

LifeHealthPRO

How technology is changing the way producers work

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Smartphones and tablets from technology behemoths like Apple, Google, Microsoft and Samsung are transforming communication and information like never before. For life insurance and financial service professionals, the devices' convenience, ease of use, technology capabilities and mind-boggling array of apps have been pivotal to realizing sales and efficiency targets, cutting overhead and enhancing advisor-client engagements.

Testimonials to these gains abound from software vendors that are developing mobile device-compatible apps. Witness the double-digit increases in prospect-to-client conversion rates and the dramatic decline in sales cycle times and business costs enjoyed by advisors who are using mobile-friendly lead generation software and electronic processing apps for new policies.

But market-watchers say the new mobile capabilities come with caveats. In some cases, for example, smartphone and tablet-ready apps do not match the functionality of their desktop or laptop counterparts. Also a significant issue for technology vendors is ensuring the security of confidential financial information on customers. The challenge has gained prominence this year, due in part to the recent headline-grabbing news of hackers, both foreign and domestic, breaking into supposedly secure government and corporate databases.

In the financial services space, say experts, mobile security concerns are especially high. Among the reasons: potential thefts of data resulting from lost or stolen mobile devices; and the challenge of protecting data carried through Wi-Fi or cellular networks.

“Putting confidential data — credit card numbers, investments and other personal information — onto a smartphone or tablet engenders reputational risk for the technology vendor and advisor, as well as financial risk for the client,” says John Sarich, vice president of strategy at Vue Software. “The industry is still grappling with security and privacy issues.”

An exploding market

Such concerns are likely to become more prominent as the adoption of smartphones and tablets increases. Market research outfit Gartner Inc. projects that tablet makers will ship 197 million units this year, an almost 70 percent increase on 2012 shipments of 116 million units. By 2017, Gartner pegs tablet sales at 468 million units, surpassing that of desktop PCs and “ultra-mobiles” (hybrid tablets/laptops like Microsoft’s Surface).

By year-end 2017, Gartner expects sales of mobile phones to reach 3 billion units, up from 2.4 billion this year. Worldwide shipments by operating system will grow to 1.5 billion (Android), 570.9 million (Windows) and 504.1 million (Apple iOS/macOS) devices in 2017. That’s up from 860.9 million, 354.4 million and 293.4 million units, respectively, in 2013.

As the devices become more widespread, they’re also increasing in functionality for advisors, embracing all aspects of the sales cycle, from producers’ communications with vendors to servicing clients. Typical of the turnkey packages is Vue Software’s product suite, which offers distribution management, billing, incentive compensation, sales and marketing automation apps.

The last of these boasts customer relationship management (CRM) software that provides access to customer information online; a customer service app featuring a “360-degree view” of customer records; plus a new business and renewal solution that helps insurers gain and sustain a growing customer base.

Underpinning the drive for customer-interfacing mobile solutions, say experts, are changing demographics. Members of Generation Y — those born between the early 1980s and early 2000s — increasingly want to do business online. And when they’re ready to proceed to a transaction, they want fast and easy access to a nearby agent or broker. Hence the advent of geo-location software that can deduce the whereabouts of a caller using (among other methods) the caller’s IP address.

“If you’re a GenYer, you don’t want to see online contacts for five agents who can handle a product purchase, you want the agent,” says Sarich. “With geo-location services, you can automatically connect a customer prospect to the nearest producer.”

Conversely, geo-location services can identify client prospects within an area producers are servicing (a capability that OptiFiNow will integrate into its lead management app in 2014); provide a policy quote based on the agent’s location (provided by iPipeline, this capability is useful for producers whose territory crosses state boundaries); generate location-based e-signatures for policy forms (also from iPipeline); and schedule an appointment with a paramedical professional (also courtesy of iPipeline).

Another signature element of new mobile solutions is the method of content delivery. Many of the new tablet and smartphone apps are accessed via “the cloud” (i.e., a vendor-managed server to which users connect through a web browser). This, say experts, is a must for multi-megabyte programs that, owing to technical, pricing or other reasons, aren’t suitable as a native app residing on a smartphone or tablet.

Hosted “software as a service” (SaaS) can offer an additional cost advantage since it’s often less expensive to install and maintain relative to enterprise-based solutions. Savings can be achieved, for example, by eliminating IT staffers who would otherwise be needed to manage the hardware and software at the customer site. Cloud solutions also enable easy software upgrades and the ability to seamlessly integrate with existing business productivity solutions.

For example, OptiFiNow offers advisors cloud-based apps that handle sales process automation, lead management and marketing-on-demand tasks. The functionality extends also to analytics, reporting, social collaboration, content management and social media publishing.

OptiFiNow CEO John McGee says the tablet’s size lends itself to the capabilities available on a desktop PC or laptop. Features are necessarily more limited in smartphones, he notes, due to the devices’ smaller form factor.

“When you’re on the iPad or laptop or workstation, you can see in one snapshot all of the information you have about a contact in our lead management software,” says McGee. “But to run the software on an iPhone, we’ve had to reduce the amount of information per screen. You may have to flip through several screens to find what you need.”

