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# Let your Web site do the work

Don't let wasted time run your agency

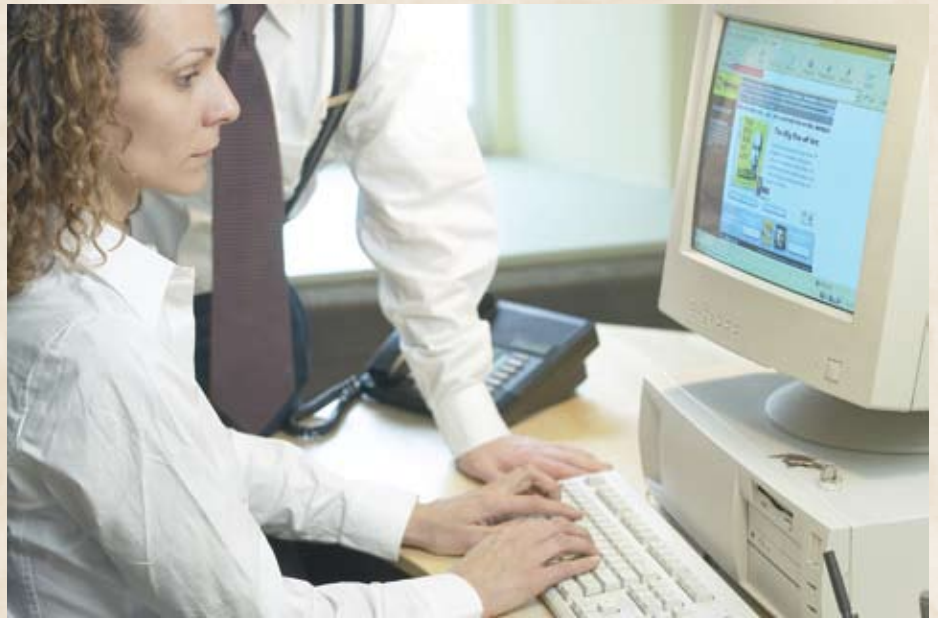
Alan Goldstein

**A**gency personnel often can spend too much of their work week on the telephone with customers, handling simple service requests such as address or vehicle changes. As an agency owner or manager, you may be able to recapture a significant portion of this lost productivity by allowing customers to enter details of their requests themselves online, through your agency's Web site. With fewer interruptions, your staff can then get more policy-related work accomplished, in less time.

Rather than eliminating positions, the time saved using this approach may be redirected into more productive pursuits where clients truly appreciate help, such as identifying gaps in their risk exposures and selecting the most cost-effective coverages. This will result in better client retention, additional revenue opportunities and less potential exposure to errors and omissions claims.

Typical requests received by an agency may include:

- new policy applications (application submission and application review, approval and activation);
- information requests (policy information, payments due and posted and claims status);
- policy changes and cancellations (coverage additions, deletions and changes; contact information change; and cancellations);
- service requests (certificates of insurance); and
- transactions (payments and claims submissions).



## Define your focus

Not all service requests are created equal. Before you consider implementing any form of Web-based customer service, you should consider where your customer service representative resources currently are being consumed. First, quantify the time your agency spends servicing each type of request. Then, group the requests that consume the most resources by the most meaningful customer categories, such as commercial versus personal, large account versus small or by industry.

Since certain requests are easier to address than others, you will have to consider the cost and effort involved in automating each type of request. Only when you compare the cost of a problem with the cost of the solution will it be

possible to develop a profitable online-service strategy. In the remainder of this article, we will consider several popular customer service needs, and the solutions that may be used to address each.

## Customer service solutions

**E-mail requests.** This is the simplest and least costly approach, and incidentally, the most likely to cause serious problems. E-mail is not guaranteed to be delivered, and there is generally no formal retention mechanism and audit trail to protect you if a client later claims that "I never asked for that change." Accepting policy change requests via e-mail may be less safe than accepting them through voice mail, and is not recommended.

### **Systems using a database for storing and managing requests.**

A system for storing and managing requests entered through your Web site overcomes many of the pitfalls of e-mail requests. You still can receive notification via e-mail for convenience, but requests are stored permanently in the database, which is accessed through an online console.

**Live-interface to back-office systems.** There are a number of systems that allow customers to logon to an agency management system through a secondary server, so your primary business system is not directly exposed to the Internet. Customers may then enter service requests, which are queued for CSR approval.

### **Where is your data stored?**

For those of us who enjoy peace of mind, an important consideration is where customer account data is stored. Any system that allows customer access to the AMS places the agency in the position of becoming an Internet-data center. Before you choose this route, consider that there is a lot to be said for providing customer access through a professionally managed \$300 million data center that is monitored around the clock, rather than a \$3,000 server located on a rack in your agency's lunchroom.

