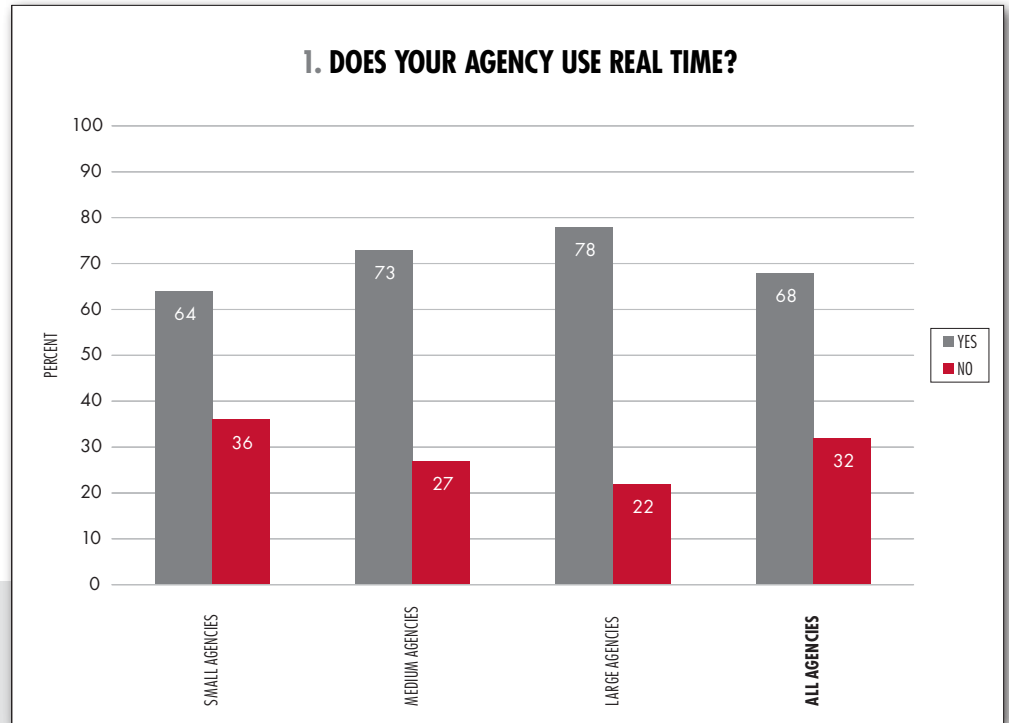




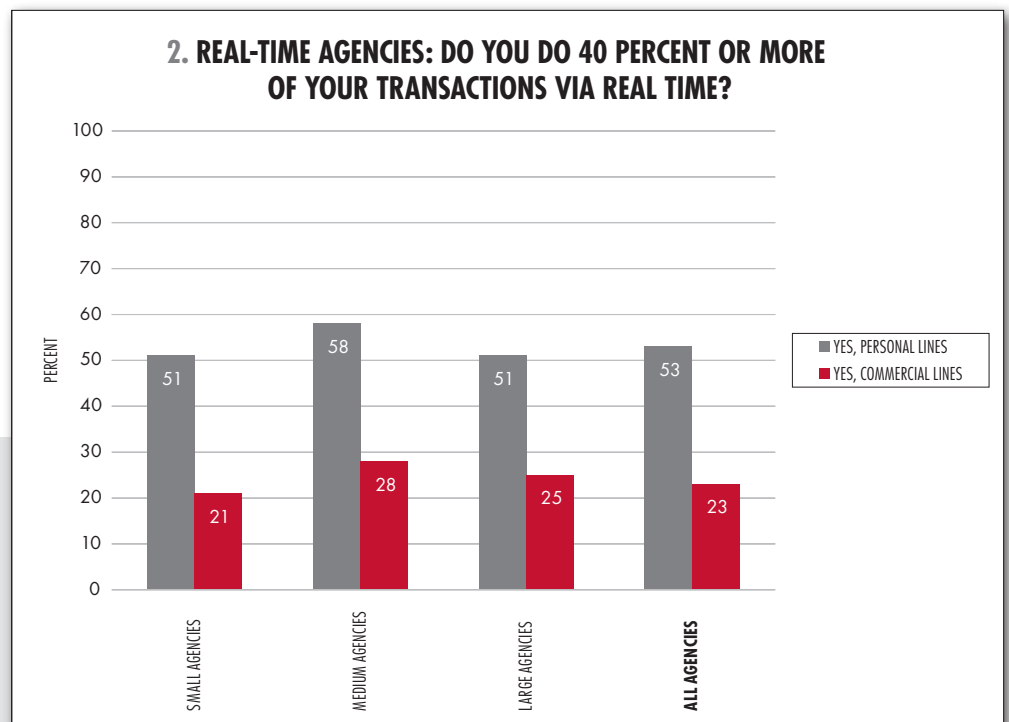
PIA's latest survey presents a wealth of data on how agents interface with insurance carriers to rate, place and service business. The PIA System & Transaction Agency Research survey studies transactions done via Real Time and at company websites. It also measures the utility of third-party vendor systems. PIA believes the STAR survey is the only study measuring agents' actual experience over such a broad range of technologies.

