



## ORBIT Industry Strategy Planning Meeting Minutes

Thursday, October 6, 2011

### Present:

**Bill Morris**, Navicom, Business Intelligence for IBAO  
**Katherine Evans**, York Fire, VP & CFO  
**Bill Redford**, Keal, Director of Development  
**Bryan Bedford**, York Fire, Tech Analyst; ORBIT's Media & Education Group  
**Pauline Horn**, North Waterloo, IT Project Manager  
**Rick Orr**, IBAO President-Elect, CSIO Board  
**Lorie Smith**, Mass Insurance, Dir. of Corporate Operations; ORBIT Steering Committee  
**Devona Allin**, Canada Broker Link; ORBIT Steering Committee  
**Steve Wagler**, Josslin Insurance  
**Maureen Tomlinson**, Economical, Dir. Business Services; ORBIT Steering Committee  
**Mike Wright**, Brovada, Senior VP Operations  
**Charlie Samolczyk**, Brovada, VP Product Sales  
**Paula Clark**, Dominion Insurance, ORBIT Real Time Payments Group  
**Wendy Watson**, Precept Insurance, VP Operations; ORBIT Steering Committee  
**David Gallagher**, Iter8, VP Marketing  
**Kim Opheim**, Applied Systems, Product Manager; ORBIT Media & Education Group  
**Marijana Dabic**, Precept Insurance; ORBIT Media & Education Group & Steering Committee

### On Conference Call:

**Anne Carswell**, Darling Insurance, Tech Service Manager  
**Lorin McCaffrey**, Policy Works, Director of Product Development; ORBIT CL Group  
**Stephane Lecasse**, CompuQuote, VP Operations, Software Development  
**Denis Giovagnoli**, Aviva, IT Architect  
**Ed Meiering**, Aviva, VP Business Development  
**Dawn Bloom**, SGI Canada and a team that represents CL & PL product across Canada: **Diana, Penny, Dorothy, Glenda**

### Item 1 – Welcome

- Wendy welcomed everyone to the strategy meeting
- Big message for today – we need more **collaboration** in our industry between all stakeholders; we are all in a marathon race not a sprint, and we need to make sure we're all together in the **same** race
- Goal for today - have an open dialogue on how we can do things differently

### Item 2 – Introductions

All attendees introduced themselves.

### Item 3 – Goals for the Day

- Bill Morris presented on EnVisage CEM Intelligence, How the Ontario PL Insurance Market Expectations Have Changed, and What This Means to Insurance IT Stakeholders
- Market realities are pressuring the broker channel: shrinking market share, shrinking margins, more competition, more consumer choice, value proposition is not resonating universally, lack of technology integration
- PL broker market share has gone down from 73% in 1980 to 45% in 2011
- Now more than ever, ALL key stakeholders - brokers, insurance companies, vendors and IBAO - need to know where we stand with policy holders
- What drives consumer preference
  - Personal connection – communicate in their preferred way, take an active role in renewals, active support for the community
  - Easy to do business – simple to purchase, one-stop shopping, make the insurance decision simple, easy to find information. (Stand back and take a look at the banks 20 years ago and today – they’ve made huge progress, it’s easy to do business with them)
  - A sense of confidence – that consumers are protected now and in the future, they can place policy with a company that they know and trust, get risk management advice
  - Brokers needs to ask themselves if they are doing any of these. The better you (brokers) do any of these, the better your customers will engage
  - Innovation - from customer standpoint not much has changed in how they do business with us in the last 30-40 years. Here’s a question on the table to think about: are we doing all we can to be industry leaders?
  - Respect – no one wants to overpay for their insurance, so we need to offer competitive insurance rates, and deliver useful and thoughtful advice
  - Collaboration – demonstrate you play an important role in securing insurance. Consumers are not aware that a lack of collaboration in this group is hurting them. They assume we work with different partners to protect them in the best possible way.
- Navicom developed a questionnaire to explore customer engagement, lifestyle, demographics and broker performance and received 4700 responses from brokers’ customers from December 2010 to mid-summer 2011:
  - The average customer engagement score is: 70 (a strong score is 85 or above)
  - Only 53% of current customers agree that their broker is the only place to buy insurance
  - 54% of current customers are looking (considering alternatives)
  - 13% of current customers are leaving (likely or very likely to switch on renewal)
  - A further 21% are uncertain (unsure if they will switch)
- Direct writers will soon be going after small business and then corporate commercial business, and we need to be ready. We need to make sure that what happened in PL doesn’t repeat in CL. Direct writers score better on customer engagement, have perfected their renewal process, are easy to do business with, are smaller in size and their technology is much simpler to use. Let’s be proactive.
- We need Real Time to avoid duplicate entries and training on each portal. Real time would enable us to get information to our customers in 24 seconds, vs. 2-3 minutes when launching a portal or 8-10 minutes when using phone or email
- Challenge for everyone in the room today: consider the power of collaborative thinking and being on the same team
- Consider how banks came together 20 years ago when they invested together to bring us ATMs. They collaborated on what was in the best interest of their customers.
- We need to be innovative and leapfrog to find solutions to turn our situation around and start gaining back the market share we’ve been losing

