

# NetVU PLAYBOOK

## Strategic Industry Position

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2011





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*This document contains the official position of NetVU on various issues impacting the insurance industry and the Independent Agency System.*

*To review the latest version, go to [www.netvu.org/playbook](http://www.netvu.org/playbook).*



## WHO WE ARE

The Network of Vertafore Users referred to by the acronym NetVU, is the largest technology trade association (in terms of members) for the independent insurance agent industry. We are an exchange for 15,000 independent businesses, their owners and professional employees who offer many types of insurance and financial services products to the public through multiple regional and national insurance companies. Some of the lines of business include auto, home, recreational vehicle, business, surety bonds, life, health, annuities, employee benefits, and retirement products.

NetVU members are those agencies and brokers whose firms utilize one or more technology products offered by Vertafore (formerly AMS Services). Our membership includes 97 of the top 100 agencies and brokers in the U.S. (as ranked by *Business Insurance* magazine) and represents more than 50% of the \$273 billion in property-casualty premiums written by the independent agent distribution channel, based on 2008 figures.

NetVU was founded in 1978 as the Agency Records Control Users Group, or ARCom. In 1984 ARC merged with AMS Services. In 1987 ARCom was renamed The AMS Users Group and in March of 2010 was again renamed NetVU.

Over the years many agency management systems have been part of the organization, including: ARC, ADS, SYSTAMS, Batcher, ARCom 2000, Series 1, Phoenix, Pioneer, Pathfinder, Scout, CAM, Gemini II, Sagitta, Cisgem, Argo, Agency One, Agena, AfW, Premier, Prime, IRS-AIMS, IRS-Mars, InStar, and AMS360.

Today, with hundreds of volunteers, a professional staff and a centrally located national headquarters near Dallas, NetVU's mission focuses on three core activities;

- 1) Providing world-class education,
- 2) Advocating within the insurance industry and Vertafore, and
- 3) Exchanging ideas between our members through networking.

*“To build the future by utilizing the expertise of volunteers and staff to promote world class education, the exchange of ideas, advocacy, and technology innovation in the insurance industry.”*



## **REAL-TIME ADOPTION & USAGE**

### **NetVU Position**

NetVU believes that Real Time workflows are a major time-saver for agencies, on average reducing by half the time it takes to process a transaction on a carrier's proprietary website. The reuse of data without re-entering is one of the most significant technology opportunities independent agencies have today.

Real Time enables a consistent process for multiple carriers from within an agency's management system or comparative rater. Website navigation, logons and passwords are handled securely and automatically.

To that end, NetVU encourages our member agencies, carrier partners and vendor community to implement and use Real Time wherever possible.

Specifically:

- Agents should train their staffs and set expectations to use Real Time to increase their efficiency and reduce their errors and omissions exposure.
- Agents and vendors should encourage carriers that have not implemented real-time solutions to do so. In addition, NetVU suggests working with carriers that have implemented some real-time solutions, but not all. Encourage them to add real-time options (such as quoting, endorsement processing, claim inquiry, etc.)
- Agents should take every opportunity to discuss the productivity gains they achieve through Real Time—e.g., during marketing meetings, advisory councils, carrier panels, one-on-one discussions, etc.

### **Background**

Technologies throughout the financial service industries have made it easier to service customers. Consider the automated teller machine. Years ago a consumer could only use the ATM machine located on a bank's premises. Today, an ATM card can be used anywhere in the world to withdraw funds from a local bank. Bank customers don't care about how that happens; they just want to know that it works.

Like the banks years ago, many local and regional carriers are concerned they might lose their perception of having a competitive advantage because of their proprietary systems. But this could not be further from the truth. Studies have proven that when all else is equal, agents place their business with the company that is easiest to do business with. And dealing with proprietary systems does not make it easy to do business with a particular company.

The industry-wide Real Time and Download campaign has been created to help companies understand the importance of adopting real-time technologies. Implementations have reached critical mass now and new companies are implementing it at a quick pace.



### **Agents & Brokers:**

You can influence the decisions of your national and regional companies to adopt Real Time workflows. Use these talking points (below, listed 1 through 4) at every opportunity—e.g., during marketing meetings, advisory councils, carrier panels, one-on-one discussions, etc.—to state your case. And remember, you can make the best case when 100% of your employees are using Real Time at every opportunity!