1. More than two-thirds of agents use Real Time. Use increases with agency size.



WHY STAR? PIA's annual Company Performance Survey finds that agents often focus on a company's technology in comments they provide. In both 2009 and 2010, 39 percent of technology-themed comments described an insurer's "main strength," while 61 percent suggested improvements. This year, PIA's ongoing Company Performance Survey project chose

2. More than one-half of Real Time users do 40 percent or more of their personal-lines transactions via Real Time. Less than one-quarter use Real Time for this share of commercial-lines transactions.



to explore further this important dynamic of the agency-company partnership by launching the STAR survey.

The STAR survey let agents rate how well their carriers' automated transactions—plus other systems—meet their business needs. A total of 677 agents participated during May-June 2011.

UNDERSTANDING THE STAR SURVEY RESULTS

SIZE CATEGORIES. The STAR survey grouped agencies as follows: Small (under \$5 million in property/casualty premium); Medium (\$5 million to under \$15 million); Large (\$15 million and up).

MBN SCORES. Using a 10-point scale, agents entered “meets business needs” scores for their automated transactions with up

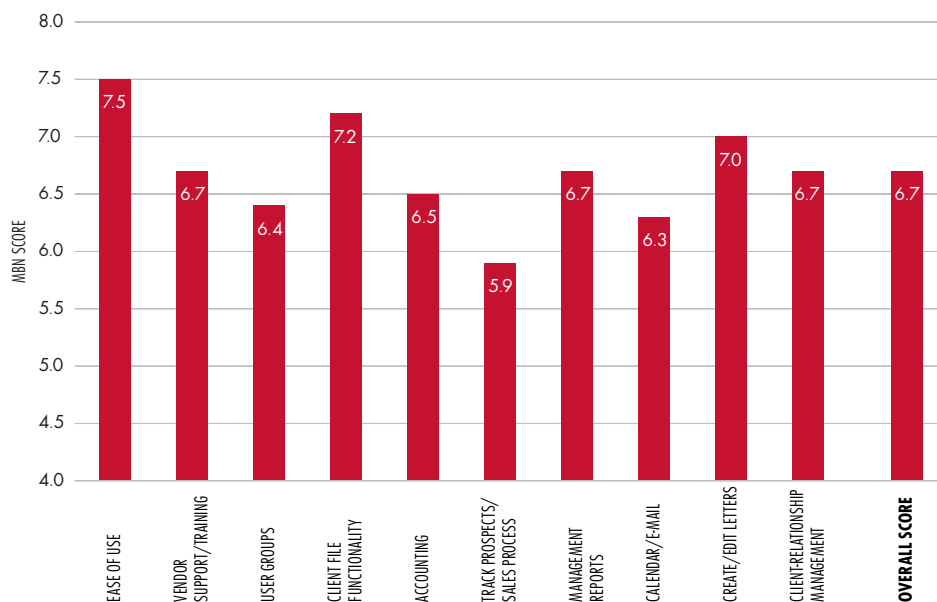
3. Agency management systems are fairly easy to use. They could do better at helping agents manage the prospecting/sales process.

to five different companies, as well as the agency management system and premium-comparison solutions they use.

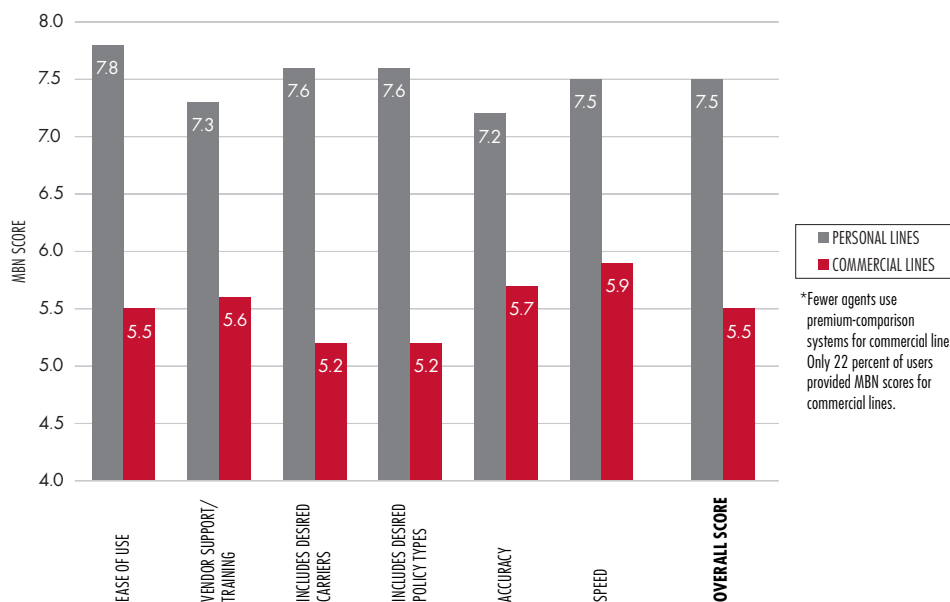
For a comparable benchmark: Since converting to a 10-point scale, PIA's Company Performance Surveys consistently record an overall average “performance score” of 7.4 -7.5. This reflects scores for

4. Premium-comparison systems for personal lines provide ease-of-use, but accuracy lags. Commercial lines: Speed, accuracy score best, but agents need more carriers and policy types.

