



Duck Creek  
Technologies



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# Empowering the Agent of the Future

Modern strategies and tools carriers need to  
enable and manage their agent workforce

May 13, 2020

# Agenda

- ▶ Housekeeping
- ▶ Introductions
- ▶ The Agent of the Future
- ▶ Discussion
- ▶ Closing Remarks

# Speakers

## Moderator:

Gian Calvesbert  
Senior Manager, Product  
Marketing



## Presenter:

Karlyn Carnahan,  
Head of Americas Property  
Casualty Practice

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## Panelists:

Rose Stroehlein  
Manager, Business Development



Prasad Boppana  
VP, Product Management



Mike Croteau  
Director, Business Development



Chi Vo  
Strategy & Planning Manager,  
Business Development

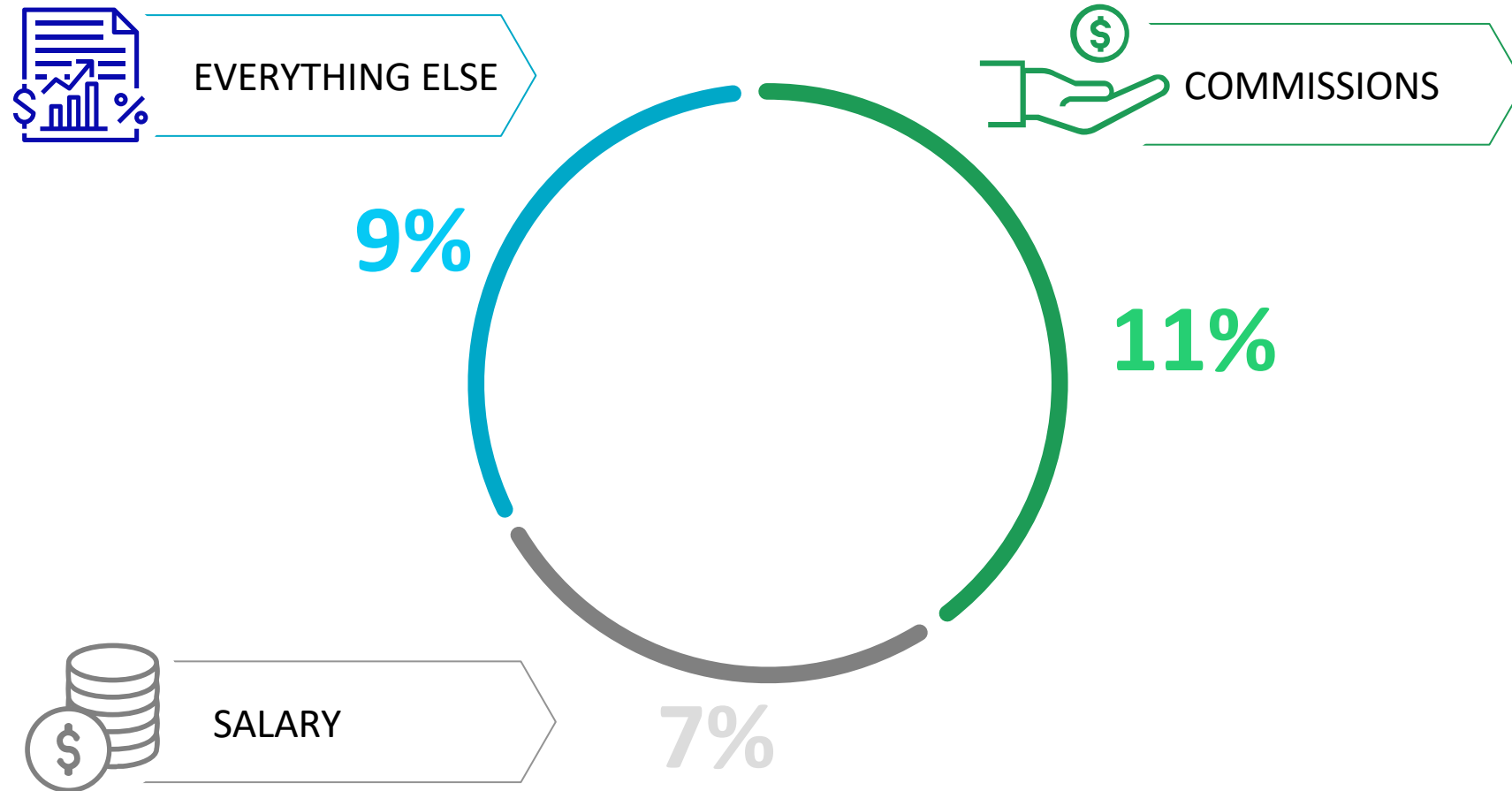
Brenda Macmillan  
Assistant Vice President,  
Insurance Operations

