

Stephan Bernatchez, IBAC President



Light at the end of the tunnel

For years, brokers have protested about the waste and inefficiencies created by enforced duplicate data entry into insurers' computer systems. The Insurance Brokers Association of Canada (IBAC) has been advocating with both Insurers and Broker system vendors to leverage the capabilities of modern technology. The objective of IBAC Data Exchange is to take transaction information directly from a broker's system, deliver it to the insurer and pick up the insurer's response, all in one virtually instantaneous circuit.

Finally, the massive IT projects needed for insurers to make their systems capable of digesting such 'real time' transmissions are starting to come on-line, after years of planning and investment.

In 2015 brokers will see the first implementations of automated policy change, as well as new business transactions following the same design. Both large national and smaller regional Insurers are working hard to put the first stages into place, and more insurers are committed to providing the same straight-through processing functionality as their own new systems go live.

Collectively, the industry does now generally agree, we can no longer afford the kind of waste embodied in manual processes. Brokers' key role, the value that we add for the consumer, is in delivering choice, advice, and advocacy. Inefficient and unnecessary work only takes away from resources that are best focused on the customer.

This year, watch for bulletins from your Insurers announcing new integration processes following these key IBAC Data Exchange principles:

- Transactions start and end in your Broker Management System (BMS);

- Systems strictly adhere to the recognized CSIO XML standards for data and messaging, to maximize the interoperability of processes;
- Electronic information is sent directly to insurer systems, without additional manual keying which would not be recorded in your BMS;
- Data is processed by the insurer and the response or acknowledgement is returned immediately in order to provide confirmation;
- Process will not require navigation through unnecessary layers such as an insurer's web portal; and
- Any 'translations' needed for the insurer's system will be invisible to the broker and take place on the insurer's side of the transaction.

HOW CAN BROKERS PREPARE NOW?

First and foremost, make sure your own house is in order. Take a look at your BMS and ensure that you are making full use of its data capabilities. If you are not using the latest version of your BMS, arrange to update as older versions may not offer the functionality available in the newest releases. Equally important, make certain that everyone in your

brokerage understands the importance of good information practices. The more accurate and complete the data in your system is, the more easily you will be able to exchange information with Insurer systems. Make sure that you are taking advantage of CSIO downloads. Perhaps consider asking your BMS provider about data audit tools, to do an early 'spring cleaning' of your own databases.

Secondly, be ready to support the Insurers who invest in building integration with your BMS by adopting the new workflows and providing constructive, cooperative feedback about any issues you find. Change may be somewhat disruptive in the short-term, but the benefits for your customers will be immediate. Let the insurers who are early investors know that we appreciate their support.

2015 promises to be an exciting year for brokers. Are you ready?

For more information about IBAC Data Exchange, please contact **Sheldon Wasylenko** sheldon.wasylenko@rayneragencies.ca or **Brenda Rose** brose@fcainsurance.com. ■

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