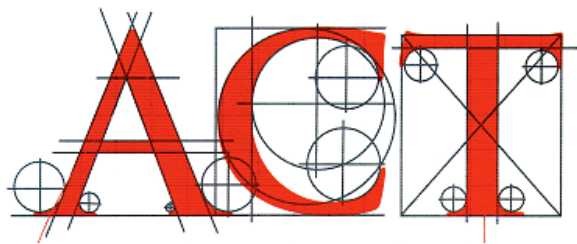

Roadmap to Effective General Agent (GA) Websites



AAMGA / ACT / NAPSLO JOINT INITIATIVE

Retail Agent – E&S Market Workgroup

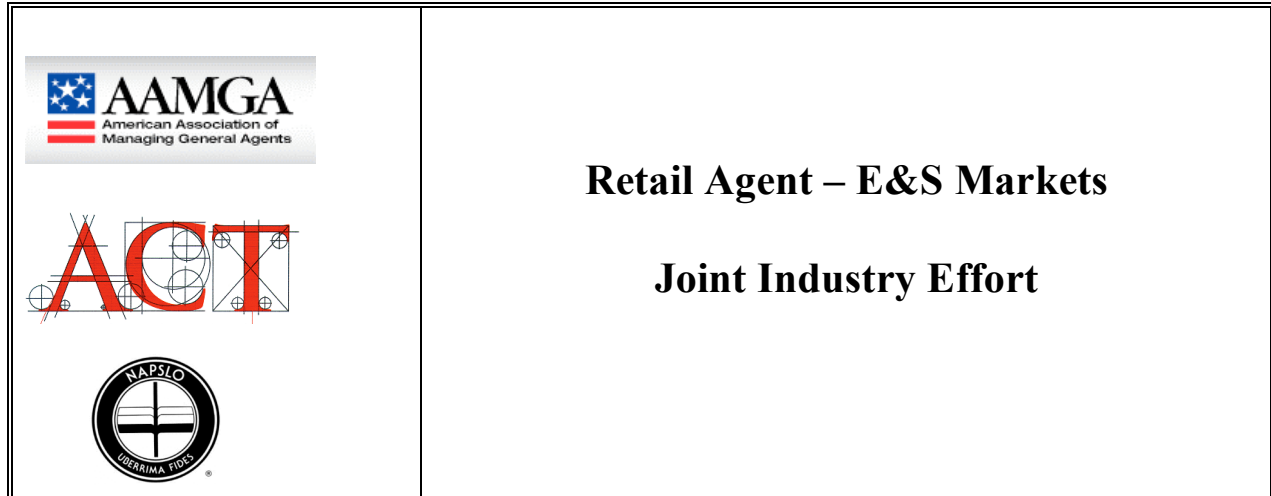
General Agent Websites Subgroup

June 2009

ROADMAP TO EFFECTIVE GA WEBSITES

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EXECUTIVE SUMMARY

The Independent Agents & Brokers of America's Agents Council for Technology (ACT), the American Association of Managing General Agents (AAMGA) and the National Association of Professional Surplus Lines Offices (NAPSLO) formed a joint initiative to improve the efficiencies for Retail Agents (RAs) interacting with Managing General Agents (GAs) and wholesale brokers in the Excess & Surplus (E&S) market and to promote the standardized electronic exchange of data between the partners.

The objectives of the project include improvements for the E&S marketplace in the following areas:

- Retail Agent (RA) Interfaces: Focus on E&S Carrier supplemental applications to streamline non-standard data requirements and move the industry to utilize ACORD standards and applications as much as possible.
- General Agent (GA) Interfaces: Concentration on data transmission streams to/from RA systems to/from GA systems with emphasis on automating the flow of data.
- General Agent (GA) Websites: Develop a roadmap of recommendations for GA website capabilities – Generation 1 is a website with basic marketing information. Generation 2 adds login and inquiry capability. Generation 3 provides for straight-through-processing from the GA website to its backend systems. Generation 4 expands the GA website for integration with RA management systems.

