

**J.D. POWER**

2019

# Moving the IA Channel Forward

*Findings from the U.S. Independent Agent Study<sup>SM</sup>*

---

**Tom Super**

*Director, P&C Insurance*



[linkedin.com/in/tomsuper](https://www.linkedin.com/in/tomsuper)

## WHO WE ARE

# J.D. Power partnerships extend to every Top 20 U.S. P&C carrier

J.D. Power is the nation's leading insurance advisory and customer intelligence company. We equip industry leaders with indispensable insights, solution and tools to achieve their mission-critical priorities and build the successful organizations of tomorrow. Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most.



## WHAT WE DO

J.D. Power is the independent source of data, insights and solutions for the insurance industry's toughest challenges

---



## DATA

Turn strategy into execution and results with actionable data drawn from unparalleled network of research insight

## SOLUTIONS

Product solutions for improved decision-making on the issues that matter most

## INSIGHTS

Forward-thinking research, unmatched customer-driven analytics, and robust metrics and insights

## ABOUT THE STUDY

In alliance with the Independent Insurance Agents & Brokers of America, we are excited to introduce the 2019 J.D. Power U.S. Independent Insurance Agent Satisfaction Study<sup>SM</sup>

## METHODOLOGY

- The study examines the relationships between independent insurance agents (IAs) and insurance carriers, and identifies how carriers can better meet the needs of agents and, by extension, customers
- This national study of 1,466 independent insurance agents— involving 1,561 evaluations of personal lines, and 1,193 evaluations of commercial lines—measures their satisfaction with the insurance carriers with whom they work and identifies trends and improvement opportunities
- Fielded from September – November 2018, the study examines a number of topics from the agents' perspective, including the quoting/underwriting process, claims process, policy servicing, communications, commissions, product/service offerings, and insurer risk appetite



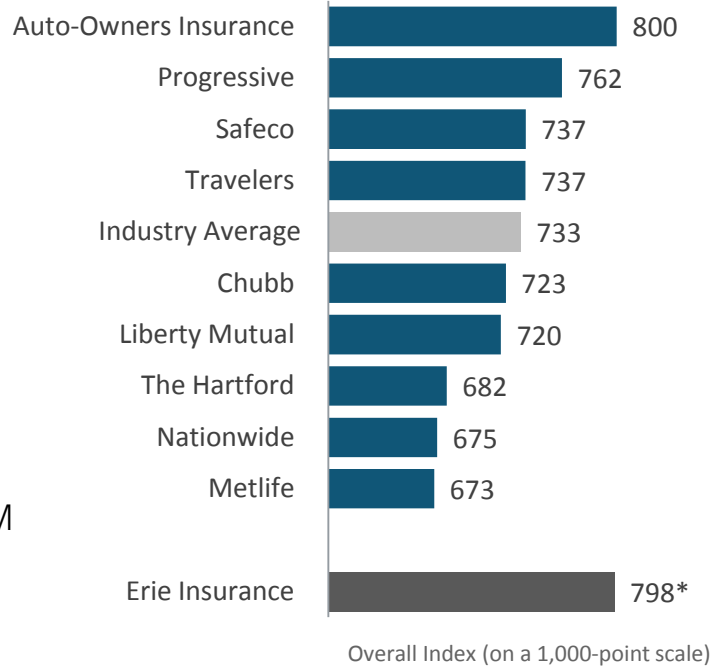
Independent Insurance Agents  
& Brokers of America, Inc.

## THE RESULTS

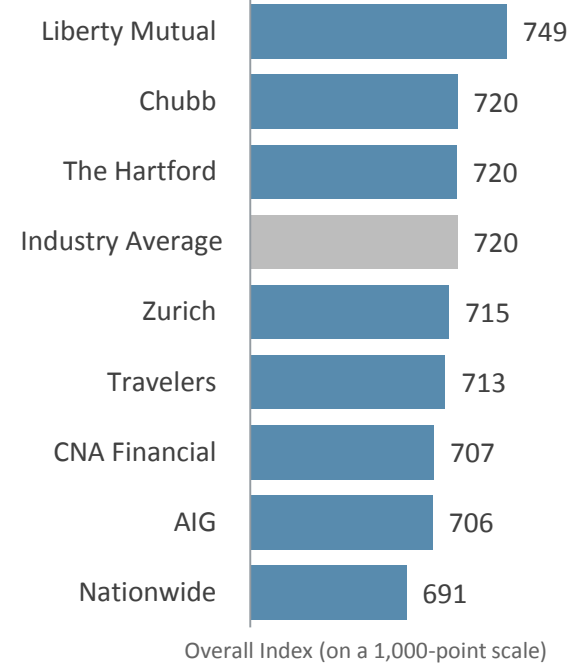


Auto-Owners and Liberty Mutual Earn Top Marks in the 2019 U.S. Independent Agent Satisfaction Study<sup>SM</sup>

