

AUGIE Group

an insurance tech exchange

Specialty, Excess, Program Business, Intermediary--Automation Initiative.

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AUGIE Group held its first Town Hall for 2020 to discuss **Specialty, Excess, Program Business, Intermediary--Automation Initiative.**

Independent agents and brokers represent a wide variety of clients and their risk. In many cases the agents and brokers do business through marketplaces that handle their client's exclusive business. These marketplaces may be both nontraditional and traditional. The agent's goal is to provide their clients with the best insurance coverage and level of customer service. This often means working with a large number of markets, allowing Independent agents to do the right job for their business owner clients.

We often refer to these marketplaces inaccurately. The discussion usually uses the term: excess and surplus lines market. This is not exactly right. Excess and surplus lines is an official term regarding the licensing regulation. It has to do with whether or not carriers are admitted or not admitted. But that's just one part of the discussion.

The reality is that most agents must work with intermediaries that are admitted in the state, where the clients' exposure resides. The only way that the agency can place the business within those markets is through an intermediary.

These markets are critical to the equation. But because these transactions are done through intermediaries, and often are specific to the client and market need, many of the technology advances that have been made in other lines have lagged here. Manual processes and different workflows can add a lot of cost to all parties in these transactions. There is a lack of connectivity and very little upload and download to exchange policy information, new submissions and other client information.

Given the growing market for specialized insurance products, the intermediary marketplace will benefit from embracing technology. Many want to move forward, and some early adopters have invested in technology. However, many of these early adopters have not realized the benefits from their initial investments yet. On the other side, many agents say they have been waiting for years for more of a digital connection with these markets.

There has been some progress from a download perspective. The industry fixed one of the issues a couple of years ago, when it started using the NPN (National Producer Number) code in the download.

The time has come to make sure that everyone is at the table at the same time, working towards efficiency specific to Specialty, Excess, Program Business, or any business that goes through an intermediary. This AUGIE Group initiative, is designed to bring everyone's perspective together to determine next steps that will have a big impact in this important and quickly growing area.

Those who have been involved with AUGIE Group through the years know that, "nothing happens until the sale is made". The agents and brokers are looking to their markets to allow them to make the submission and servicing process easier.

Starting with Submission Process Improvements

The industry needs education and advocacy to assist this segment of the industry in becoming more efficient.

During the Town Hall, four organizations shared how they are making the submission process more efficient. The Group defines submission as: the compilation of the applications and rating and finding of the best market for their client's risk.

1. Program Business

<https://www.programbusiness.com>

Program Business was established in 1999 to strengthen the partnership between independent agents and carriers, MGAs/MGUs, wholesalers and program administrators with an on-line robust platform that facilitates coverage search, program accessibility and placement of program business.

Agents attending the Town Hall explained that they often need to quickly and easily locate a very dynamic program market and understand their current underwriting conditions. The agents need to easily determine a sometimes moving target, including what is defined as specialty insurance and what is considered to be standard insurance. And there's a lot of movement from that perspective. There are also areas where there is crossover between standard and speciality. The ProgramBusiness.com model assists agents with this process.

2. AVYST

<https://avyst.com/>

AVYST was formed in 2014 by innovative thinkers with deep insurance and technology expertise who were frustrated with inefficient, limited workflows in the independent agency system. AVYST has numerous partnership arrangements with prominent industry organizations designed to grow

awareness of, and provide education on, the appropriate and profitable use of insurance technology by agents, carriers, MGAs and wholesalers.

AVYST is focused on empowering the Agent, Broker, Account Manager, Placer or Risk Manager to gather information in a method which is most convenient and applicable to the line of business being sold, AND how the agency and client wish to interact. The company provides a suite of data capture and sales tools that include a dynamic interview OR mobile point-of-sale solution OR consumer facing submission solution as appropriate. With the understanding that agents are independent, and one size does not fit all, AVYST solutions include the first ever use of bidirectional integration of ACORD, Carrier, MGA, Wholesaler and Agency-unique forms data for both Personal Lines and Commercial Lines. AVYST first product, eForms Wizard, is fundamentally designed to replace the pen and paper at the point of sale. eForms Wizard empowers insurance professionals to accurately and thoroughly collect data, even when offline, and get to market quickly by streamlining the submission process.