### Q & A & Comments:

Why isn't Real Time a reality?

- Real Time is not a reality due to lack of knowledge and awareness, Legacy systems, carrier partners competing on technology instead of focusing on product, price, brokers not voicing what we need

Is IBAO going to encourage brokers to be more innovative?

- IBAO has started a new program, Beyond Best in Class. You will hear more at the Convention.

Is ORBiT going to go outside of Ontario?

- This will be on the agenda at our AGM. ORBiT would definitely like to expand into other provinces.

What could have been done differently with EDT?

- Kim spoke of the airlines example where all the air companies were able to collaborate in the same environment, and thus make the air travel the safest way of travelling. Pilots were encouraged to report near miss accidents, so that they could all dissect the event and make sure it does not happen again. We need to do the same thing – work in same environment where everyone call fell free to open up.
- EDT is one example where there should have been more collaboration. As great as it is for the environment, and is saving us all money, it wasn't discussed what kind of effect there would be on broker workflows before it was implemented. As a result, brokers had to work with the change and develop their workflows around it, instead of the other way around. We can't implement technology without understanding how it impacts business.

Pink Slips – why are we still using this archaic process?

- Maureen stated that we need to start working with regulatory bodies to influence change in the legislation. We should be working towards having pink slips on smart phones.

Vendors and Companies – we need to have brokers help us with product design

- Brokers are sometimes uncomfortable sharing information, as they have a big sense of ownership of the customer
- Brokers have different business models and implement technology differently
- Carriers want to know how universally is broker workflow endorsed. How much of the broker workflows are represented through ORBiT?
- ORBiT brokers need to lead the way, and the rest of brokers will follow
- CSIO needs to provide leadership in developing standards
- ORBiT needs to educate brokers on how to make the new workflows happen
- We need to have a good cross-section of brokers to make sure we take all facts into account
- We can't focus on brokers who are still using paper and have no voicemail. They will have to stay current if they want to survive.
- CSIO needs to provide leadership in terms of standards
- Carriers work with limited technology budgets and need to consider how they can best use their resources. It's not always an easy process, and has to have a business case supporting it.
- SGI - It's refreshing to see the work ORBiT has done and priorities they put on the table; however, brokers still need to have a **single, unified voice**. This needs to be a nationwide voice, so that vendors are not working with a huge number of different business models.
- Rick Orr - IBAC and ORBiT run parallel, so we need to make sure they are not sending opposing requests to vendors. We expect that a better collaboration should happen in next 6 months.
- Dominion – we are missing broker and vendor representation on CSIO board. Any improvements?
  - Rick responded that they definitely need everyone at the table, and this seems to be moving ahead.
- SGI – what do vendors have to say about EDT?
  - Keal – talking to 4 or 5 carriers to see how we can move forward. No hard plans so far on when we're moving ahead.
  - Applied – went to major carriers and it's impossible to implement CSIO standard due to sequencing issues