### 2019 Overall Independent Agent Satisfaction Index (CSI): *Personal Lines*



### 2019 Overall Independent Agent Satisfaction Index (CSI): *Commercial Lines*



2018: Shaping Up to  
be an Incredible Year

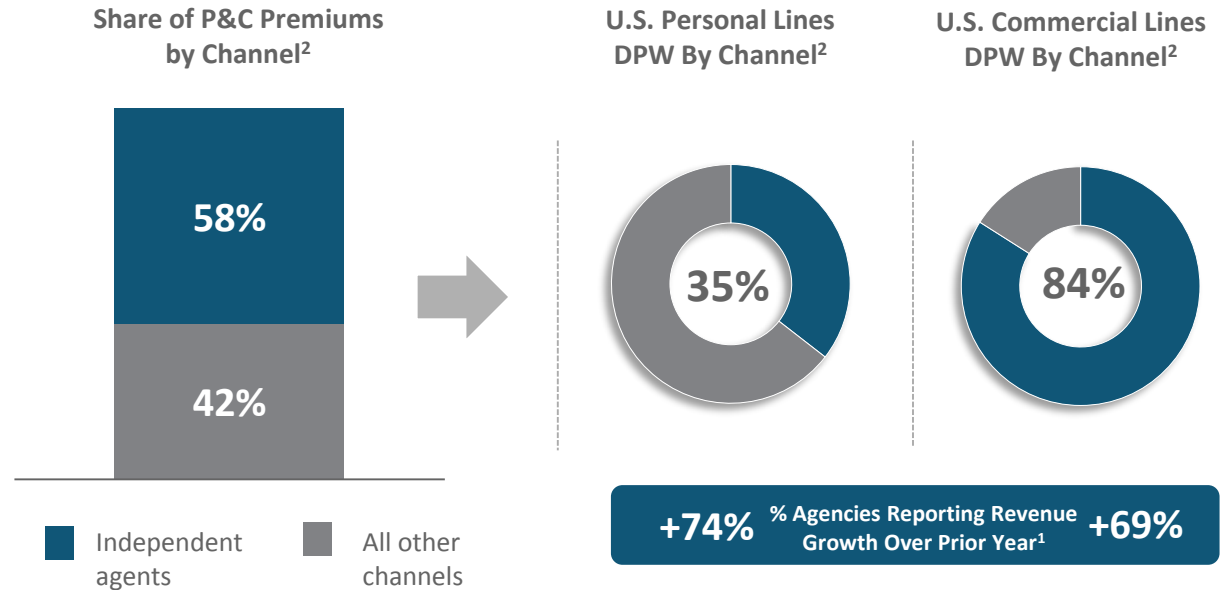
\$14.2 billion (+6.2%)

\$7.7 billion (54%)

+6.5% YoY (within Top 10)

Independent Agents Remain Vital to Carrier Distribution, Writing 58% of P&C Premiums

## Independent Agent Market Share and Agency Growth



Sources: (1) Independent Insurance Agents and Brokers of America, Inc. 2018 Agent Universe Study; (2) Independent Insurance Agents and Brokers of America, Inc. 2019 Market Share Report. \*Note: Trending between 2018 and prior years is discouraged due to changes in the sources used to calculate the agent universe.

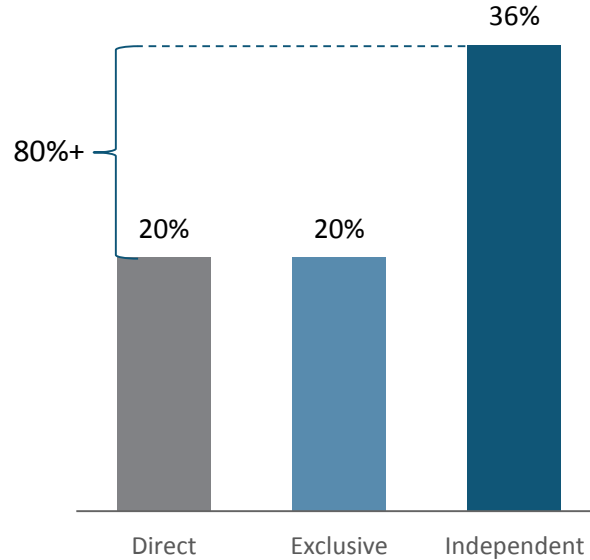
2019 U.S. Independent Insurance Agent Satisfaction Study 7