3. MEETS-BUSINESS-NEEDS SCORES, BY FUNCTION (AGENCY MANAGEMENT SYSTEMS)



4. MEETS-BUSINESS-NEEDS SCORES, BY FUNCTION (PREMIUM COMPARISON SYSTEMS*)



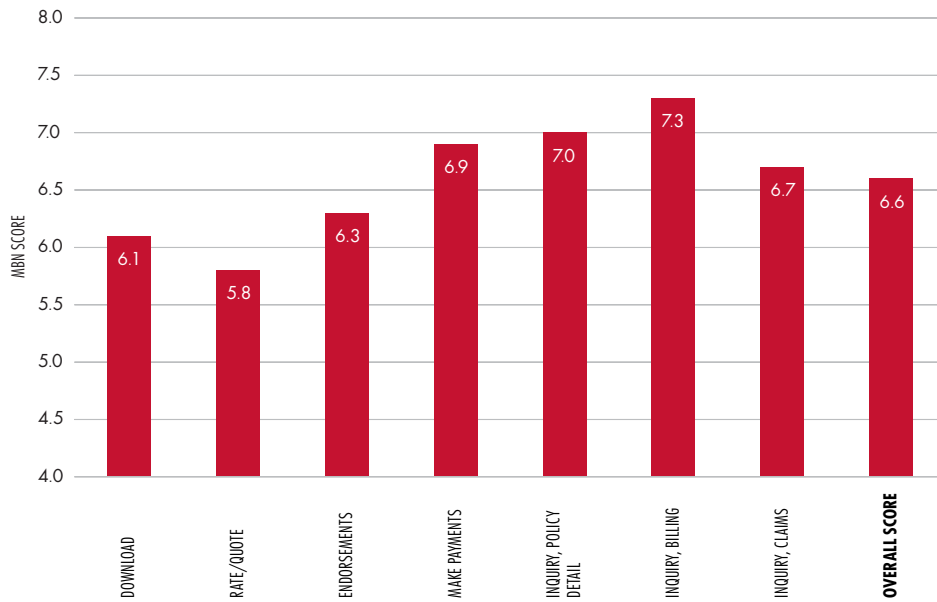
all insurers, on all 20 performance items combined—including product/price, relationships, claims, service and underwriting.

Company technology consistently scores below the performance-survey average. The 2009 and 2010 averages: Easy, intuitive technology (7.2 both years); Good download (7.0, 7.2) and

Enables Real Time (6.4 both years). Performance scores measure how strongly the agent agrees that a positive statement applies to a given company.

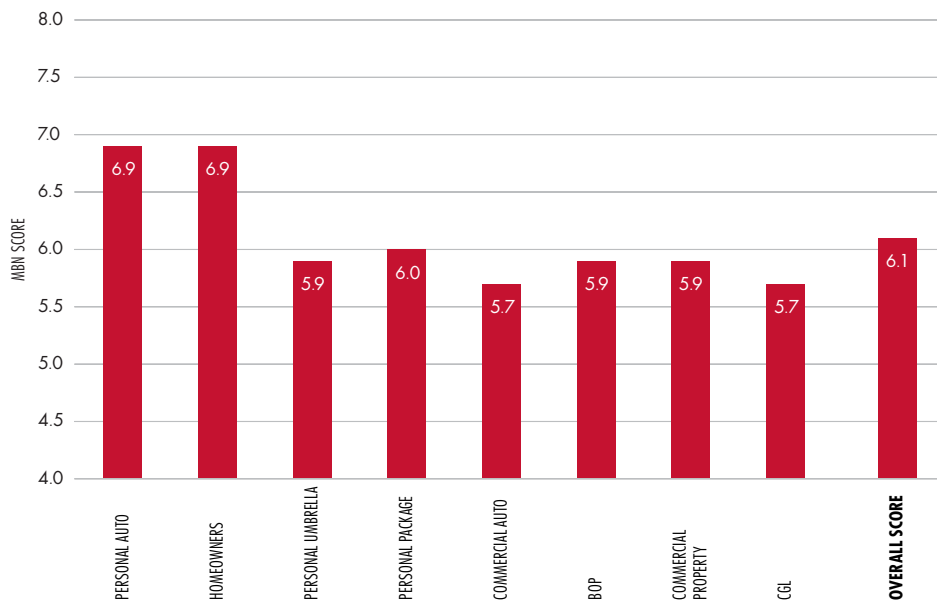
Key STAR survey findings appear in this report, showing all-industry averages only. Scores for individual companies and vendors may vary from these figures. Additional STAR survey charts and analysis

5. MEETS-BUSINESS-NEEDS SCORES, BY FUNCTION (CARRIERS' AUTOMATED TRANSACTIONS)



5. Rate/quote scores lowest of all transaction types—yet it's a big business need. (Remember the overall average MBN score of 6.6 as you view charts 6-11.)

