



Digital's Essence

The digital world has created unprecedented possibilities for assembling and exchanging messages. Brokers must be ready to provide “omni-channel” communication to meet customer wants on their terms in this new digital world.



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Sorry, Marshall McLuhan. The medium is not the message — not any more, not now that media are omnipresent, intermingled and interchangeable. Communication is no longer defined by its format; the message's medium is, in fact, sometimes almost incidental.

The essence of the message has become everything, and recipients may expect that content to be delivered in multiple formats, with core meaning consistent throughout various avenues of access. For the insurance industry, the necessity of providing “omni-channel” communication through manifold media differs from traditional approaches. The digital world has created unprecedented possibilities for assembling and exchanging messages.

From the masses of available data, insurance providers must distill meaning useful to their customers, and deliver it on those customers' terms. Consumers expect processes to serve them, following preferences that they define, and that may vary from day to day.

When interacting with customers, brokers

must be able to alternate smoothly between an array of different mechanisms: in person, over the phone, through traditional letters, or via email, chat, social media, secure email alternatives or in a digital vault.

DIFFERENTIATING BROKERS

With this change comes opportunity, and a fresh chance for brokers to differentiate themselves from competitors and demonstrate the exclusive aspect of their services. Careful planning is needed to ensure that when brokers include new media in their communications strategies, their responsibilities of meeting customers' insurance needs are still fulfilled.

Indeed, in 2013, the International Association of Insurance Supervisors singled out, as one of its key insurance principles, the special ability and responsibility offered by intermediaries to promote consumers' financial awareness.

In a world where providing appropriate coverage and counsel can be increasingly complex, consumers still have the same or even a height-

ened need for security; from their broker advisors, they still need an array of options, objective advice and unbiased advocacy.

At the same time, however, consumers now expect to access those deliverables online, or via any other common communications means, depending on their preferences of the moment. Speed and convenience are required, but without compromising the quality of the broker's professional advisor services.

Regulators have also reinforced the principle that consumers dealing with insurance in a digital context are still entitled to the same security and protection they have hitherto enjoyed. The Canadian Council of Insurance Regulators' *Position Paper on Electronic Commerce*, released in 2013, reminded the industry that some fundamentals are constants. Providers are responsible for empowering consumers by doing the following:

- providing them with the information needed, in a timely and comprehensive way;
- providing them with access to a suitable level of advice, taking into account, among other factors, the complexity of the product; and
- making them aware of the importance of advice.

DETERMINING POSITION

Brokers are well-positioned to satisfy these expectations, as within the context of a brokerage's digital presentation, access to advice or support is continuous and omnipresent. Whether the media is mobile or in person, over the phone or online, information can be enriched by the brokers' additional recommendations, answers to questions, and comments regarding alternatives.

Whereas a few years ago digital options were limited, and very costly, now broker principals have a multitude of choices for expanding communications for both sales and service. Some new tools brokers are implementing to digitally deliver their services are as follows:

- customer web portals, arranged through broker management system suppliers or other independent vendors, which

leverage data within brokers' existing systems, and allow customers to carry out activities such as accessing their own records, requesting changes, submitting claims or interacting with their licensed advisor;

- customer service options delivered to mobile devices to address on-the-go situations such as producing an auto identification or coping real-time with a loss situation;
- online tools, ranging from simple file sharing to elaborate data collection and analysis applications, for collaboration with customers on risk or claims management;
- practical website enhancements for two-way electronic communication,



such as chat functionality, message or form submit options, or electronic payment capabilities;

- analytics and data mining tools that allow brokers to better anticipate clients' needs;
- diversified outreach via a range of social media platforms to access both existing and prospective customers;
- targeted search engine optimization strategies, paid or organic, to better connect with audiences interested in specific information;
- online quote and compare engines, for either personal or commercial lines, framed by options for request-

ing advice; and

- online facilities for binding coverage, including fulsome comparisons and explanation of various options.

The various approaches aim to digitally deliver on brokers' own value proposition. Sherif Gemayel, president and founder of SharpMobile.ca, speaks of how he moved to "close the gap" between traditional broker service offerings and rising expectations, introducing a mobile app product that allows brokers customers access to their account information and other real-time functions such as claims reporting.

Similarly, Bullfrog Insurance chairman John Belyea says his company has launched an online commercial facility "The whole idea... is to educate the consumer as to what is and isn't covered and allow them to evaluate between the offerings of each insurer," Belyea notes.

Basic product information on various insurers' products is part of a brokerage's offer of options and suggestions while a live, licensed representative is still available to provide objective comments and advice.

IDENTIFYING BEST FIT

Of course, no two broking operations are exactly alike, each having its own audience of existing and prospective customers. Every brokerage must now strategically select which modes of electronic communication will best serve its clientele.

Just as current telephone systems or in-person calls are configured differently for different operations, personal lines focused brokerages may deem social media blogs and forums to be important investments, while large program client of a commercial lines brokerage may judge risk management tools or access to certificates more worthwhile.

A key factor, too, is that brokerages are incorporating the new communication channels alongside traditional formats and offering customers the choice as to how they interact at any given time.

Operational creativity is needed when introducing flexibility into sometimes entrenched processes, even while bes

practices still require that all exchanges, in whatever form, be documented for later reference and errors and omissions protection.

Critical for brokers' full success is collaboration with insurers, who are making their own forays into the digital environment. Insurer support in facilitating smooth access to current policy information and the rating algorithms resident in insurer systems is essential to creating the useful communications consumers expect.

This summer, the Insurance Brokers Association of Canada, in publishing its *Broker-Insurer On-Line Collaboration* document, articulated clear service definitions that highlight the benefits of brokers' and insurers' providing complementary services, as opposed to disadvantaging the consumer by working at cross-purposes.

By recognizing the essence of their role as either product manufacturer or consumer's representative, and consistently respecting the resulting responsi-

bilities within all messaging, both brokers and insurers can avoid much wasted effort and confusion.

Further capabilities will develop, no doubt, as the base cost of data technologies is driven down and non-proprietary application program interfaces become

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commonplace. Data is ever more available and fast becoming an open market, and no customer will accept being held hostage by organizations hoarding their information.

At the same time, and especially with the updates to Canada's privacy legisla-

tion this past year, there will be renewed focus on how responsibly the industry uses consumers' information.

Three and four generations ago, communications were transformed when the telephone was first universally adopted, and businesses learned to leverage its capacities. Today, here in Professor McLuhan's Global Village, another, even broader transformation is under way, requiring businesses to take their communications beyond the innumerable media by which they are carried, and tailor both the form and content to the individual recipients.

Along with other industry stakeholders, brokers are in the midst of adapting their services to include new expectations, even while staying true to the essential unique benefits they offer.

Ultimately, it is consumers who will determine the success of the communications transformation, as they judge the value they continue to derive from their broker partnerships. ≡