RAs have vastly improved the electronic interfaces between their agency offices and standard carriers through the adoption of Real Time integration (www.getrealttime.org). This technology is available to be applied to the GA and E&S marketplace.

Real Time is "the ability to click on a button from a client/account file in an agency management system or comparative rater for immediate access to GA or carrier information on that client/account. The transaction may be a quote, billing inquiry, claim

inquiry/loss runs, policy view, endorsements or a request for information. This approach provides a single workflow for servicing and quoting.”¹ RAs have recognized significant time savings from Real Time in the standard market which have resulted in improved client service and more sales for the agents and carriers. The incorporation of Real Time in the E&S market will lead to increased sales for GAs and E&S carriers as well.

Established in January 1999 by the Independent Insurance Agents and Brokers of America (the Big “I”), the Agents Council for Technology (ACT) provides a candid, action-oriented forum to address the critical workflow and technology issues facing the Independent Agency System. ACT helps participants understand the perspectives of the other stakeholders in the process and provides excellent networking opportunities with the participants who are shaping the future for the industry on these issues. For more information about ACT visit www.independentagent.com/act.

Since 1926, the American Association of Managing General Agents (AAMGA) has served as the trade association to international wholesale insurance professionals, and as a leader representing the interests of its members before the federal, state and local governmental and regulatory agencies, to elected officials and other industry trade associations in the US, Canada and Europe. Through its focus on fostering relationships, conducting market-wide meetings and educational sessions throughout the year, the AAMGA has earned its trusted reputation by serving as the catalyst to industry practitioners focused on the wholesale insurance marketplace. AAMGA’s website is <http://www.aamga.org>.

Founded in 1974, the National Association of Professional Surplus Lines Offices (NAPSLO) is a national trade association representing the surplus lines insurance industry. Surplus lines is a specialized segment of the insurance business that is also referred to as non-admitted, specialty and/or excess lines. Risks are placed with the surplus lines market when they cannot be placed in the admitted/standard market. NAPSLO represents surplus lines insurance agents/brokers and surplus lines insurance companies. NAPSLO has over 1,600 member offices in the United States, Canada, Germany and England. NAPSLO is on the web at www.napslo.org.

Founded in 1896, the Big “I” is the nation’s oldest and largest national association of independent insurance agents and brokers, representing a network of more than 300,000 agents, brokers and their employees nationally. Its members are businesses that offer customers a choice of policies from a variety of insurance companies. Independent agents and brokers offer all lines of insurance—property, casualty, life, health, employee benefit plans and retirement products.

¹ Real Time/Download Campaign, www.getrealttime.org

OVERVIEW AND REAL TIME

This paper is a recommended development roadmap for GA website capabilities. The roadmap is a general concept, and due to the uniqueness of insurance industry partners – particularly those in the Broker / GA / E&S Carrier marketplace – there may be capability limitations at different phases for Retail Agents (RA), General Agents (GA), and/or carriers that must be addressed individually. However, the roadmap establishes a directional guide to assist GAs in website development and pertinent functionality that will prepare them for future integration with RAs and their respective backend systems, raters, and carriers.

Background

Huge technological advances have been made between RA vendor systems and Standard Carriers. The major benefits have been achieved through the adoption of standardized applications, ACORD standards and Real Time interfaces / Download Capability.

Real Time, Download and Going Paperless represent the next major advances in agency workflow and are enabling RAs to significantly automate processing and move from a paper-based model to an electronic one. Some RAs have been able to double premium volume through the use of Real Time without adding staff. Their personnel are able to perform transactions much faster using Real Time transactions, as opposed to using individual standard carrier websites. The savings are even more significant with rating. With commercial lines Real Time rating, RAs are able to extract vehicle and property schedules with fifty or more items directly from their agency management system and transmit to the carrier's website without having to re-key, saving a huge amount of data entry and eliminating numerous errors.

These efficiencies are enabling RAs to grow even in soft markets, because their staff now has the time to proactively contact clients to protect renewals, as well as up-sell and cross-sell accounts. The focus of these agency employees has moved from internal processing—because so much has now been automated—to the client. Their Real Time implementations have put them in position to be trusted advisors for their clients with the ability to provide immediate answers.