6. MEETS-BUSINESS-NEEDS SCORES, BY LINE (CARRIER DOWNLOAD)



can be viewed at PIA's website www.pia.org.

REAL TIME

“Real Time” lets agents click on a button in the client's file, within their own agency management system (or comparative rater). Users immediately view the desired information or instantly start a transaction for that client in the

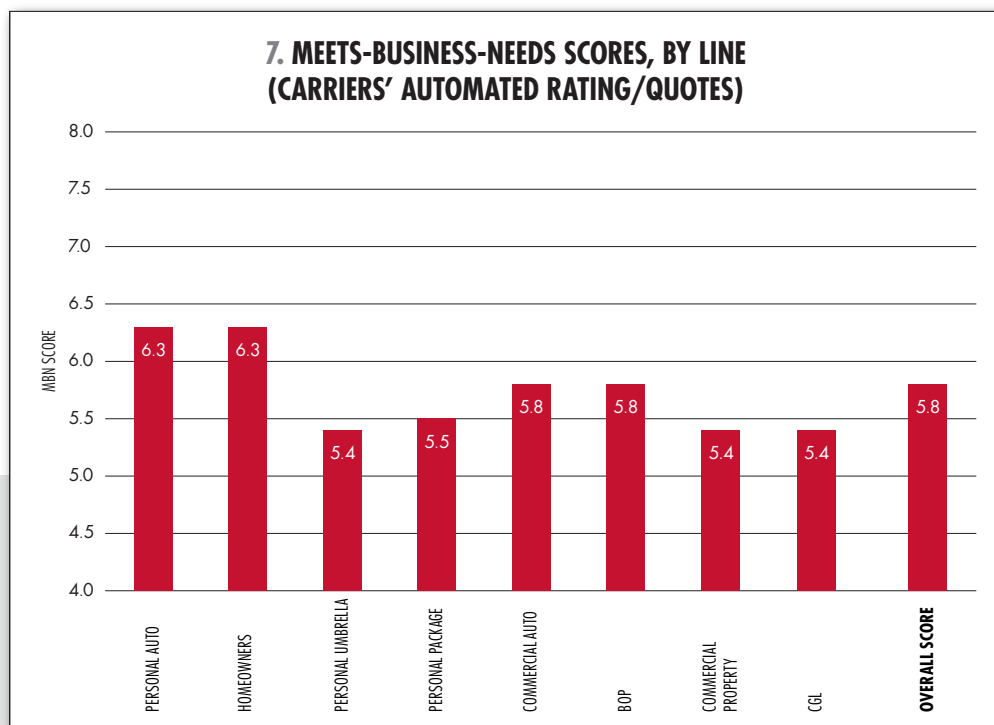
6. Download works best for personal auto and homeowners. For other lines, download meets agents' needs less well.

carrier's system. This approach gives agents a single workflow for quoting or servicing, regardless of carrier.

The STAR survey detects a steady increase in the use of Real Time to interface with carriers. More than two-thirds of agencies (68 percent) use Real Time (Chart 1). That's a 15 percent increase in the share of respondents using Real Time since 2008, when PIA last asked the question. Agents who use Real Time more with a given company generally give its technology a higher MBN score (Chart 14).

Real Time appears well on its way to becoming the predominant personal-lines workflow for agencies that use it; over half say they do 40 percent or more of all

7. Automated rating/quoting works best for personal auto and homeowners. Other lines' rate/quote scores are among the lowest on the entire the STAR survey.

