included with MS Office)

Outside Technology Consultant/Professional: 0 dollars; 0 hours

Other (Please describe this cost factor(s)): setup time – estimated 2 hours per spreadsheet

Total number of agency workstations impacted: 12

Please estimate the Return on Investment time period for this implementation:

160% in 1st year.

F) customized web page with links to sites used frequently by agency staff (company websites, State Association, MapQuest, rating bureau, telephone numbers, etc)

Hardware: 0

Software: 0 (updated with MS Front Page)

Outside Technology Consultant/Professional: 0 dollars; 0 hours

Other (Please describe this cost factor(s)): setup time – est 10 minutes per webpage

Total number of agency workstations impacted:

Please estimate the Return on Investment time period for this implementation:
116% in 1st year

G) policy uploads to / downloads from companies

Hardware: 0

Software: annual fee for download (\$2000 with Applied)

Outside Technology Consultant/Professional: 0 dollars; 0 hours

Other (Please describe this cost factor(s)): set up time – estimated 1 hour per company downloaded; daily download takes 5 minutes

Total number of agency workstations impacted: 12

Please estimate the Return on Investment time period for this implementation:

134%

H) computing security (backups, virus protection, firewalls, training, etc.)

Hardware: 0

Software: \$39.99 per computer for Zone Alarm Pro

Outside Technology Consultant/Professional: 0 dollars; 0 hours

Other (Please describe this cost factor(s)):

Total number of agency workstations impacted: 12

Please estimate the Return on Investment time period for this implementation:

Cost avoidance

I) PDA's, laptops, and wireless communication

Hardware: PDA - \$400
Laptop - \$2000

Software: included

Outside Technology Consultant/Professional: 0 dollars; 0 hours

Other (Please describe this cost factor(s)): monthly fees for wireless communication (range from \$9.99/mo - \$49.99/mo)

Total number of agency workstations impacted: 3

Please estimate the Return on Investment time period for this implementation: new capability – improved customer service

J) ergonomic considerations (office layout and accessories)

Hardware: accessories for each office – estimated \$50

Software: 0

Outside Technology Consultant/Professional: 0 dollars; 0 hours

Other (Please describe this cost factor(s)):

Total number of agency workstations impacted: 12

Please estimate the Return on Investment time period for this implementation:

Cost avoidance

K) standardized equipment purchases

Hardware: we target \$1000 for each computer; we reuse monitors and speakers to reduce cost; since we always purchase the same brand of computer, we know that it will be compatible with our network

Software: \$129 (we usually purchase MS Office with each machine)

Outside Technology Consultant/Professional: 0 dollars; 0 hours

Other (Please describe this cost factor(s)):

Total number of agency workstations impacted: 12 (over 3-4 years)

Please estimate the Return on Investment time period for this implementation: cost avoidance

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IV. Training

Time Required to Train Each Staff Member to Use New Technology Effectively:

Informal ongoing training; local Microsoft seminars available; online training; in-house training/sharing -- estimated time spent training 2 hours/month per employee

V. Future Plans and Agency Information

Next Technology Opportunity Agency Plans to Pursue:

- Reduce paper through increased scanning
- Increase utilization of wireless capabilities
- Work with insurance companies to encourage standardized formatting and use of internet based transaction capability

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Description of Agency: TREUTEL INSURANCE AGENCY, a **Trusted Choice agent, and a member of the Independent Insurance Agents & Brokers of America**, is one of the oldest agencies in Hancock County, Mississippi. The agency is now in the third generation of the Treutel family. Since beginning in Bay St. Louis, Mississippi, we have enjoyed a steady growth and have become recognized as one of the leading agencies in the area. We have earned our reputation for professionalism as a result of the special attention we give to the needs and requirements of our customers. This reputation has distinguished our agency as a top performer with our clients and companies.

As the agency approaches the future, our success will depend upon effective implementation of new technology and employee efforts toward achieving the agency's business objectives. Our objective is to provide a full range of competitive personal and commercial products to the people of Hancock and west Harrison counties. We must achieve satisfactory profits, provide our customers with outstanding service, ensure technical competency, provide service in a timely manner, maintain the highest level of integrity and professionalism, attain sales goals, control expenses, utilize current technology to our advantage, and ensure the well being of our co-workers.

TREUTEL INSURANCE AGENCY is a small agency with 6 full-time and 3 part-time associates. We have been honored for 4 consecutive years (1998-2001) as a Best Practices agency in the \$500,000-\$1250,000 revenue category, based on several criteria including: outstanding customer service, agency management & operations, financial growth & stability, and technological efficiency.