What is Real Time?

Real Time is the ability to click on a button from a client/account file in an agency management system or comparative rater for immediate access to GA or carrier information on that client. The transaction may be a quote, billing inquiry, claim inquiry/loss runs, policy view, endorsements or a request for information. This approach provides a single workflow for servicing and quoting.

Why use Real Time?²

- Single, consistent workflow for multiple carriers—saves time & money
- Process policy transactions from the client/account file for billing inquiry, quotes, policy view, endorsements and documentation
- Claims management from the client/account file for claims inquiry, first notice of loss, loss runs
- Don't have to remember passwords—automated logons
- Can train staff on a single workflow rather than on multiple carrier websites
- E&O loss control—activity record automatically triggered by Real Time inquiry/transaction in agency management system
- Provide superior customer service—one-click customer inquiry provides immediate response
- Enhance professional image and work environment
- Increase sales—frees up time to proactively sell

Why Download?

Download and the quality of the RA's data have become even more important in a Real Time world, and Download is a key part of moving from a paper to electronic agency model. After the Real Time transaction has been completed, Download updates the agency management system with the latest information, completing the round-trip of data and synchronizing the files. Having this accurate, up-to-date data including the carrier's exact policy number enables future Real Time transactions to be performed easily and without error.

Agents are increasingly reporting that one of the unexpected benefits of implementing Real Time and Download is being more focused on maintaining an accurate and complete database, as this becomes critical when operating in an electronic environment. This discipline in maintaining quality data helps agents advise clients more effectively and reduces E&O exposures.

Applying Real Time Concepts in the GA World

With the proven Real Time technology, the next logical step is to take the concept to the Brokerage / GA / E&S Carrier marketplace to improve our industry's electronic data exchange; each of the described Generations in this document will move everyone closer to the desired level of automated interfaces.

² Real Time/Download Campaign, www.getrealttime.org

Getting Started with GA Websites

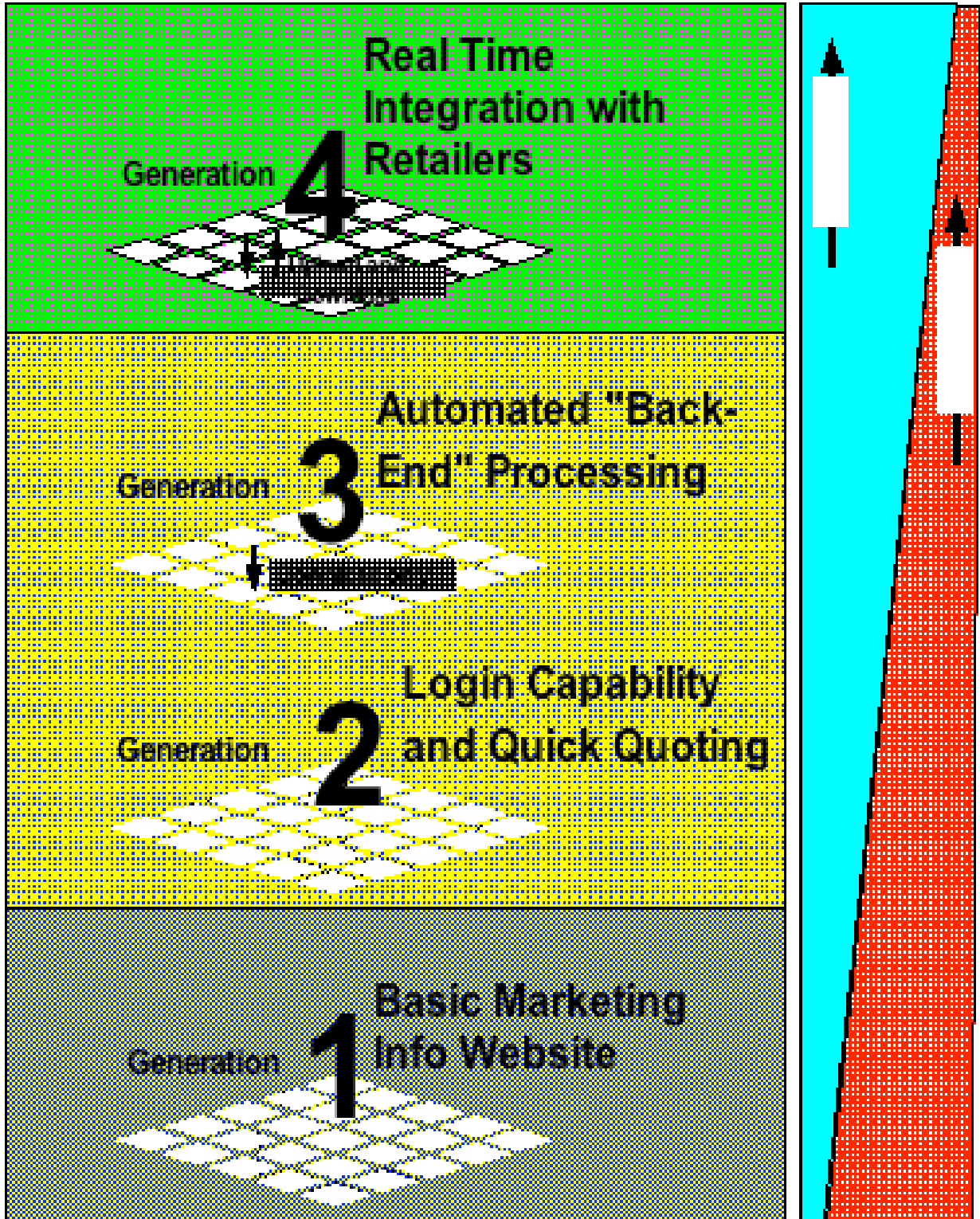
In order to successfully implement Real Time Interfaces between the RA and the GA, a functional GA website is the first step. The recommended roadmap will prepare GAs to be able to accept the standardized interfaces from the RA systems, transfer the data into the backend GA systems (i.e. Agency Management System, Rater, or Carrier System), and return the results back to the RA systems via Download, completing the round trip of data, without the need to re-key. Each Generation prepares the GA for the next level and moves our industry closer to the vision of integrated systems.