Independent Agent companies Are Outperforming Exclusive Agent companies on CSAT

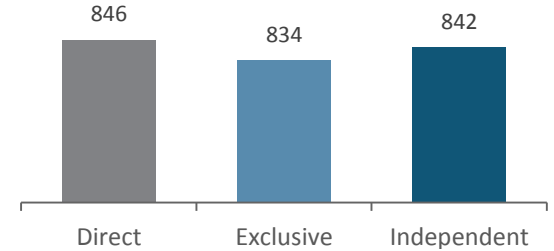
## Independent Agent Carriers Are Winning the Shopping Experience

### Personal Lines Auto

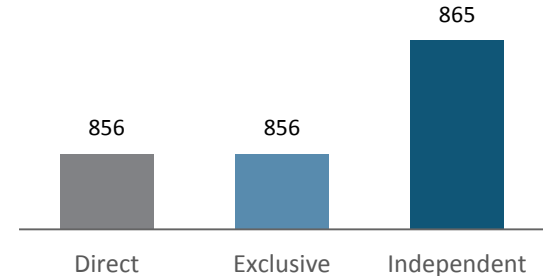
Close Rate by Business Model



Purchase Experience CSAT by Business Model



Distribution Channel CSAT by Business Model



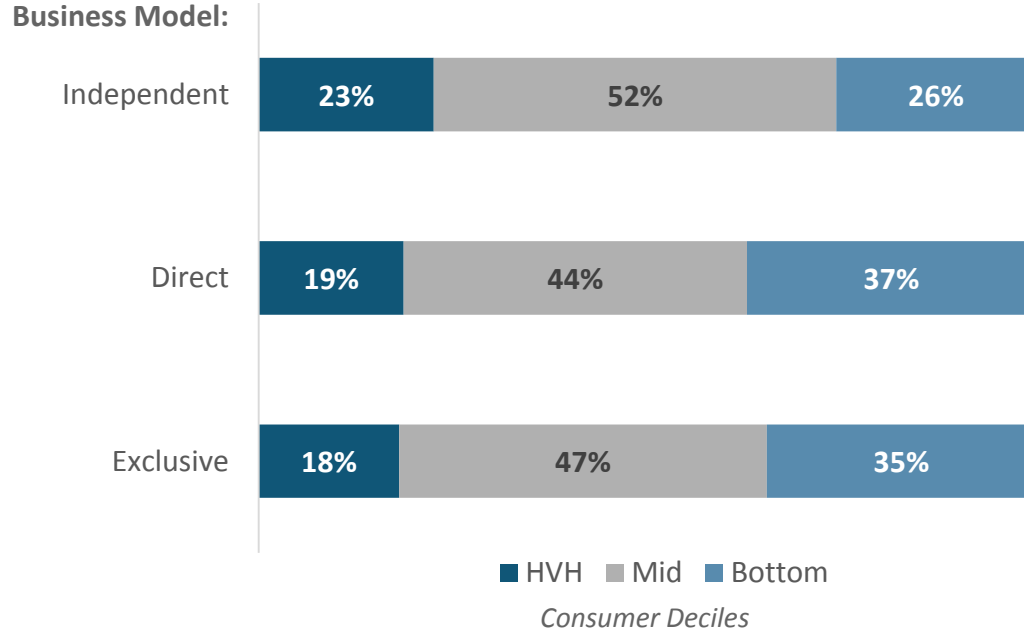
Sources: (1) Independent Insurance Agents and Brokers of America, Inc. 2018 Agent Universe Study; (2) Independent Insurance Agents and Brokers of America, Inc. 2019 Market Share Report. ^Note: Trending between 2018 and prior years is discouraged due to changes in the sources used to calculate the agent universe.



