Modernizing the Agency

With continued industry consolidation, client demands for a modern experience, and rapidly advancing technology, now more than ever you need a partner you can trust to guide you.

Introduction

The insurance industry is evolving and changing in ways that directly impact the future for independent agencies. We believe that three key trends are at the heart of the change:

1. **Industry consolidation**
   Premium volume shifting toward the largest agencies

   - Client relationships will gradually divide into high engagement risk advisory services and streamlined digital buying and servicing.

   - Adoption of new technologies and capabilities cannot wait for core systems to deliver.

2. **Client expectations**
   They expect an experience comparable to other areas of life

   - Agencies need to think through the customer lifecycle and provide omnichannel communication, online and mobile touchpoints for clients when they want them.

   - It's more critical than ever to demonstrate client value with knowledge and insights that are not available through online and direct channels.
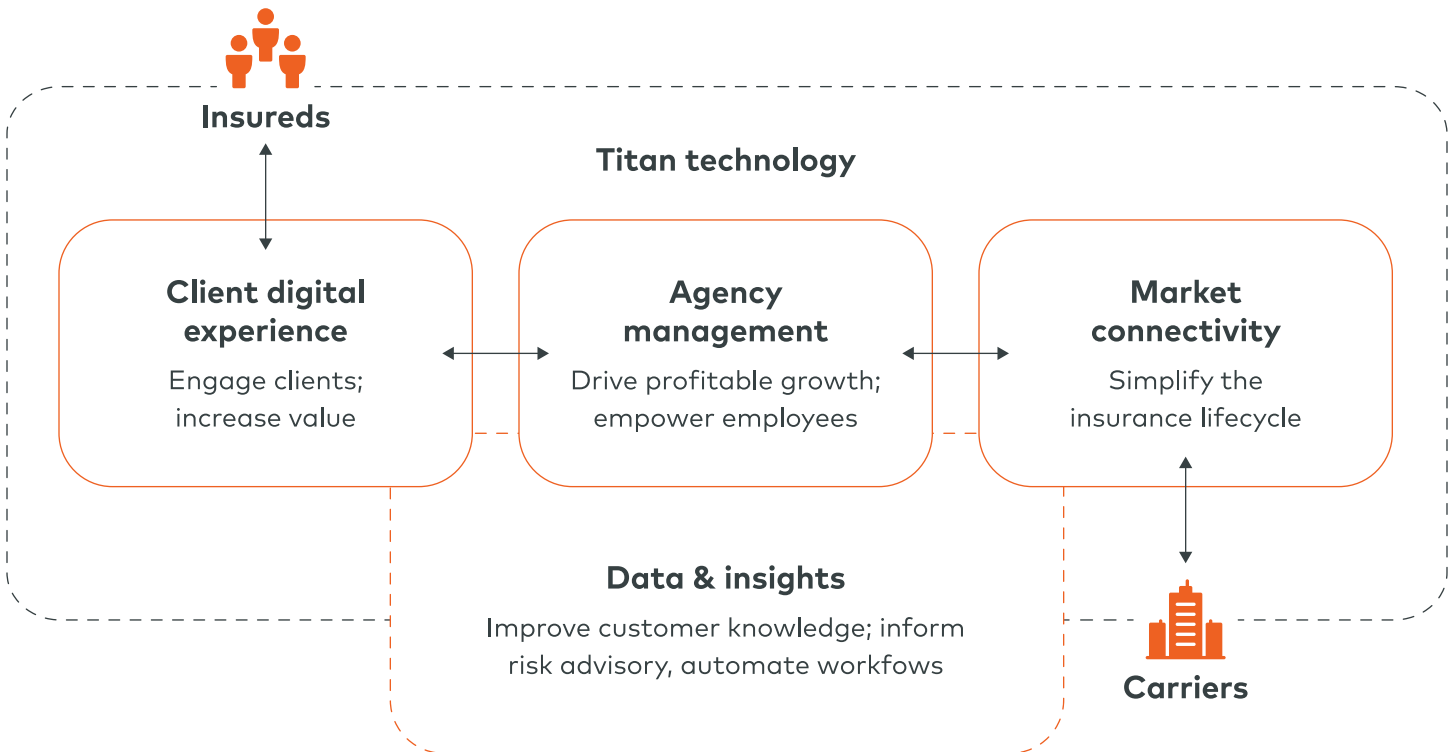
3. **Technology is creating new opportunities**
   New capabilities are redefining the possible

   - Moving without a blueprint leads to paralysis, there are too many point solutions. A clear guide begins where you are today and takes you through the challenges to solutions.