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# The Agent of the Future

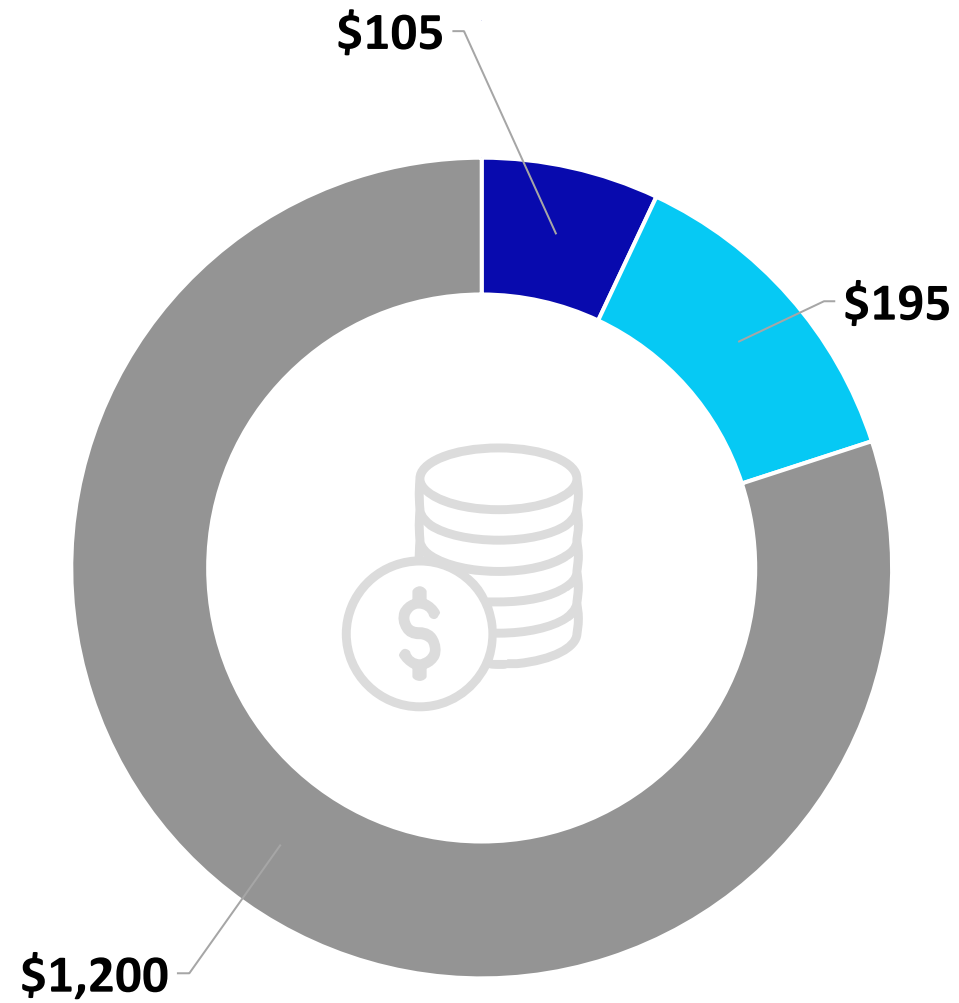
# THEY COST A LOT!

## TYPICAL COMBINED RATIO



# BUT DON'T MAKE MUCH

## Economics of a \$1500 policy



# CHANNELS ARE EXPANDING – PUTTING AGENTS AT RISK OF DISINTERMEDIATION

## Traditional Channels

- Employees
- Independent Agents
- Captive Agents
- Affinity Groups
- Wholesalers
- Clusters
- MGAs