1. Real Time is a major timesaver for my agency, on average cutting by half the time it takes me to process the same transactions on carrier websites.
2. With Real Time, I can work in a consistent way with multiple carriers from my agency management system or a comparative rater. Any required logons, passwords and site navigation are handled automatically by my management system. I can usually reuse the customer data in my agency management system without re-entering it.
3. Real Time also allows me to address some of the pressing problems my agency faces:
  - It can take me more than an hour to quote a personal lines risk with a reasonable number of carriers when I have to quote each one on a carrier website and enter the same customer data multiple times.
  - My customers increasingly expect immediate answers to their questions and with Real Time I can indeed deliver this type of service.
  - I want my employees to spend more time on new sales, rounding existing accounts and reaching out proactively to my customers. Real Time will give my employees back the time necessary to enable them to focus on these more important revenue-generating activities.
  - After performing a transaction on a carrier website my employees sometimes forget to record the transaction in the agency management system, an oversight that can create an E&O problem. Real Time transactions typically prompt these activities automatically.
  - It is difficult for me to keep my employees trained on several different carrier website workflows. Real Time allows me to train them on a single workflow.
4. Real Time will be my agency's mainstream workflow going forward and we would like your company to be part of it. I ask your company to invest in Real Time inquiries (such as billing, claims and policy view), rating and endorsements for both personal and commercial lines. I also encourage your company to use ACORD XML standards in your Real Time implementations.



## **COMMERCIAL LINES DOWNLOAD**

### **NetVU Position**

NetVU believes that Commercial Lines Download is an essential component that allows independent agencies to hold their nearly 80% market share in the commercial insurance marketplace. Synchronization of data between agents and companies is paramount to efficiently and profitably servicing commercial lines customers.

To that end, NetVU encourages our member agencies, carrier partners and vendor community to embrace Commercial Lines Download wherever possible.

Specifically:

- Carriers and vendors should certify that all agency company-interface transactions adhere strictly to the established ACORD standards—not proprietary protocols.
- Agents should adopt and use Commercial Lines Download wherever possible.
- Carriers should either implement, work to improve, and/or add additional lines of business to their personal and Commercial Lines Download offerings.
- Agents should provide constructive feedback to carriers and vendors on their satisfaction with Commercial Lines Download. Let everyone know if their downloads are not as effective as they could be and what is needed to improve.
- Carriers and vendors should work quickly to improve their downloads when opportunities are presented.
- Carriers and vendors should consider meeting the requirements of the industry-defined minimum data sets and make it a point to preserve existing agency data wherever possible.
- Help drive the success of the Real Time and Commercial Lines Download campaign.
- Agencies should consider starting with small commercial and Business Owners policies.
- Carriers should work with vendors to recertify all of their Download files.

While it has had challenges, Commercial Lines Download has matured over the past several years. Now is the time for implementation. Even if an agency tried it a few years ago and was not completely satisfied, now is the time to try it again.

Considering all the possibilities with implementation, it can appear to be overwhelming at first. Therefore, agencies should consider starting with small commercial including business owners policies, workers compensation and commercial auto.

### **Background**

Download is the transfer of customer policy data from an insurer to its partnering agency/brokerage's agency management system or from the MGA to the retail agency. This is downloaded directly to the agency management system and normally occurs in batch after transactions are performed by an agent, such as adding a vehicle or changing a deductible; or by the insurer, when processing the renewal policy.



This data is used to service the policyholder in many ways. Examples include issuing binders, certificates of insurance or auto ID cards, processing claims, or submitting the policy for competitive proposals on renewal.

The carrier's mainframes generate the data from the information stored on the particular policy. Some of the challenges that companies face is that their information is in fields that are proprietary to themselves and these fields are not always aligned with the ACORD standards. Elaborate mappings must take place to extract the data from the carrier's systems and prepare it for delivery into the agency management system.

Early on in the process, many carriers failed to map their data to fields where the agent expected it to be. Furthermore, when carriers put data where they believed the most appropriate location was, it resulted in overwriting of data in the management systems.

Through the creation and adoption of an industry-wide minimum data set, the guess work has been taken out of what data the agents require and where they expect to find it. In addition, there has been considerable education around techniques to preserve data that is already there and prohibit it from being overwritten in the download.

Carriers and vendors continue to be receptive to making their downloads even better. Early on agents would sign up for download, only to turn it off in a few days. The companies and vendors struggled to find out specifically what went wrong causing the agents to turn it off. The typical reply was that it simply didn't work. Today the questions and answers are very specific, helping everyone to improve the downloads. For more information please see the ACORD Commercial Lines Policy Detail Download-Agency Start-Up Guide at [www.acord.org/aujie](http://www.acord.org/aujie); see Tools & Resources link.

Now that these major challenges have been identified and overcome, the industry is ready for increased efficiency through Commercial Lines Download.



## **REAL TIME MULTI-COMPANY RATING**

### **NetVU Position**

NetVU believes that the success of the independent insurance agency channel is directly tied to the success of real time, multi-company rating.

Real time, multiple-company rating enables agents or brokers to request and receive rates from multiple carriers simultaneously, working through a comparative rater. This improved agency workflow eliminates the separate logons, passwords, and multiple data entry required with today's individual company websites.

To that end, NetVU encourages our member agencies, carrier partners and vendor community to accelerate their current efforts to implement and use real time, multi-company rating wherever possible.

