

Selling Insurance Online:  
Identifying the

# 9 Top Trends

Affecting Agents & Carriers  
in 2006



## Thoughts on the '9 Trends'

*"Knowing where industry is heading from a technological standpoint is a true asset. In "9 Top Trends," Mr. Desmarais provides agents and carriers with a crystal ball that is sure to give them a competitive edge."*

Nancy Maline, Editor Emeritus  
Agent's Sales Journal

*"I think the internet will continue to revolutionize the landscape of insurance sales, and savvy players would do well to understand how to make it work for them. Information is power, and Norvax's 'Top 9 Trends' report has it."*

Scott Lingle, RHU Assistant Vice President of Partnership Sales,  
Golden Rule, A UnitedHealthcare Company

*"There is risk in change, but there is also risk in the status quo. This report is well worth the investment of the time to investigate what, if any, changes in insurance marketing may be ahead, and how we might be prepared for it."*

Walt Podgurski, CEO  
InsuranceBroadcasting.com

The internet's impact on insurance sales is obvious to agents and carriers by now. We've all had plenty of time to get used to it; now it's time to really make it drive sales.

The following are my predictions for the nine Top Online Technology Trends that will impact the insurance industry in 2006 - nine trends that should be a part of every insurance agent's and carrier's new sales strategy.

*Jeremiah Desmarais  
Vice President, Marketing  
Norvax, Inc.*



## 1. Websites Dominate Lead Generation

The internet will continue to be shoppers' first step towards buying insurance. Insurance carriers will respond by investing in large, information rich websites built for lead generation purposes, not just “brochure ware.”

Leads generated from these sites will fuel internal sales teams which may cause some conflicts between field agents and their carrier. Agents, watch for co-op lead programs to ease the pain as carriers will either become lead suppliers or fund agent budgets for lead purchases from third party vendors.

While initially seen as direct competition by some, agents will eventually benefit from the increased online brand exposure of represented carriers. The power of the agent will lie in their ability to explain the differences between carriers and plans to consumers - which will ultimately lead to more sales.

With more leads in the funnel, carriers will try to duplicate the successful call center model in use by today's top agents.

Health insurance-related search engine optimization and pay per click campaigns will continue to rise in cost, becoming unaffordable for the individual agent. This will force a closer relationship between insurance lead generation companies and agents. Lead companies will find a new niche: high quality, low volume; medium quality, high volume; and low quality (or aged leads) and very high volume - perfect for call centers who cherry pick the leads agents neglect after a week or two.

86,933 people went online to search for “health insurance quote” in March, 2006.  
- Overture, March 2006

71% of people shopping for insurance online are currently insured.  
- Answer Financial, October 2005

## 2. Spam Dies. Relevance Thrives.

Insurance agents with little marketing experience will use the blast n' batch email method of online marketing to break into the field. These agents have small budgets and will want the biggest bang for their buck. Expect to see a rise in spam complaints from insurance related emails as a result. AOL, Yahoo, MSN and major ISPs tighten their spam belts - forcing agents towards better segmented email. Smart marketers... prepare to reap your rewards. The best ROI in 2006 goes to

those sending personalized emails. Branding combined with a human touch will increase open rates and click-throughs.

More individual agents will invest in email solutions that provide personalization features. These tools will empower even the most inexperienced agents to build effective, affordable relationships.

## 3. Email Is A Carrier's New Best Friend

Carriers, start your engines. Print's slow turnaround, high mailing costs, and sluggish ROI measurement will be accompanied (and in some instances replaced) by the simplicity, affordability and speed of email.

With the constant flurry of updates, rate changes, and new plans coming out, broker demand will fuel a need for carriers to improve their communications.

Carriers, expect to start with small steps. Most will begin using these email initiatives with their agents and top producers first. As these methods become proven, carriers will develop personalized, completely separate emails for provider networks, doctors, internal sales, members, and employers. Watch email surveys move slowly into the mix as a proven method to quickly test sales offers, new plan types, and updates before moving to print, making the print medium more effective overall.

Carriers with large databases and few member email addresses will invest in reverse appending solutions. Watch your mailbox for postcards and letters inviting you to subscribe to their newsletters.

## 4. Online Quoting Braves New Frontiers

Agents still using rate discs and Excel spreadsheets to run quotes will find themselves outclassed by competitors using automated quoting tools in 2006. Carriers will be forced to stay on the offensive as agents and consumers hold them up to the light of competitors in online research prior to purchase.



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Carriers with non-competitive plans will roll out new ones in order to maintain a captive consumer audience, especially as that audience advances towards online comparison shopping before using an agent.

"Agents who use the Internet to market their products will reach a broader client base and expand their businesses, but because most clients value their relationship with their agent, the Internet should not threaten jobs, given that many individuals still prefer discussing their policies directly with their agents, rather than through a computer."

- US Dept. of Labor

"I made 10 policy sales in 21 days that would have never happened without a persistent, automated follow up."