## Lead Generators



## Digital Agencies



## Digital MGAs



## Digital Direct



## Partnerships



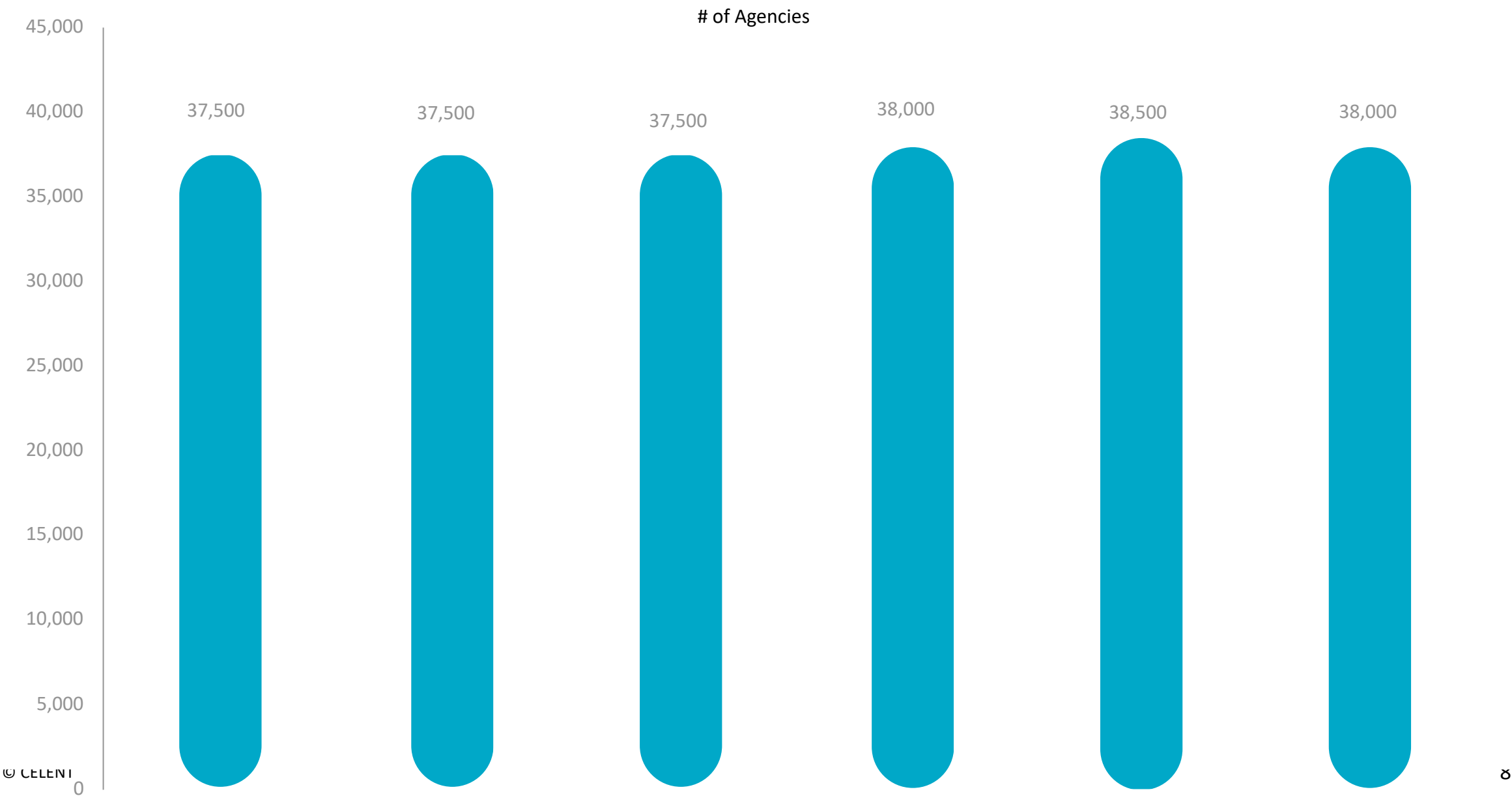
## Complementary channels



## Platforms



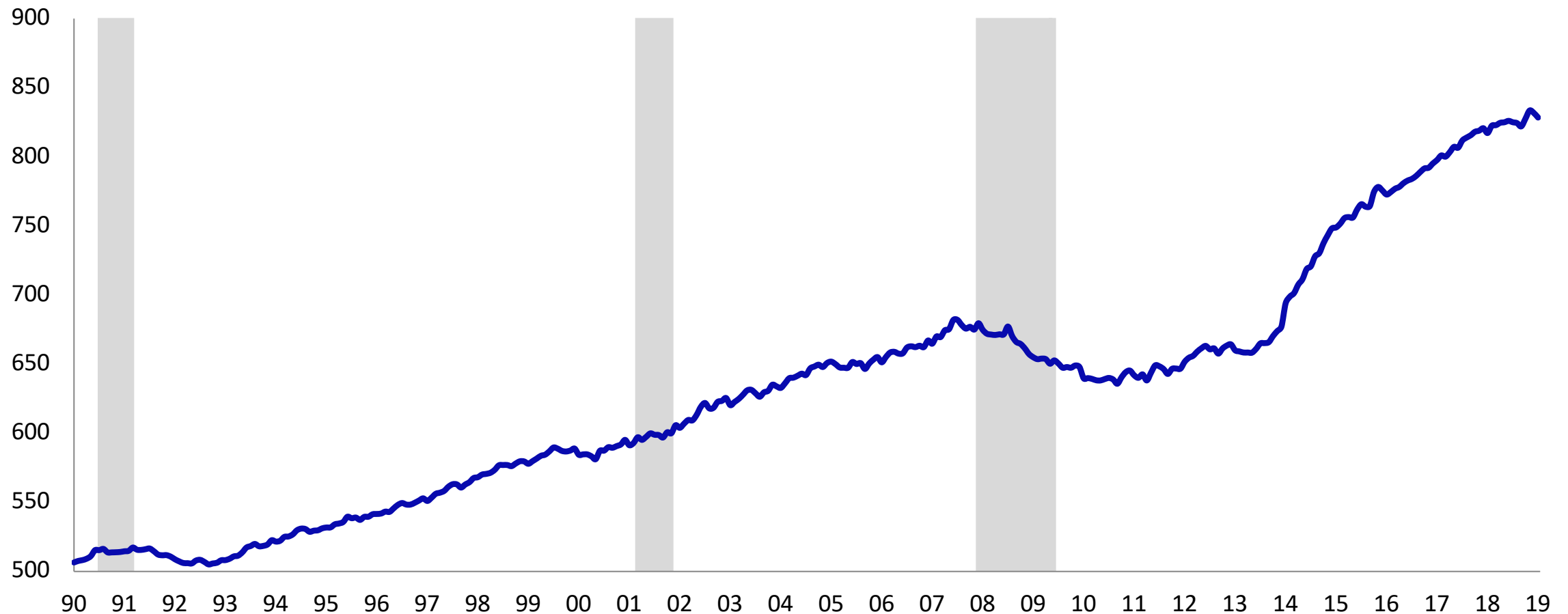
# THE INDEPENDENT AGENCY POPULATION HAS BEEN RELATIVELY STABLE





# ALTHOUGH CARRIERS ARE SEEING THE BENEFITS OF AUTOMATION THROUGH LOWER STAFF, AGENTS ARE INCREASING STAFF

## U.S. Employment in Insurance Agencies & Brokerages: 1990–2019

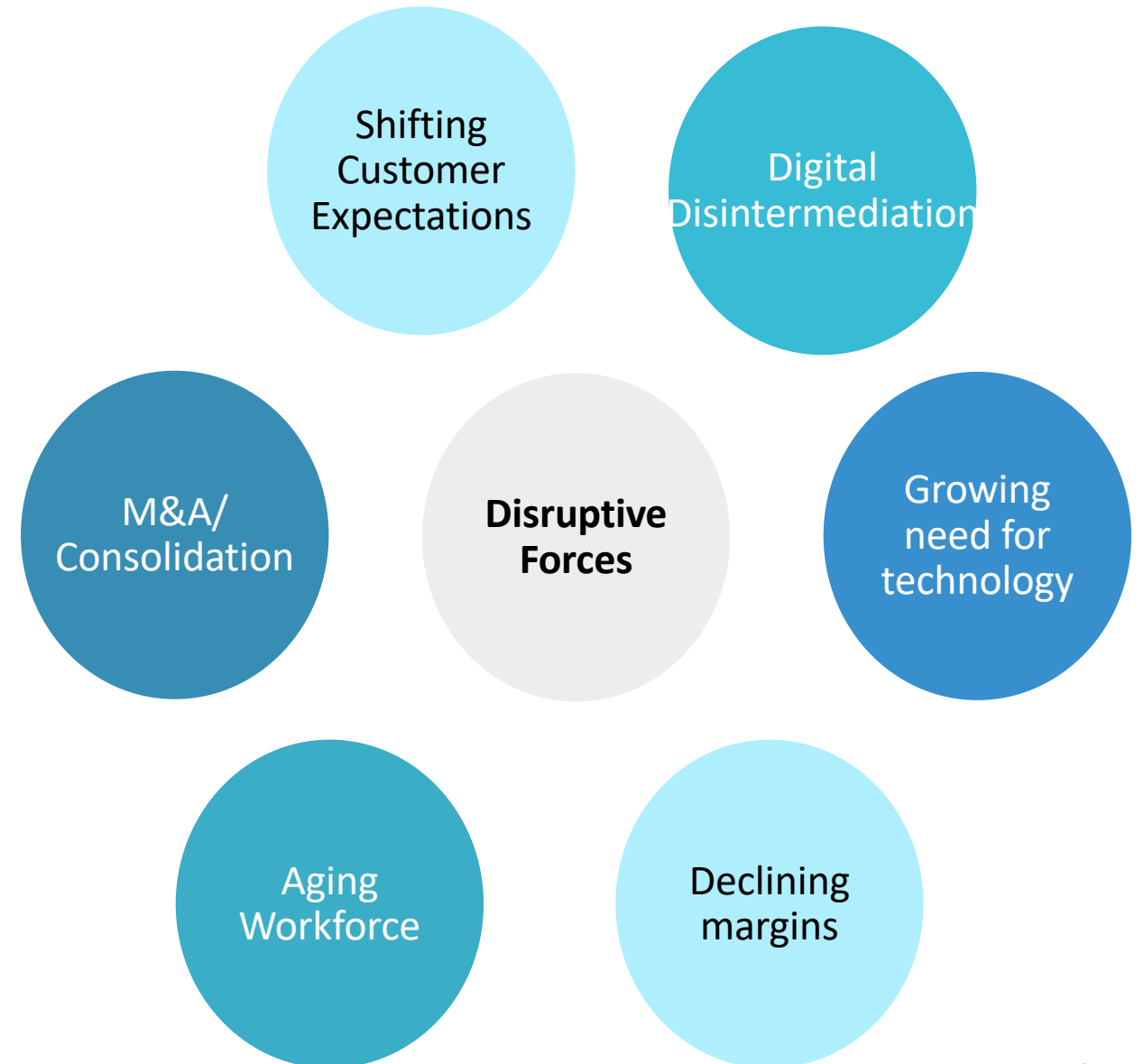


\*As of January 2019; not seasonally adjusted. Includes all types of insurance.

Note: Recessions indicated by gray shaded columns.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research (recession dates); Insurance Information Institute.

# AGENTS FACE A NUMBER OF EXTERNAL PRESSURES



IN THE FUTURE, THERE WILL BE MUCH MORE VARIANCE IN THE TYPES OF AGENTS, THE WAY THEY GO TO MARKET, AND THE KIND OF SUPPORT THEY'LL NEED FROM INSURERS.

