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Commentary ; Technology paves the way for the future of the agency channel

Agents who give personalized advice and advocacy when needed represent the great upside to the rise of InsurTech, and the future of the agency channel.

By **Sam Fleming** | June 14, 2018 at 06:00 AM

The following three technology tips for insurance agents will help them engage today's customers while competing head-on with digital channels... (Photo: Shutterstock)

No. 3: Use marketing acceleration programs that induce a repeatable pattern of activity garnered from artificial intelligence and machine learning. This will inform workflows, which enables agents to have smarter marketing and more personalized and predictive customer experiences and will lead to better sales outcomes. (Photo: Shutterstock)

No. 2: Use technology tools to help meet Telephone Consumer Protection Act (TCPA) guidelines where everyone will need to be internationally compliant or face stiff fines for wrongfully filling out forms and other violations. (Photo: Shutterstock)

No. 1: Use technology tools to help cope with all applicable laws and regulations of the new General Data Protection Regulation, (GDPR) that took effect in Europe and promises to take on more importance in the U.S. in light of recent Facebook privacy issues. (Photo: Shutterstock)

In today's insurance marketplace, agencies face heavy competition from **digital insurance**channels as well as the GEICOs and Progressives of the world, which advertise lower prices and limited services and products for consumers to purchase.

So what does the future look like for the thousands of carrier and independent agents; proponents of human engagement who realize that all the digital insurance channels in the world can't replace the human connection?

Independent and carrier agents can enhance and build on their strengths to compete head-on with the rise of the competitive insurance channels. Agents who give personalized advice and advocacy when needed represent the great upside and the future of the agency channel.

Insurance is a security blanket

People want to know they will be covered appropriately in their time of need, and that an advocate will be there to support them when things don't go quite as planned. Certainly people want to know a live human being can be there when their basement floods, but being a trusted advisor relies on really "knowing" the policyholder — being in the life of that person with quality, frequency, and continuity.

The challenge for the agency channel is building a velocity of contact with current and prospective policy holders in the insurance industry, which undeniably has the highest touch and highest volume requirement for interactions by its sales professionals.

When we accomplish **the role of trusted advisor**, it results in higher retention, cross-sell, and referral business. This is being evidenced by proponents of the agency model who study the insurance industry.

Why human contact still matters

Bain & Company's **research** shows that agency/agent connection is unique to earn customer loyalty, and that a loyal insurance customer — measured by Bain's Net Promoter Score — delivers a whopping seven times the lifetime value of a low loyalty customer and three times the value of a neutral customer. And **loyal customers reward their agents** by buying 25% more insurance at higher prices, staying with and consolidating their insurance with one provider and even referring friends and family.

But we are not out of the woods yet! Ernst & Young Global Customer Survey found that 86% of insurance consumers are 'not very' satisfied with communications from their provider. A whopping 44% report remembering 'zero' communications from their insurance provider in the last 18 months.

What does all this mean for agents?

The most important task for the agency channel is to focus on what they do best: offering 'peace-of-mind' to their customers.

To earn customer loyalty, drive growth and attract new customers, agents are adopting and mastering newer technology that can provide continuous engagement — connecting to people on email, text, phone, and social media. These are the new ways consumers shop for insurance today.

In this way agents are partnering with technology to manage leads and organize r marketing programs to guide consumers through an elevated, sequential customer journey geared at building relationships that are very highly valued by future insurance policy holders.

Research tells the story

Top insurance executives in **a recent Accenture poll on the "Future Insurance Workforce" survey** found that artificial intelligence is here to stay and will create

workplace opportunities that will help agents work more efficiently to help drive growth and attract new customers.

In fact, the only economically feasible way to scale agency-policy holder relationship-building today is through connecting technologies that consumers now use and expect of their vendors.

Savvy agents know their customers' values well — and are in a strong position to deliver original content through technology that best expresses the value of the agency in ways that are most meaningful to each customer. Contemporary insurance marketing automation solutions — integrated with agency management systems that maintain volume and feature sequential and automated practices — will make insurance agents more valuable in today's market.

When it comes to marketing insurance, the agency connections coming from trusted advisors remain invaluable to policy holders who must choose between this and a faceless organization which relies on advertising. An agency equipped with appropriate technologies elevates the message to a much higher level! It grabs consumers and keeps them coming back for years to come.

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These opinions are the writer's own.