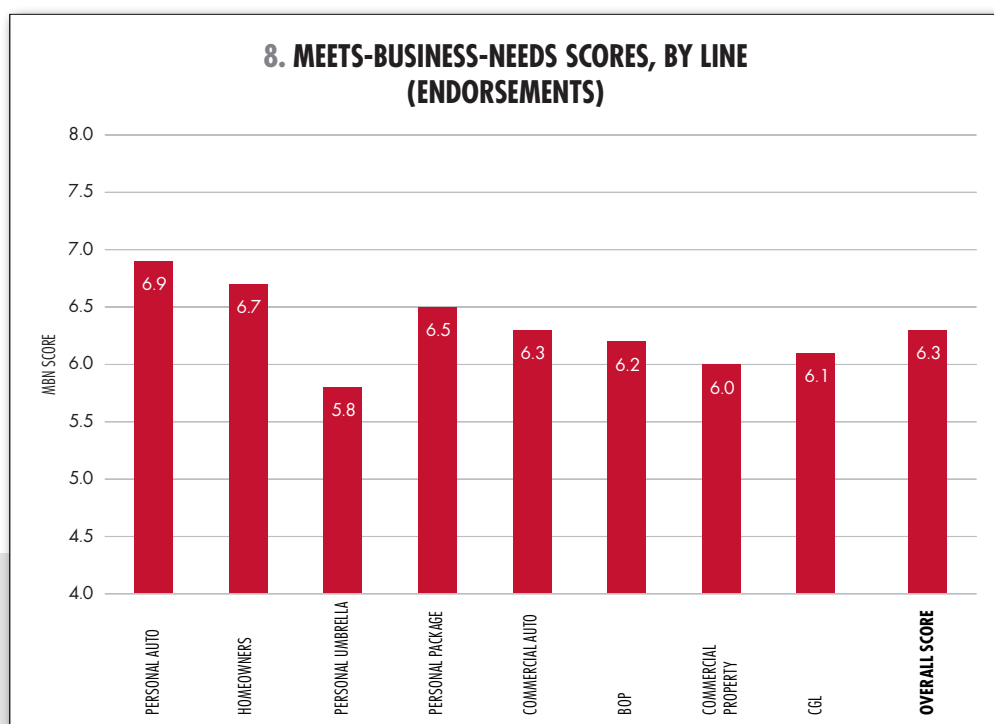


personal-lines transactions with Real Time (Chart 2). A smaller share—under a quarter—say this about commercial lines. Shares don't vary much by agency size.

AGENCY MANAGEMENT SYSTEMS

The STAR survey asked agents to score their own agency management system on a variety of criteria. Overall, these systems earned an average MBN score of 6.7 (Chart 3). Twenty-six distinct systems were included in the survey.

8. Endorsement transactions meet agents' needs better—for all lines—than policy rating.



Agency management systems, in the aggregate, meet business needs best for ease-of-use, client-file functionality and creating/editing client letters. They lag in tracking prospects and the sales process—a possible opportunity for vendors to create more value in these products.

PREMIUM-COMPARISON SYSTEMS

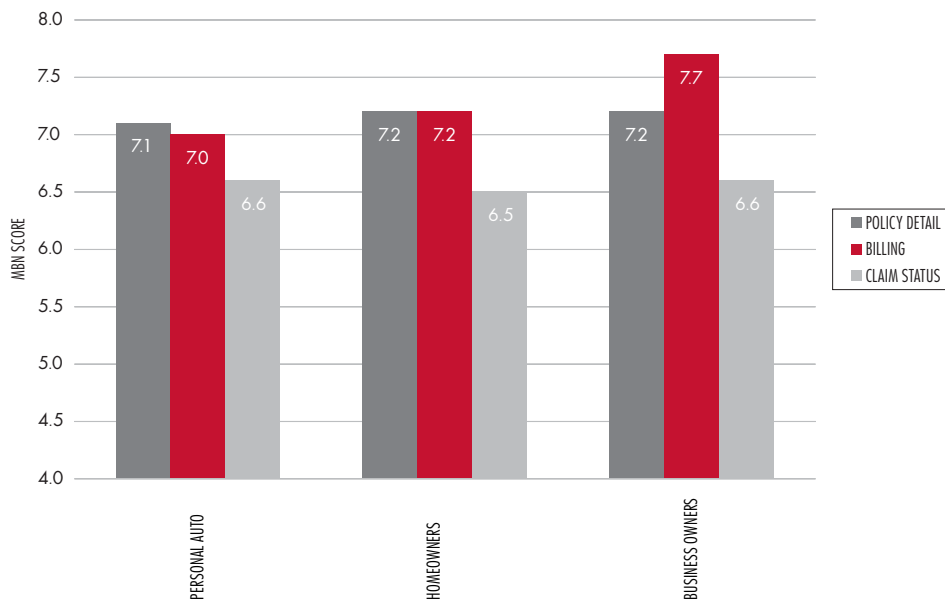
Over half (57 percent) of agents use technology enabling them to get rates simultaneously from multiple companies. That's up from 44 percent in PIA's 2008 Technology Survey. In 2008, 69 percent of these users said they're "much more likely" to rate/quote insurers they can rate via this comparison process.

Premium-comparison systems currently meet agents' needs better for personal lines than

