



The IVANS 2008 Insurance Agent Survey:

Real-Time and Download Insurance
Transactions Critical for
Succeeding in a Downturned Economy

May 2008

Executive Summary

The IVANS 2008 Agent Survey revealed that carriers and agents are continuing to make investments in technologies that improve the ease of doing business, despite a recent slowdown in the U.S. economy. Of the 341 insurance agents who responded to this survey, more than half expect the industry to maintain its spending level on technology, and 14% of agents are actually increasing their spending this year.

Ninety three percent of agents expect competition to intensify in the coming year, with “customers shopping around for more quotes” (cited by 49% of respondents) and “increased Internet sales on carrier sites” (cited by 26% of respondents) noted as their top two business concerns. Given this context, it is not surprising that 93% of agents believe that “real-time” technology, and the benefits it delivers with respect to faster time to revenue, time savings, and improved customer service, is a critical element to their company succeeding in a soft market. These findings also support IVANS’ own position that spending will increase on technologies that enable the agent distribution channel and that, as a result, the industry will again double the number of real-time transactions by the end of 2008.

The survey also revealed that agents are realizing tangible benefits from using real-time transaction processing. Eighty five percent of agents said they are saving upwards of 60% of their time each week performing real-time transactions, while the remaining 15% are saving between 61% to greater than 90% of their time. Of the 24% who do not use real-time technology, the vast majority cite technical or resource issues as the impediment, rather than a lack of interest in the technology. Forty-two percent said their primary reason was due to carriers not yet implementing real-time solutions, 24% claimed it was due to lack of standardization, and 24% said it due to lack of resources, staff and budget.

The IVANS survey also asked agents about their use of download technology. Ninety-three percent said they perform download for personal and/or commercial lines and, of that group, 52% are using download with more than five carriers. This coincides with the significant year over year growth rate IVANS has seen in its own business, as having a standard industry workflow is essential for efficiently managing this one-to-many process. IVANS expects the number of download transactions to increase, as well.

In summary, agents continue to view technology as an important strategy for success, particularly in an increasingly competitive and lackluster economy. Real-time and download technologies will continue to grow in strength, as they offer tangible benefits that address the competitive concerns faced by the industry today.

Survey Methodology

IVANS web-based survey was sent via email to 4334 insurance agents, of which 341 completed the survey. The survey contained questions (listed on the following pages) that took approximately five minutes to complete on-line. Participation in this study was voluntary and respondents had the option to withdraw at any point. Responses are confidential and all research data is reported in aggregate form.

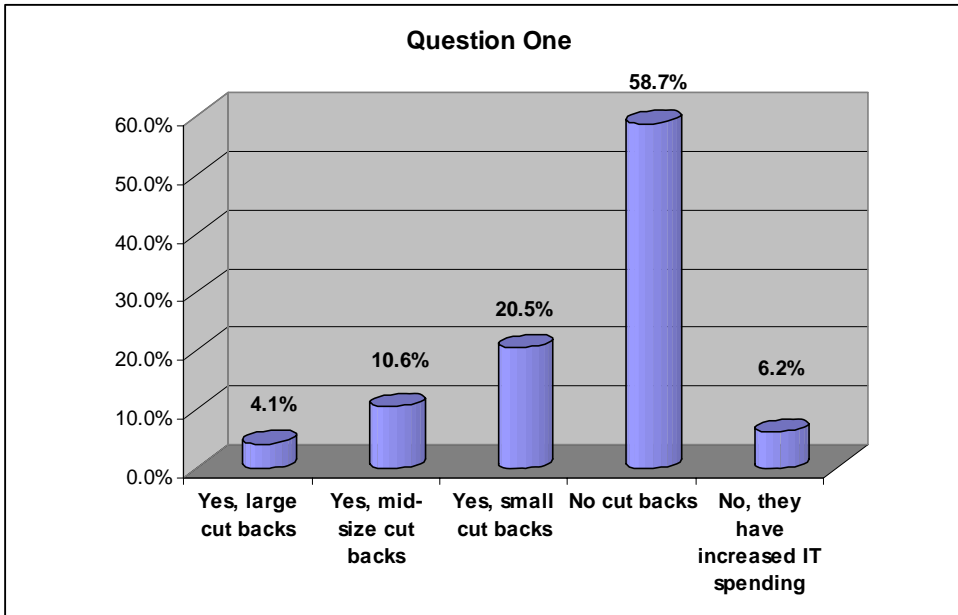
Definitions:

Real-Time—According to the Real-time/Download Campaign, a real-time service enables an agent to have immediate access to carrier information via an agency management system or comparative rater. Transactions such as quotes, billing inquiry, claim inquiry/loss runs, policy view, endorsements or a request for information can be performed in “real-time.” This functionality provides a single workflow for multiple carriers, rather than having to visit multiple carrier sites.

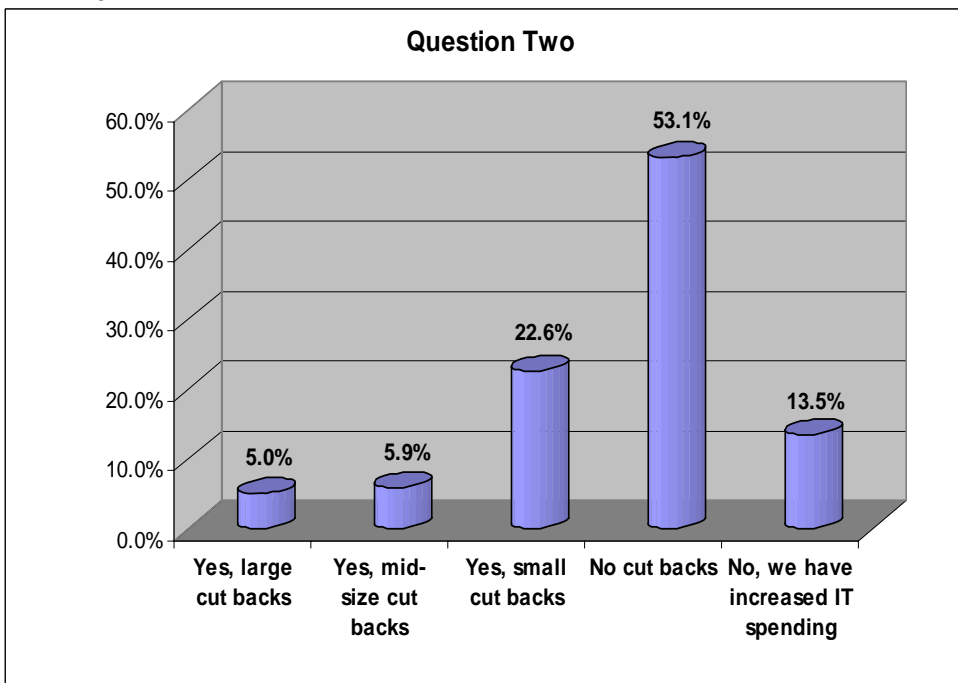
Download—Download to the agency management system typically takes place after a transaction is performed by an agent (i.e., policy change with vehicle or deductible). It occurs when customer policy data travels from the insurer to its partnering agency or brokerage’s agency management system. Download is a critical piece because it enables data access into the agency management system following a real-time transaction.

