PROFORMEX

The Power of
Collaboration

WRITTEN BY

Kelly Lytle,
VP of Sales

The life insurance industry needs to embrace the concept of community connectivity to amplify the benefits of their investments in technology.

Too many solutions are being developed in silos that fail to recognize the roles and responsibilities of the various parties (carrier, distributor, and agent) and the environment in which they operate. Approaching technology solutions as a like-minded community can leverage individual experiences and expertise to solve shared challenges and develop standardized best practices that ultimately benefit all parties including the consumer.

Common Concerns/Challenges

There are several shared challenges facing all parties that need to be recognized and factored into all technology solutions. It's not just recognition of these issues, but also laying the foundation for addressing the expected evolution in the future. Regulations continue to evolve. Consumer expectations of an end to end digital experience continue to grow. Service obligations are growing due to awareness, product complexity and even regulatory activity. Technology initiatives must address these issues. Carriers need to understand the service burdens placed on distributors and agents just as distributors and agents must recognize the burdens on the carriers when developing solutions.

Concerns/Challenges

- Data Security
- Finite technology budgets
- Emerging regulations
- Service obligations
- Digital expectations

Individual Concerns/Challenges

It's important to reflect upon the individual challenges or concerns of all parties when developing technology solutions. This spirit of partnership can help forward thinking companies collectively address challenges and improve the outcome for all parties. A better understanding of the perspective of your partners leads to a better outcome for all.

Carriers

With the press of low interest rates, expense management and efficiency are front and center with carriers. They need to align with business partners who allow them to be efficient and effective. Carriers simply can't afford to do business with a unique twist for every distributor. There's no scalability in that approach. Carriers need to reduce the multiple touch inefficiencies of not-in-good-order (NIGO) new business and service forms. They need to find ways to digitally execute commonly occurring client interaction events such as an address, billing or beneficiary change. Finding distributors who are willing to embrace technology and reasonably adapt practices for shared efficiencies will be key factors as carriers move forward with technology initiatives.

Concerns/Challenges

- Expense management
- Legacy book margins
- Disparate distributor needs and capabilities
- Untenable distribution partnerships
- Relevance with new generations of clients and advisors

Distributors

Whether an IMO, a Broker/Dealer or other organization, distributors struggle to balance the needs and wants of downline agents/advisors having vastly different business models, target markets, financial resources, and technology know how. Distributors are sitting on large blocks of orphaned policies that could be a valuable revenue source or a regulatory nightmare depending upon how they are approached. They must demystify inforce management for themselves and their downline through technology and understanding of the book of business. However, the single biggest obstacle to efficiency is operating in a multi-carrier environment with very little commonality of process, product, or technology. Distributors desperately need carriers to recognize this issue and help find cross-carrier solutions. In the near future, distributors need to look to carriers who help them find scale and efficiency regardless of product offerings.

Concerns/Challenges

- Expense management
- Orphan policies
- Disparate downline needs and capabilities
- Book of business opportunity identification
- Cross-carrier solutions
- Demystifying inforce management
- Vet product solutions & carriers

Agents/Advisors

Agents are increasingly challenged to improve client engagement and satisfaction to earn new clients and retain existing ones. Whether it's requirement identification, solution development and presentation, opportunity identification, or procedural guidance and handholding, digital execution augmented with a human touch is fast becoming table stakes. In a best interest world that continues to evolve, defined and documentable processes and procedures around options, guidance, notification, and communication are immensely important.

Agents struggle just as much as distributors with the navigation of paperwork and processes of several carrier partners offering broad product lines spanning multiple regulatory jurisdictions. More commonality of basic policy placement and service processes across carriers would lead to faster execution with fewer applications or service forms not-in-good-order and help ensure regulatory compliance is achieved. Carriers need to recognize that their lack of uniformity is feeding the inefficiency beast that takes a bite out of everyone's bottom line.

Concerns/Challenges

- Client engagement & satisfaction
- Affordable, scalable service
- Expense management
- Book of business opportunity identification
- Navigation of multi-carrier processes and forms

Community Connectivity = Shared Benefits

To really effect change, there needs to be some level of community connectivity across carriers, distributors, and agents. The real issues and obstacles need to be discussed and collectively addressed. Distributors need to recognize carriers can't custom tailor a digital solution for every single agent. Carriers need to recognize agents can't operate efficiently and effectively with dozens of different carrier processes to accomplish routine tasks. Carriers need to also embrace the business model of independent agents and be a partner in developing cross-carrier solutions. Distributors need to be thought partners with carriers to address some of their operational challenges as well and be willing to consider procedural changes for the common good. Carriers need to recognize that it's unrealistic to expect agents to know the intricacies, limitations, and capabilities of a dozen different carrier websites, applications, or service processes.

Getting everybody on the same page – agents, distributors, and carriers – is the best way to find workable, scalable solutions. There is too much duplication of effort due to the paper oriented, manual exchange of information in the life insurance world. Only by embracing a spirit of cooperation for a greater good and community connectivity will the life insurance industry be able to tackle some of the complex challenges it faces today and bring a better experience to carriers, distributors, agents and, perhaps most importantly, clients. To help in these efforts, we encourage you to:
- Communicate in carrier surveys, study groups, advisory committees and such of the need for

quality expansive data feeds and digital copies of all correspondence.
- Encourage carriers to work together to help craft industry streamlined forms and processes to enable easier digitization. It's in the interest of all parties.
- Be thoughtful in the requests you make of your business partners regardless of which chair you sit in.
- Embrace the other parties who help develop thoughtful, scalable, digital solutions even if it may ostracize those who don't. Carriers can choose to do business with efficient partners just as distributors can choose efficient carriers and agents with which to do business.

Together, we can bring about a change for the better.

Shared Benefits

- Vetted security and access
- Economical, scalable solutions
- Consistent, defined data
- Efficient service and new business
- Client & partner satisfaction
- Satisfy evolving regulatory standards
- Lower expense of doing business

About the Author - Kelly Lytle

Kelly joined Proformex in 2019 and now serves as Vice President of Sales.

Previously, Kelly oversaw new partnerships and business development for Findaway's AudioEngine, the world's largest B2B audiobook platform. While at Findaway, Kelly also created and launched Findaway Voices, a global marketplace enabling authors and narrators to collaborate on creating new audiobooks and, once created, sell those audiobooks to a global audience in retail and public library markets.

He has extensive experience leading and growing software businesses and has worked closely with several of the world's biggest companies, including Apple and Google.

Kelly is the author of To Dad, From Kelly, a memoir reflecting on his relationship with his late father, former University of Michigan AllAmerican and Denver Broncos running back, Rob Lytle. His work has been featured in Sport Illustrated, The Detroit Free Press, and Ann Arbor News amongst other publications.

About Proformex

Proformex is the leading inforce management platform offering data aggregation, analytics, and portfolio monitoring for life insurance and annuities. The platform is purpose-built to help independent life insurance and advisory firms protect their clients' best interest and ensure regulatory compliance by monitoring individual policy performance, identifying at-risk policies, and uncovering new sales opportunities. Our automated solutions make inforce management more efficient, more profitable, and results in better experiences for policy owners.

PROFORMEX

Looking to learn more? Click here to book a meeting with an expert.