High-Value Households (HVH) over-index in Independent Agent business placement

### Business Placement by High Value Household (HVH) Consumer Segment

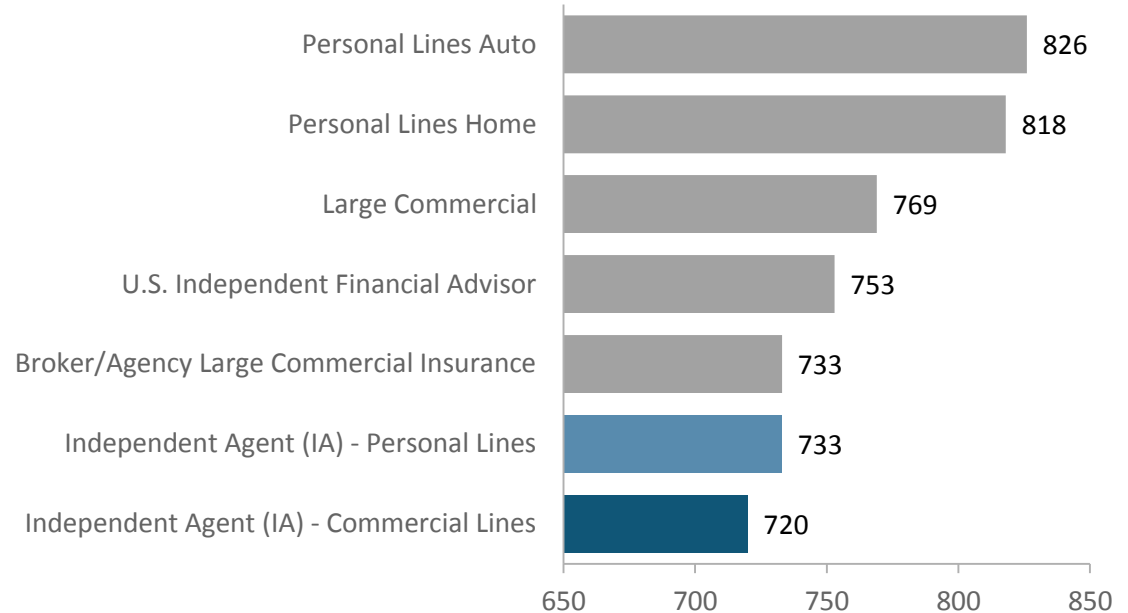
#### Personal Lines Auto



Source: J.D. Power 2018 U.S. Insurance Shopping Study. Data is filtered to new purchasers; Data is preliminary and subject to change.

## Independent Agents Set a High Mark For Insurers

Overall Satisfaction with Provider: Business vs Consumer Studies



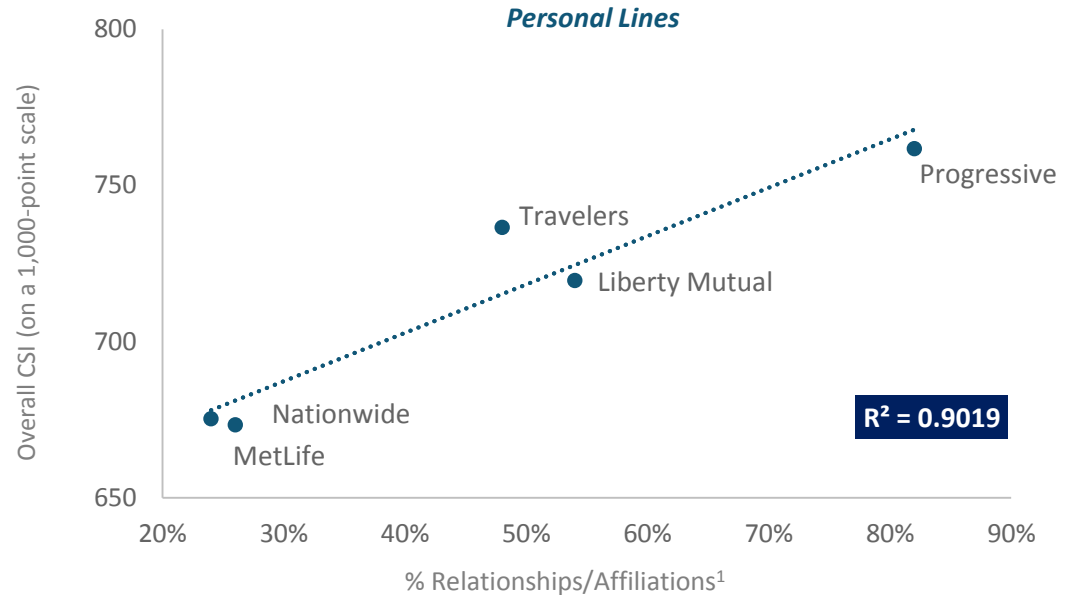
Sources: J.D. Power 2018 Financial Advisor Study<sup>SM</sup>.

## Linking Satisfaction to Business Placement

# We Know That Agent Satisfaction is Highly Correlated with Business Placement

When comparing IA satisfaction to the number of business relationships, there is a **strong relationship between higher levels of IA satisfaction and a greater number of business relationships with insurers.**

## Overall Satisfaction and Business Placement<sup>1</sup>



Source: (1) Independent Insurance Agents and Brokers of America, Inc. 2018 Agent Universe Study and J.D. Power analysis. Note: Small/Medium Commercial is defined as accounts with less than \$100K in annual premiums. ^Some data points reflect small sample sizes.