Vertafore

Modernizing the Agency

Insurance is evolving, the key is to stay ahead. With continued industry consolidation, client demands for a modern experience, and rapidly advancing technology, now more than ever you need a partner you can trust to guide you. Modernizing the Agency is the roadmap we think you need.

Insureds

Titan technology

Client digital experience

Engage clients; increase value

Agency management

Drive profitable growth; empower employees

Market connectivity

Simplify the insurance lifecycle

Data & insights

Improve customer knowledge; inform risk advisory, automate workfows

Carriers

3x revenue growth versus the industry average[1]

The data is in — agencies that invested in 4 Vertafore solution categories: end-insured digital experience, agency automation, market connectivity and data-driven insights grew faster.

Modernizing the Agency is about simplifying insurance for your clients and getting from where you are to where you need to be. It's a roadmap for the changing industry. Modern agencies focus on client engagement, are more efficient have less duplication, and employ insights to improve risk advisory and service. Easier, smarter, more time to advise and service your clients.

Uniquely suited to help you modernize

Focused We are fully committed to helping you with this transformation

Investing 100% of our agency investment is for Modernizing

Delivering More enhancements with higher quality than ever

1. **Better together.** Our best-of-breed products work better together. Surround your agency management system with the best capabilities. Enhancing integration and data sharing, we help you deliver a better client experience and be more efficient.

2. **Innovation.** After several years of increased R&D investment we are demonstrating improvements in innovation speed and the quality we are delivering. In the past year we've delivered 50% more features with 72% fewer defects.

3. **Titan technology.** A large investment in world-class technology that lets us rapidly deliver innovative modern new solutions that work with the technology you own. The future isn't a closed system that tries to do everything for everyone.

KEY FINDINGS

Client digital experience

+5% higher retention

End-insureds that use InsurLink to access their agency have 5% higher retention than those that don't.[2]

Data & insights

+26% products per client

Agencies using analytics to cross-sell have 2.2 products per client versus 1.75 for those that don't.[3]

Market connectivity

Quoting is the #1 factor in commercial satisfaction[4]

Small commercial creates <$300 agency profit.[5] "Small business owners tell why they don't buy coverage: bad service. They want speed and ease." [6]

Client digital experience

Clients want more from insurance. They now expect to access and send information, pay bills, and interact when and where it suits them — personalized, anytime, and anywhere service. One of the biggest impacts you can make client experience is to offer a client engagement platform, but today, only 10% (2018 Big I) of agencies have one.

Our solution: InsurLink

- 24x7 client self-service with a modern, custom-branded, mobile experience

- Built to work with AMS360 and Sagitta, real-time updates create a better experience

- Integrates with WorkSmart to bi-directionally share documents with your clients

- The most modern, brandable look and feel of client engagement products

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Agency management

Helping you run your business – driving productivity and empowering your people. We are improving our core solutions rapidly, delivering the best accounting and servicing workflows. Our approach to agency management is unique in two areas:

AUTOMATION
Making insurance simpler

We're making service as fast and efficient as possible, but this looks different depending on your agency size and your choice of management system. Some examples:

QQCatalyst Growth focused, Smartflow automation simplifies client and prospect communication, Salesroom CRM automates lead follow-up.

AMS360 Quick Navs are the easiest workflow tool to configure and use.

Sagitta Many Sagitta (and AMS360) agencies use WorkSmart to leverage best practice workflows for the industry's most powerful automation.