Large multi-line agencies

Mergers and acquisitions continue

Digital agents

Continued growth

Niche-driven agents

Greater emphasis on specialization

MGAs

Usage will increase

Small generalists

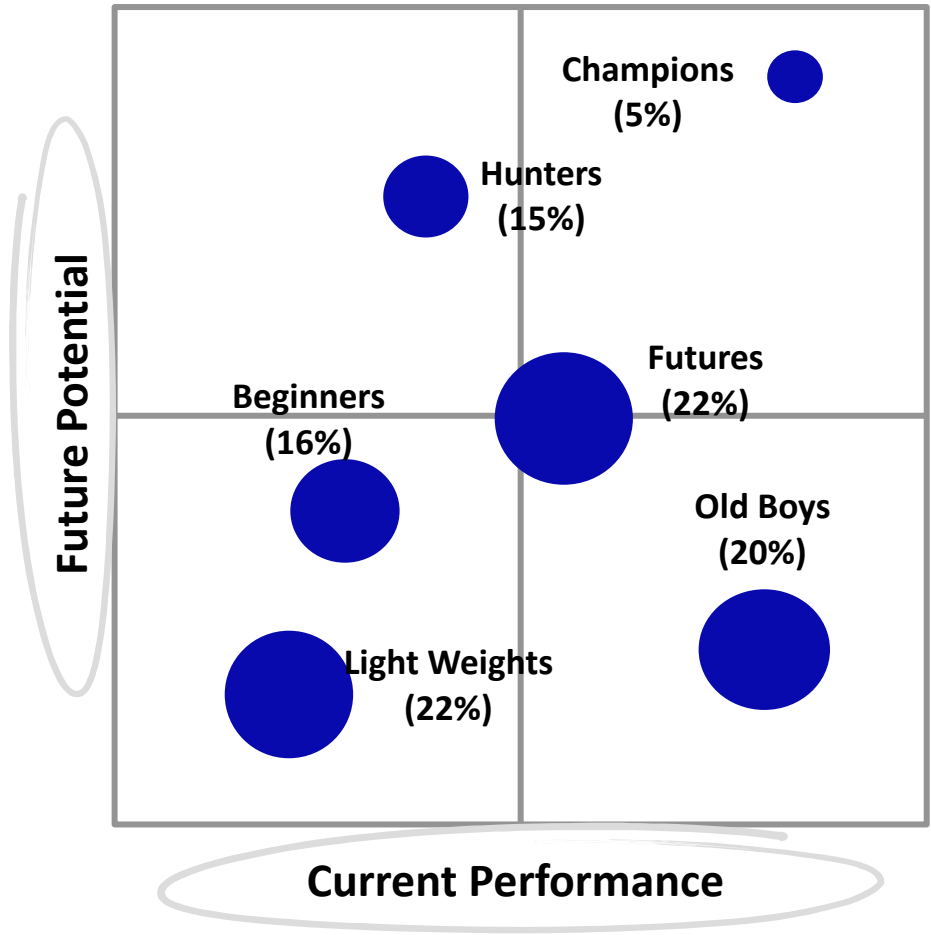
Will always be there

Clusters and Aggregators

