



Wireless tech tools can free agents to work away from the office. The trick is equipping them with the right stuff.

by Tom OConnor

Today insurance companies are revamping their methods for reaching customers and delivering products and services. Agents and customers are demanding access to services via mobile devices—and this demand will continue to grow.

Photo by Kim Bjorheim for Best's Review

Technology consultancy Gartner Inc. listed mobile devices as a "Top 10 Technologies with the Greatest Impact for the Property and Casualty Insurance Industry" in a 2010 report. With consumers wanting

to access websites and complete transactions from their smartphones and tablets, companies are developing more customer-centric ways to do business.

Because of this, more agents' activities and operations need to be conducted in the field, from both a sales and a service perspective. In addition, claims adjusters often serve as the "face" of the company. As important frontline employees, field adjusters, appraisers, catastrophe teams and total-loss evaluators are expected to respond to claims onsite in a timely manner, assess damages accurately and negotiate with service providers for the cost of repairs. Equipping agents with mobile computers provides them access to real-time information and contacts. According to Gartner's

Key Points

- ▶ **The Issue:** Mobile technology can streamline many facets of customer-company interactions.
- ▶ **The Hurdles:** Insurers often buy wireless devices for the wrong reasons and deploy them ineffectively to the workforce.
- ▶ **Looking Ahead:** Smart purchasing, realistic goals and obtaining buy-in from top to bottom will result in a smooth transition to mobile solutions.

report, mobile devices also provide market appeal to tech-savvy consumers and agents.

Insurance companies are also looking at ways to reduce costs through more efficient processes and smarter management. Mobile technology can eliminate the need to enter data twice by providing an appraiser with

Contributor Tom OConnor is the senior national business development manager for Panasonic. He can be reached at thomas.oconnor@us.panasonic.com.



a tool to enter information right at the source—at a vehicle, disaster site or customer's home. With wireless connectivity, field personnel can send in claims in real time and eliminate time spent back at the office or at home submitting and uploading reports.

Mobile devices also have the potential to enable smart dispatch assignments. Headquarters can use field management software to assign jobs to appraisers based on their current location and assignments for the day. The right mobile computer solutions are available, but to drive profits and achieve long-term value, insurance companies need to look at mobile devices with a critical eye.

Understanding Ownership

Whether looking to purchase mobile computers for thousands of agents or for a small team, insurers need to pay attention to total cost of ownership and return on investment. The goal is to deploy a solution that will improve productivity and function reliably over a long period of time. The goal should not be to buy a solution simply based on purchase price.

There are many components that play a role in the total cost of ownership. Too often, companies choose a computer based solely on price. To make an educated purchase decision, organizations must evaluate all costs, including upfront and long-term.

In a 2009 report, *Mapping Technical and Operational Challenges of Mobile Computing Deployments*, technology analysts at Venture Development Corp. found that purchase price accounts for less than 30% of total deployment cost. This leaves 70% of the cost associated with factors endured after the initial purchase.

True total cost of ownership analysis includes anticipated product life, planned replacement cycles and the impact of failure. Additionally, indirect costs such as lost productiv-

ity must be taken into account during the initial selection process.

To deploy a solution that will deliver a low TCO and high ROI, insurers should consider work environments, device reliability, feature set, warranty and IT support.

In a 2009 report, technology analysts found that purchase price accounts for less than 30% of total deployment cost. This leaves 70% of the cost associated with factors endured after the initial purchase.

Selecting the Right Feature Set

Mobile computers must map to agents' and adjusters' needs based on their work flow and work environment. Insurers should consider the size and weight of a device, connectivity and functionality. In order to maximize efficiency, appraisers need a device that is extremely portable.

Solutions with touch-screen capabilities and drop-down menus create a friendly user interface when entering claims data, which can be a real time-saver. In addition, screens must be able to be viewed in direct sunlight since appraisers may spend a great deal of time processing claims outside.

