

The Agency Universe Study ('AUS') is a product of Future One, a cooperative effort of the Independent Insurance Agents & Brokers of America (IIABA) and independent agency companies. The AUS started in 1983 and was fielded every 4-5 years until 2002, when it went to biennially to stay abreast of the fast-paced changes in the industry.

For those who do not purchase the full AUS report, ACT is providing this overview of the technology – focused results of this 2016 survey. Far more detail, comparison charts, and insight are available in the Management Summary and Full Report, both of which can be ordered on the [IIABA AUS webpage](#).

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### High-Level Observations

For 2016, the total number of independent agencies in the United States remains stable at 38,000 – this is a small decrease from 2014 (38,400). Since 2004, the estimate has not fluctuated greatly, running between 37,500 and 39,000.

The survey had 1,972 respondents, using their 2015 experiences as a lens to provide insights.

From 2014-2016, the number of Small agencies (<\$150k revenue) increased from 15% to 21%. The number of agencies in small towns/rural areas decreased from 19% to 9%.

Jumbo agencies (>\$10m revenue) increased from 0.8% to 1.6%.

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### Technology Section; High-level Findings

#### Marketing Budget - % of Agencies who include each technology activity as part of Marketing Program

	2016	2014	Change
Creating/Maintaining Website	65%	64%	+1%
Social Media	56%	43%	+13%
Creating/maintaining portal technology	30%	29%	+1%
SEO	35%	27%	+8%
E-marketing activities	21%	18%	+2%
Digital content - blogs, webinars	10%	11%	-1%

Just over half of agencies also counted social media among their 2015 marketing activities, up significantly from 2013. In ranking use of social media, the top reasons were to build brand, attract new prospects, and provide client timely information.

Facebook, LinkedIn, Google+ and Twitter (in order of use) continue to be the top platforms.

Far fewer (one in ten) promote digital content and online videos, although Jumbo agencies are far more likely than others to participate in these initiatives.

**Overall Agency Technology Challenges:**

Responses indicate that Small agencies feel particularly challenged to market their agency on the internet; Jumbo agencies are most likely to be challenged in staff adoption of new workflows & technologies. Some changes from 2014, with Marketing effectively move to the top. Those ranked 1, 2, or 3 as a top challenge:

	2016	2014	Change
Marketing agency effectively on the internet	57%	46%	+11%
Dealing with multiple carrier interfaces	44%	50%	-6%
Keeping pace with technology changes	36%	39%	-3%
Overall cost of technology	32%	42%	-10%
Ensuring data transmission confidentiality	24%	26%	-2%

**Comparative Raters:**

- Highest utilization in Personal Lines:
  - EZLynx: 22% (+3% from 2014)
  - PL Rating: 11% (-1%)
  - SEMCAT (now AppliedRater): 6% (+2%)
  - WinRater and ITC TurboRater: 3% (+2%)

Note: Rating via management systems <1% each for TransactNOW and Transformation Station. 43% report they are not using a comp rater (down a full 5% from 2014).

**Management Systems:**

Trend continues stable, with little change between the market shares of the major systems. 82% of respondents are using a management system (up 3% from 2014).

*Highest utilization:*

- 17% AMS360 (no change from 2014)
- 12% TAM (down 3%)
- 8% EZLynx (up from 6%)
- 6% Hawksoft (no change)
- 4% DORIS, Eclipse, QQ Catalyst, Agency Software
- 3% Xanatek, EPIC, Agency Matrix
- 2% Partner XE, Special Agent, Quomation
- 8% Other

**Management System Functions (PL and CL):**

Compared to 2014, fewer agencies seem to find Payments to be a valuable PL management system function. Overall, Similar results between PL & CL, although PL slightly higher. Surveyed value of functions through management system:

Function	PL	CL	
Customer view/search	82%	81%	<i>both up ~8%</i>
Inquiries on claims, billing, etc.	71%	68%	
Endorsements	69%	68%	
Real Time Auto Quotes	65%		
Real Time Home Quotes	64%		
Rate Quote Requests		52%	
Policy Issue	64%	62%	
Alerts/Activity Notifications	62%	68%	
Payments	59%	58%	
Claims Reporting	50%	49%	
Carrier Loss Runs	42%	49%	(Note: important to 72% of Jumbo agencies)

**Overall processing technologies used:**

*Between five and six in ten agencies use personal lines and commercial lines download tools.*

	2016	2014	
Personal Lines DL	68%	71%	
Commercial Lines Download	56%	57%	
Carrier ePolicy Delivery to agency	51%	56%	
Direct Bill Commissions Download	49%	57%	<i>Significant drop in utilization</i>
Paperless office (Personal Lines)	45%	47%	
Agency ePolicy delivery to clients	39%	39%	
Secure email	29%	42%	<i>Significant drop in utilization</i>

**Electronic Communications Used:**

Texting with clients continues to increase, up 8% since 2014.

Use of technology varies with agency size. Example: Jumbo agencies are more likely to use tablets/smartphones (57%), eSignature tools (60%), and an intranet (54%). 17% of Small agencies say they use none of these technologies.

	2016	2014
Activity Notifications from the carrier	44%	57%
Texting with clients	43%	35%
Tablets/smartphones	34%	32%
<b>Agency</b> eSignature solutions	33%	28%
<b>Carrier</b> eSignature solutions	29%	26%
Instant Messaging within the agency	16%	22%

Intranet for internal communications	13%	15%
Mobile apps <b>from the carrier</b>	<b>13%</b>	5%
Mobile apps <b>for clients</b>	12%	8%

**Attitudes Towards Technology:**

No surprise, Cyber concerns are now at the top of everyone’s list.

But surprisingly, only 34% of agents indicate they have a written security policy, and only 23% have a written disaster recovery plan.

These responses are ranked as ‘6’ or ‘7’ on a 7-point scale.

Agency sees need for an agency cyber liability policy	61%
Achieved improvements through use of new technologies	50%
Agency offers a cyber policy to customers	45%
Agency believes digital marketing is a core discipline	40%
Agency has implemented written security policy	34%
Agency has a written disaster recovery plan/trains empls.	23%
Agency has a focused mobile strategy for customers	20%
Agency has a focused mobile strategy for employees	18%

**Perceptions on Electronic/Digital Resources:**

50% of startup agencies (established in last two years) say they’ve seen cost savings by using paperless communications – This is in contrast to only 26% for established agencies.

Newer agencies are also more likely to have insured be open to e-documents (54% vs. 33%)

	<b>2016</b>	<b>2014</b>
Insureds are just as likely to accept e-documents as paper	35%	33%
Agency has seen significant cost savings by offering paperless options offered by carriers	29%	36%
Agency has seen significant cost savings by offering customers paperless communications options	29%	31%
Agency measures ROI in use of traditional marketing	22%	27%
Agency measures ROI in use of digital/social media marketing	18%	16%

