



**AGENTS COUNCIL  
FOR TECHNOLOGY.**

# **AN AGENT'S RESOURCE GUIDE TO CHATBOTS**

# CHATBOT OUTLINE

Executive Summary

Chatbot Overview

Current Uses in IA Distribution

Current Hurdles for Agent Implementation

Agency Benefits

Agency Considerations  
*Strategic, and Before Purchase*

Types of Chatbots

Features, Considerations, Selecting a Vendor

Resources, Additional Insights



## EXECUTIVE SUMMARY

Chatbots (Conversational AI) are the next major technology for customer service, sales, and intelligent software working directly with your staff.

A chatbot is software which understands what information you are looking for and gets it for you.

It is easy to bite off too large an initial project when deciding to use chatbots for your business. The most critical item to understand in selecting a use for chatbots is the concept of “intents”. Intents create the context in which the chatbot understands the questions and task it is asked to answer or perform.

Your client’s and prospective client’s impression of your agency has a lot to do with what they see on your web and mobile sites. As the ‘digital first’ future evolves, your chatbot will be part of how your brand is perceived.

This guide will help you understand the questions to consider in working with your first chatbot experience. This includes discussions on what chatbots are and what they are not, as well as exploration of the benefits and the obstacles agencies face when considering implementation. Strategic, prior- to-purchase considerations are outlined in addition to those that will arise when selecting a vendor. Resources and additional articles providing further insights are also included.



# CHATBOT OVERVIEW

## 'LIVE CHAT' VS CHATBOTS

### 'LIVE CHAT'

Function on your agency website that allows users to connect with an available sales rep or other employee from your company



### CHATBOT

Computer programs that simulate human conversation, either via voice or text

Can be customized and used in a variety of ways

Help connection on agency websites

Communication via smart speakers and/or smart home devices

Popular chat and messaging platforms like SMS, Facebook Messenger, WhatsApp

In addition to having a conversation with a person (such as a sales rep or a support agent), people can interact with software that helps find answers fast . More importantly, it can influence a customer relationship by responding to requests faster while meeting expectations.

With the potential for delivering instant responses around the clock, chatbots can also free up customer support teams to apply their advisory skills to more complex queries.



*Not only can chatbots cut operational costs by up to 30%, but 64% of internet users say 24-hour service is the best feature of chatbots.*

SmallBizGenius | August 13, 2020

## CURRENT USE IN DISTRIBUTION CHANNEL

The IA distribution is adopting Chatbots to assist and streamline workflows and improve consumer/customer access to information and services. Insurance companies have led the way, primarily by using chatbots on their D2C (direct-to-consumer) sites. Technology vendors have likewise implemented a much larger percentage of implementations. Per a 2019 LexisNexis study, more than 80% of insurers have implemented AI solutions that include the use of chatbots.

Of note, non-IA insurers have led the way in this innovation. Lemonade indicates their chatbots “Jim” and “Maya” are able to secure a policy for consumers in less than 90 seconds, eradicating high call volumes and long wait times. It is predicted that by 2025, the chatbot market will reach \$1.25b globally. (NAIC Chatbot Study, March, 2020).

For more insights, visit our [Chatbot Guide page](#).

## CURRENT HURDLES FOR AGENT IMPLEMENTATION

There are a number of reasons why independent agent adoption lags behind insurance companies and technology vendors



Understanding of the technology



Lack of clarity to use and where to start



Agency leadership direction and resistance



Vendors offer service for direct-to-consumer versus selling to IA channel

## AGENCY BENEFITS

- 24/7 service for common inquiries
- Instant answers, improves customer experience and builds agency brand
- Better lead generation and nurturing
  - Converting site visitors to prospects and giving customized recommendations
- Reduced customer service costs to up to 30% savings
- Agency staff freed up for more sales & servicing
- Build knowledgebase (product knowledge will increase as content from use is added)
- Existing or exiting staff can transfer knowledge to new staff
- Scalability (replaces the need for hiring additional staff)
- Reduces average response and resolution time
- Reduces E&O exposure by reducing possibility for human error
- Creates an automated record of inquiries with reportable analytics



*86% of customers believe there should be an 'escalate to agent' option when talking to a chatbot.*