- Rick – EDT and pdf of the document do not have to be simultaneous. Having a pdf a day after is fine.
- Steve – we should stop looking for perfect, we need a firm commitment that we are moving forward
- Wendy - We don't want broker distribution channel to go the way of dinosaurs. Where can we collaborate?
  - SGI – We have a responsibility to develop standards and work towards them. We need a framework from CSIO. Brokers are not unified and they send different messages to carriers.
  - Dominion – carriers need to speak up when standards are developed. They should be vetted by members.
  - SGI – vendors won't do much until carriers comply
- Wendy – is there a meeting of minds here today that there can be collaboration moving forward? Carriers do not need to distinguish on technology, but rather on product, price, service, who they choose as underwriters and marketing reps. How do we get where banks are today?
  - York Fire – carriers shouldn't compete on technology, but as everyone else, we have a business to run. We are not selfless and we look for ways to do business in most profitable way.
  - Bill Morris – we need to take a step back and realize that this is not about us, but about what our customers need. What we try to do may cost us more in the short term, but in the long term, we should all reap benefits. We are preventing the distribution channel from applying resources where they need them. We as vendors need to 'bite the bullet' and do what is best for the customer. We need to innovate, like Apple always does.
  - Steve – we've lost the battle on technology, so we need to work on innovation
  - Bill Morris – technology will help us, but we need to jump even further ahead and start with collective will – we are much more powerful together.
  - North Waterloo – consumers want service 24/7 and they want convenience – we have to find a way to deliver. Younger demographic is used to doing things themselves.
  - We shouldn't compare ourselves to direct, but play up on our strengths. Brokers should give advice, but can't because their time is spent elsewhere due to lack of technology
  - Kim – we need a standard for portals, same as MS did with their software by making it standard with same look and feel, so everyone can use it. This would make the learning curve so much shorter, rather than trying to learn a variety of different portals
  - Economical – innovation cannot be done based on good intentions. Canadian Innovation Centre in Waterloo offers tools. Also, a big elephant in the room is – are the brokers going to place business with carriers who do this, or just treat us all the same.
- Bill – we need to think about what **the broker of tomorrow** should be. We need to fix the current issues that are holding us back and collaborate to break as many barriers as possible. We need to free up broker time so that can reinvest that time into consumers.
- Devona – we need to look at 3 things for 2012 that we want to work on and set priorities.
- Wendy – ORBiT will provide carriers and vendors with Best Practice Workflows; however, those workflows reflect what we know today. We should be pushing the envelope and considering whether they are consumable for you and how you can best use them.
- Dominion – how big of an audience do these workflows represent? We need to make sure it's a true representation of all brokers, not just ORBiT groups.
  - Wendy – ORBiT is still young, but we do have plans to go nationally and grow further. We currently have 2 out of province members. We represent over 4 billion in premium and 4300 brokers.

- Kim – we do lack participation, and we do need brokers to be more engaged. We need to get the message out that brokers need to join ORBiT in order to have their voice heard.
- We need to work with IBAO – they need to encourage new brokers to become ORBiT members
- Kim – there is definitely agreement in this room that we need to collaborate. We should have another meeting to consider our next steps and hammer out a framework for what we want to accomplish.
- Not only do we need the vertical silos, such as brokers, vendors and carriers to collaborate, but we also need horizontal silos, such as carriers, to collaborate among themselves.
- York Fire – carriers are dealing with lots of different back systems and that poses a difficulty
- Steve – what if we developed 1 system we can all use?
  - York Fire – you need to set standards and carriers will follow
- Wendy – we have opened a dialogue today!

#### **Item 4 - Next Steps**

- Keal – I'm going to take ORBiT's best practice workflows, compare to ours to see how they match
- York Fire – look at things we can do this year. Look at the broker of the future and e-docs.
- Iter8 – have more meetings and better involvement
- North Waterloo – continue working on Policy Inquiry, focus on delivering what brokers need, make it easy. E-docs is also high on the priority list
- Steve – we need to form a strong common, unified voice. CSIO and ORBiT should help with this. We need to work nation-wide
- Brovada – Charlie: we are aware of conversations that carriers have, as they look to us as specialists. We understand that you need real time and developing best practice workflows. Mike: focus on streamlining broker/carrier connectivity to help you reinvest time in your business
- Lorie – brokers need to speak up and have their voice heard
- Kim – we need to keep an open channel for collaboration and tap into our collective intelligence
- Dominion – we are committed to broker community, we are moving forward in small steps and attempting to listen to brokers
- Anne- thank you all for participating. It's good to know that you are open to collaboration.
- Bill – we feel collective desire to move forward. We need to start the leapfrog process to put the industry where it should be.
- Wendy – we will be extending another invite to continue what we have started today.

#### **Main Points:**

- Brokers need a strong, uniform, nation-wide voice to represent them with carriers and vendors.
- Best practice workflows that represent the majority of brokers nationwide need to be developed and made consumable for vendors/carriers
- Broker of the future needs to be unveiled.
- We need to do what is in our customers' best interest. Let's leapfrog and use innovation in order to regain the market share.
- Standards need to be developed and set so that all the stakeholders in the distribution channel can follow them
- Collaboration needs to continue between all stakeholders