Specifically:

- Agencies should adopt and use Real Time, multi-company rating wherever possible.
- Carriers should either implement or work to improve their Real Time, multi-company rating offerings.
- Agencies, carriers and vendors should make this issue a priority in their discussions.
- Vendors should provide agents with the capability to allow consumer access to the real time rating tool via their website.

The evidence is clear that agencies grow with carriers that are the easiest to do business with.

### **Background**

Independent agents and brokers are extremely frustrated with the process of going to multiple company websites and entering the same data multiple times to find the most attractive rate for their customers.

A company's fear should not be seeing their rates on an agent's "spreadsheet." Rather, their fear should be not seeing their rates on the spreadsheet.

IIABA's National Board adopted a policy statement that calls upon independent agents and brokers to advocate for this new Real-Time rating process with their companies and vendors. The policy calls for agents to implement the new technology promptly when a company makes it available, because the companies and vendors are closely monitoring agency usage in deciding whether to invest in it themselves. The statement also calls upon companies and vendors to make the needed investments to enable this new rating process, and for national and state agent associations and user groups to make this issue a priority in their discussions with agents, companies and vendors.



## **IDENTITY MANAGEMENT**

### **NetVU Position**

NetVU believes that the key to effective identity management lies in the agency's ability to easily manage their carrier IDs and passwords within a real-time environment. Agencies, vendors and carriers must first implement proper user authentication and security controls in its own systems, employee procedures and physical perimeters. Vendors, carriers and agencies themselves must work together to make it easier to do business within the real-time environment.

To that end NetVU encourages our member agencies to manage their carrier passwords within their Real Time environment and vendors and carriers to make it easier for agencies to manage them.

Specifically:

- Carriers must give Real Time transactions coming from approved vendor systems more trust than direct transactions and other approaches to password handling, provided the agency has implemented the proper user ID and security controls.
- Carriers must eliminate the requirement that agents re-enter the password during Real Time transactions.
- Carriers must begin using more complex non-expiring passwords that are controlled by the agency administrator.
- If the carrier cannot use non-expiring passwords, the time period for these password changes should be extended to annually.
- Carriers must provide advanced notice of password expirations.
- Vendors and carriers must work together to allow agency administrators to send messages to carriers to delete particular users, and confirmation return that the user is deleted.
- Carriers should investigate the feasibility of allowing access for agencies via federated/single account IDs.

### **Background**

The current inconsistency of carriers' handling of passwords within the Real Time environment is reducing the benefits of Real Time workflows and is discouraging some agency employees from using Real Time. The problem today is that Real Time transactions frequently error out because the user's password has expired. It then takes the agent five to ten minutes to update the password on the carrier website and the agency's Real Time tool, and to begin the transaction again.

When a Real Time transaction is performed, the user ID and password are passed with the transaction to the carrier and a result is returned. Real Time implementation provides the agency with an additional control to store carrier password information in a way that it is only accessible by the agency administrator.



ACT's Security Issues Workgroup is working diligently with vendors, carriers and agencies to identify the password-related improvements that can be implemented using Real Time tools and promote the adoption of the improvements within the industry. The foundation of the solution to identity management consists of the following:

1. Provisioning Solution - Web-based tool for centralized user provisioning and self-service (agencies will be able to manage user names, passwords and role based access).

Benefits:

- Reduce user administration/provisioning and de-provisioning efforts and costs.
- Mitigate and reduce security risks.

2. Single Sign-on - Users can log into one vendor's product and automatically have access to other vendor products in which the user has rights/licenses.

Benefits:

- Simplify user experiences and provide efficiency gains by only needing one user name and password.
- Support better adoption of Real Time by eliminating the need for multiple user names and passwords for multiple products and carrier/partner websites.

3. Federation - Facilitate and drive identity portability across the insurance vertical (institute trust relationships between vendors, agencies and carriers).

Benefits:

- Provides a foundation for securing outsourced business processes, hosted applications and Web services.
- Address challenges surrounding security, management and integration.

For more information about security issues view "The Independent Agent's Guide to Systems Security" and "ACT Guidelines for Multiple Passwords" at [www.independentagent.com/act](http://www.independentagent.com/act) (see Agency Security/Customer Privacy).



## **ENCRYPTED E-MAIL**

### **NetVU Position**

NetVU believes the privacy of customer data gathered during the sales and service process is of paramount importance. Agents are custodians for tremendous amounts of non-public data, which are gathered from customers and third parties and shared among numerous trading partners.

While there are many secure methods for transporting this data among the various constituents, for a variety of reasons, a great deal of data tends to be distributed through non-secure standard e-mail. Sending non-public data over the public Internet via non-encrypted e-mail is considered a violation of many state and federal regulations. To that end, NetVU encourages our member agencies, carrier partners and vendor community to embrace secure e-mail.

Specifically:

- Stop sending private customer data over unsecured e-mail.
- Member agencies, carrier partners and vendor community must embrace securing e-mail via TLS (Transport Layer Security) or other third party solution.
- Where possible, turn on TLS (Transport Layer Security) the industry standard e-mail encryption method.
- Encourage your carrier partners, vendors and other trading partners to implement TLS encrypted e-mail.