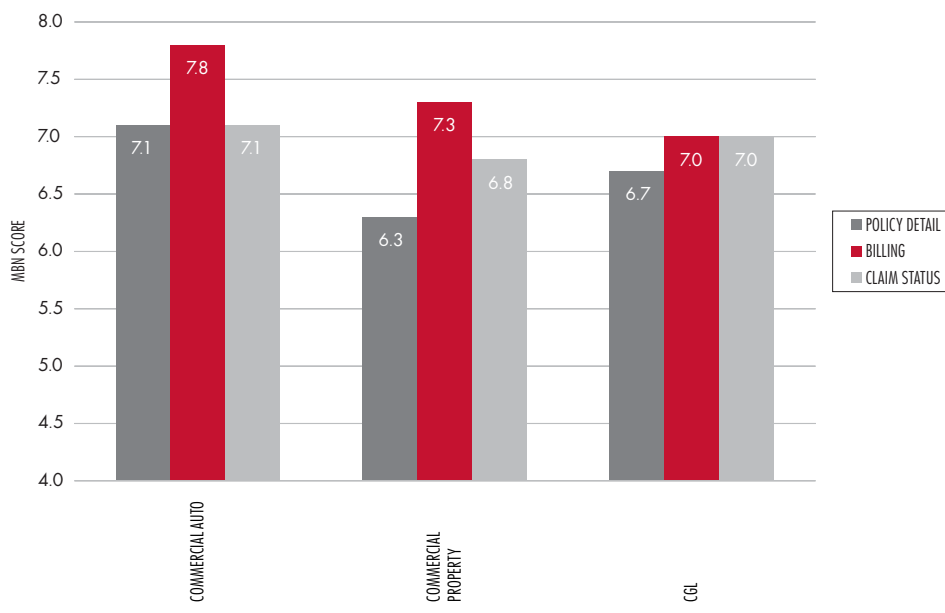
9./10. Customer-service needs are met fairly well by carriers' automated inquiry methods (both personal and commercial). Numerous agents told the STAR survey they want better claims access.

commercial (Chart 4). (Less than a quarter of users provided commercial-lines responses.) For personal lines, these systems score best for ease-of-use and least for accuracy. For commercial lines, they score best for speed and accuracy (but still well below personal lines) and least for including agents' desired carriers and policy types—an opportunity for vendors, in cooperation with carriers, to add more value in the future.

9. MEETS-BUSINESS-NEEDS SCORES, INQUIRIES (BREAD-AND-BUTTER LINES)



10. MEETS-BUSINESS-NEEDS SCORES, INQUIRIES (COMMERCIAL LINES)



CARRIERS' AUTOMATED TRANSACTIONS

Agents could rate up to five insurance companies' automated transactions, according to how well they meet the agency's business needs. MBN scores in this report reflect a mixture of all automated transactions, whether performed via Real Time or by going to a carrier website, for all companies combined. Seven types of transaction were studied across eight separate business lines—four personal and four commercial.

Note carriers' overall STAR survey average MBN score of 6.6 (Chart 5), to use as a benchmark for the various transaction-types and lines we'll look at next.

In the aggregate, carriers meet their agents' business needs best for automated billing/payment

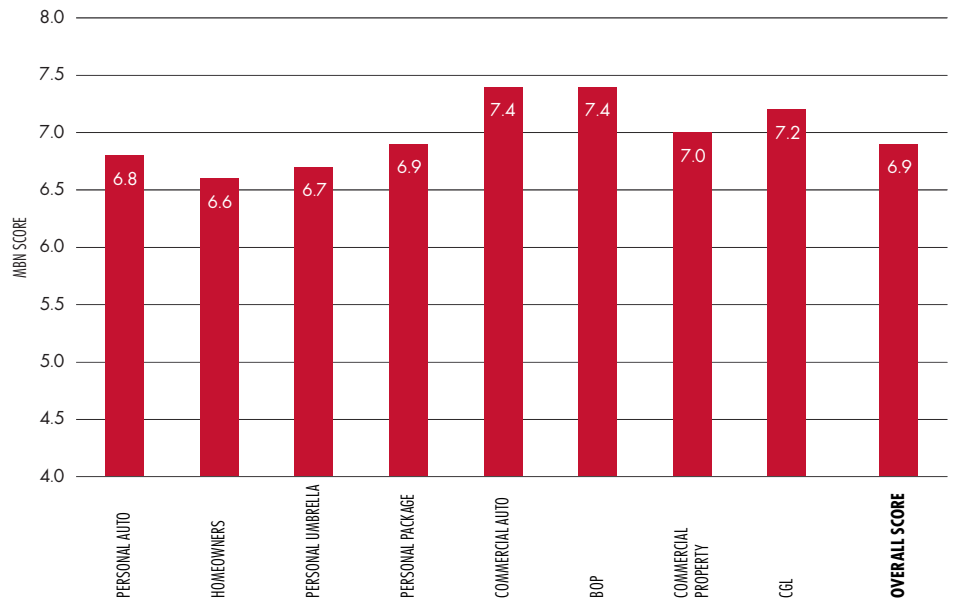
11. Payment technology (as well as billing/payment inquiry) earns high marks, especially in commercial lines.

inquiries and least for performing rating/quotes. Considering the importance of speedy, accurate rating for agents to book new business, a 5.8 MBN score points to a general need for further work on rate/quote functionality—and an opportunity for competitive differentiation among carriers.