Addendum: Survey Results by Question

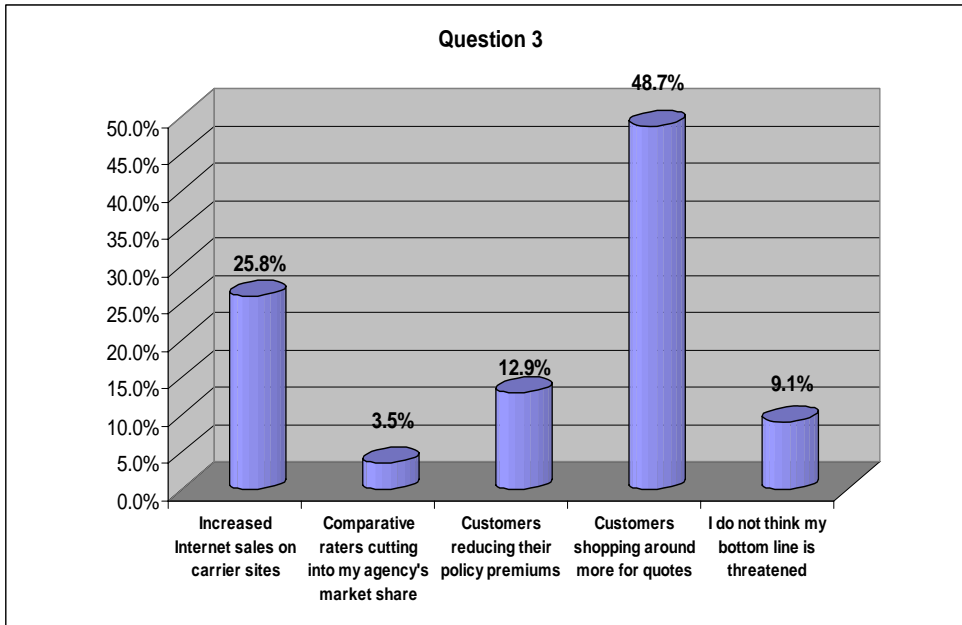
Q1. Have you seen insurance carriers cut back on IT investments due to a recent slowdown in the U.S. economy?



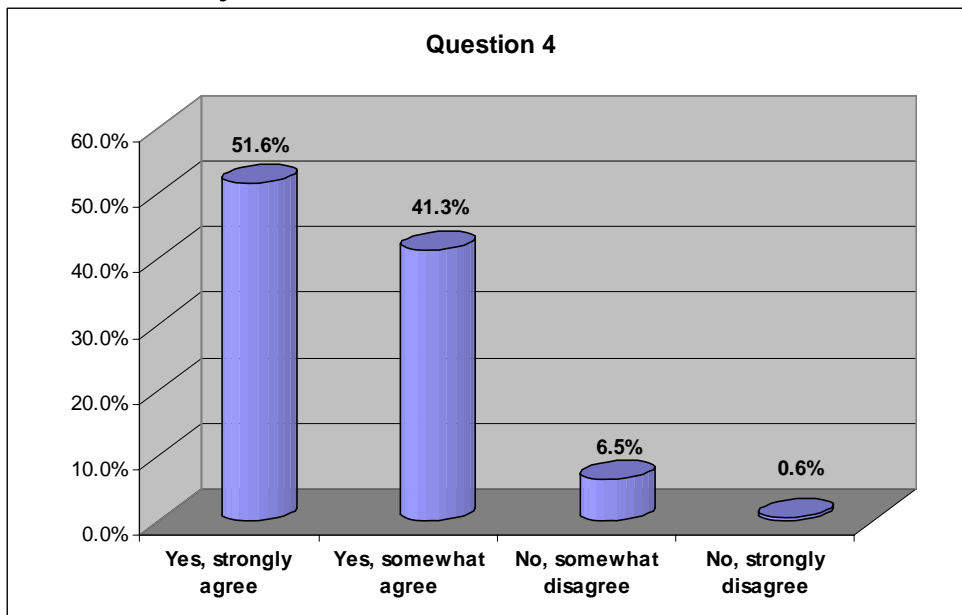
Q2. Has your agency cut back on IT investments due to the recent slowdown in the U.S. economy?



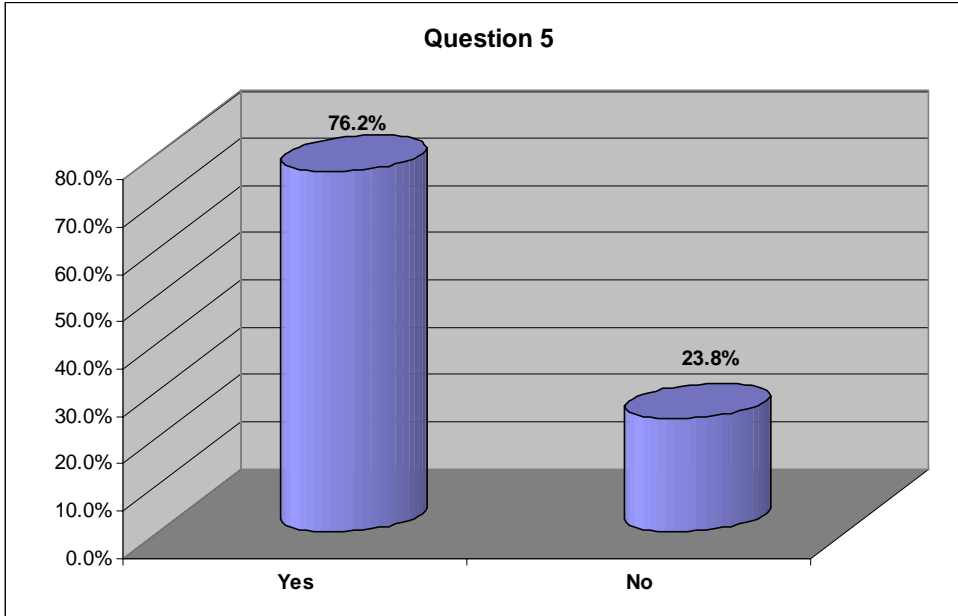
Q. 3 What do you perceive to be the most threatening issue to your agency's bottom line?



