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## **3 ways to succeed in the next phase of insurance distribution**

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We all knew the world would change as we entered a new decade—we just didn't know how much. As these unpredictable times have shown us, working together is more important than ever.

Insurance distribution is no exception. Effective distribution is not only a key growth driver, but it's also the best way to serve your end-insured. It's essential to strengthen your channels moving forward to better support your business, partners, and consumers.

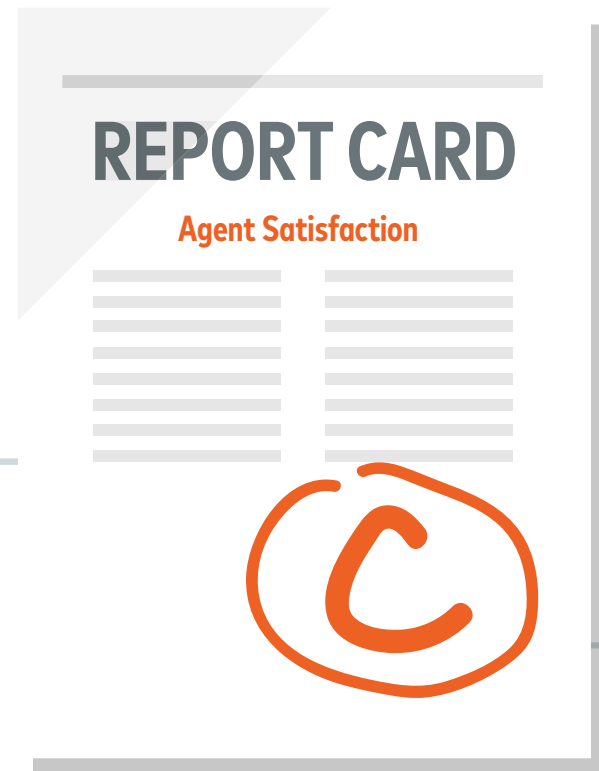


We can't predict everything, but we can predict how to succeed in the next phase of insurance distribution—no crystal ball required. Here's what you'll need to build an effective end-to-end distribution channel.

## Provide a great agent experience

Many agents aren't happy with the experience they're getting from their carrier partners. In their *2019 U.S. Independent Insurance Agent Satisfaction Study*, J.D. Power found that agents rated their satisfaction with carriers at 720–735 points on a 1000-point scale. That's a "C" grade—not a report card you'd want to hang on the fridge!

The J.D. Power study also found that agent satisfaction with carriers is linked to placement rate. That means that providing a good experience is essential if you want to win against your competition and have agents sell more of your products.



**"Overall independent agent satisfaction with personal lines insurers is 735 (on a 1,000-point scale). For commercial lines, that score falls to 720. These are among the lowest overall satisfaction scores in any business study currently conducted by J.D. Power..."<sup>1</sup>**

1. J.D. Power *2019 U.S. Independent Insurance Agent Satisfaction Study*

## A "great agent experience" is:



### Digital

Paperwork should be a thing of the past. To help your agents write more business, move your process online and remove manual steps for good. Your agents will appreciate being able to work and access the information they need wherever they are.



### Fast

Provide quick turnaround on requests and short response times to questions so your agents can get back to what they do best: selling your products!



### Secure

Securing sensitive business and client information needs to be of utmost importance and your agents need to be protected from data threats.

A modern agent experience is top of mind for younger insurance professionals. In Novarica's report *Agent Portals: Key Capabilities for Small Commercial*, they found that insurance agents under 40 expect a comprehensive set of digital capabilities and providing them can improve the impression agents have of the carrier and influence their decisions when placing business. Meeting the expectations of the next generation of talent is imperative to keep the independent agent channel—and your business—strong.

"Young producers indicate that they write, on average, 10-20 BOP risks a month. Each of these quoting experiences shapes their impression of a carrier, influencing future quoting behavior. Agents are looking to partner with insurers that have strong digital experiences...<sup>2</sup>."

<sup>2</sup>. Novarica, *Agent Portals: Key Capabilities for Small Commercial*

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## Optimize your distribution channels

Your distribution channels should serve your needs and appetite. To ensure that they are, you need to know exactly what you're selling, how you're selling it, and how to sell it more effectively in each of your channels. You should be able to do the following with confidence:

### Evaluate distributor performance

Take the guesswork out of knowing which agents are selling the most. Your distribution system should include tools that allow you to see who is performing well and who isn't and allow you to respond accordingly.

### Determine which channels to invest in and optimize based on their unique needs

Identify which processes aren't effective and leverage automation technology to improve efficiency and remove slow manual steps.

### Provide the compensation and incentive options that motivate each channel

Experiment with ways to reward your best sellers and motivate them to sell more. In his study *How to Really Motivate Salespeople*, Professor Doug J. Chung found that experimenting with sales compensation can have a positive influence on company revenue. Finding who your best sellers are and what motivates them could be the secret to greater profits and happier producers.

“There are important lessons to be learned from doing controlled experiments on sales reps' pay, because the behaviors encouraged by changes in incentives can exert a large influence on a firm's revenue, and because sales force compensation is a large cost that should be managed as efficiently as possible<sup>3</sup>.”