- Generation 1 is a website with basic marketing information.
- Generation 2 adds login capability with a quick quote or indication generator.
- Generation 3 provides for straight-through-processing from the GA website with emphasis on backend GA systems. At this point, the GA can work to reduce/eliminate paper and implement digital workflows. Data extracted from GA systems can be batch downloaded to RA systems.
- Generation 4 offers Real Time, Straight-Through-Processing to/from the RA management systems (upload and download) by integrating with the GA environment so the Retail users do not need to leave their agency management system environment to start and complete transactions.

Enabling Business Through a Process Strategy

As RAs and GAs evolve from exchanging images, which must be re-entered into various systems, to exchanging electronic data, a robust GA website is one of the important critical-path items that will facilitate Real Time interfaces. Together we will achieve the win-win scenario, improving workflows and increasing profitability, to position GAs and the E&S marketplace on the same page as RAs and standard carriers when it comes to automated processing.

ENABLING BUSINESS THROUGH A PROCESS STRATEGY



4-27-2009 v1.7

1.0 GENERATION 1 — basic marketing information

FEATURE	DESCRIPTION	BENEFITS
Basic Marketing Information	Professional presentation of GA with Reference Information on Products, Market Appetite, Marketing Materials and Reference Information on products	Assists RAs with locating the GA and educating them on the GA's areas of expertise
Contact Information	Email Addresses and phone numbers for key GA personnel	Supports RAs in submitting ACORD applications and troubleshooting underwriting/service needs
Links to Appropriate Sites	AMBEST, etc	Helpful to RAs
Supplemental Applications for download available on website	ACORD applications should be accepted whenever possible; however, if additional data is required, the forms should be available for download on your website (fillable format) for emailing to underwriter	Although fillable forms must be completed by RAs outside of their preferred workflow, fillable forms are more useful than manual forms
Ability to accept emailed ACORD applications from RA	Facilities that will accept ACORD applications from RA and any pertinent attachments. The parties must be careful to encrypt emails containing private consumer information.	While this feature benefits RAs, emailed ACORD applications and/or supplementals must be re-keyed by the GA. Third party vendor solutions may be able to extract data from PDF formats.