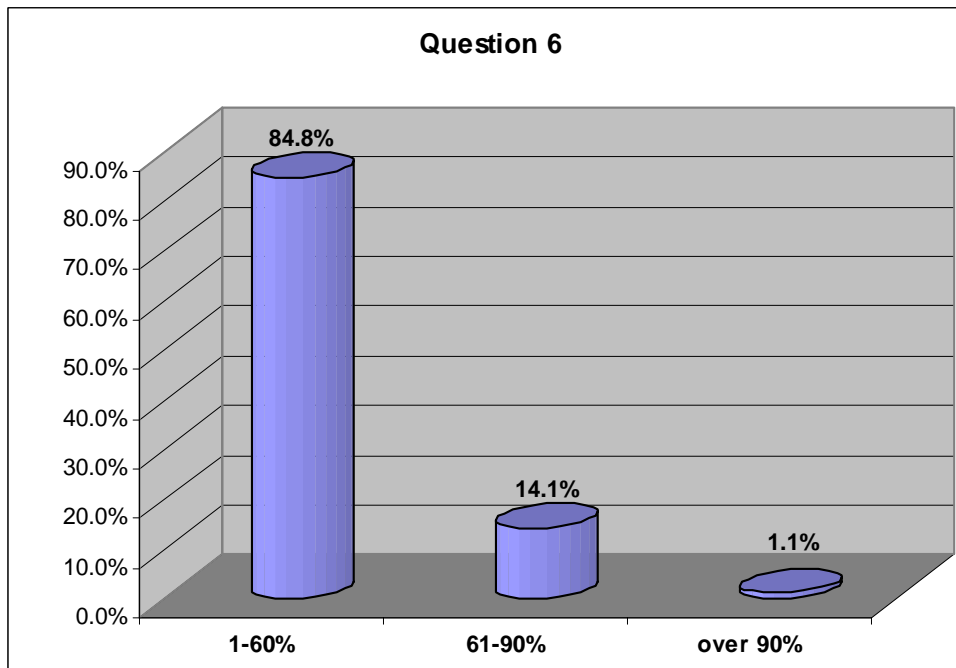
Q. 4 If there are no big hurricanes in 2008 and the U.S. economy continues to slowdown, competition will become even more intense than it was in 2007. Do you see the adoption of real-time technology as a critical element to maintaining your competitive edge in the insurance industry?