Grow in sophistication. Platforms and exchanges will play a larger role

# INSURERS CAN USE NEW DATA TO SEGMENT MORE EFFECTIVELY

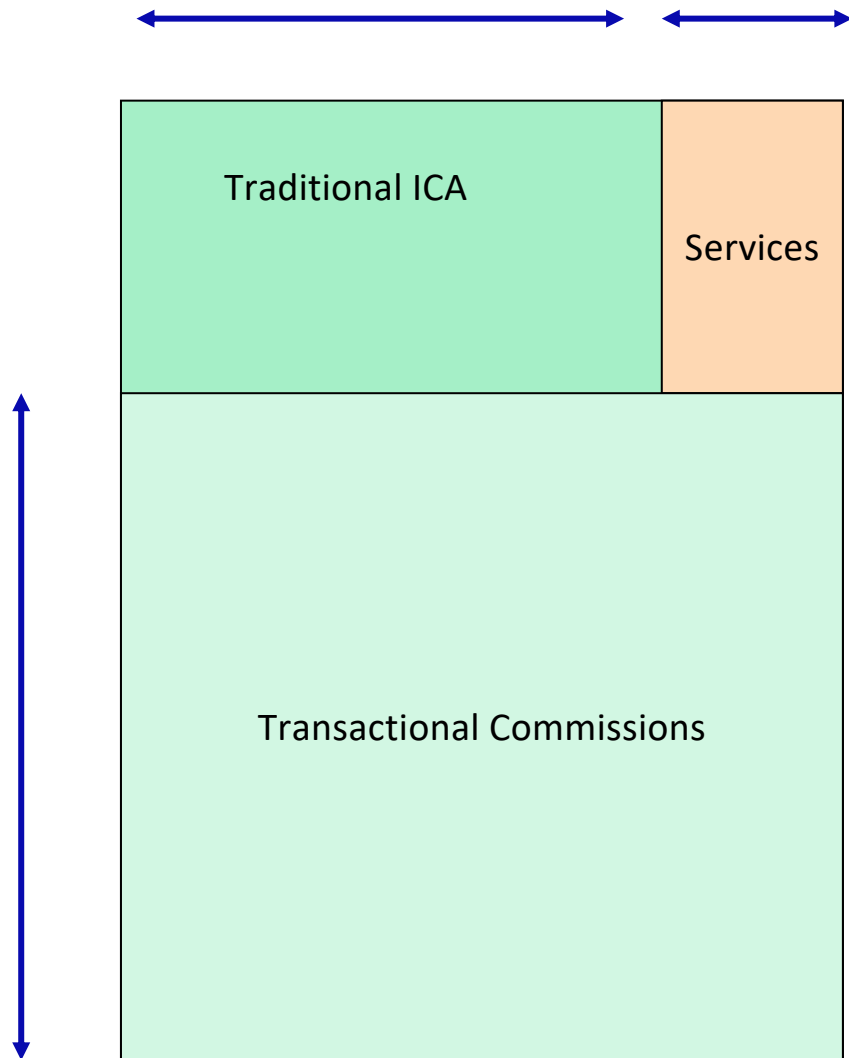
## Individual agent profile clustering



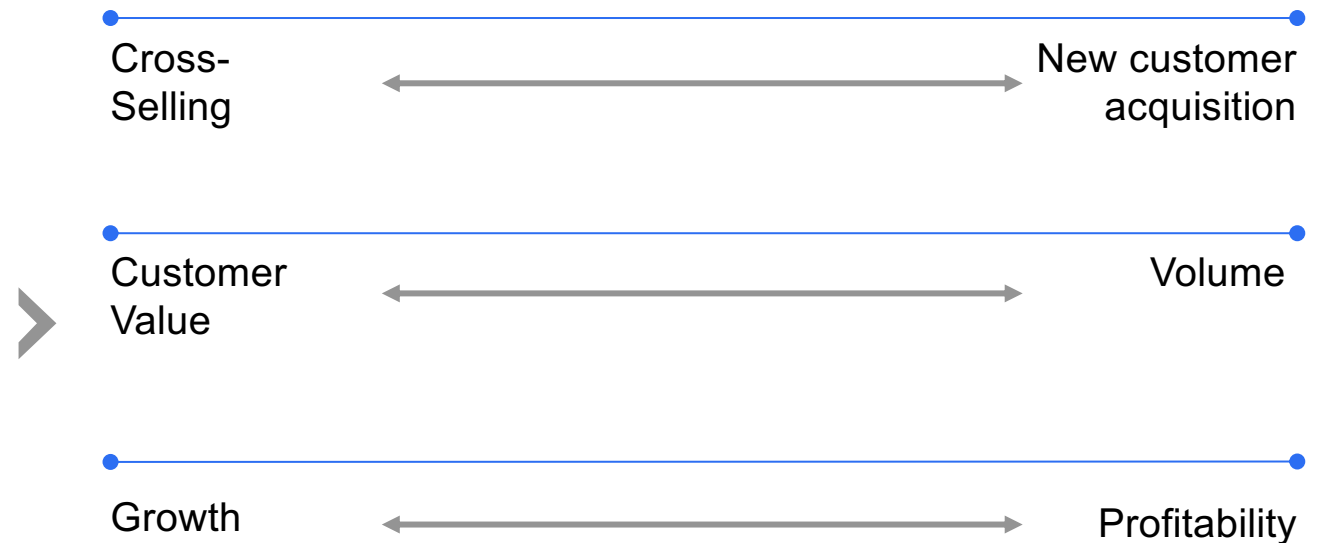
## Specific challenges of individual segments

