

The Enhanced Value of an Agent amid the Growing Use of Technology in Insurance

The expanding use of technology may lead agents to sometimes feel like their necessity is being threatened by the convenience of online insurance sites. But an agent's knowledge, experience and personal advice tailored to a consumer's specific situation will always be necessary. While many consumers do their insurance homework and obtain quotes online, the interactions they have with the agent are critical, especially if they have to file a claim.

Insurance consumers now expect 24/7 access to policy information, required documents and forms, and the ability to pay premiums online. Insurance products, especially auto insurance, are now offered online for consumers to obtain a quote and complete the purchase of a policy. However, other pertinent elements remain such as underwriting, billing and policy administration. Consumers still need a trusted advisor whose expertise can be combined with the ease of online services.

This point was underscored recently by Bob Rusbuldt, President and CEO of Independent Insurance Agent of America. He noted that while more than 70 percent of consumers will first research online before purchasing auto insurance, they still prefer to work with a local agent whenever possible.

One way agents are adapting and responding to this trend is by implementing a "digital store" to meet their client's needs online. Agents can provide information on their website that allows clients to browse various insurance products, get the information they need to make a decision and make a purchase. Clients can self-service but still have access to the agent for any advice or clarification they may need. Agents can also create expanded portfolios of insurance products for their clients that go beyond the typical "auto and homeowner" bundle by including dental, vision, disability, term life, long-term care, accident, critical illness and even pet insurance.

Modern insurance consumers expect to have immediate contact with their agents through click-to-chat or click-to-call on their smartphones, as well as access to E-signatures and fillable online forms that make communication and business transactions move through much faster. Agency/broker portals and mobile services are a must in today's digital world.

Using Social Media in Insurance

Social media is increasingly being used by consumers for information and peer recommendations in making buying decisions, including insurance services. According to an Accenture 2013 Consumer-Driven Innovation Study published in Property and Casualty 360, nearly half of the insurance customers surveyed said they would consider comments on social media in making their insurance buying decisions. And more than half said they would use one or more insurance services offered through social media. These numbers correspond with

statistics released in the National Association of Insurance Commissioners (NAIC) White Paper “The use of Social Media in Insurance” which states that 90 percent of consumers trust peer recommendations, whereas only 14 percent trust advertisements. According to the NAIC White Paper, insurance companies are using social media to increase visibility, enhance familiarity, develop relationships, build trust and generate exposure.

Agents can use social media to make personal connections with policyholders to better humanize the company’s brand and create more customer satisfaction with your company. There are many ways agents can benefit from using social media, including as an avenue to provide marketplace insight to clients, generate leads to grow your client base, receive market and client feedback, and network with other agents.

During a disaster, social media can become an invaluable tool for contacting clients, directing them to available aid and services, and guiding them through the claims process. During our recent Hurricane Katrina and Rita summit, agent panelists told of reaching out to customers through these unorthodox channels when all regular telephone and email portals were down following the storms. Being able to reach customers as soon as possible after traumatic events can make the claims process less stressful and more productive. This mode of contact could become instrumental if clients have to evacuate and the usual infrastructure is unavailable, making access to social media through a mobile device their primary source for information and communication.

If you do use social media in conducting the business of insurance, I would recommend utilizing the NAIC White Paper to learn best practices and make sure you are in compliance with existing laws and regulations involving advertising/marketing, trade practices, claims handling, record retention and use of social media as a fraud investigation tool. Also make sure you are familiar and in compliance with any social media policies established by the company you are representing.

The main areas insurance consumers look for help, both online and with an agent, include policy information, guidance in the selection of a policy that is best for their individual circumstances, discount eligibility and information on how their premium is calculated. The key is to use technology to your advantage by increasing your digital presence, becoming more flexible in how you communicate with both your clients and your carriers, all the while exploring new ways to grow your book of business.

To access the NAIC White Paper, please visit www.naic.org or [click here](#). For additional information please contact the Office of Licensing at producerlicensing@ldi.la.gov.