The Importance of Quality Data

BY PAT ALEXANDER

I am writing this article as I am returning from The Agents Council for Technology (ACT) fall meeting. As you might imagine, we talked a lot about technology during the meeting. We also talked a lot about something else: data.

Almost every presentation and discussion hinged on data: data needed to secure a multiple insurance carrier quote for your customer, policy download data from the insurance carrier, data from the agency management system that is needed to move an entire book of business from one carrier to another, and data gathered from your agency management system to provide a listing of certificate holders from your system to your customer. And the list goes on.

Fact vs. fiction

In my work with agencies I often hear the following:

- Download doesn't work.
- Multi-carrier policy rating is a dream. It will never be real.
- We don't trust download data.

The facts are:

- Download does work.
- Multi-carrier policy rating is a reality today.
- Download data can be trusted.

Download

Download has come a very long way in the last few years. Yes, there are still some insurance carriers that either don't do download or don't do a good job. But don't penalize the entire industry because of these particular insurance carriers. Yes, there are sometimes issues between the agency management system and a particular insurance

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carrier. Become proactive in these cases and work with the insurance carrier and your agency management system to resolve this issue.

If your agency management system requires that you set up the policy number prior to download, it is important that the number is entered exactly as the insurance carrier is going to download the number. Otherwise, you receive a download exception and someone must stop and resolve the issue.

Some offices amend the policy number after the download of certain policies to denote information they want to see such as adding a state abbreviation at the end of the policy number. If this is done, there is an exception created the next time there is a download. This might be an endorsement, notice of cancellation by the insurance carrier, or the renewal of the policy.

Multi-carrier rating

Multi-carrier rating is really coming into its own. Several vendors provided demonstrations of their products at the ACT meeting. The multi-carrier rating vendors are working with the agency management systems on interface. This allows the agency to enter the data into their agency management system and then send to the participating insurance carriers through the interface.

Agencies often tell me, "Not all of our carriers participate, so we don't see the value."

Let's say that you usually quote a personal auto policy with three insurance carriers. To do this, you currently go to three separate insurance carrier Web sites and enter the data three times. You still must enter the data into your agency management system if you want to retain or if you write the business. If two of your insurance carriers participate with a multi-carrier rating vendor, you have eliminated one of the trips to the Web site and the separate entry of the data into your agency management system.

I am a proponent of retaining customer and coverage data for prospects in your agency management system. Doing this in a proper manner and retaining proper documentation provides the agency with E&O protection against fraudulent claims and provides the agency with information on prospect and marketing efforts.

Trusted data

In most cases, download data is data that agency staff has entered into an insurance carrier's Web site. So, why don't you trust the data? Often, the real issue is that the insurance carriers don't download all of the data. Usually, the data not downloaded is not needed for day-

to-day servicing of the account. The data not downloaded is usually underwriting-type data.

I understand that when the insurance carrier downloads, they overwrite your application in some agency management systems. If this is your issue, determine a way to retain the original application and its data. This might be by retaining an electronic copy of the original application. In agency management systems where you can retain a marketing file that is not overwritten by the download, this might be the answer.

Download is such a huge timesaver for agencies that time should be taken to explore specific issues, resolve them, and download with all carriers possible. I am aware of agencies that are downloading both personal and commercial line—and they are thriving.

Maintaining quality data

Quality data doesn't only apply to policy numbers—and it isn't needed only to compensate for insurance carrier download. Think about how frustrated you become when you have to search for a client by name.

I find numerous agencies that don't have (or don't enforce) data standards. Each individual has an idea about how to deal with names containing initials, names containing

"The" at the beginning, DBAs, etc. Letting everyone use their own method usually causes lots of problems in this area.

Also, consider all the other data you retain. You most likely purchased an agency management system based on the fact that it collected a lot of data which you could use to service your customers. Do you use the data fields correctly? I find that agencies change the use of a field to meet their need in lieu of using the remarks section of the application for items that don't fit in the application. Doing this corrupts the data.

Consider that insurance carrier #1 has just advised you that they are cancelling your contract or withdrawing from your state. You have several hundred policies with this insurance carrier. Your first thought is, "How are we going to re-market all of this business?"

There are insurance carriers that can use the data in your system to underwrite, rate, and provide you with proposals for that entire book. Imagine this happening electronically and having a positive result. This is happening everyday in our industry.

Finally, should there be a day that you want to move your data from your current agency management system to a new system, I assure

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you that the quality of your data will be the most important aspect of the entire proposition. Bad or missing data in the current system does not improve when moved to a new system.

If you take one thing away from this article, let it be this: It is vital to have quality data in your system today to properly service your customers and provide your staff with the tools they need to do their jobs. Agencies that are not positioned to take advantage of the continued advances in technology may not survive. If they do survive, they may not retain the insurance carriers they prefer and may not be able to

retain the best customers either. Many of your customers are moving forward, and they expect you to do the same. Well-managed data positions an agency to provide information to anyone at any time. ▣

Pat Alexander, CIC, is a consultant, coach, and mentor. Her many years of experience in retail agency and MGA settings give her a broad range of knowledge in agency operations. She is dedicated to educating her clients on using technology to enhance and build their business and profitability. She can be reached at *pat@patalexander.com* or 817-605-1663.

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