- J. Stevens  
Top 3 Producer, Plano, TX

Agents, you will see your crucial role in the sales process continue to grow. While consumers are avid shoppers of insurance online, the number who actually BUY without human interaction is less than 5%. The importance of walking consumers through plan details will rise, and agents will benefit from selling to educated consumers.

Quoting tools will become more advanced as they integrate with agent CRM tools. Instead of manually entering data, agents will generate quotes from prospect data with the click of a button.

Quoting technology will become fully integrated with intelligent email. Email autoresponders that automatically send out personalized quotes after information requests, like LeadMiner, will win over customers for their personalization and speed of delivery. Agents already using these simple technologies will continue to steal business from the big guys.

Carriers, quote engine technologies will be your new marketing frontier. In 2006 carriers will advertise on quote engines to have their plans listed as "preferred" and "most popular" to increase policy sales. Snapshot reporting of agents' quoting activities will drive carriers to encourage agent adoption of these technologies to help them support sales.

Watch electronic applications become the norm for carriers. The reduction in error, speed of turnaround and overall ease of use will urge carriers toward development of this preferred application method.

## 5. Agents Benefit From Quoting Company Collaboration

Agents, watch life, health, short term, and group quoting converge on your websites as quoting becomes easily accessible. Key companies will be driven to form partnerships to provide a more robust product offering.

Agents will adopt new lines of insurance in their portfolio as quoting becomes



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easier. An agent that sells health will easily be able to move into life, short term and other verticals as online quoting takes the burden out of lengthy proposal creation.

Agents, don't be surprised if in 2006 the internet makes sales and quoting so easy you are able to take your sales to new heights by marketing in multiple states.

## 6. The One-Man Shop Is Triumphant

With all of the technology now available to an individual agent, the playing field is leveled. The old days when it took 5 to 10 years to build a solid book of business are gone. Agents will be able to go from startup to Top Producer within 3 to 5 years. Online leads, automated quoting, and instant proposal generation will empower agents to accelerate sales in a short period of time, creating a new standard for agent success.

## 7. Carriers Drive Agent Adoption Of Personal Websites

Agents, if you haven't been encouraged by your carriers to get a website yet, you will. With the high cost of developing electronic applications (e-apps), carriers will want their agents to capitalize on them with their own personal website that can drive online applications.

Carriers will also realize the importance of their agents being more visible and competitive when quoting their plans online.

Expect future co-op programs to include websites with branded content that feeds to quoting engines. Knowing they need these capabilities immediately, and not wanting to burden overwhelmed IT departments, carriers will rely on partnerships with technology providers to supply the tools their agents need.

## 8. CRM Tools Wed Online Quoting

Agents, as you purchase more leads from vendors, you will become increasingly dependant on quoting technologies. Quoting tools will have to be more sophisticated, integrating CRM tools so agents' quoting process can continue to be streamlined.

Lead companies will feature quoting software in their presentations to potential buyers, demonstrating their flexibility and integration into the agents' daily routine.

### 9. Agents Become More Numbers Driven

ROI. PPC. CPL. CPM. No, these aren't new cable channels, but acronyms that will be slowly entering agents' vocabularies as they become more numbers driven when it comes to online ads.

With so much technology fueling daily sales, agents will be more analytical when it comes to their return on investment for leads, processing, and proposal creation.

This will force technology providers and lead distributors to have accurate data about their lead conversions, generation sources, and quality - to which agents will hold them.

### *Okay. So now you know the trends. What next?*

Don't let them pass you by.

Many of the tools and strategies mentioned above are already being implemented by forward thinking agents and carriers. Others are just dipping their toes into the water, "waiting to see" what happens.

Wherever you are in embracing the nine trends, increasing your sales and reducing your admin time begins with the latest insurance technology.

Take a test drive of the Norvax suite of tools that have helped insurance agents and carriers become trendsetters. Try them free online at [www.norvax.com](http://www.norvax.com) or call 1-866-466-7829 ext. 1.



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## About Norvax

Norvax Inc. is a leading developer of Web-based sales and customer communication tools for the insurance industry that help insurance brokers, agents and carriers connect with customers and transact business more efficiently. From tools for building Web sites to health insurance quoting engines and e-mail autoresponders that can automatically include updated health insurance quotes, Norvax's product suite lets insurance agents increase sales, cut administrative time and reduce expenses by initiating customer contact faster and automatically maintaining around-the-clock communications with prospects. Founded in 2000, Norvax is privately held and based in Chicago.



## About the Author

As the Award Winning Vice President of Marketing at Norvax, Jeremiah Desmarais works to build results-driven marketing strategies that create more sales. His team executes the B2B and B2C marketing initiatives that touch Norvax' client base and carrier relationships on a daily basis. He is author of several white papers, is a regular contributor to the *Agent's Sales Journal*, *Health Insurance Underwriter* as well as a keynote speaker at several carrier events and workshops. In addition, he is the editor of the Norvax Newsletter that delivers helpful sales articles, tips and marketing strategies to 15,000+ Insurance Agents monthly. He is a member of the Society of Industry Leaders. He welcomes feedback at [jdesmarais@norvax.com](mailto:jdesmarais@norvax.com).



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