E-mail is entrenched within business workflows; a significant amount of business is transacted between agents, carriers and other business partners. The data shared between the parties is often confidential—although critical to the business relationship—and contain information of a sensitive nature that if lost or stolen could be harmful to either party.

### **Background**

The use of Real Time technology is the most efficient and most secure method for moving sensitive client data between agents and carriers. However, there are times when email must be used to send communications with sensitive client information (such as that contained on some commercial lines applications). When this is necessary it is imperative that both parties use secure e-mail. If the e-mail is not secure, the contents of the e-mail and any attachments can be intercepted and read as they travel across the Internet, in the same way an open postcard can be read when sent through the mail. If an unsecured e-mail is intercepted, the agency would face a security breach creating a significant risk to the agency's reputation and a potential E&O exposure.

The industry has been rather slow in formally embracing an e-mail encryption standard. Organizations such as NetVU, ACT, Vertafore and The Hartford have led in the awareness and adoption of TLS encrypted e-mail, which we believe the remainder of the industry, will adopt as a standard.



## **SUPPORT FOR INDUSTRY WORK GROUP PARTICIPATION**

### **NetVU Position**

NetVU believes in order for the industry to advance and keep up with current trends of member agencies, carrier partners and the vendor community, it must be actively involved in industry workgroups and forums. By joining efforts such as industry workgroups to push important industry initiatives, NetVU members and industry partners can make technology work smoother, faster and smarter.

To that end, NetVU encourages our member agencies, carrier partners and vendor community to actively and collectively participate in the industry's technology working groups wherever possible.

Specifically:

- Take an active advocacy role in shaping the future direction of our industry.
- Commit to an awareness of key advocacy topics being discussed throughout the industry.
- Seek out and encourage participation by the most appropriate people within industry organizations where appropriate.
- Realize the importance of process improvements through consistent standards and workflow efficiencies.
- Embrace the concept that many hands make easy work: Together we can make a difference.

### **Background**

NetVU's added the workgroup signup functionality to NetVU.org and is promoting participation for an important reason: We encourage new participants to share knowledge on important topics to help resolve commonly shared industry issues related to their Vertafore system and agency. NetVU members and company partners must realize that the grassroots efforts of industry workgroups influence the direction of the industry and how the stakeholders interact by building relationships that extend beyond the current trend or issue. The relationships are built by active cooperation to reach a common goal by people from a wide range of backgrounds, agencies, companies and vendors. The hard work of a few stakeholders who volunteer time and talent to a workgroup will make the decisions and policies that impact the future direction of vendors, agencies and companies around the country. Once all involved parties realize the impressive impact a few select individuals can make by participating in workgroups, the inconsistency will be eliminated and agreed-upon standards and policies will be adopted easier.

NetVU promotes participation and has members participating in various workgroups.

**ACORD's Working Groups** are an integral part of the ACORD standards development process. Each group focuses on enhancements to particular areas of ACORD's Standards. Active participation in these meetings is reserved for current ACORD members, who are encouraged to send volunteer representatives to attend these groups. Getting involved enables



your organization to help build standards that address your specific business needs; develop in-house expertise through working with industry leaders; and stay on the leading edge of standards implementation.

**ACORD PCS working groups include:**

- Certificate Forms
- Commercial Forms
- Commercial Lines Download
- Company Unique Codes
- E&S Forms
- eForms Architecture
- Flood Forms
- Forms Review
- Implementation Guides
- Lead Generation
- MR Review
- Professional Liability Specialty Lines
- Surety
- Workers Compensation

**The Agents Council for Technology (ACT)**, part of IIABA, is a partnership of independent agents, companies, technology vendors, user groups, and associations dedicated to enhancing the use of technology and improved work flows within the Independent Agency System. More information can be found at [www.independentagent.com/act](http://www.independentagent.com/act).

**ACT committees and work groups include:**

- ACT Committee
- ACT Governing Council
- ACT State Technology Liaisons
- Real-Time/Download Campaign Steering Committee
- Agent Feedback Group
- Agency Real Time Experience Work Group
- Agency Security Best Practices Work Group
- Carrier Communications Work Group
- Consumer Functionality Work Group
- Mid-Commercial Work Group
- Real Time Password Management Work Group
- Retail Agent/E&S Work Group
- Security Issues Work Group
- Social Web Work Group
- Strategic Future Issues Work Group
- Third Party Reports Work Group



**AUGIE** (The ACORD-User Group Information Exchange) is a forum for ACORD, agents, brokers, insurers, solution providers and associations to gather information, share ideas and actively shape the future of the insurance industry. It allows collaboration on common concerns that affect the day-to-day and long-term operations of agents. It provides agents with a voice in the ACORD standards process with the goal of improving agency efficiency and productivity. For more information about AUGIE, go to [www.acord.org/augie](http://www.acord.org/augie).