### **What is involved?**

Previously, I provided a short overview of customer service functions that can potentially be enabled for self-service access. Now, let's look at each of these more closely, and discuss the merits and implementation issues for each function.

**New policy applications.** This is one of the more challenging functions to automate. New policies certainly require more careful evaluation than service requests for existing policies. Detailed background information must be captured and reviewed by agency staff, signed documents and payments usually are needed and carrier approval may be required before the policy takes effect. This is not usually the place to

start if you're new to online customer service systems.

#### **Changes to existing policies.**

This may be the best area to attack for agencies new to Web-based customer service. Policy changes tend to be more routine than new account applications, and usually don't require access to current policy data.

However, any self-service system should include a prominent disclaimer indicating that policy changes will not take effect until confirmed by the agency, in writing. According to Ivan Cohen, principal of the Cohen-Putnam Agency, Carmel, N.Y., and a professional insurance educator, you should require a customer signature before completing any cancellation or reduction in coverage, to help minimize potential E&O issues.

Depending on the type of customer and policy, a small number of specific requests are likely to dominate, and you can just automate the ones that occur most frequently. For example, if a substantial portion of your book is personal auto, you will receive a large number of vehicle and driver change requests.

While many requests do not require prior access to customer-account data, others, such as online payments, are two-way processes that require you to first provide up-to-date data to the insured. As you will see below, this adds a layer of complexity when compared to a one-way process such as a vehicle change.

**Information requests.** Unlike policy changes, information requests do require online access to policy data, and there are two basic ways to provide it: direct access into the back office system containing the data; or duplicating the data on a separate server, usually located in an Internet-data center.

The first approach often can be implemented via a packaged solution that connects your AMS to the Internet through a separate standalone server.

One potential pitfall is that the agency may not store, or handle, the data the system needs. When The Computer Studio was asked by the Cohen-Putnam Agency to add such a system to their Web site, we discovered quickly that

much of the information that it would provide, such as claims and payments, were handled directly with the carrier and therefore not available through the AMS. As a result, the Cohen-Putnam Agency opted instead for a database system that handled requests they encountered more typically, such as policy changes and certificate requests.

The second approach, duplicating data on a server in an Internet-data center, is not terribly difficult, but it may be more than a smaller agency, without a technical support staff, should attempt. For one thing, the system in the data center will have to be updated frequently, usually once a day. These systems also usually require custom development, making them more costly than off-the-shelf systems.

For the right application, such a system can be useful. For example, The Premins Co., a premium finance firm located in Brooklyn, N.Y., has had a system in place since 2003 that allows the brokers they work with to check the payment and cancellation status of the brokers' clients. According to Mitch Bemak, a principal in Premins, the system has reduced dramatically their clerical load and provides significantly better service to their brokers.

**Service requests.** Agencies that deal with contractors usually process significant numbers of certificate requests. There are several ways these requests can be handled, including specialized services that accept requests through your Web site and then generate certificates automatically, packaged solutions that connect your AMS to the Internet, and database systems that allow customers to enter requests for subsequent processing by a CSR. The database system may provide a lower long-term cost of operation than either of the others, particularly if it is part of a larger customer service solution supporting additional types of requests, such as policy changes.

For example, Lynn Bove, director of administration for CBS Coverage Group in Long Island, N.Y., uses a database customer-service application that allows clients to request certificates,

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along with other service functions such as automobile and mortgage change requests.

**Transactions.** The two major types of transactions, payments and claims, often are available through the Web sites of carriers that usually are in better position to handle these complex applications.

We have clients who do accept online payments, including the Premins Co.. However, there are several issues that make this application unsuitable for many agencies. For one, you cannot handle payments unless you also provide information on the amounts due, and perform the necessary accounting in a reliable and robust manner. Secondly, if you, or your Web developer, do not have experience handling secure money transfers online, you are better off leaving this to others.

Claims can be even more problematic. Claims involve potential liability, often for large amounts. For the most part, you should only consider an online-claims system if you are a larger agency with a claims department that provides risk-management services to your clients.

Handling the right routine customer-service applications through your Web site can increase your profitability, while freeing up your staff to provide personalized service where clients really need and appreciate it. Rather than reducing service levels, you actually can provide a better experience to your customers, just as the automated teller machine and online banking have proven to be better solutions for many routine transactions than waiting on a line for a bank teller. ■▲

Goldstein is president of The Computer Studio, a Yonkers, N.Y.-based software and Web developer. He works with carriers, wholesalers and retail agencies in formulating their online strategies, designing their corporate Web sites and information portals, and implementing Web-based systems for customer service, sales, marketing and Web site content management. Goldstein can be reached at [AJG@WebBusConnect.com](mailto:AJG@WebBusConnect.com).

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