2019 U.S. Independent Insurance Agent Satisfaction Study 11

## Linking KPI Delivery to Business Outcomes

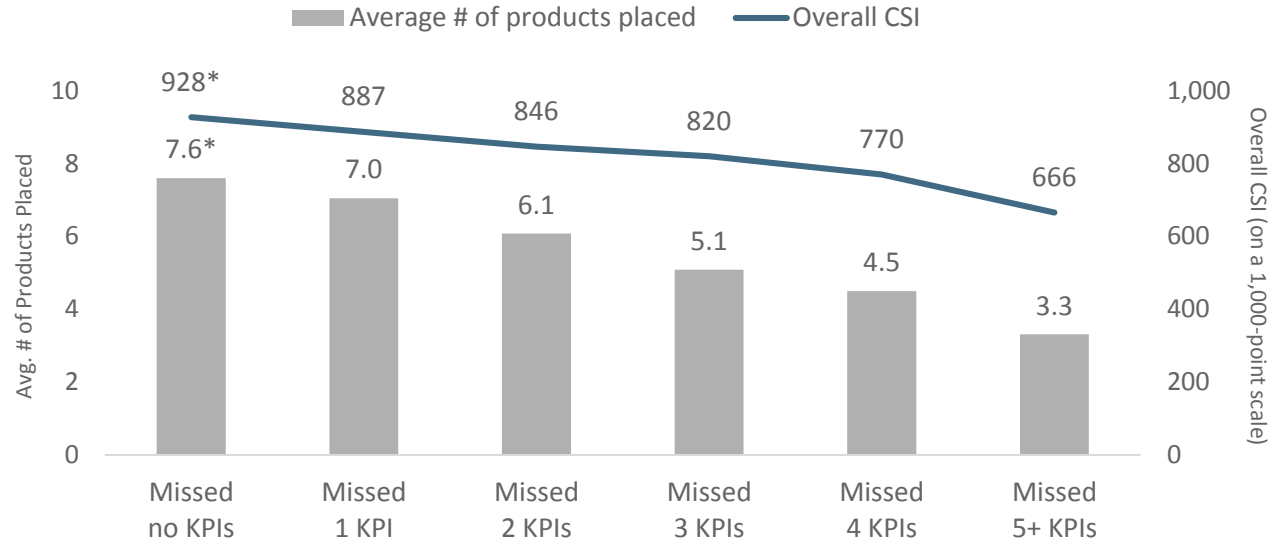
### Delivering KPI best practices is tied to revenue

On average, IAs who report a better experience with their insurer—i.e., fewer KPIs are missed—are more likely to place more products with the insurer than those IAs who report that more KPIs are missed.

**By improving on the execution of KPIs, insurers stand to increase revenue generated by IAs.**

### KPI Performance: Impact on CSI and Number of Products Placed

(Personal and Commercial Combined)



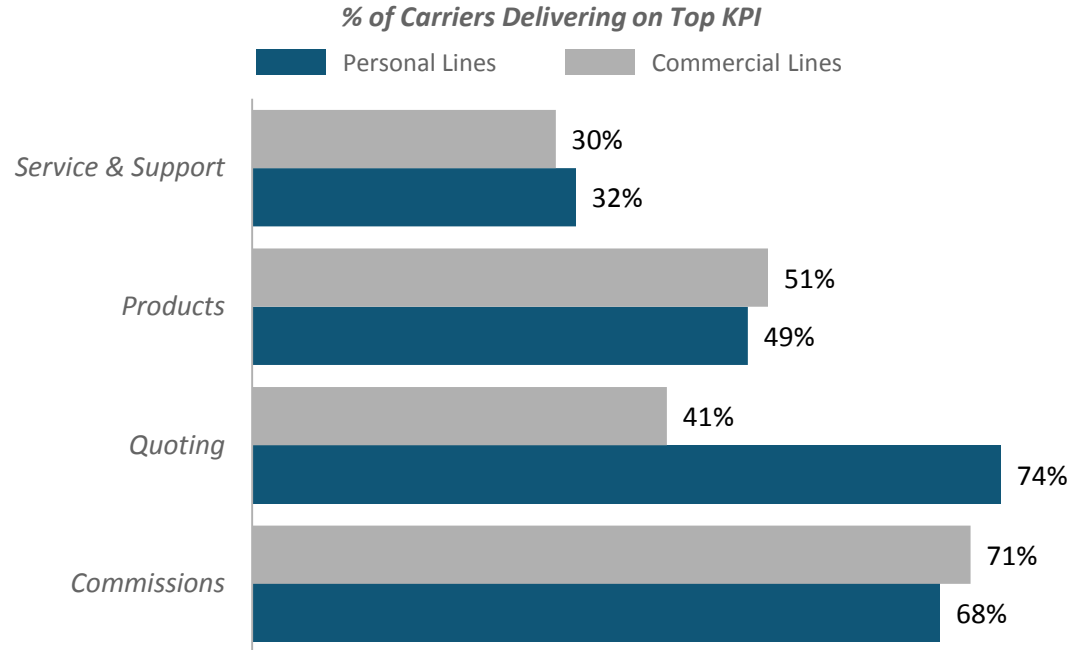
If insurers can **improve execution of KPIs** and reduce the number of IAs who report missing 5+ KPIs by 10 pts., they could **increase revenue by 6%**