**AUGIE work groups include:**

- Power of Change
- Reference Document
- Carrier/Vendor Status Report
- Quality Implementation of Real Time/Download
- Real Time Leads to Real Growth
- Regional Carrier Task Group
- Market Accounts for Competitive Rates



## **BEST PRACTICES**

### **NetVU Position**

NetVU believes the best-run agencies provide the greatest value to both their customers and stakeholders. Most companies exist to increase shareholder value. Agencies are no exception. What is most intriguing, however, is how vast the gap is between the earnings of the average agency and those that operate as the best in the industry. IIABA “Best Practices” agencies exemplify a relatively small group of the most efficient, fastest growing, and most profitable agencies in the country. All revenue sizes of independent agencies are represented in the benchmarking process, which is conducted by IIABA and Reagan Consulting.

To that end, NetVU encourages our member agencies, carrier partners and vendor community to embrace Best Practices wherever possible.

Specifically:

- Carrier partners and vendor community should embrace Best Practices wherever possible.
- Integrate the Best Practices workflows into your organizations.
- Agents, carriers and vendors alike should incorporate the Best Practices workflows into their operations wherever possible.
- Take the Best Practices Self Diagnostic Test to identify your operations strengths and weaknesses. .
- Compare your operations to the Best Practices benchmarks.
- Participate in the Best Practices study every three years.

Consistency and efficiency of process’ results in better customer service, more time to sell, increased efficiencies, increased profits per employee, and fewer errors and omissions claims.

### **Background**

Since 1993 the annual IIABA Best Practices Study has served as a tool to help agency owners and managers understand how their business operations perform and measure up to the top performing firms across the country. It is a “must have” for those agencies that want to become the best they can be.

The 2007 Best Practices Study provides critical performance benchmarks in six agency revenue categories ranging from less than \$1.25 million to more than \$25 million. Agencies can measure, evaluate and compare results for agency operations, including:

- Income and expense distribution
- Revenue and profitability growth
- Production and service staff compensation/productivity
- Technology expenses
- Property/Casualty and life/health carrier representation
- And more



The study offers a more comprehensive look at the 195 agencies selected as the 2007 Best Practices Agencies. In addition to their financial and operational results, the study also takes a look at a variety of management issues, including:

- Factors most critical to success
- Top challenges
- Keys for maximizing productivity
- Keys for gaining a competitive advantage

Several new performance benchmarks have been added, including a more detailed breakdown of revenues and expenses and the “Rule of 20” score that indicates whether shareholder value is being created. In 2008 the 195 agencies provided updates to their financials. These have been captured in the 2009 Best Practices Study Update.

In addition to the comprehensive study and annual updates, Best Practices also includes tools to help agencies assess their disaster preparedness. In addition, there are tools that help agencies better understand agency perpetuation and agency aggregation.

Visit [www.independentagent.com](http://www.independentagent.com) for Best Practices details and other useful information on how to make your organization more efficient, such as the workflow guide at [www.independentagent.com/act](http://www.independentagent.com/act) (click Agency Workflows link).



## **ACORD STANDARDS**

### **NetVU Position**

NetVU believes that developing, implementing and using industry-wide standards for insurance transactions are critical to the success of the independent insurance agency distribution system. To that end, NetVU strongly encourages our member agencies, carrier partners and vendor community to embrace the industry's ACORD standards wherever possible.

Specifically:

- Embrace the industry's ACORD standards wherever possible.
- Have a sense of urgency in the adoption and use of the most current versions of the ACORD forms within six (6) months of their release. In the case of required regulatory changes, adopt and implement the current versions of the forms immediately.
- Implement the new eForms standard as soon as possible.
- Certify that all agency company-interface transactions adhere strictly to the established ACORD standards and not proprietary protocols.
- Help drive the success of the Real Time and Commercial Lines Download campaign.
- Adopt the ACORD Best Practices for Standards Implementations.
- Actively participate in the Standards-setting process by participating in task forces and work groups established to review and improve the implementation process.
- Submit an educated vote on any of the ACORD maintenance requests or new forms that are presented.
- Work with Vertafore and ACORD wherever possible to successfully implement the eForms tool.

Independent agents are under extreme pressure to maintain and grow their market share from national direct writers. Independent agents compete at a significant disadvantage when their various trading partners and vendors insist on using proprietary data structures and workflows to process business.

Transaction consistency can drive efficiency into the process, allowing agency personnel to process more transactions in less time, which results in increased customer satisfaction and more profit for agency owners.

### **Background**

The industry's development, implementation and consistent use of ACORD Standards results in accurate data that is easily shared between business partners. Agents need quality data within their agency management systems to better service their customers. Carriers require accurate data to effectively rate and underwrite the risk. Data integrity between all the trading partners streamlines operations, eliminates redundant data input, decreases errors and omissions exposure, and creates the greatest "ease of doing business" for all of the trading partners.