|               |  |
|---------------|--|
| Champions     | <b>Secure success</b><br>e.g. support from UW/sales specialist, admin relief, tech support, marketing, training funds, etc.                        |
| Hunters       | <b>Build potential</b><br>e.g. tech services, assistance in evaluation of social networks, website of the agencies, marketing/training funds, etc. |
| Old Boys      | <b>Protect</b><br>e.g. protect with appropriate commission/bonus interventions focused on retention  |
| Futures       | <b>Promote and support sales activities</b><br>e.g. digital support in the sales process, assure standard procedures deployed                      |
| Beginners     | <b>Skills development</b><br>e.g. customer acquisition, scheduling technical qualification, product knowledge                                      |
| Light Weights | <b>Central control</b><br>Minimum support, termination   |

# NEW TIERS ALLOW INSURERS TO BETTER ALIGN COMPENSATION PROGRAMS TO TARGET SPECIFIC GOALS

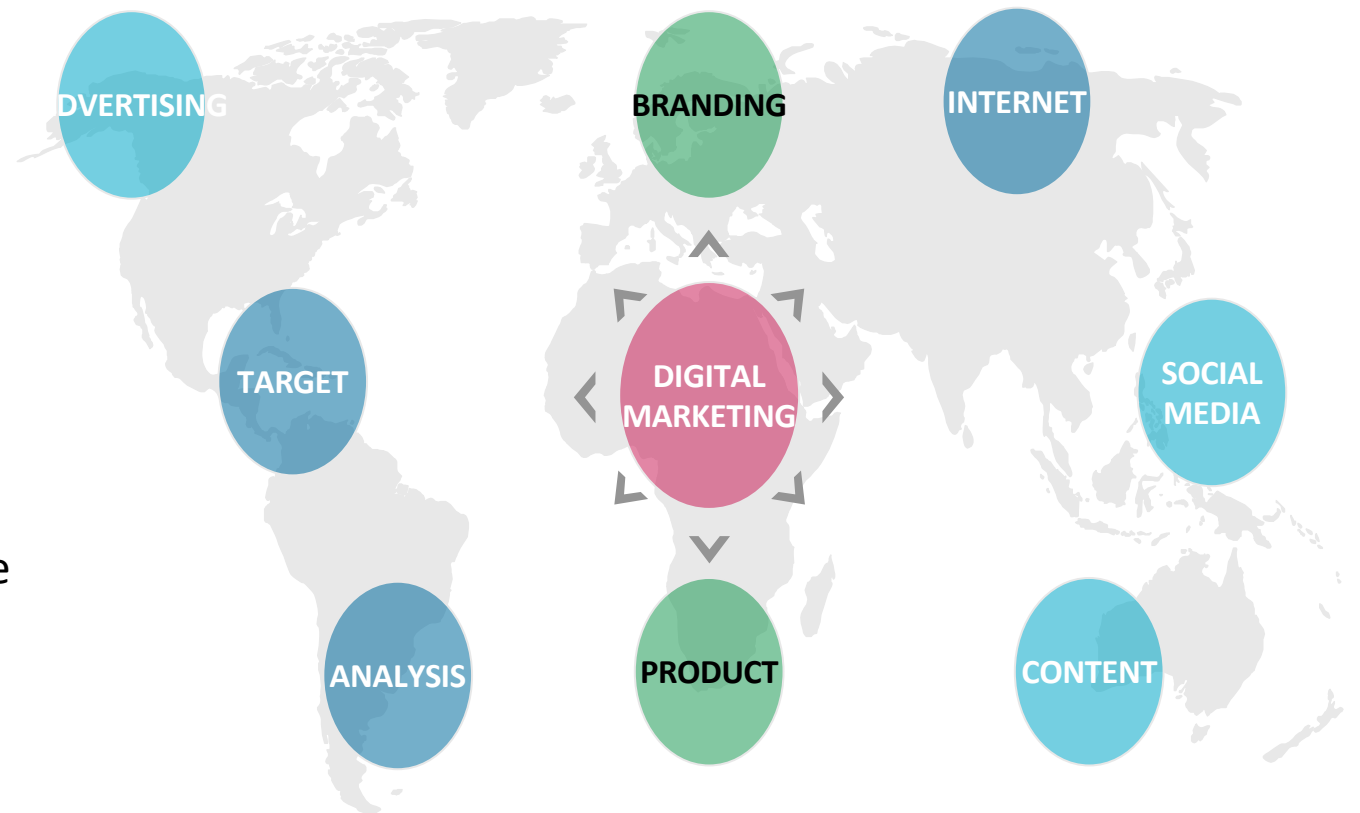


## Compensation intentions – examples



# NEW SERVICES CAN AUGMENT CASH PAYMENTS AND BE ALIGNED WITH THE NEEDS OF THE TIERS

- Enhanced commission levels
- Enhanced bonus plans - tailored by tier
- Technology funds
- Training courses specifically for the agency
- Training funds
- Technology consulting
- Staff acquisition support
