PROFORMEX

Getting Your Advisors to Embrace InsurTech Solutions Starts with You

WRITTEN BY

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Introduction

As a life insurance distributor, your business has thrived for over 20 years!   Now, please take a second and reflect on what it was like when you were onboarding your first set of carriers or your first firms. WOW! Things have changed so much even since 2000.   In 2000, the biggest challenge was basic email and web site support! Today, the promise of inforce management is yet another in the long line of technologies that claim superior benefit. But maybe your experience with past promises broken by new and emerging technologies makes you skeptical, and understandably so. Many once promising insurtech solutions ultimately did not deliver on their lofty ambitions.

Fast forward a few years and the introduction of the CRM, e-App, and many other technologies promised incredible productivity gains, but did they deliver?   I think the answer lies in a deeper examination and, hence, the purpose of this paper.   The short answer is that most technology can deliver advantages to the user and their community, but only if they are being used. The role of adoption is paramount to the introduction of value, especially in network or community environments, like life insurance distribution.

Let us really dive into what causes adoption for life insurance advisors and what that means to the new raft of inforce management products.

The Technology Adoption Curve

The Technology Adoption Curve is one of the most studied and debated topics regarding software use. The key to understanding why the Curve even exists is rooted in fundamental human psychology and is another well documented topic. The graphic below describes common statistics for product life cycle adoption that include everyone from Innovators to Laggards.
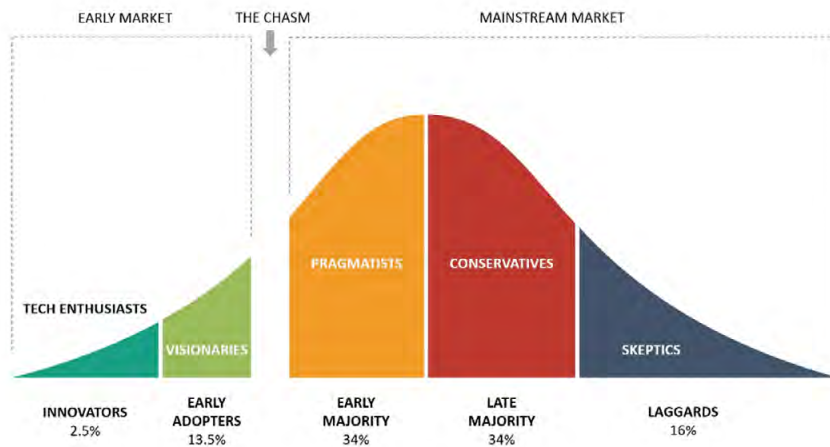
Every product that you have introduced to your advisors has been through this life cycle. Some would have flatter curves than others, but they have all been through it.

Why does this matter? The simple answer is that it will help you determine if a given solution or technology is good for your business and what you should expect from your Advisor community.

Everyone reading this paper intrinsically understands that inforce policy management is necessary for survival and growth of the business. So, the remaining question is, where are you and your Advisors on this curve?

How to determine where you are on the Adoption Curve

Let's take a short five question test to help answer that question.

1. Do you believe in the importance of taking care of policyholders' best interests?
2. Do you believe that you will be fairly compensated for taking care of policyholders?
3. Are you trying to track or manage policy dates and events?
4. Do you see policyholder servicing as a differentiator?
5. Do you have any concerns around Reg BI or any regulatory topic?

If you answered NO to any of these questions, you should probably stop reading this paper and immediately discard. It is not for you.

For everyone else, we are going to introduce a plan that will help you promote Advisor adoption and also accelerate it to create meaningful results.

Your Community

Your Advisors are independent business owners. They will follow your lead but still make decisions that are in their best interest. Remember the adoption curve for the early eApps for Life Insurance applications? I still see paper life insurance applications today even though people know for a fact that process delays cause policies' applications to be withdrawn. Your community of Advisors has its own disposition toward technology and new application adoption.

Many Advisors will often take the attitude that, "they don't want to be first, but they surely don't want to be last". Some want to see others brave the new world before they do. Some may even wait until their business is in jeopardy before they take the leap.

As a Distributor, you need to be aware of your Advisors' approach and be prepared with solutions to help. Awareness is only part of the issue and the other is on the operational side. The typical questions you need to be prepared for include:

- What does it mean to the Advisor?
- Why should I change?
- Why should I change now?
- What do I have to do to change?
- What will it cost me?
- Why aren't you paying for it?

