



White Paper

Online Consumer Portals:
Insurance Companies Provide Internet Capabilities That Boost Customer Satisfaction and Help Agents Sell More



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The Internet is increasingly the average consumer's preferred place to shop for virtually any product or service, including insurance. This provides a tremendous opportunity for insurance companies looking to increase their sales and boost customer service and satisfaction. Large insurance companies are already providing Internet quoting, and in some instances policy binding. As a result the ability to provide online quoting is no longer a cutting-edge luxury but a necessity for virtually every insurer, large or small. Fortunately, the same technology that large companies use is affordable for modest-sized insurance companies as well.

This white paper will outline what insurers of every size need to know to take Internet quoting to the next level without excluding their agents. It will address the keys to success including how to:

- Give customers Web access to a user-friendly quote portal with full capabilities that can examine multiple scenarios.
- Use the same rating engine that the underwriting/policy system uses to ensure that the quotes that are generated are exact and complete, not estimates that need to be handed off and verified. These quotes can be converted into policies that can be bound and issued.
- Establish real-time connections to outside data services that provide required underwriting data, including credit scores and past insurance history.
- Build a workflow so that all client information and quotes, if desired, are routed instantly to an appropriate agent for prompt follow-up.
- Give customers online tools so they can monitor and change their policy over its lifecycle.
- Provide agents with lead generation up-sell/cross-sell opportunities with online consumers.

Data Capture

One of the critical features of a consumer portal is the ability to capture all of the data needed to develop an insurance quote. Consumers must be able to easily enter their personal information (such as name, address, date of birth, etc.) and details about the property they wish to insure, e.g. a home or vehicle. Entering this information via an Internet portal replaces the need for a scheduled phone call or meeting to provide this information directly to an agent.

In order to make data capture easier and more accurate many insurance companies will engage a third-party data service to help with data prefill. The third party data service automatically fills in driver, vehicle, and coverage information based on the customer's name and address. With data services, a consumer seeking an auto insurance quote online can simply enter his or her name and address and the service will automatically fill in the make and model of each vehicle registered to the consumer. It can also fill in personal information, such as the names and ages of all licensed drivers in the household and the current coverage limits. (It does not show which carrier currently writes the policy.) These services deliver many advantages to both the consumer and to the insurance company. It allows the consumer to move through the online quoting process more quickly, without having to have all information, such as their current policy limits, right in front of them. The service also saves insurance companies money by reducing the amount of time and money spent in correcting or collecting missing information.

As the personal information is entered into the system the portal downloads the third-party data needed to produce the actual rate for a specific individual. This data can include credit based insurance scores, motor vehicle reports, loss histories, current coverages, and any other data needed to produce both a yes/no



underwriting decision and the rate. These items run in the background, invisible to the consumer and are fed into the rating engine in seconds.

“What If” – Exploring the Options

Once the consumer selects initial coverages and deductibles, the portal provides the customer a quote and lets him or her experiment with various what-if scenarios: for instance: if I raise my deductible from \$500 to \$1,000 and increase my liability limit from \$250,000 to \$500,000, how much will it cost or save me? How much can I save by installing anti-theft devices?

If the consumer has requested a quote for just one line of business, once that quote is completed, the system should ask if the consumer wants to explore additional savings by insuring other property, for example a car and/or home, with the same company.

All possible combinations of deductibles and limits must be quotable to potential customers. This functionality provides an experience that is similar to shopping online for computers and other products with various options and prices.

To ensure consistency, it is crucial for consumers to access the same rating engine that the carrier uses, not a separate quoting-only system. Insurance companies that use a contemporary Web-based underwriting/policy system can provide consumers with access to the system easily by creating separate views: a consumer view, an underwriter view and an agent view. Providing an online portal for consumers is more challenging when a legacy system is generating quotes, but it can be accomplished.

Since rates and rules change, ease of maintenance is important. With a tools-based system, business users can often handle routine maintenance such as updating forms and rates and changing rules without depending on the IT department or vendor.

From Quote to Policy

Lead management and distribution is crucial to keep agents informed and to provide potential customers with the best service possible. Once an individual has generated his or her quote a built-in workflow capability can automatically send the full quote and lead information to the nearest (or current) agent, whether independent or captive. The agent then contacts the customer to complete the application and bind the policy. If the customer isn't ready to purchase the policy, the insurance agent can inform them of the quote expiration date and can offer to follow up prior to that date. This lead generation capability allows ongoing interaction and follow-up between the consumer and agent.

One disadvantage to this system is the unpredictable response time: if the designated agent is busy or unavailable—or it's the middle of the night—the prospect could get impatient and engage with another company that will bind the policy immediately. In order to avoid this fate, some insurers are going further, by allowing consumers to both quote and bind policies online and to pay immediately with a credit card or an electronic transaction. After payment is received the data is fed to the policy administration system for issuance and printing and the policy and customer is assigned to an agent, who gains a new customer without doing any upfront work. The agent can follow up at a later date to foster the relationship and advise the customer if any key coverages or cost-saving features were overlooked. The insurer must have document management capabilities in order to generate and provide all required documents to the consumer, either electronically or on paper.



Balancing the Needs of the Business and the Consumer

The final issues are: how much ability do you give the consumer to self-serve online. Do you want to use the portal for endorsements, online payments and billing inquiries, and how do you avoid taking the agent out of the picture? Today's consumers want control, and giving them online tools boosts satisfaction and retention. As for the agent, an online portal as described in this paper can ensure that agents remain the face of the company. Furthermore, utilizing this application can enable agents to accrue leads to up-sell and cross-sell, even to the online consumer. The agents' ability to evaluate the consumers' insurance needs provides education to the consumer and sales opportunities for the agent.

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