The Association for Cooperative Operations Research and Development (ACORD) was originally formed in 1970 to counter the proliferation of proprietary carrier forms through the



creation of standard paper forms. Over the years ACORD has evolved into the leader in the creating of paper and electronic standards for the insurance industry.

NetVU actively participates in ACORD initiatives including voting on ACORD standards; participating in plenary sessions; leading in AUGIE (ACORD Users' Group Information Exchange), and participating in the ACORD Implementation Forum as well as various standards working groups. NetVU builds and maintains strong working relationship with various ACORD board members and key staff executives to drive agent priorities through the industry standards-setting process.

While ACORD forms are almost 40 years old, they continue to evolve in both paper and electronic format. One example: eForms, a new standard ACORD is developing to allow agents to share data contained in forms. NetVU supports the development of eForms and encourages vendors and companies to adopt and implement the standard to allow for more robust data interchange between the trading partners.

For more information on how you can help develop industry standards to improve efficiencies, visit [www.acord.org](http://www.acord.org).



## **AGENCY WEBSITES & SOCIAL MEDIA**

### **NetVU Position**

The majority of Americans use the Internet to research products and services prior to making a purchase. NetVU believes that for independent agencies to prosper they must have an active online presence. The key to independent agent success lies in making it easy for the consumer to find agents, do business, and connect to the agency via technology tools like online quote and self service. Not only will agencies need the traditional static content site that limits browsers to viewing content only, they will need a way for current customers and prospects to interact with the agency 24 hours a day, seven days a week.

NetVU supports and encourages the facilitation of a strong agency presence on the Internet with value added services to customers and prospects.

Specifically:

- Revise your current websites to take full advantage of search engine optimization (SEO).
- Add 24/7 customer and prospect self servicing via the agency website.
- Create and publish written procedures for agency employees using social networking sites.
- Recommends that carriers and vendors implement real-time payment functionality through the agency website, these transactions should pass through the agency management system to the carrier.
- Research and understand how a presence on social networking sites may be used in prospecting and collaborating with industry or community organizations.
- Utilize social networking and social media as a core business strategy.
- Websites should be compatible with mobile devices.
- Create sub-sites that offer special programs unique to your agency instead of having one site that lists all lines.

### **Background**

In today's culture the methods for communication are changing rapidly. The once cutting-edge methods of e-mail and cell phones are now considered traditional. They have quickly been upstaged by faster and more instantly gratifying interactive tools, such as websites and social media.

### **Web Presence**

NetVU encourages agencies to determine your agency's priorities concerning their website. The agency website is typically the first point of contact for prospects and an important connection for the customers. Agency websites should have a defined purpose that allows users to easily and efficiently navigate. Agencies are encouraged to utilize search engine optimization (SEO) which elevates an agency in online search results. This not only allows current customers to find the website, it also helps to drive more prospects to the agency site.



Agencies must continuously measure the site's effectiveness to allow for agile revisions and improvements. There are many web analytical tools available to measure traffic and marketing campaigns. Considerations should include usability, reporting and security. In recent years the prevalence of free services have become available and are now used 53% more than cost based services. The first result in the Search Engine Results Page (SERP) gets about 42% of the click-thrus, the second result receives 70% less, which represents roughly 12% of all traffic and each level below two has a gradual decrease, the bottom position does generate more traffic than position nine.

Agencies must also tell the consumer of the value of personalization by doing business with the independent agents above and beyond the competition. Independent agencies depend on customers valuing the ability to work with a personal agent. Therefore, an agency must continue to promote and maintain the value as the web presence is developed. One specific way to promote that image is to join the 10,000 plus independent agencies to be named a Trusted Choice® Agency which includes the nationally recognized branding. Trusted Choice® is increasing consumer awareness of the benefits independent agents and brokers offer.

### **24/7 Customer Self Service**

The web allows for agencies to offer consumers 24/7 self service from anywhere in the world. As agencies continue web development this must become a core strategy as more consumers are requiring the ability to receive quotes, inquiries and tasks on demand. Understand that this is a value added service that does not take away from the personal service an independent agency provides. Self service potentially frees up CSR's from telephone calls, and inquiries that can be done online allowing the CSR to perform more proactive and complex service tasks such as cross selling products. Adding online live chat to an agency website is another value added service to prospects and customers that agencies should explore. Agencies who build upon the ease and flexibility of online services to enhance their overall service capabilities will gain from the improved customer satisfaction and efficiency.

Another important aspect of self service is the ability to accept payments online. By providing this functionality through the agent's website it will keep the agent in the forefront of the customer's mind. NetVU recommends agents encourage your carriers to provide links that can be placed on their agency's website to allow clients to go to the agency website first then link to the carriers; these transactions should pass through the agency management system to the carrier.