NOTES FOR CONSIDERATION:

- + No login or password is required at this step, so website setup is relatively easy.
- + The use of standardized ACORD applications is a fundamental improvement over the use of unique supplemental applications for various carriers. The RA-E&S Workgroup is working closely with ACORD to consolidate supplemental forms, so that standardized data flows may be achieved. Please note that ACORD forms are copyrighted. Contact ACORD at www.acord.org for licensing information prior to use on your website.
- + RAs are easily able to email ACORD applications directly from the agency management system. For eligible programs, GAs should be willing to accept ACORD forms to facilitate submissions and improve RA workflows. The use of secured email transmission and encryption should be used when private consumer information is included. See the ACT website at www.independentagent.com/act - Security section for further information.

2.0 GENERATION 2 — login capability with a quick quote or indication generator and view/request/report capability

FEATURE	DESCRIPTION	BENEFITS
Login capability / Password Management	System authentication requiring logon id/passwords	Controls access to more in-depth website features
Financing Information (including calculator and necessary forms)	RA enters data for financing quote and can print out the completed forms for signature	Facilitates the financing process
Agency Accounting Statements	Role-based access by RA to view statements	Helpful to RA Accounting Department and facilitates payment processing
Online Rating Capability	Quick Quote (indication) with subsequent review by UW	Labor and time saving for the RA, but due to duplicate data entry required, this is an interim step
Online Endorsement Request Functionality	RA enters request to GA website, or GA is able to accept emailed Change Forms	Interim step while awaiting next Generation
Online Claims Reporting	RA has capability to enter first notice of loss	Expedites claims reporting and GA does not have to re-key claim info
View / Request / Report Capability	Ability for RA to review information on policies, endorsements, request copies of policies and decs	Provides ability for limited self-service by RA to provide better service to the end-client
Policy/Claims Inquiry	Online access to client/account data	Time saving for the RA; labor and time saving for the GA

NOTES FOR CONSIDERATION:

+ Use recommended structures for establishing required logon ids and passwords. Extremely complex passwords and frequent expiration dates are burdensome to RAs dealing with multiple carrier and GA websites. More information is available at www.independentagent.com/act . (Agency Security Section, ACT Password recommendations).

+ The GA website should also be able to accept ACORD applications from the RA’s system. Until fully automated, RA submissions must be emailed, and RAs must wait for a later response from GA’s UW department.

+ If GAs require RAs to enter data on GA website, please recognize the “pain” being inflicted on the RA due to duplicate processing and duplicate data entry, and move as quickly as possible to Generations 3 and 4. The preferred workflow for RAs would be to allow submission of ACORD applications directly from the RA’s agency system to eliminate duplicate data entry.

+ As an industry, we must strive to streamline and graduate the level of required data elements for quoting/indication and binding. A preferred approach would be to require less detail to receive a quote/indication and at binding, the full ACORD application, along with pertinent supplemental applications, would be provided by the RA.

+ In Generation 2, there will be varying degrees of integration and functionality at the GA website; however, the website should position the GA for future development and integration with the GA's and its carriers' backend systems as described in Generation 3.

+ RA and Client expectations are increasing beyond 'indication' only. As an industry, the RA / GA / E&S Carrier Supply Chain must continue to work together to high-grade and streamline the process to enhance the client experiences.

+ Access to detailed GA data should be available when using a specific logon id and password. At a minimum, active policies, account listings, agent activity logs, account current reports, and amounts due should be made available to RA administrators.

+ Keep in mind that in Generation 3, there is still great deal of variation between GAs, and this lack of standardization may create confusion for RAs. Therefore, GAs should continue their efforts to evolve to the next Generation as quickly as possible.