3. Professor Doug J. Chung, [How to Really Motivate Salespeople](#)



## Be easier to do business with

Agent partner connections are more important than ever in the independent channel and will continue to be essential to your business. The J.D. Power *Independent Agent Satisfaction Study* found that **64% of agents say ease of doing business matters most when it comes to working with carriers**. So why wouldn't you make it easier to do business with you? Here's what agents expect their carrier partners to do:

### Connect directly into agent systems

Make your information, like appetite guides and rates, available in the programs your agents are already using so it's simple for them to send you the business you want.

### Support industry standards

Use ACORD forms and standard questions in everything from comparative rating systems to background questions asked during agent onboarding. Agents deal with multiple carriers and by embracing industry standards you stand out as a company that cares about your producers.

### Provide real-time information

Agents need the latest information to work efficiently. Data uploads and downloads, eDocs, and self-service portals all make life a lot easier for your agents and give them a positive impression of you.



**64% of agents** say ease of doing business matters most when it comes to working with carriers.

**74% of consumers** are likely to switch brands if they find the purchasing process too difficult.<sup>4</sup> In the independent agency channel, your agents are your customers—why would you risk having them switch to your competitors?

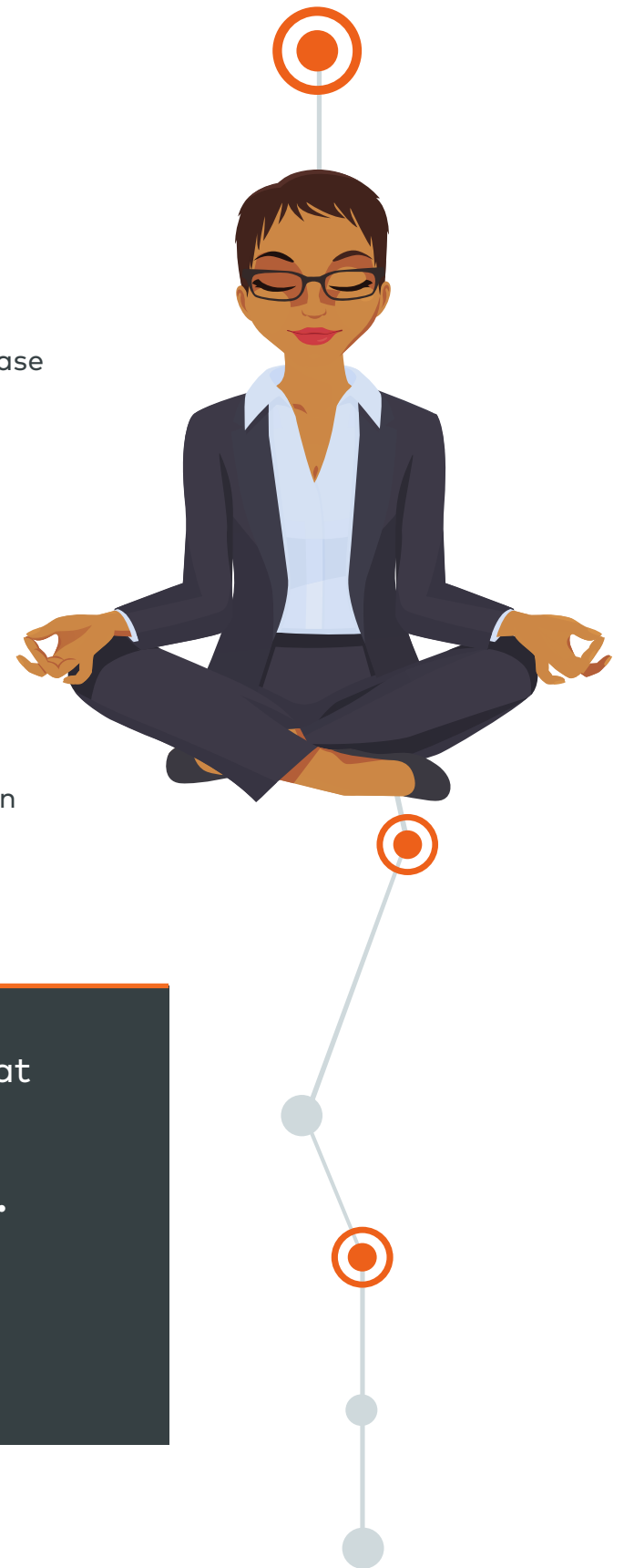
<sup>4</sup>. Help Scout, 75 Customer Service Facts, Quotes & Statistics

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## Your destiny: distribution success (with the right tools)

The secret to achieving these goals and succeeding in the next phase of insurance distribution isn't a secret at all—it's technology. With the right solutions, you can connect to partner systems, improve your distribution channels, and give your agents the experience they deserve.

We don't know everything that the future holds. But we do know that the insurance business has always been about people, and that includes your agents. By improving your distribution channels, we predict that you and your partners can work more effectively together and better serve the end-insured in these unique times and beyond.



Are you offering a great  
agency experience?

**See where you stand.**

Take the quiz



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Vertafore has technology to simplify and automate the insurance lifecycle. More than 20,000 agencies, 1,000 carriers, and 23 state governments rely on us to streamline their workflows, improve efficiency, and drive productivity. We deliver results that make a difference for the entire distribution channel.

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