- Digital marketing support (email campaigns online marketing, etc.)
- SEO and website support
- Social media support (content, training, tools)
- Human resource support



# MANAGING ALL OF THIS MAY MEAN A NEED TO INVEST IN NEW TOOLS



- Manage agent codes
- New need for data
- New segments
- New compensation programs
- New services – and a need to track service offerings
- Specific business plans focused on more than pure production
- Acceleration of M&A as well as book roll overs



# IF YOU'RE AN INSURER

- Know your agent and understand their effectiveness

- Shift focus to help them grow their business.

- Invest in enabling the agent to easily place and service business

- Invest in tools to allow you to manage this more effectively

- Utilize new data in new ways



# QUESTIONS?

**KARLYN CARNAHAN, CPCU**

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Head, The Americas, Property Casualty

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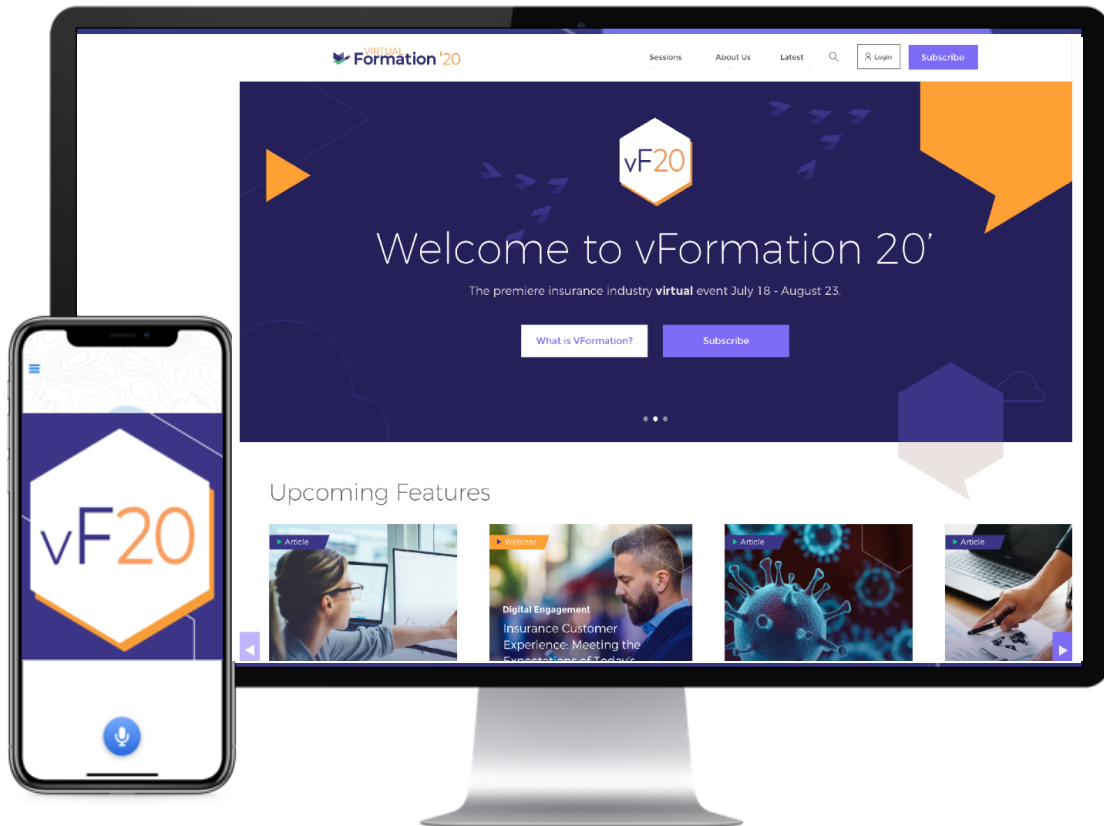
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# Open Discussion

# vFormation – “Leading the Way”

vF20



**Coming June 1!**

## Upcoming Sessions:

- Optimizing Agent Experiences Through Integration
- Enhancing Digital Experiences for Agents
- \*New Digital Engagement Product\*

Visit [duckcreek.com](https://duckcreek.com) to learn more

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Thank you.