### **Social Networking**

Social media is online content created by people using highly accessible and scalable publishing technologies. Social media is a shift in how people discover, read and share news, information and content; it's a fusion of sociology and technology, transforming monologues into dialogues and is the democratization of information, transforming people from content readers into publishers. Social media has become extremely popular because it allows people to connect in the online world to form relationships for personal, political and business use. Facebook, LinkedIn, and Twitter are a few examples of popular social networking sites. They allow for an agency to quickly assimilate information to a large collection of people for zero cost.



Agencies should also consider the use of blogs to improve their web presence. Blogs are a simple way to share valuable information. Blogs can be organized and searchable to allow customers to research valuable needed information.

### **Mobile Devices**

The prevalence of consumer's reliance on mobile devices is growing. Twenty-one percent of American wireless subscribers had a Smartphone by the fourth quarter of 2009. Therefore, there is a need to make agency websites compatible with all mobile devices. Creating an application for download allows agencies to reach even more mobile device users by giving them a different avenue to reach the agency. These create even more value added services that the agency can provide for its' clients.



## **COLLABORATION WITH OTHER INDUSTRY ASSOCIATIONS**

### **NetVU Position**

NetVU believes it is necessary to advocate within the insurance and technology industries to effectively execute our mission of having world-class education, being advocates for our members, and to provide opportunities for members to network with their peers. While critically important to our members, driving change within the Vertafore family of products is only part of helping our members become more efficient and profitable. We also focus on industry-wide initiatives.

To that end, NetVU encourages our member agencies, carrier partners and vendor community to volunteer their time and participate within the industry wherever possible.

Specifically:

- Participate in industry events and make time to network with your peers.
- Become an active member of state and national industry organizations.
- Participate in work groups and organizations that are related to your strengths and interests.
- Submit articles for industry association newsletters.
- Submit presentations for industry educational conferences.

### **Background**

NetVU volunteers and staff spend thousands of volunteer hours and tens of thousands of dollars each year giving back to the industry. While there are many worthy causes that could help us improve our industry, NetVU has made a conscious effort to prioritize our efforts beginning with the following list of associations and related councils:

- Independent Insurance Agents and Brokers of America (IIABA)
  - Agents Council for Technology (ACT)
  - Council for Best Practices
  - State Association Affiliates
- National Association of Professional Insurance Agents of America (PIA)
  - State & Regional Association Affiliates
- Association for Cooperative Operations Research and Development (ACORD)
  - ACORD-User Group Information Exchange (AUGIE)
  - Standards Working Groups
- The Council of Insurance Agents & Brokers (CIAB)
- Insurance Value Added Network Services (IVANS)
- American Insurance Marketing and Sales Society (AIMS Society)
- American Institute for CPCU (AICPCU)
- The National Alliance for Insurance Education & Research (CIC, CISR)



## **AGENCY AGREEMENTS**

### **NetVU Position**

NetVU believes that many agency-company agreements do not adequately address potential issues regarding electronic information.

To that end, NetVU encourages our member agencies and carrier partners to consider agreements that include components for electronic data access wherever possible.

Specifically:

- Companies should agree to continue to grant viewing access to the electronic information after the termination of the agreement to allow for access to service the agency's run-off business.
- Agency records should continue to be made available for a period of at least five years or the requirements of state law, whichever is greater.
- The term "original" should be defined as it pertains to documents or forms; it should mean the actual or original document maintained in a format that has been approved by the insurance department of the state in which the agency is located.
- Companies should allow documents to be stored in electronic formats to the extent permitted by state law—provided the documents are properly date stamped, regularly backed up, and may be reproduced upon demand.

### **Background**

Independent agency agreements have been around for more than 300 years. For most of that time business was done through paper manuals and policy forms. Because the "paper" was the property of the insurance company, once an agency cancelled their agreement the insurance company would ask that the paper documents be returned.

Today little paper is used and most policy data is stored on insurance company websites and electronic files. If a carrier turns off electronic access, the agency may not be able to service the customer in the future.

Transactions in question include amending runoff business, maintaining billing and claims information, and being able to review past policy term documents. Some companies allow "read only" access to their files for this reason. However, if access is denied, then the agency may be at risk of an errors and omissions lawsuit for not properly servicing the customer.

In addition to electronic access, most states allow for electronic record retention. Carriers should investigate the feasibility to allow the agent to keep his or her electronic documents as a permanent record, assuming the state courts allow it.