Making advisors more efficient

Also fueling the rise of smartphone and tablet-based solutions is the ability to be more responsive in all facets of practice management. Because of the devices’ convenience and its ability to stay Internet-connected through a cellular or Wi-Fi network, advisors can manage client interactions more efficiently.

“Sending a thank you card after you’ve just met with a client now requires only a few clicks on a phone app,” says McGee. “Our software will personalize the card for the sales agent, address the envelope, apply postage and drop it in the mail, all while the agent is preparing to get to his or her next prospect. Producers can be much more responsive with a mobile-enabled app.”

Smartphones and tablets are now so pervasive within the advisor community that some app vendors are planning to deliver certain capabilities only to these devices. Case in point: iPipeline, which is developing software that will alert producers to carrier updates on the underwriting status of a new policy’s applications. This

functionality, say Brian Seidman, an executive vice president of research and development at the company, will be available only as a smartphone- or tablet-based app.

The increasing prevalence of mobile solutions among insurance and financial service professionals, and the growing ability of vendors to speed products to market, owes much to advances in app development. Many mobile solutions providers are now creating apps using HTML5, a fifth generation document markup language for structuring and presenting web-enabled content. A key advantage of HTML5, say observers, is that it's "platform agnostic," meaning that an app created for one mobile operating system, such as Apple's iOS5, can (with modifications) also work on competing operating systems, such as Google's Android-based devices.

This platform neutrality lets vendors reach a wider potential audience. So it's no surprise that iPipeline has elected to build its entire 9-module iGO e-App suite on HTML5. Among other capabilities, the software automates the processing of policy applications, (including annuities contracts, supplemental Medicare coverage and final expense coverage) drop tickets and digital signatures.

The suite has a wide following. Advisors representing more than 500 independent brokerage general agencies, carriers and financial services firms use the annuity platform. And more than 30 carriers leverage the technology to distribute annuity forms and rates to independent and captive agents.

Some of the new apps, such as iPipeline's policy quoting tool, also incorporate speech recognition technology, enabling users to retrieve information from their device without having to enter text. The tool is part of a suite that also includes apps for doing illustrations and needs analysis.

Going direct

The adoption of smartphones, tablets and other mobile devices is impacting technology sourcing. Experts say that while producers continue to procure IT solutions from carrier and distribution partners, greater direct sourcing of software is on the horizon.

"Whereas traditionally we've delivered product through distributors, in the future we'll leverage a freeware model that delivers product directly to producers, regardless of whether they're independent or captive agents," says iPipeline CEO Tim Wallace. "We can do this to some extent now."

iPipeline President Paul Melchiorre thinks the evolution in IT sourcing will affect career agents as much as independent producers, a growing number of whom are now urged by carriers to BYOD or "bring your own device" to work.

“The real challenge for vendors today, even in the captive space, is to support tools on disparate devices in the market,” says Melchiorre. “So we need to ensure that our products’ capabilities are available to use on any device, anytime, anywhere and by any agent.”

To clinch the sale, observers say, technology providers also need to be able to demonstrate a return on investment. Among the low-hanging fruit ripe for productivity gains is note-taking, an often time-consuming task that can be better handled using a dictation and transcription service.

Enter Copytalk, which avails producers of this service from a smartphone or tablet. The company transcribes dictated notes at one of its “secure” facilities — FINRA registered transcriptionists work without Internet access and are monitored by quality assurance teams — then emails the finished product to producers or enters notes directly into their CRM app.

Copytalk CEO Maree Moscati says the service enables producers to use otherwise unproductive “windshield time” (as when stuck in rush-hour traffic) to capture client conversations while they’re still fresh. An ancillary benefit is the ability to satisfy compliance requirements by detailing the reasons for plan recommendations.

Need more quantifiable ROI for more mobile-based solutions? McGee says OptiFiNow’s lead management software has boosted the prospect-to-client conversion rate by 33 percent, thanks in part to the app’s ability to alert producers to leads that have been neglected for an extended period.

iPipeline’s Wallace, citing an independent study conducted by the research firm Celent, says that electronic applications and electronic issuance of policies using iPipeline’s mobile solutions have yielded savings in the cost of doing business (unit costs on average have declined from \$299 to \$187 per application received and from \$446 to \$233 per policy issued). Sales cycle times have also declined to 30 days from 50 for term life policies and to 24 days from 49 for whole life policies.

For producers, adds Wallace, the ability to transact business electronically has also increased placement ratios (the percentage of applications that result in a policy) by six to 12 percent, and availed agents of 25 percent more time to prospect. To boot, they get paid faster.

The risk of inaction

“All of these benefits come at no cost to the producer because distribution partners are providing the technology,” says Wallace. “The agents who don’t adopt these solutions risk putting themselves out of business.”

Indeed, they do. This cautionary note is echoed by other technology vendors, not to mention advisors who are adopting the developers' products and can speak firsthand to their benefits.

Yet the new mobile solutions are but tools of the trade. Absent the requisite product and planning expertise, a sound practice management plan, discipline in its application and the drive to succeed, the most advanced technology can aid advisors only so far.