

## **WHAT BROKERS (SHOULD) REALLY WANT**

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For a variety of reasons, insurers are committed to cementing relationships with brokers, predominantly medium and larger entities and more so now than before. Primarily, this market is perceived to be a lot more lucrative owing to:

- The larger customer base which is accessible through these brokers.
- Their ability to sustain profitable growth and maintain underwriting standards.
- Their infrastructure which assists in the determination and satisfaction of their clients' needs.
- The critical mass which they provide and which permits the development of bespoke products and services for the specific benefit of client base.

Traditionally, although retention of these brokers by insurers has relied on several influences, the most influential of these is the relationship between these brokers and their insurer. These relationships encompass many key issues which give brokers comfort in doing business with an insurer, including:

- The availability of the insurer and its decision-makers to the broker.
- The strength of insurer and its market share.
- The competitiveness of its rating structure.

However, while relationship is of paramount importance, is it, of itself, sufficient or should there be more to the insurer offering?

In today's electronic age, should system availability and accessibility not, for example, play a significant role in the broker's decision as to which insurer to support? Should a broker not carry with him the tools to provide a quote in the presence of the insured client or even, if authorised, to issue the policy there and then? Should such a system not be available to the broker anytime; that he may enquire on every aspect of his business, from the details of the policy schedules of each and every insured client, to commission earnings, claims history and underwriting performance? In this age of the mobile office, virtually unfettered ability to communicate from anywhere and at anytime, whether by Internet or cellphone, should brokers not be able to carry with them a fully mobile policy administration system? Were such a system made available by an insurer, would it not be as compelling a reason to deal with that insurer as the traditional relationship motivation?

And, if the insurer were to offer as a package, together with the fully mobile policy administration system which permits complete access anywhere and at any time as described above, a comprehensive claims service in terms of which every aspect and stage of the claims settlement process was managed by the insurer but accessible to the broker, would the broker not be better able to properly service his insured client and ensure that the insurer performed accordingly? Of course, the claims service would, likewise, have to include a comprehensive mobile system which is available to the broker anywhere and at any time and which provides the broker with full details of each aspect and stage of the claims settlement process so that the broker is always aware of the progress of the claim, Would the provision of these systems and services not also be a reason to deal with an insurer which is as compelling as the traditional relationship?

We contend that in this electronic age, where lead times are ever shorter, pressure ever greater and instant gratification is the order of the day, relationship alone is not enough. Brokers need truly modern, flexible and portable systems that allow them to service their insured clients in the way those clients require.

Building any relationship takes time and effort, but the perseverance shown must ultimately result in a working partnership that is cemented by state-of-the-art systems and support.

Historically, many brokers do have their own in-house administrative system to administer policies and claims but, as costs escalate and these systems become a millstone, the opportunity exists for the insurer to offer brokers comprehensive policy and claims administration systems at a much reduced cost to them, or even at no cost. A key factor from the broker's standpoint is that such systems should be equally capable of handling the business of other carriers who provide facilities to the broker and we contend that for any policy and claims administration system to be acceptable in the market, it must be capable of servicing multiple carriers.

Of course, while an insurer might then be providing a system which, indirectly, supports other competing carriers, the insurer providing the system would enjoy the benefit of more seamless management of the broker's portfolio, given the access to data and controls afforded by the system. In most cases, insurers restrict access to the system to allow only for:

- Policy administration
- Endorsements
- Quotations

However, depending on the volume of business, access can be widened to include aspects of claims administration such as the appointment of assessors and the arranging of car hire with the final claims settling authority still resting with the insurer.

Systems and support such as those described above enable the broker to become more efficient and provide a platform for the delivery of a higher level of service. Moreover, systems and support such as those proposed in this article also allow the broker and insurer to partner in managing the broker's portfolio/s, thus ensuring profitable growth. In turn, these benefits entrench both the client/broker relationship and the insurer/broker relationship, making the whole enterprise more sustainable and lending greater value to the broker and insurer alike.