Note: \* Small Sample Size (n=30-99).

## Carriers Missing the Mark on KPIs

Carriers are falling short on the factors rated most important by Independent Agents

## Top Key Performance Indicators (KPIs) Ranked by Independent Agents



## THEMES FOR IMPROVED KPI PERFORMANCE



Improve the **ease of doing business** with agents to increase efficiency, engagement, and overall satisfaction. Demonstrate flexibility when onboarding policies and ensure coverage limits are more than enough



**Build household level capabilities into online dashboard** so Agents can see consumers at portfolio view for improved bundling and discount offering

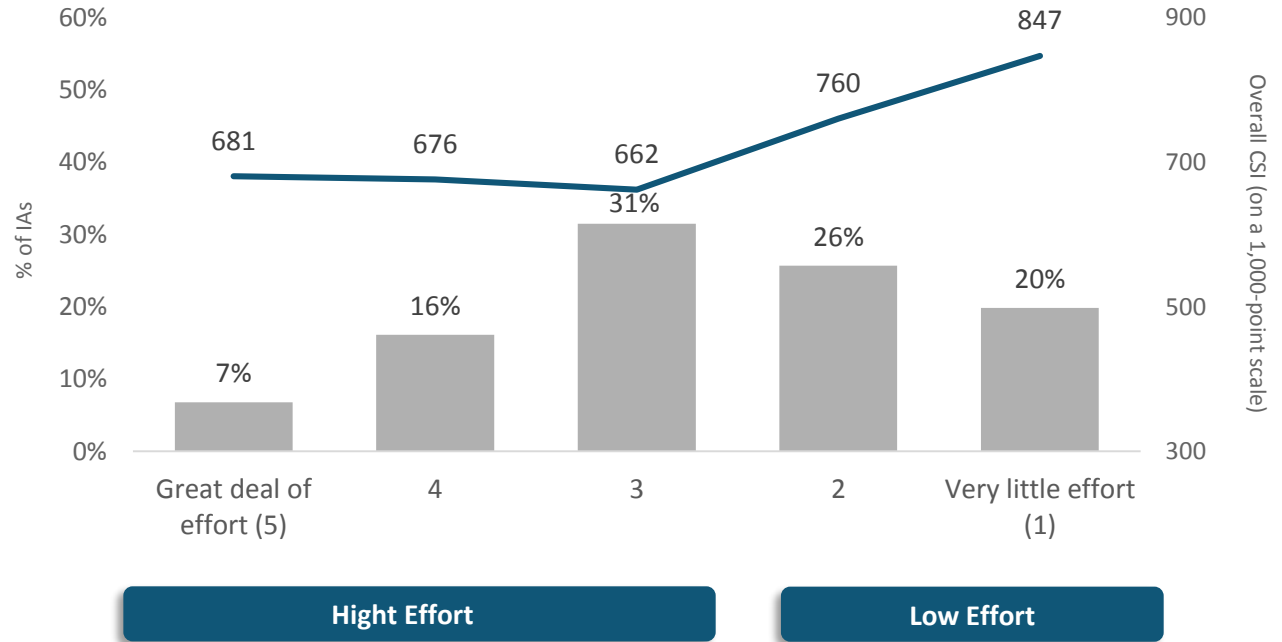


Focus on developing more **flexible product options** with a tiered product offering—especially among target markets for personal and commercial line segments

## Low-effort experiences yield greater satisfaction

Insurers need to make it easier for IAs to conduct business with them. **IAs are most satisfied when they have a low-effort experience with an insurer, yet less than one-half of IAs fall into this category.** This is a common finding in both lines.