CONNECTING YOUR TECHNOLOGIES
Meeting your unique needs

Agencies leverage many technologies including client engagement, connectivity, analytics, CRM, payments, communications, and lead generation. We think the AMS should connect the technologies you choose, not try to do everything. Using the best technologies helps you grow using the Modernizing the Agency approach. Our best-of-breed products work best together.
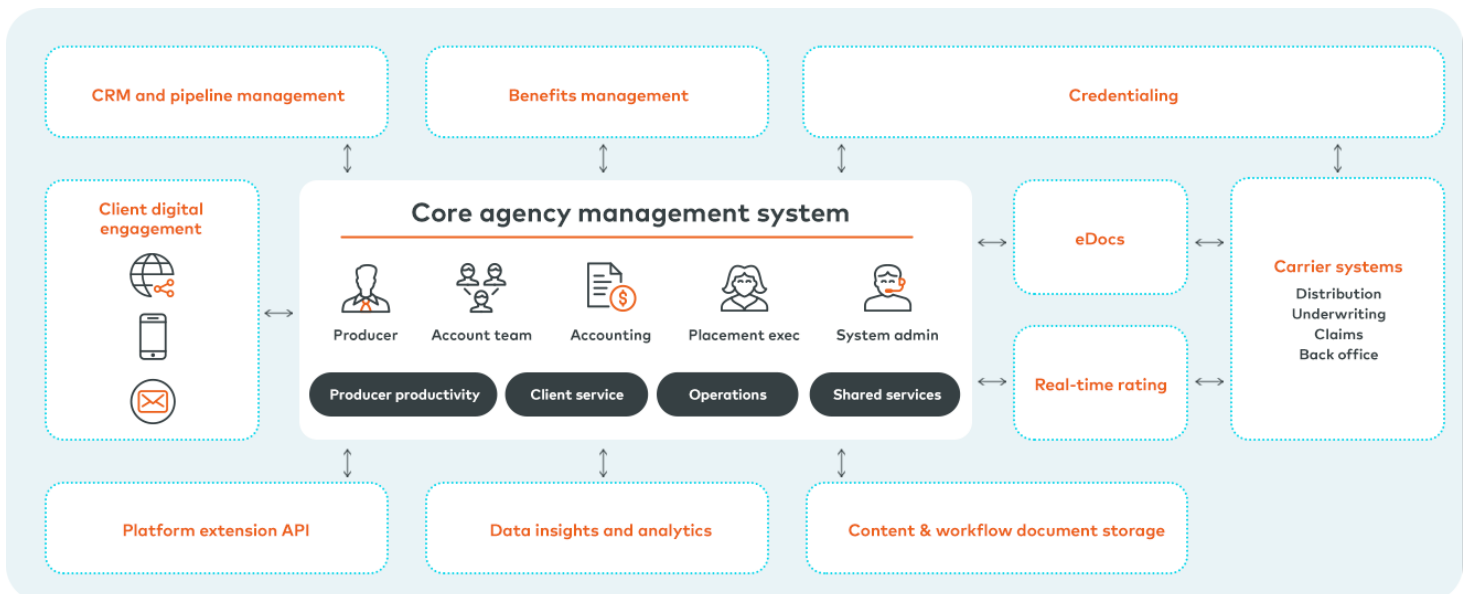
Market connectivity

Simplifying insurance calls for speed and transparency. Entering data on multiple carrier portals is a service killer. Connectivity can help with a better client experience and a more productive staff. Our industry leading solutions drive better service and efficiency.

Sircon Compliance and credentialing

TransactNOW Agency connection to carriers and MGAs

PL Rating The industry leading real-time comparative rater

ReferenceConnect Vital insurance knowledge and carrier published information

650K+ Producers	600K+ real-time rates per day	300+ direct carrier connections

Commercial Submissions platform

Our new platform streamlines the commercial submission process. It now takes dramatically less time and is more collaborative with the end-insured. Real-time connections to carriers let you quote and bind in seconds. Today, submissions are highly manual and labor intensive, making small commercial unprofitable. The first all-in-one solution simplifies your commercial submissions: application — quote — bind. Some reasons our platform is unique:

• AMS integration reduces data entry and improves visibility

• Our PL Rating experience with over 300 real-time carrier connections

• Unique focus and relationships across the entire insurance distribution channel

• Integration of data and insights for pre-fill, benchmarking and cross-selling

Data & insights

Insights help you make business decisions, optimize trading relationships, sell more insurance, and win more clients. Our machine learning and advanced analytics turn your data into actionable insights. By unlocking your AMS data, you can understand your clients, serve them better, and gain visibility into your business performance. We know data quality is a major issue for everyone, so our data best practices, data quality analytics, and investment in 3rd party data enrichment help turn your data into the asset you always hoped it could be.