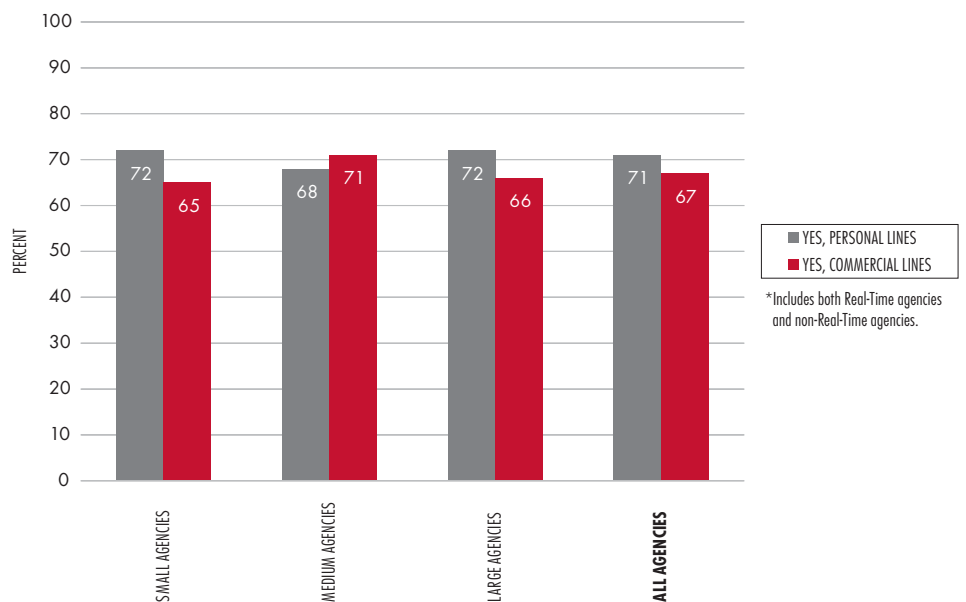
DOWNLOAD. Company download works best for personal auto and homeowners, less well

12. Websites provide seven out of 10 of all agents with their entrée to start 40 percent or more of their carrier interactions.

11. MEETS-BUSINESS-NEEDS SCORES, BY LINE (MAKE PAYMENTS)

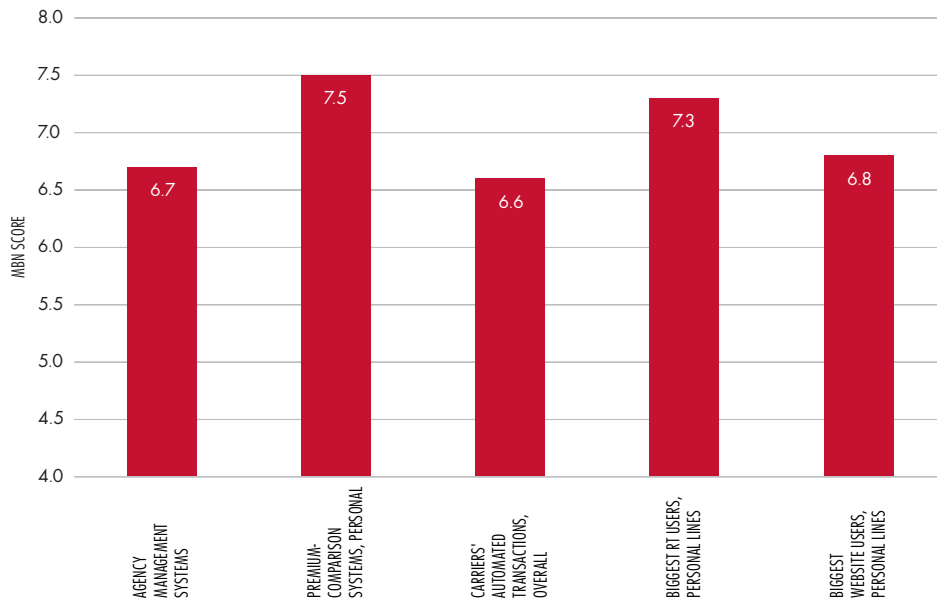


12. DO YOU BEGIN 40 PERCENT OR MORE OF YOUR TRANSACTIONS AT A COMPANY WEBSITE?*



for commercial property and general liability (Chart 6). Carriers and agents alike benefit tremendously from good downloads: Records match, errors are reduced and large amounts of time can be saved on data-entry and verification. Here's another chance for improvement—especially in the data-heavy commercial lines.

