InsurTech to 2020 and beyond

Here's what agents and brokers should know about insurance technology.

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Technology has been and is being developed that will help build a better insurance customer experience. (Photo: ALM Media archives)

Technology has always been important to the insurance industry. The pace of technology development and the resulting change in customer experience expectations continues unabated. Investment in insurance technology startups (InsurTech) also continues its record-breaking pace. It's important to watch these trends to see how they will improve the way insurance agents and brokers respond to the changing expectations of prospects and clients.

Of particular interest is trying to determine what technology agents and brokers must pay more attention to and what can wait.

There are a few areas in which technology has been and is being developed that will help build a better customer experience for their clients. Here are a few:

- **Text management:** Agency management system vendors are making text messaging — both inbound and outbound — a communication option into their platforms. Texting has been a trend for the last couple of years because a growing number of clients prefer to use texting as their primary communication option. Building this into the management system platform enhances the ability of the agency to respond promptly and to adequately document these conversations.

- **Text marketing:** An emerging area is inbound text marketing. Many of you may have experienced this when you text a keyword to a number — either a five- or six-digit number (called a shortcode) or a full telephone number — to receive information that you requested. I use this to allow people to obtain an ebook on why agents need to accept electronic payments from clients and the complications involved. You can also experience this for yourself by texting the keyword "Pay" to 615-823-8255. The keyword initiates a "text conversation" between you and me to gather the necessary information to subscribe. This type of marketing can be used in letters, print ads, postcards or billboards, to name just a few.

- **Fixing follow-Up failure:** Too often agents just don't follow up with prospects and clients as well as they know they should. Computers are good at completing the same task many times consistently. Current agency management systems still don't do a good job of managing the marketing and sales process for an

Management systems also are beginning to automate internal processing, or what I call Service Automation. For example, a few management systems have been built to start a process when a policy status changes automatically. A communication is generated (based on an agency-designed process) and automatically sent in the client's preferred method (email, text or voice) without staff doing anything. The productivity improvement is significant.

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Looking ahead

The following are a few trends I think will become common in agencies within the next one to three years.

- **Guided conversations:** Various chatbots, Facebook messenger apps, and robo-advisors demonstrate the potential power of personalized interaction using machine-learning technologies. Agencies will use these tools for both external (client facing) and internal (employee augmentation) capabilities to provide accurate and personalized answers to common questions and issues.

- **Voice computing:** In 2016, 20% of all mobile Google searches were by voice. By the end of 2017, that's expected to increase to 50%. Amazon's Echo has brought voice as a computing interface into the home. Google Home, Google Now and Siri are all making it easier than ever to talk to your computer and obtain information. One vendor created an Alexa skill that allows you to get a Workers' Compensation quote entirely by voice. It's an early signal for how this technology might be used.

- **Augmented and virtual reality:** Primarily viewed as a toy and gaming platform today, this technology is developing rapidly. Amazon recently updated its mobile app to add augmented reality so you can see what a lamp will look like in your living

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