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News Release

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Premium-comparison systems rate best with independent agents

GLENMONT, N.Y.—Insurance agents taking part in a recent survey rated premium-comparison systems highest among the major categories of technology they use. The 2011 PIA System & Transaction Agency Research survey asked agents how well technology meets their business needs. The survey asked about agency management systems and various automated transactions enabled by insurance carriers, as well as comparative rating products.

“Technology plays such an integral role in furthering our members’ profession that PIA wanted to find out what’s working best for them,” according to Diane Fowler, executive director of the Professional Insurance Agents associations in Connecticut, New Jersey and New York, where the study was conducted. A total of 677 agents took part.

“The STAR findings suggest several areas of opportunity for carriers and vendors,” according to PIA’s Senior Research Analyst Ellen D. Kiehl, Ph.D. “First, insurers may want to look at their agents’ feedback on their rating systems, because we see a good deal of differentiation in this area. Agents also are looking for carrier download to expand its usefulness beyond the usual personal lines. For agency management system vendors, we see an opportunity to introduce or expand functionality in managing the sales process. For premium-comparison system vendors, agents need more companies and more lines to work with these systems for commercial lines rating. Finally, agents may be interested to learn that the most consistent Real Time users seem to get the most value out of their companies’ technology.”

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At the direction of PIA's volunteer leaders and members of the associations' company and business issues committees, Kiehl and PIA's Business Issues Director Jim Pittz, CPIA, designed, administered and analyzed the STAR survey. Kiehl said its major findings include:

- On a 10-point scale measuring how well technology serves agents' business needs, premium-comparison systems for personal lines scored 7.5. Agency management systems averaged 6.7 and insurance carriers' agency interface scored 6.6 overall.
- For commercial lines, premium-comparison systems meet agents' needs less well (5.5), scoring lowest for including agents' desired carriers and policy types (5.2).
- Only 57 percent of respondents report using premium-comparison systems and it appears that fewer than a quarter of these agents may be using their systems for commercial lines.
- The most consistent users of Real Time for personal-lines transactions rate their companies' technology higher (7.3) than do agents who mostly go to carrier websites (6.8). (Real Time lets agents go directly from client files in their own agency management system to view policy information or start a transaction with the customer's carrier.)
- About two-thirds of respondents (68 percent) use Real Time technology.
- Generally, the larger the agency, the more likely it uses Real Time. More than half of Real Time users (53 percent) conduct 40 percent or more of their personal-lines transactions using Real Time.
- On average, companies' individual rating and quoting systems drew the lowest scores (5.8). Rating/quoting also was the transaction agents selected most frequently when asked to comment on some aspect of an insurer's technology.

“We always get a lot of comments on technology from agents who take part in PIA's annual Company Performance Surveys, plus we've found it to be one of the top 10 factors on which agents judge a company relationship,” Kiehl said. “We decided PIA could give useful feedback to insurers and others who offer our members technology products by devoting our research effort to this topic in 2011.”

“Being able to provide customers with a firm price at the point they're set to buy is crucial to making the sale,” Pittz said. “People see mock-ups of instant rate-comparisons on TV. But, professional agents can provide the real thing in person, over the phone or at the agency website, thanks to companies working with vendors to make it happen. While cost isn't the only factor in the recommendations agents make, our members do need a fast, accurate way of determining the full range premiums they can offer.”

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“PIA’s STAR survey validates insurance companies’ investment in Real Time technology,” Kiehl said. “We’re at the point where the majority of Real Time users can make it their predominant workflow for personal lines. Also, the most consistent Real Time users believe their business needs are better met by their carriers’ technology. This finding is an important reminder for agents to explore ways of using Real Time more consistently whenever it’s available.”

Additional survey results are featured in the October edition of PIACT, PIANJ and PIANY’s *PIA magazine*.

For more information on the STAR survey, logon to the PIA website (www.pia.org) and click the “Government, Industry Affairs” tab.

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