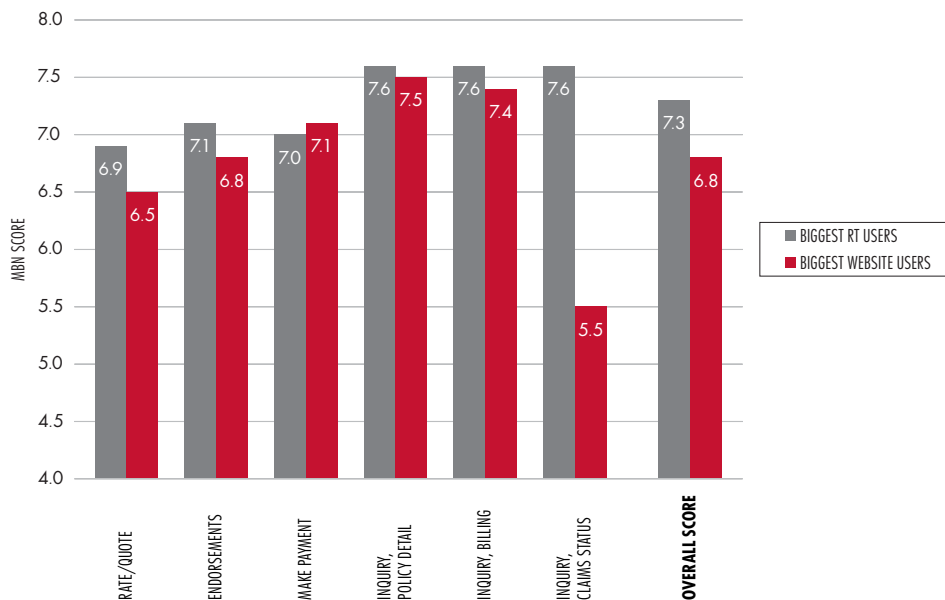
13. HOW WELL VARIOUS TECHNOLOGIES MEET AGENTS' BUSINESS NEEDS (OVERVIEW)



RATING/QUOTES. Companies' automated rating/quotes work best for personal auto and homeowners (Chart 7). A key STAR survey finding: Rating/quotes for remaining lines score among the

13. MBN score summary: Premium-comparison systems top both agency management systems and agents' overall experience with carrier interface, in meeting business needs. The two final columns show interface works better for personal lines; higher scores go to carriers from agents who use the most Real Time (7.3 vs. 6.8).

14. MEETS-BUSINESS-NEEDS SCORES, BY PREDOMINANT WORKFLOW (AUTOMATED TRANSACTIONS, PERSONAL LINES)



lowest aspects of all technology agents use.

PIA performance-survey comments are apt to either extol companies or vent frustration on the rating topic. Since agents need a price to close the sale, carriers may want to look closely at this result—and whether it could be costing them business.

14. Carriers' personal-lines MBN scores differ, between predominant users of Real Time vs. website entrée. The biggest gap shows in claims-status inquiries, followed by rating and endorsements.

Agents using Real Time for 40 percent or more of their personal-lines rating tend to score their companies higher than agents who usually go to carrier websites (Chart 14).

ENDORSEMENTS. Policy-change automation also works best for personal auto and homeowners (Chart 8). Considering the number of performance-survey comments seeking a better endorsement process, an overall 6.3 MBN score is encouraging.

Agents using Real Time to affect 40 percent or more of their personal-lines endorsements score their companies higher than agents who usually go to carrier websites (Chart 14).

INQUIRIES. In general, automated inquiries meet agents' business needs better than other types of transaction (Charts 9 and 10). In the "bread-and-butter" lines (including small-commercial), claims inquiries lag behind policy detail and billing look-ups. Claims inquiries score somewhat better for remaining commercial lines.

In personal lines, automated inquiries are the highest-functioning transactions agents experience (Chart 14). Agents who usually start inquiries in Real Time score their companies only slightly better than those who tend to go to websites—except for claims-status inquiries. Here, big Real Time users rate companies far higher (7.6 vs. 5.5).

PAYMENTS. Make-payment technology (like billing/payment inquiries) earns relatively high marks for meeting business needs, especially in commercial lines (Chart 11). At 6.9, payment automation scores above the overall carrier transaction average (6.6).

For personal-lines payments, going directly to a carrier's website may work better than starting in Real Time—the only transaction where the STAR survey found this result (Chart 14).

TRANSACTIONS DONE VIA WEBSITE. About 7 out of 10 of all respondents start 40 percent or more of their transactions at

a carrier website (Chart 12). Note that this finding groups agents using no Real Time whatsoever together with Real Time users. It holds true across both personal lines (71 percent) and commercial lines (67 percent), with little variation by agency size.

Based on the sheer volume of website-initiated transactions, this functionality is tremendously important for agents. Performance-survey comments suggest that carriers can stand out from their competition by maintaining a fast, clean, intuitive and easily-accessed site.

How do the two compare? Our final chart shows that agents using Real Time for 40 percent or more of their personal-lines transactions tend to award their carriers higher MBN scores, compared with agents who go to carrier websites to start 40 percent or more of these transactions (Chart 14).

Both groups rate their personal-lines experience above the overall STAR survey company-transaction average of 6.6. Respectively, carriers' MBN scores average 6.8 for mostly website users and 7.3 for the survey's biggest users of Real Time.

CONCLUSION

PIA's 2011 STAR survey collected a massive amount of quantitative data, as well as agents' specific recommendations and plaudits for each carrier. This year's effort furthers the goals of PIA's ongoing Company Performance Survey project: To gather and publish information on agent-company trends, provide carriers feedback from their agents, inform PIA members about company performance, and recognize excellence in meeting agents' business needs.

Additional reports are forthcoming, analyzing agents' STAR survey comments and further exploring in more granular detail the data that PIA collected. Visit www.pia.org for more information. 