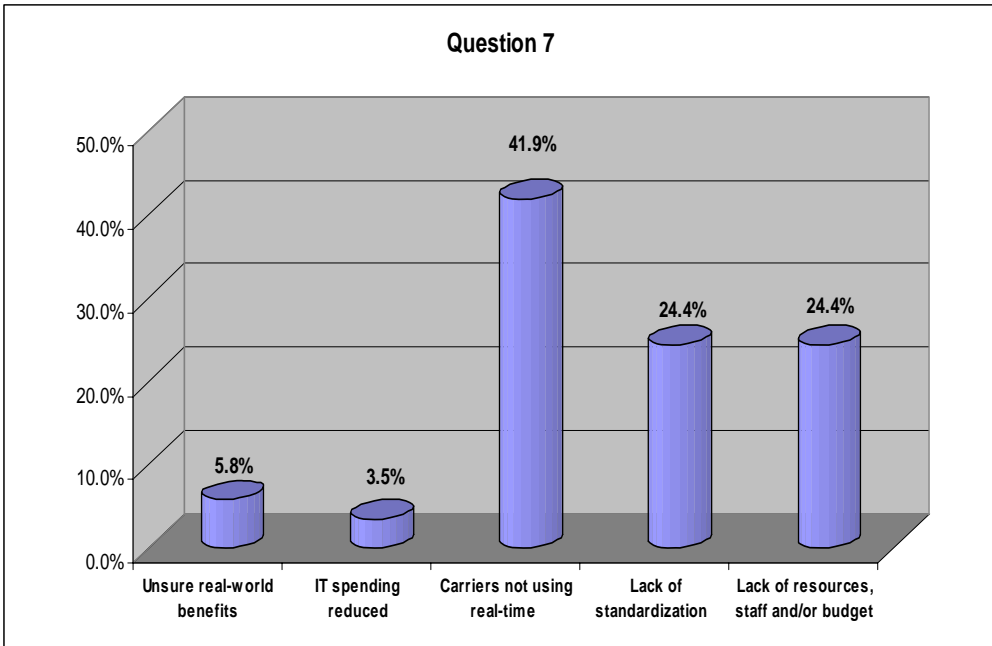
Q.5 Are you currently using real-time technology to perform insurance transactions?



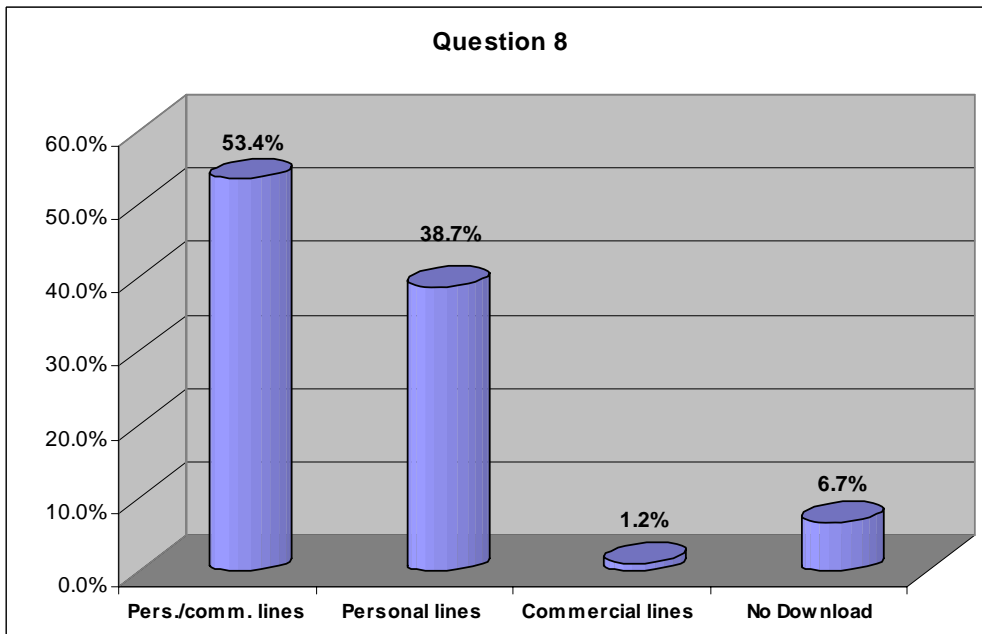
Q.6 (If you answered YES to question 5), what do you estimate to be the average percentage of time saved per week on transaction processing by using real-time?