Our **RiskMatch** data and insights solution offers key capabilities:

- Business drivers and business performance

- Benchmark customers/policies

- Client risk profiles and cross-sell recommendations

- Commission rates and premium flow

- Track progress to contingent commissions

RiskMatch Retention Prediction

Retention Prediction identifies policies most at risk to cancel or non-renew, with enough time to address the situation. We assess 21 factors in 6 categories to predict the policies that are at risk and report them on a simple dashboard along with deep insight into your retention history.

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Titan technology

We created Titan technology to speed development of the capabilities you need. It is a way for us to deliver advanced functionality so you can Modernize your Agency. It is not a product, it's a way of rapidly creating world-class products and enhancements for existing products. Instead of asking the management system to do everything, we are delivering modular new capabilities outside the AMS that are open and share data across your solutions. Titan lets us deliver new solutions that work with the technology you already own.

Titan principles

- Modern, open technology platform with data interoperability

- Integration with existing solutions, allowing us to layer in new features more quickly

- Deliver new capabilities faster

- All new Vertafore solutions will be built using it

- APIs to connect to partner and agency solutions

TITAN KEY FEATURES

Cloud first

Microservices-driven open platform

Mobile first

Customer-centered

Secure

Data-driven insights & prediction

Complaint

AI/ML-driven automation

Act now

The need is real, the time is now.
Modernizing the Agency is the roadmap.

1. **Better together.** Our best-of-breed products work better together. We believe that investing in all 4 areas drives higher growth, more satisfied clients and better profitability.

2. **Innovation.** After several years of increased R&D investment we are demonstrating improvements in innovation speed and the quality we are delivering.

3. **Titan technology.** A large investment in world-class technology called Titan lets us rapidly deliver innovative new solutions that work with the technology you own.

Contact your Vertafore account manager or visit the Modernizing the Agency website for more information.

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Sources

[1] **3x revenue growth versus the industry average.** We looked at customers that have all of a Vertafore management system, PL Rating, InsurLink, and RiskMatch. Agencies that had all 4 products grew P&C revenue at 8.7% from 2018 to 2019 on average. We don't have industry revenue growth stats yet, so we used premium growth – it should track very closely. The industry average P&C premium growth from 2018 to 2019 was 2.9% according to NAIC. Assuming that industry revenue grew at about 2.9%, the comparison is 8.7/2.9 = 3X. How we did this: Our data source was the RiskMatch data lake including thousands of agencies. We looked at data comparing 2019 to 2018 performance for commercial policies. We believe commercial performance is more directly affected by the combination of these systems even 7though we did include a personal rater. Disclaimer: We cannot claim that agencies outperformed because they have these products, just that the agencies that have these products did outperform.

[2] **End-insureds that use InsurLink to access their agency have 5% higher retention than those that don't.** We looked at policy start dates from July 1, 2014– Feb 14, 2019, and end Dates from Jan 2019 – Oct 2019. For end-insured that took at least one portal action between June 2014 and Feb 14, 2019, policy retention was 84% compared to end-insured who did not use the portal during that period had a policy retention of 80%. 84%/80% is 1.05 or 5% higher.

[3] **+26% products per client.** Agencies that use data analytics to cross-sell have 2.2 products per client versus 1.75 for those that don't. We looked at customers that have all of a Vertafore management system, PL Rating, InsurLink, and RiskMatch. Our data source was the RiskMatch data lake including thousands of agencies. We looked at data comparing 2019 to 2018 performance for commercial policies. We believe that RiskMatch is the main driver of cross-sell effectiveness in this case. Disclaimer: We cannot claim that agencies outperformed because they have RiskMatch, just that the agencies that have it did outperform.

[4] **Quoting is the #1 factor in commercial satisfaction.** 2019 JD Power Independent Agent Satisfaction Study.

[5] **Small commercial creates <$300 agency profit.** Based on our analysis of 3500 brokers in the RiskMatch data lake. Profitability based on typical agency with +100,000 commercial P&C policies in their book.

[6] **Small business owners tell why they don't buy coverage: bad service.** They want speed and ease. Accenture 2018 https://insuranceblog.accenture.com/ultimate-guide-to-small-commercial-insurance.

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