## **NetVU INDUSTRY LEADERSHIP 2011-2012**

### **NetVU Board of Directors**

Mr. Gray Nester  
Chairman of the Board  
BB&T Insurance Services Inc.  
Charlotte, NC  
(704) 954-3073  
[gnester@bbandt.com](mailto:gnester@bbandt.com)

Mr. Mark E. Stolly, CPCU, CIC  
Vice Chairman of the Board  
Stolly Insurance Group  
Lima, OH  
(419) 227-2570  
[mark.stolly@stolly.com](mailto:mark.stolly@stolly.com)

Mr. Dave Ellis, CPCU, ARM  
Treasurer  
Dorsey Hazeltine & Wynne  
Palo Alto, CA  
(650) 858-2375  
[dellis@dhw-ins.com](mailto:dellis@dhw-ins.com)

Mr. Stephen M. Moriyama  
Second Vice Chairman of the Board  
Hayward Tilton & Rolapp Insurance Assoc.  
Anaheim, CA  
(714) 905-1923  
[stephenm@htrinsure.com](mailto:stephenm@htrinsure.com)

Ms. Cindy Adams  
Member at Large  
Holmes Murphy & Associates  
West Des Moines, IA  
(515) 223-6888  
[cadams@holmesmurphy.com](mailto:cadams@holmesmurphy.com)

Mr. Carl R. Schlotman, III, CPCU, CIC  
Ex-Officio  
CAI Insurance Agency Inc.  
Cincinnati, OH  
(513) 221-1140 x7503  
[carl@cai-insurance.com](mailto:carl@cai-insurance.com)

Mr. Steven J. Aronson, CIC  
Aronson Insurance  
Needham, MA  
(857) 255-0235  
[steven@aronsoninsurance.com](mailto:steven@aronsoninsurance.com)

Mr. Timothy Casey  
Conner Strong Companies Inc.  
Marlton, NJ  
(856) 552-4698  
[tcasey@connerstrong.com](mailto:tcasey@connerstrong.com)

Ms. Tina Clay, SSA  
Bank of America  
Irvine, CA  
(949) 222-7496  
[tina.clay@bankofamerica.com](mailto:tina.clay@bankofamerica.com)

Ms. deNise Cowley  
Cullifer & Associates Inc.  
Birmingham, AL  
(205) 979-6453  
[denise@cullifer.net](mailto:denise@cullifer.net)

Mr. Craig McDonald  
Gallagher Benefit Services, Inc.  
Carmel, IN  
(630) 285-5948  
[Craig\\_McDonald@ajg.com](mailto:Craig_McDonald@ajg.com)

Mr. Marc McNulty, CIC  
William G. Uhl Agency  
Dayton, OH  
(937) 434-9090  
[marcmcnulty@uhlagency.com](mailto:marcmcnulty@uhlagency.com)

Ms. Debbie Miner, CPCU, AAM, CPIW  
Henriott Group Inc.  
Lafayette, IN  
(765) 429-5000 x225  
[dminer@henriott.com](mailto:dminer@henriott.com)



Ms. Cyndy Smith  
Haylor Freyer & Coon Inc.  
Syracuse, NY  
(315) 453-2189  
[csmith@haylor.com](mailto:csmith@haylor.com)

Ms. Janie Ussery, ACSR, CISR  
Ragland Strother & Lafitte  
Dallas, TX  
(214) 443-1426  
[jussery@rslins.com](mailto:jussery@rslins.com)

### Industry Relations Committee

*(Questions or suggestions about the Playbook should be sent to any of the names below.)*

Mr. Stephen M. Moriyama  
Committee Chairman  
Hayward Tilton & Rolapp Insurance Assoc.  
Anaheim, CA  
(714) 905-1923  
[stephenm@htrinsure.com](mailto:stephenm@htrinsure.com)

Mr. Gray Nester  
BB&T Insurance Services Inc.  
Charlotte, NC  
(704) 954-3073  
[gnester@bandt.com](mailto:gnester@bandt.com)

Mr. Carl R. Schlotman, III, CPCU, CIC  
CAI Insurance Agency Inc.  
Cincinnati, OH  
(513) 221-1140 x7503  
[carl@cai-insurance.com](mailto:carl@cai-insurance.com)

Ms. Joyce Sigler  
Jones-Wenner Insurance Agency  
Fairlawn, OH  
(234) 678-2803  
[sigler@jones-wenner.com](mailto:sigler@jones-wenner.com)

Ms. Cindy Adams  
Board Liaison  
Holmes Murphy & Associates  
West Des Moines, IA  
(515) 223-6888  
[cadams@holmesmurphy.com](mailto:cadams@holmesmurphy.com)

### NetVU Staff Liaisons

Mr. Brady Polansky  
President & CEO  
Irving, TX  
(972) 409-6211  
[Brady@NetVU.org](mailto:Brady@NetVU.org)

Ms. Melissa M. Bond  
Director of Industry Relations  
Austin, TX  
(469) 417-8109  
[Melissa@NetVU.org](mailto:Melissa@NetVU.org)

### Vertafore Liaisons

Ms. Kathe Donlan  
Director, Users' Group Relations  
Hull, MA  
[kdonlan@vertafore.com](mailto:kdonlan@vertafore.com)

Mr. Pete Zale, CIC  
VP Business Development  
Windsor, CT  
(860) 602-6000  
[pzale@vertafore.com](mailto:pzale@vertafore.com)