3. INSUREZONE

<http://insurezone.com/>

InsureZone was started in 1999 to be the back-office solution for banks looking for a branded, personal lines insurance sales solution.

Today, the InsureZone platform includes 18 software tools that run the gamut from lead generation for agency web sites, application submission management, single-entry real-time rating for personal and commercial and surplus lines with 50 carriers, a sales CRM suite called FIDO, automated underwriting and exclusionary rules management, document management, automated workflows for policy sales and policy servicing, policy self-service for retail agencies, automated document retrieval for all carriers and lines of business and for all transaction types, and much more.

This is an API driven propriety technology platform that prefills application, allows ACORD app upload via drag and drop or via Printer Driver from any agency management system to kick off the submission and/or the real-time quoting of an application, can handle book rolls, and allows download to ANY agency management system via IVANS AL3 files. The software is being used by over 25,000 agents, brokers and wholesalers around the U.S.

4. Agency Management Systems

Agency management systems—as a whole—are working toward connectivity with the services discussed today. Some of them are able to do upload too.

From a download perspective, they handle this business similar to commercial download, but there are issues because there are so many scripted endorsements. The agency management system providers are working with a multitude of third parties. This is all potential opportunity for this AUGIE Group initiative.

IVANS

IVANSinsurance.com

IVANS is now assisting with commercial submissions through the partners listed above. IVANS, is also going to leverage Indio to expand its leading data exchange capabilities to connect agencies, brokers, insurers and insureds, and to automate information exchange throughout the submission process, minimizing friction and creating greater value for each stakeholder.

All of the solutions discussed above allow for the data to be captured, market appetite tools to be utilized to verify that the market has the appetite for the risk, and then once the business has been written, the download comes through the IVANS network into the agents mailbox to be picked up by their agency management systems.

This is being proven as many of these Specialty, Excess, Program Business, Intermediary markets are providing download through the IVANS Network. They have the ability to push Files downloaded from carriers, through their system down to the agency's system. If these intermediaries have a policy system, IVANS can work with them to do a download. With the recent introduction of the unique identifier, NPN which has helped this process, more management systems are able to receive the pass through of the AL3 file from the carrier that goes straight into the agency based on what we find within the system to identify them.

IVANS has figured out how to do assist these markets utilizing the IVANS translation services to generate the files needed by the management systems used by the agents. Some of the Specialty, Excess, Program Business, Intermediary marketplace have started the process by sending eDoc attachments too. The chart below lists the markets and their capabilities as of November 2019.

Opportunities to Improve Servicing

The servicing of the account through Download is important to the agents. The servicing side which is a very large portion of a retail agent's day to day business operations, cannot be overlooked.

The fact that we have so many different workflows that are involved with the life cycle of this business, makes it even more critical to ensure that it is as efficient as possible. Agents need more automation that starts and finishes in their agency management systems.

As AUGIE Group talks about bringing efficiency to the front end, submission side of this world, we would like to remind everyone that that it is important to talk about the back end too.

That is why AUGIE Group has brought us all together to address this. AUGIE Group will be developing educational and advocacy documentation; and talking about how to get the industry on board with the right initiatives that will make the most impact.

We need all who are interested in this initiative to communicate about the services that are currently available today. Similar to the business reason the agent selects their agency management system, the agent needs to be aware of the additional solutions that bring efficiency to their Specialty, Excess, Program Business, Intermediary processes.

We all learned that there is technology available today to assist the agents with submission, rating and download. The major obstacle, the industry doesn't know about it! This AUGIE Group Specialty, Excess, Program Business, Intermediary--Automation Initiative is striving to change that!

About AUGIE Group

AUGIE Group is a not-for-profit organization open to all in the industry who are involved in the independent agent distribution channel. An insurance tech exchange with more than 4,000 members, it brings members together to share ideas, anticipate market needs and influence change. AUGIE Group is a valuable community where agents, brokers, carriers, MGA/Wholesalers, solution providers, association representatives and others can come together beyond their associations, user groups and other affiliations to discuss industry issues and opportunities. A volunteer-led and volunteer-run organization, AUGIE focuses on practical approaches to using technology to make independent agents' businesses better and more efficient. To learn more visit www.augiegroup.org