3.0 GENERATION 3 — straight-through-processing from the GA website with emphasis on automated interfaced for backend GA systems

FEATURE	DESCRIPTION	BENEFITS
Online applications	Ability to generate applications either native to the GA website or dynamically generated through integration with carrier systems	While an improvement for GA workflows, online applications require duplicate entry by the RA.
Automated underwriting	Rules-based eligibility, referral, subjectivity and rating implications	Faster quoting process for less complicated risks
Carrier/Product Selection Decision Support	Online information and analysis to enable GAs to provide valuable advice to the RA on the appropriate Carrier / Product for its customer	Ability for the GAs to demonstrate its value to the RAs
Referral	Automated Workflow between GA Underwriters or with Carrier Underwriters	Workflow efficiency for the GA and Carrier
Quote proposal generation	PDF generation of fully populated quote proposal document	Labor and time saving for the GA
Subjectivity (underwriting) management	Workflow tracking for outstanding and cleared subjectivities	Labor and time saving for the RA and GA
Bind and Bill	PDF generation of fully populated binder	Labor and time saving for the GA; ability to email to RA
Policy Issue/Endorse/Renew	PDF generation of fully populated documents	Labor and time saving for the GA; able to email to RA for storage in RA systems
Dec printing (including policy forms)	Online access	Time saving for the RA; labor and time saving for the GA
Customer form printing (i.e. auto ids, certificates, binders, etc)	Online access to required post-transaction documents	Time saving for the RA; labor and time saving for the GA
Download of quote proposal and policy data back to RA database	AL3/XML	Use of Download completes the round trip of data back to the RA system

NOTES FOR CONSIDERATION:

+ Printing of policy declarations requires that the GA have an imaging or policy administration system or integration with a carrier's system.

+ Generation 3 enhances the online integrated application capability for GA backend systems. These interfaces are required to accommodate importing of data from RA

systems in Generation 4. Generation 3 provides capability for bindable quotes, underwriting, referral, quote proposal, subjectivity management, binding, billing and policy issuance/endorsements/renewal capabilities. These systems may be either self-contained programs and data in the GA environment, or available through integration with carrier environments.

+ There are third party services available to translate policy data in XML to the AL3 downloads currently required by RA management systems, and many vendor systems are working toward the use of XML for downloaded data.

4.0 GENERATION 4 — offers Real Time, Straight-Through-Processing to/from the RA management systems (upload and download) by integrating with the GA systems so the RA can work from and not need to leave their agency management system environment.

FEATURE	DESCRIPTION	BENEFITS
Online Rating and application completion (with bridge link of data from RA database)	RAs enters information directly into their agency management system which is integrated to the GA environment, and existing information in the agency management system is pulled in automatically (e.g., prior year application data)	Real Time integration and elimination of duplicate data entry Potential to include digital or electronic signature capability to eliminate the need for paper application
Online subjectivity (underwriting) management	Tracking / upload of info through the RA Management System	Labor and time saving for the RA and GA
Online binder or endorsement request	Workflow to immediately alert the GA	Time saving for RA; labor and time saving for GA
Live Accounting	Online Payments, collections activity, cancellations, Retail Agency A/R status	Self-service capability for RA and streamlines payment process

NOTES FOR CONSIDERATION:

+ Generation 4 integrates the GA environment with the RA environment, so the RA user can generate transactions directly from the agency management system and does not need to leave the agency management system environment.

+RA data is bridged from agency management system to the GA system(s) without the need for re-keying by either the RA or GA.

+ See ACT’s recommendations for improved handling of agency passwords in the Real Time environment (www.independentagent.com/act in Agency Security section). ACT is also exploring the industry’s use of agent single sign-on.

+ Data transmitted from RA systems can be forwarded as appropriate to GA raters and/or carriers.

+ Be aware that Transformation Station, TransactNow, and other potential technology for data integration between RAs and GAs require a separate agreement.

+ As the RA/GA partnership evolves, decisions will be required on where coverage will be placed for specific risks.

5.0 ACKNOWLEDGEMENTS

Retail Agent-E&S Markets - GA Website Work Group Members

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Joseph	Roy	CRC Insurance Services
Jacque	Schaendorf	Southern General Insurance
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Angelyn	Treutel	Treutel Insurance Agency Inc
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