Effort Working with Insurer and Overall Satisfaction  
(Personal and Commercial Combined)

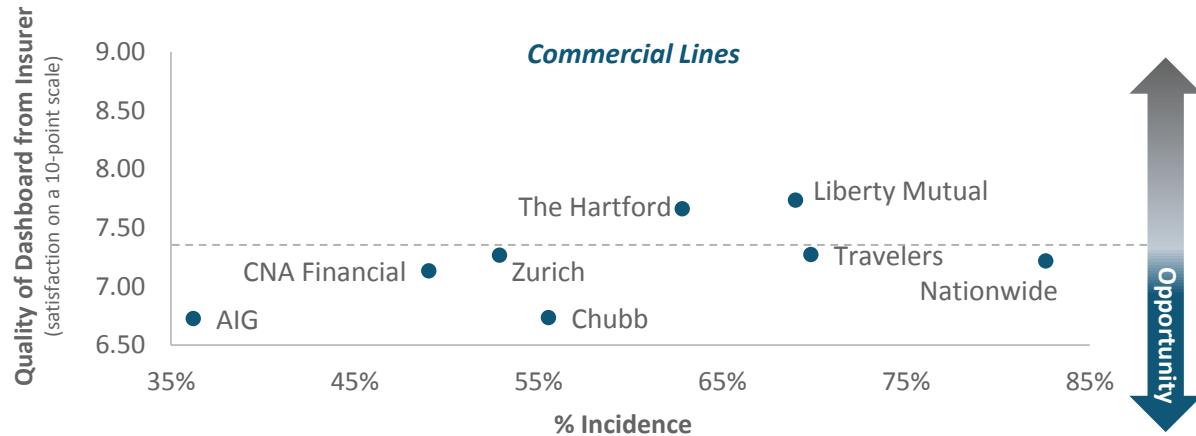
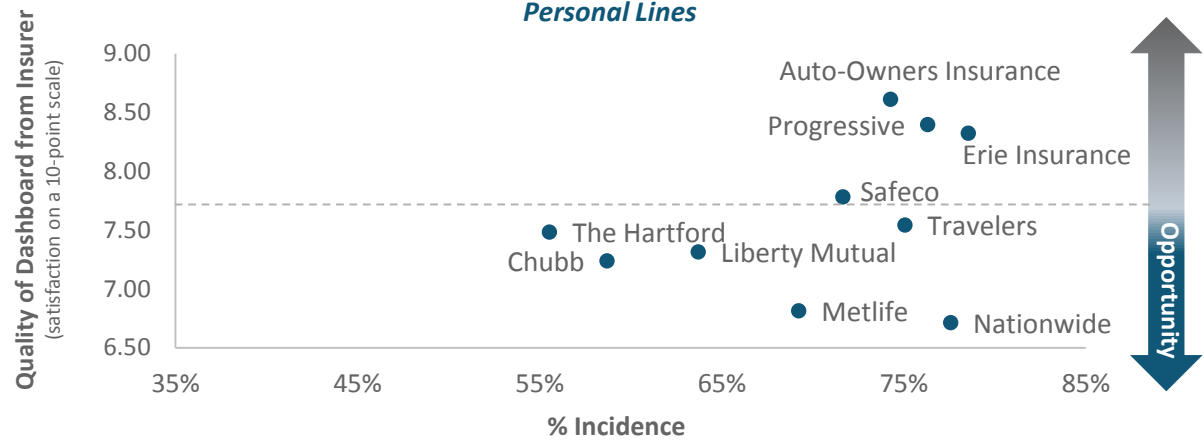


Note: Effort is measured on a 5-point scale, where 1=Very little effort, 5=Great deal of effort (lower score is better).

## Insurers Delivering on Platform Quality

Dashboard quality is an opportunity for insurers

## Incidence and Quality of Insurer Websites/Dashboards



Note: Data is filtered to insurer-provided website/dashboard; some data points reflect small sample sizes (n=30-99).

2019 U.S. Independent Insurance Agent Satisfaction Study 16



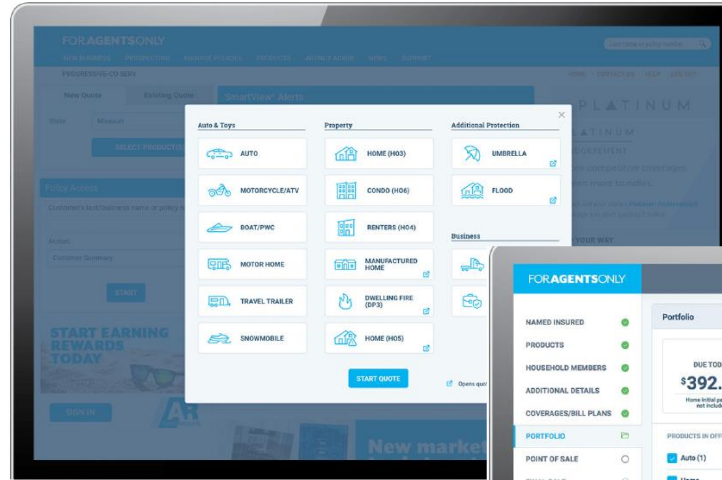


Progressive offers an online portfolio solution that allows agents to cross-sell and manage each customer's portfolio of products

