

# Functionality Fundamentals

## Are you using your BMS to its full capacity?

>> BY SUZANNE SHARMA

**W**hile researching various broker management systems (BMS) and talking to vendors and end users, a common theme emerged—a BMS, just like any other technology, relies on the knowledge and ability of the end user. In other words, it really is up to brokers to make the most of their BMS, and ensure users are properly trained to exploit the full functionality of the system.

A couple of the most common issues that some brokers have to deal with (see chart on pages 22-23) include double billing and ensuring adequate protection against E&O liability; for example, when interaction with clients isn't accurately logged in the system. Oftentimes, as several brokers stated, these problems are caused by user error.

Kim Opheim, product strategy manager in Canada for Applied Systems agrees. "Billing does require monitoring on the part of the broker," he says. "Also, it is always incumbent on the user to double-check the accuracy of their own work prior to sending it to the carrier."

Using technology can leave brokers vulnerable to privacy and security issues. For example, while you can grant and restrict access for specific functions (such as certain accounting functions) in a BMS, the entire system must still be read/write-accessible to everyone.

"It's a well-known and recognized fact that many applications require



full access on a network to function," says Opheim. "This highlights the need for brokers to either have the necessary expertise in-house or use the services of competent IT professionals to ensure that their network is secure from outside hackers."

To mitigate risks such as equipment failure and employee error, brokers must have a backup strategy or disaster recovery plan in place, he added.

While it may be the broker's duty to learn the ins and outs of a BMS and have a plan to protect their business

because [it] will have an impact on the brokers' day-to-day business," says Stacey Miranda, sales and account executive at Keal Technology. "Ultimately, what we want to do is arm [brokers] with the same tools that direct writers and banks have so that they're on a level playing field in order to compete."

### **BMS Evolution**

The BMS has come a long way in recent years and one of the main goals for vendors is to keep pace with how

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from E&O exposure and security risks, it doesn't mean they are left alone to fend for themselves. BMS vendors are there to offer support, training and education.

"It's our responsibility to stay current with the technology that is out there

the industry is evolving.

"Substantial increase in company connectivity, company integration modules and business integrations, such as electronic funds transfers are examples of [BMS] evolution," says Scott Andrew, president and CEO

of Custom Software Solution Inc. (CSSI).

According to Kathie Cox, vice president of product management at Applied Systems, 10 years ago, brokers were simply concerned with batch processing. However, now brokers must provide additional levels of service to their clients, and in real time no less. They also need every tool at their disposal to develop new business.

“Brokers don’t just get clients anymore,” she says. “They can’t sit back and go on the assumption that they will be clients for life. They need to be able to use the data in their BMS to be able to deliver quality service for those relationships, whether it’s marketing or the improved real-time communication with the carriers.”

“The BMS is much more comprehensive than just a policy administration system,” adds Pat Durepos, president of Keal Technology. “It really is a full CRM [customer relationship management], finance and marketing tool.”

## Product Development

Creating software that meets the needs of brokers and the insurance industry is a constant challenge for vendors. But with this challenge comes an opportunity, states Durepos.

“The broker environment is changing,” he says. “Direct writers are gaining a lot of the market share, and we see an opportunity in making sure that our products provide brokers the same tools as the direct writers have.”

One example is that for several years direct writers have been equipped with call logging, which allows them to listen to conversations for E&O exposures and monitor quality and efficiency, according to Durepos. Now brokers also have access to this at a fairly reasonable rate.

“We sincerely think that brokers can offer more in the choice that they bring,” he says.

On the technical side, developing and updating a BMS takes time and requires quality assurance testing.

“It’s not about creating generic

# Insurer Insights

**Insurers offer their thoughts on broker management systems, and how the industry can work together to develop this technology.**

## How is technology changing the way insurers do business?

The changes in technology are exciting for the insurance industry. It enables us to communicate with our brokers better than ever and it challenges us to continue evolving because our brokers are asking for more options and tools to ease business. We are embracing changes to technology by working with brokers and vendors to establish more efficient real-time communications, as well as using greener technologies to make an impact from an environmental perspective.

– Steve Knoch, vice president underwriting operations and information services, RSA



**Steve Knoch, RSA**

## Which broker management systems do you have direct connectivity to and how do they compare?

Our systems have the ability to have direct connectivity with all broker management systems currently available on the market that meet CSIO standards. Most systems available on the market are relatively comparable in terms of connectivity and data transfer capabilities since they all follow the same CSIO standards.

The majority of systems are easy to use from a transactional perspective with users clicking two or three buttons to transfer data to our portal and access the quotes. This process automates the browser launch, login, and policy search functions on behalf of the user, bypassing the normal login process. Whatever the system used by brokers, they can transfer data from their BMS to our portal, where they can bind new policies. The data is forwarded back to brokers overnight along with other renewal and policy changes through CSIO, which manages all electronic data interchanges on behalf of the industry.

– Rob Estey, application development director - broker integration, Intact Financial Corporation

## How can BMS vendors, brokers, and insurers work together to provide the best service to customers?

Simply put, through communication. Traditionally, each carrier and BMS vendor formed their own concept of what brokers need and have developed technology based on that vision. Carriers and BMS vendors must seek to understand how a broker operates, where their inefficiencies lie and anticipate trends and challenges that may be faced. Brokers must collectively define their commercial and personal lines workflows and communicate those to the carriers and vendors. Ultimately it is the customer needs that matter in the end. If the customer is not satisfied, they will go elsewhere—perhaps to another broker, another carrier or to the direct channel where we all lose in the end.

– Kathryn Curran, manager - broker solutions, sales and distribution, The Economical Insurance Group

software that can be tossed onto the shelf for people to pull off because the industry has specific needs,” says Cox. “We have to make sure we maintain our touch point with the market so we know what’s going on in the regulatory environment.”

Cox adds the best way for vendors to do this is to establish relationships with brokers and carriers and learn about any upcoming issues.

“It’s a strategic approach,” she says. “You have to know what’s coming so you can be proactive.” ■