These questions will help inform you of where your Advisors are on that Curve that we discussed earlier. If they are asking these questions – good for them – but it also means that you are in the Early Majority or earlier. The plan outlined in this document was intended for Distributors that DO NOT have more than half of their Advisors doing proactive inforce management and regular reviews.
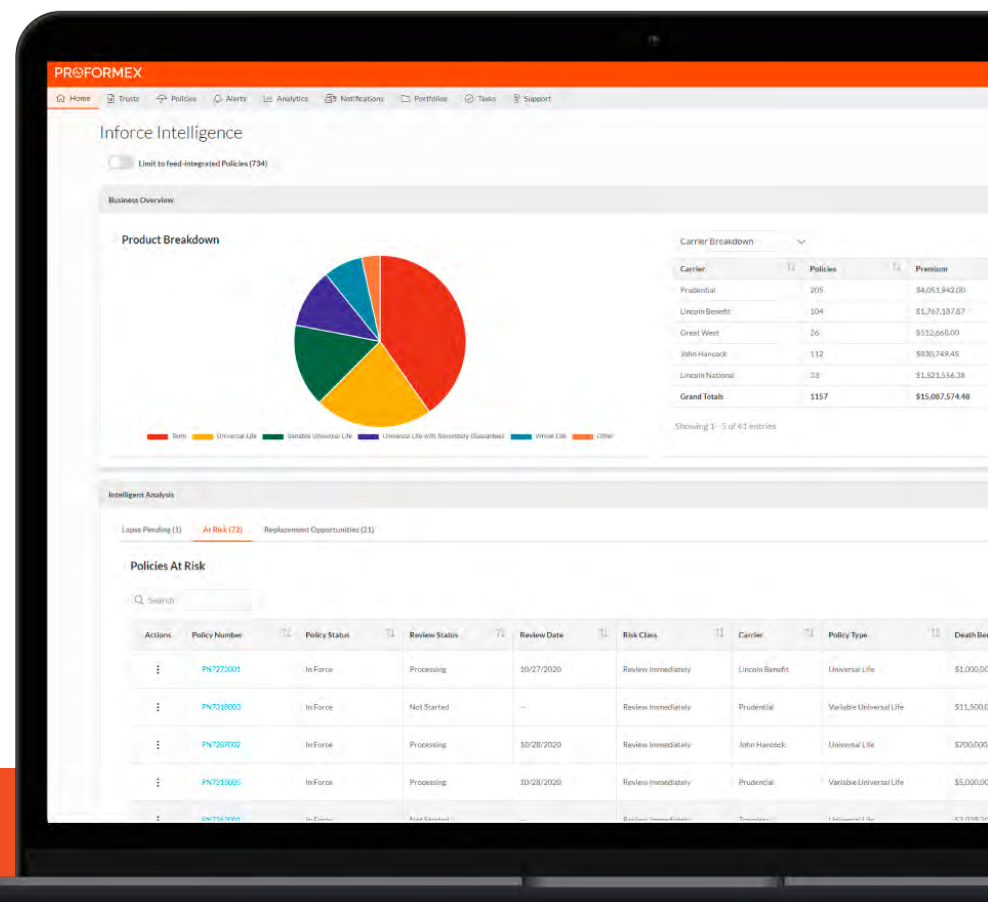
"You need to be aware of your advisors' approach and be prepared with solutions to help."

Have a Plan.

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How to get started

Will the Advisors ultimately adopt new technology, specifically for inforce management solutions? Of course, but not without sufficient reason and a plan. Requirements around Reg BI and pending fiduciary legislation will help, but effective and positive reinforcement has always proven to be better in the long run. In other words, let's use the carrot not the stick!

Statistics have proven that Advisors who provide good to excellent customer service will experience:

• More referrals for new business
• Improved cross and up-selling opportunities
• Happier clients both short and long term
• Income as much as 50% higher than the average Advisor

Beyond the fact that the Advisors know - at an intuitive level - that there are wonderful opportunities within their existing book of business, they just *DON'T KNOW WHERE TO START* or *HOW TO DO IT*.

Your job becomes simple: inform and educate.

The following Life Insurance Distribution plan for rapid growth was created and implemented by Proformex with its Life Insurance Distribution partners over the last three years with tremendous success. The basic tenets will apply to anyone in distribution, as they are based on the key foundations of psychological technology adoption.

Step 1: Lay the groundwork.

As previously stated, it is likely that everyone in your community understands that this is both in their best interests and the policyholder's as well.   Nonetheless, it is important to remind them of that.

- Share success stories that include where disaster is avoided, and policyholders' needs are met or, better yet, exceeded. Be sure to include the impact on the Advisor that should include their outcome.
- Explain the team roles to clarify and eliminate any confusion.

Let them know that you are planning on creating an initiative to help them with this important assignment. Start selling the value and the plan!

Step 2: Do your homework.

Understanding why types of opportunities and challenges are in your (and their) book of business will help accelerate the process. As a distributor, you have access to bulk Carrier data that will help inform you of those opportunities and challenges. Proformex recommends selecting a data platform built for that purpose as the best path. These platforms, like Proformex, will provide significant visibility and help put the "X" on the gold-level opportunities. It is that "X" that will help the Advisor to see what they need to be successful.

Step 3: Educate & corral the early adopters.