SmallBizGenius | August 13, 2020

## AGENCY CONSIDERATIONS

### STRATEGIC AND BEFORE PURCHASE

- Effect on agency's business direction
  - Respond to line of business questions
  - Internal-use tutorials can be created to educate internal staff
  - Replace or supplement FAQs
- Consumer/Customer expectations
  - Will this meet your core customers' needs?
- Understand misconceptions/limitations? (i.e., not simply "plug & play")
- E&O concerns; caution is needed with:
  - Possible inaccurate coverage recommendations
  - Making "absolute" statements via chatbot like "We can get you the lowest premium"
  - Potential security concerns such as security level of website, firewall.
- Subject matter expert development
  - Less long-term resource needs vs Live Chat & some phone
- Understanding overall chatbot purchase and implementation process
- Possible "circular logic" resulting in being "in a loop" particularly after-hours.
- Measuring success
  - Provide value to answer quick, direct questions
  - Correct resources directed to if necessary

## HIGH-LEVEL INVESTMENT CONSIDERATIONS

- ✓ Overall Cost
- ✓ Time to develop
- ✓ Vendor selection
- ✓ Ongoing dedication to monitoring
- ✓ The use of analytics to monitor site visits compared to a basic 'FAQ' page
- ✓ Initial use of staff to develop, and correct workflow prior to external launch
- ✓ Response set must be of value to user
- ✓ Consider making initial purpose of bot narrow vs broad
- ✓ Develop significant responses for generalized questions

# TYPES OF CHATBOTS

## GENERAL 'BOTS'

Can address very simple inquiries

Used to direct to individual webpages

Can answer high-level questions such as:

- "What are your hours of operations?" or "Do you sell motorcycle insurance?"

## SPECIFIC 'BOTS'

Usage should be more narrow than general

Must be specific to be effective. Avoid broad, sweeping over generalized intent such as "How can I help you?"

Program for ability to respond to specific questions such as:

- "What kind of car insurance do I need?" or a "Renewal Review" that takes user through a series of specifically focused questions

Drive beyond just being a replacement for website navigation to avoid user frustration

Focus on delivering responses to questions that are most readily available and fit the agency services

# DEVELOPING CHATBOT PLAN

## STEP 1: CREATE INTERNAL 'BOTS'

- Determine questions most often asked to the staff normally handling the requests.
  - Consider inquiries that are might be carrier-specific, line of business specific, etc.
- Keep a record of all questions asked of staff for specified time period to build initial database
- Determine when automated answers aren't enough, and interaction should be shifted to support staff
- Build and test internally for months to gain staff acceptance and comfort level, allows errors to only be seen by staff
  - "Better to embarrass yourself to your employees than to your clients"
- Monitor questions daily and verify correct responses are given, adjust as needed to drive valuable responses

## STEP 2: DETERMINE CHATBOT PUBLIC LAUNCH

- Once comfort level is reached with content "bot" can be launched for customer questions
  - Staff becomes believers with this approach and agency gains buy in
- Continue to monitor daily to ensure correct responses are provided



# FEATURES, CONSIDERATIONS, SELECTING A VENDOR

## Features to Look For:

- Education & Learning
- Industry Understanding
- Deploying
- Training
- Pricing

Correct Fit for Agency Needs

General Costs

Website Placement & Marketing

For sample customer journey maps to illustrate steps in chatbot conversations, visit our [Chatbot Guide page](#).

## RESOURCES AND FURTHER INSIGHTS

### VENDORS

*This list is not meant to be fully-comprehensive, but an updated directory of vendor solutions and additional education.*

[10 Best Live Chat Software of 2020](#)

[Leadsurance Chatbots](#)

[Avaamo](#)

[LeO](#)

[Chatra](#)

[Microsoft Power Apps](#)

[Checkkit](#)

[Podium](#)

[DialogFlow](#)

[ProNavigator](#)

[EchoSage](#)

[Response IQ](#)

[Elafris: IA Mobile Chatbot](#)

[REVE Chat](#)

[How to Build an Insurance Chatbot](#)

[Tidio](#)

[HubSpot](#)

[Zobot](#)

[IBM Watson](#)

### SOURCES

9 Excellent Benefits of Using Chatbots in Your Business  
Snigdha Patel, REVE Chat, Oct 2019

Key Chatbot Statistics to Know in 2019  
Salesforce, Aug 2019

How to Select the Best Chatbot Platforms for Your Business  
Predictive Analytics Today, Mar 2020



## **THANK YOU!**

ACT wishes to recognize members of our Customer Experience work group who provides the efforts and insights to make this Guide possible.