WHAT AGENTS ARE SAYING:

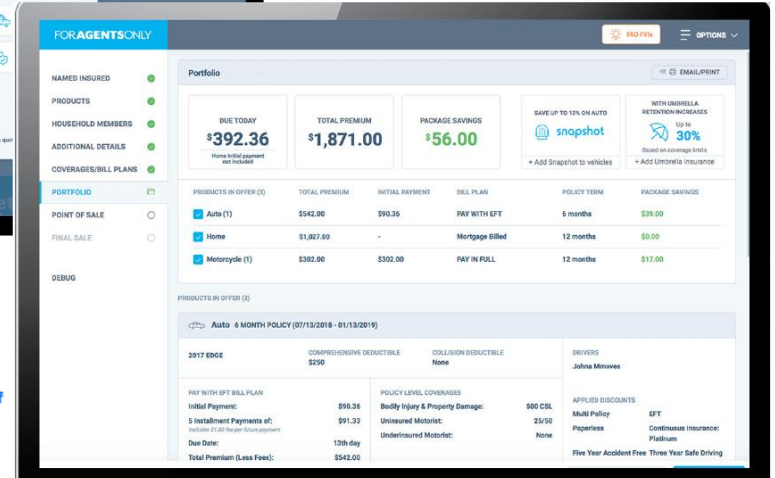
"This is a **game changer!**"

"Portfolio page is **beautiful** and **clean.**"



"A really **intuitive** and **easy** quoting system."

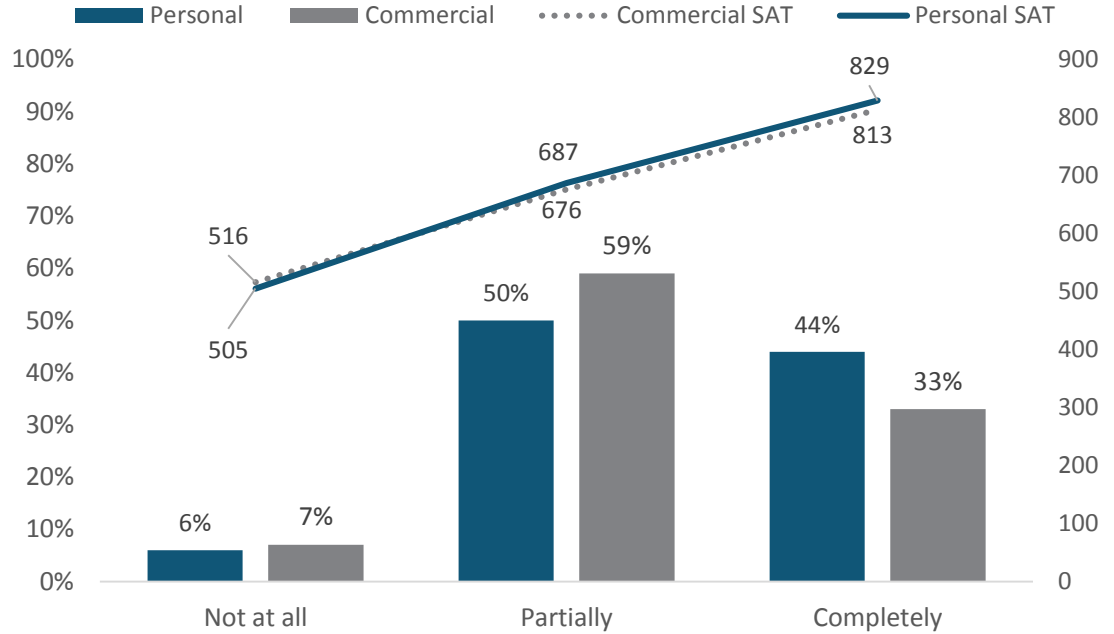
"You've **out-distanced yourself** from the competition!"



## Tiered Product Offerings

Independent agents are more satisfied with carriers showing greater flexibility and broader product option offerings.

### Flexibility: Level of insurer flexibility with design of policies





**J.D. POWER**

**Tom Super**

*Director, P&C Insurance*

 [linkedin.com/in/tomsuper](https://www.linkedin.com/in/tomsuper)