

5 Key Findings from the Agency Universe Study 2022 – ACT Technology Summary

BY OLIVIA OVERMAN

Over half (52%) of independent agencies have achieved significant improvement in agency efficiency through the use of new technology, up from 47% in 2020, according to the "Agency Universe Study 2022 – ACT Technology Results Summary" compiled by the Big "I" Agents Council for Technology (ACT).

ACT compiled results from the Big "I" studies conducted in 2022, including the Agency Universe Study, the Best Practices Study and the Market Share Report, to provide a focused look at the state of technology in the independent agency system.

"The Technology Summary reveals a number of key insights into the use and adoption of technology by our member agencies," says Chris Cline, executive director, ACT. "Though we are still very much on the technology journey, the independent agency channel looks to be quite healthy."

"It is an exciting time as agencies, carriers, and technology providers continue to work on solutions to drive overall efficiency, address compliance, enhance customer experience, and create new capabilities for our industry," Cline said. "ACT is excited to be a proactive part of these conversations."

Key findings from the "Agency Universe Study 2022 – ACT Technology Results Summary" include:

1) Leveraging technology continues to increase. Agencies continue to leverage technology, with two in three using a comparative rater for personal lines. Yet, in the commercial lines market, less than one in three agencies use a comparative rater.

Additionally, 75% of agencies use agency management systems (AMS), with most AMS systems likely to be used for customer view and search. Almost all medium, large and jumbo agencies use an AMS. The percentage of respondents noting the importance of process functions being available in their AMS has gone up in every category for both personal and commercial lines.

2) Keeping up to date with technology is challenging. While digital marketing remains the most highly rated challenge cited by agencies, with 17% rating it as their No. 1 challenge, keeping pace with technology changes and cost of technology are rated third and fourth most challenging, with a combined 18% citing these issues as a top challenge.

3) Technology remains key to success. Half of agencies reported that insureds are just as open to receiving e-documents as paper documents, with 41% of agencies indicating they have seen significant cost savings due to the use of paperless communication options.

4) Emerging quoting channels for personal lines grow in usage. Nearly half (48%) of respondents indicated they are likely to offer customers online quoting facilities over the next two years for personal auto. A similar percentage (46%) indicated they will offer the same for homeowners coverage.

Currently, online quoting availability is still rare, ranging from 8% in commercial lines to 20% for personal auto, but it is notable that fillable form technology and applied programming interfaces (APIs) for carrier or customer relationship management systems (CRMs) are mentioned as solutions when online quoting is offered.

5) Cyber risks persist. While only 33% of agencies indicate that they have a written data security plan, down from 34% in 2020, two in three agencies see a need for their own cyber liability policy, which is on par with 2020 data.

To order a copy of the 2022 Agency Universe Study Management Summary, providing an overview of the highlights from the complete study, visit the Big "I" Agency Universe Study webpage.