Mobile broadband allows agents to easily access all information while with the customer. It is critical that wireless connectivity is embedded, because external wireless cards are a common point of failure and are easily lost.

Also, when evaluating wireless solutions, testing should be done in all geographic areas of company coverage. One carrier might provide good reception in the central location, but could drop off in fringe areas, leaving appraisers without connectivity to service customers or process claims.

It is also important to determine upfront if it is beneficial to imple-

ment a vehicle-mounted solution for the field team. Many insurers have found it valuable to mount devices in appraisers' vehicles if they use computers both with their customers and in their cars. Convertible tablets or tablets with docking stations are ideal for this application. Benefits of a mounted solution include GPS directing, location-based routing and wireless claim uploads while on the road.

There are a variety of mobile computer solutions available; however, insurers should initiate pilot programs to test different solutions in the field. A small pilot program with a select group of users can be valuable. Team members can get a feel of the work flow with the possible devices and communicate their feedback. Tracking key information, such as the number of claims per day or turnaround times, during the pilot phase will help earn management and financial buy-in and acceptance from the larger team.

The Case for Rugged

If the device cannot survive the environments that appraisers may find themselves in—auto body shops, rural homesites and even at the sites of natural disasters—the insurer has wasted time and money equipping them. With agents constantly on the move, their laptops often bear the brunt of the daily grind. Drops, bumps and spills are commonplace, so having a durable and reliable mobile computer is vital for job performance.

Not deploying the right type of mobile computer will result in high failure rates.

According to a 2011 *PCMag.com* reader study, 15% of business laptops need to be repaired on an annual basis—and that is for office use. Imagine the failure rates for standard notebooks used in much more demanding insurance environments.

With such high failure rates, IT departments will be forced to stock larger inventories to replace damaged laptops and employ

larger staffs to provide support, especially with agents on the road across a wide territory. All this equates to excess downtime, lost efficiency, higher costs and upset customers. When evaluating computers, insurers should request failure-rate data that has been verified by a third party and only accept rates in the low single digits.

Warranties are another element to consider in the deployment process. Average laptops include a standard one-year warranty with the option of upgrading to a multiyear contract. Since most insurers aim to deploy laptops for more than a single year, a one-year warranty is not adequate. Warranties should match to deployment cycles and at least provide support until the laptop has paid for itself. A standard three-year warranty is the minimum an insurer should accept for rugged mobile computers.

With any mobile technology investment, insurers must keep in mind that they are purchasing a solution, not individual devices.

Without training and acceptance from the workforce, the company

will likely be facing an uphill battle. Engaging the field workforce early on and listening to employees' needs will create interest in the new solution and expedite the company's return on investment. **BR**

INDUSTRY SNAPSHOT

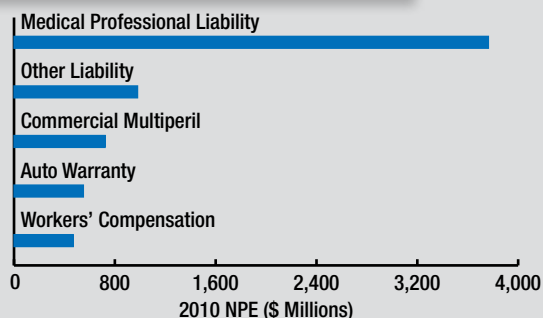
A quick glimpse of the insurance industry.

Reinsurance

Alternative Markets

U.S. Captive Insurance – Top Product Lines

Net Premiums Earned 2010
(\$ Millions)



Source: A.M. Best Co.

Explore today's insurance business environment through A.M. Best's extensive line of information products highlighted in **Insurance Facts and Stats 2011 Edition**. This handy reference focuses on the many lines of business within the property/casualty, life, health and reinsurance industries, with rankings of top writers. To order copies and see the entire A.M. Best's Guide series, visit www.insurancebookstore.com or www.amazon.com.