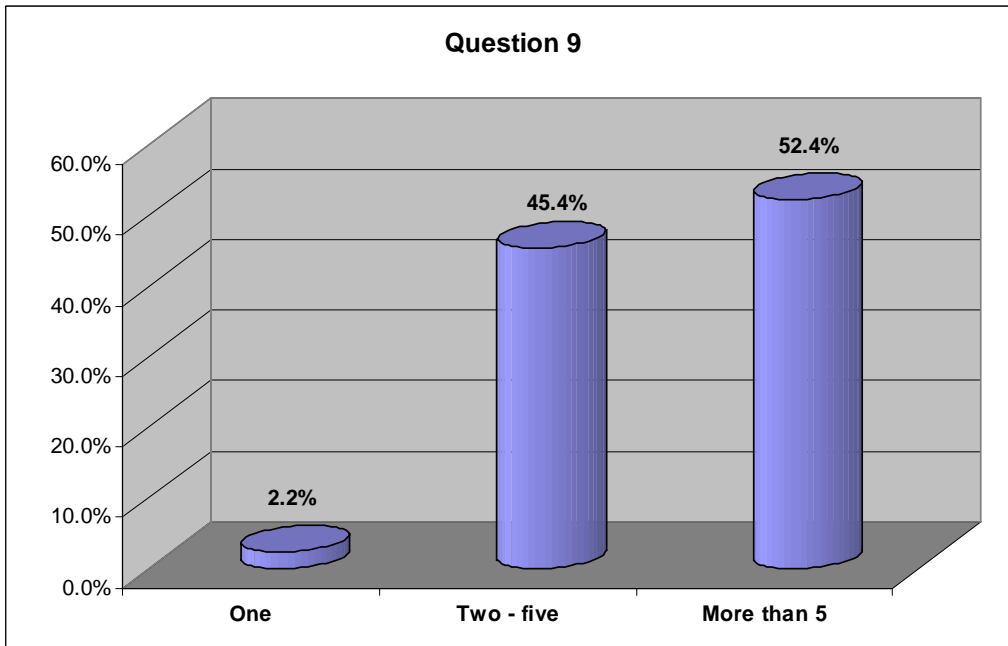
Q. 7 (If you answered NO to question 5), what is the primary reason you have not implemented real-time yet?



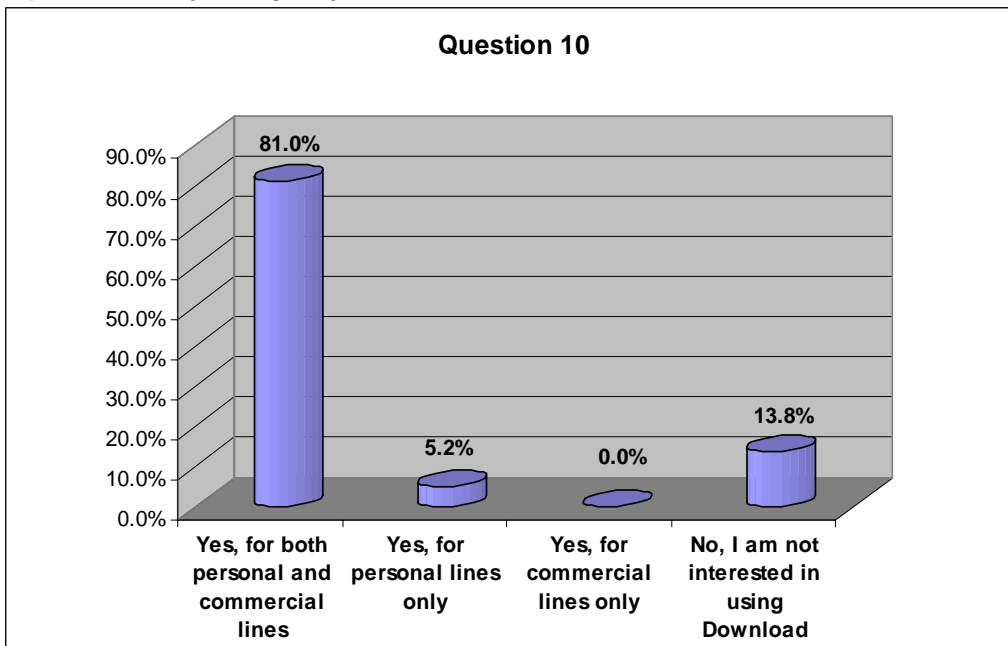
Q.8 Do you currently use Download at your insurance agency?



Q. 9 (If you answered YES to question 8), how many companies do you use Download with?



Q. 10 (If you answered NO to question 8), if a carrier offered Download to you, would you implement it at your agency?



Q. 11 (If you answered NO to question 8), why are you not interested in Download?