The opportunities are here, and many available to create change for the better. Clearly showing the Advisors where opportunities are to replace and upgrade policies is a real win! With the clarity of prime opportunities exposed from the platform, the Advisors should be looking at this as Christmas every day! You need to help them understand that finding these opportunities and exposing them on their behalf (showing them the "X"), is something they should appreciate and act on!

Proformex recommends looking for the first ten Advisors to concentrate your efforts. As with all technology adoption, there will be innovators.   Find the innovators and approach them separately. You should understand as innovators, these people may well relish the opportunity to be first and set the standard.

- Look for opportunities to create unique value-adds for them. Offer them more insight into their replacements to help them get started.
- Be careful about giving them something for nothing… As a best practice, free is often a bad word because people may consciously or unconsciously associate it with little or no value.
- Discounting can have the same effect. Setting a price point may create future expectations that are difficult to maintain.   The realization of the value is critical early and often.

"The role of adoption is paramount to the introduction of value"

Step 4: Help the early adopters become raving fans.

Maybe the singularly most important aspect of creating adoption is the word-of-mouth that comes from the early innovators telling their stories. Innovators do so to create differentiation and to uncover value before others do. They are rarely shy about telling their story of success. Conversely, failure also creates an environment that will make things even harder later.

- **Chose your innovators based on those willing to adopt and be followed.**
- **Support them like crazy! <u>Get your platform to agree to support them as well!</u>**
  - Show them that they can do this on their own!
  - Set expectations appropriately. Define how much effort they should expend and what result they should expect.
  - Handholding throughout the process. Educate. Educate. Educate.
  - Provide consulting to help with adapting to the new process created by the new technology.

- **Measure their success**
  - How much energy did it take to get started?
  - How many people were involved?
  - How long did it take to get wins?
  - What did the wins produce for you? For your policyholder?

Step 5: Tell the Story!

Most of your Advisors will relate better to stories that sound and look like them. You need to capture their attention and motivate them to action. Stories about their peers that became raving fans are the fastest and easiest ways to grow your adoption strategy.

- **Use real Advisor stories.**
- **Connect through interesting and relevant information. Help them understand that the benefits are there for them to unlock!**
- **Challenge them to be better! We know that they will not want to be last.**
- **Encourage action.**

Have a silver bullet loaded.

It never hurts to have that ONE thing that really makes the effort worthwhile. As earlier mentioned, Proformex recommends using the Proformex Platform to aggregate your data and create actionable intelligence. In fact, connecting your usage of the Proformex Platform to theirs offers significant benefit and enablement of adoption: The Enhanced Data Policy Review.

Sharing where a policy needs replacement is good, but having the system create a proposal to take action is *much, much* better. The Proformex Platform uses all data collected, but then extends that for clear and concise action:

1. **Statements and Illustration Data.** Most systems are great at aggregating carrier data from feeds, but not from what the Policyholder sees: their annual statements and illustrations. With your authorization, the Proformex Platform will request these documents from the Carrier and provide the mechanism to upload those to support your efforts. Many specific data fields, including Lapse Age, may only be available from this source, creating a better and more accurate representation to act.

2. **Advisor Input.** The Proformex Platform requires the Advisor to input their recommendations. This could include contract modifications, product alternatives, and even secondary market solutions.

3. **Concise and Consumable Output.** By showing the Policyholder what they bought, what happened to the policy, and what is recommended to move forward, the Policyholder can decide. This process eliminates the need to read a statement or illustration and process reems of information.

There is a famous quote stating "If I had more time, I would write a shorter letter". The premise is true here as well in that we need to create brief, summarized, and comprehensive information to empower the Policyholder's decision on their next step. Doing so is an art, and the Proformex Data Enhanced Policy Review is a masterful piece of art in the Advisor's toolbox to help close deals.

In Summary...

Do it.
Do it now.
Do it for the Policyholder.
Do it for the Advisor.
Do it for Yourself.
Do it before your competitors do….. Quit talking about it and just DO IT.

About the Author - David Morris

David joined Proformex, LLC as Chief Marketing Officer in 2018.

Previously, David was CMO of MacroPoint, LLC. MacroPoint is a SaaS-based global technology freight visibility platform for shippers, brokers and 3PLs to get real-time visibility on the freight they have given to third party carriers. It sold to Descartes in August 2017.

He was Founder and President of the Communications Group from 2003 to 2011. The Communications Group was a digital fulfillment platform generating non-traditional revenue for media (TV, Radio, and Newspaper verticals) partners across North America.

Prior to founding the Communications Group, he founded Media Pro, Inc in 1995. Media Pro, Inc is a media buying and marketing consulting agency. Originally focused on TV and radio strategy and buying in the Business to Consumer vertical, the company expanded into Business to Business strategy and branding consulting as well as sports sponsorships with every major professional sports league and NASCAR.

David has been engaged in several SaaS startups as an advisor and investor. He also sits on the boards of multiple companies.

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.

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