

## TECHNOLOGY in the Insurance Office

By David L. Murray, MBA & Eric W. Gray, MCSE

Many agents and brokers find themselves with an inadequate Information Technology (IT) infrastructure because they simply did not know the right questions to ask as their networks evolved. What makes matters worse for agents is that the complexity of IT today has far outgrown the ability of agents to effectively manage it. Yet, IT is a vital part of how an agent conducts business. And while we are on this subject, we may as well throw in the realization that technology never stops evolving. It is always changing and having an impact on their agencies. That may be a good starting point for agents to ask the question: **How does IT impact my agency? Another way of asking the same question is: How does IT impact my business?**

We know that technology is here to stay, and we know that when IT is implemented correctly it will provide a lower cost solution and a competitive advantage for agents. But most business people (and a lot of high-tech people as well) can get hung up on technology while neglecting business concerns. Often times, corporate decision makers throw technology at a solution before ever asking a single question about how the business runs. Whether an agency is attempting to solve problems or merely stay competitive, implementing technology without understanding the business needs is a fatal mistake. The correct solution is to understand business needs, *then* apply the correct technology to solve those needs. Otherwise, the result could be a large investment in unnecessary computers, servers, cabling, PDA's, computer racks, or custom-fitted computer rooms. That list can go on and on.

Let's begin by asking some business related questions. What is the most valuable business asset in an agent's office today? Is it the furniture and desks? The computers and servers? Actually, from a business perspective, *the* most important business asset is information. In the IT world, we call that information "data". Data consists of both customer information and business information. Most of that information has privacy concerns attached to it. And, in today's world, that should be the starting point.

There have always been privacy concerns in the insurance industry. But today, those concerns are exacerbated by electronic data transmission and potential interception of that data. Twenty years ago, a client would meet in a face-to-face situation or over the telephone. Private information was always in control of an agent and it was usually managed in the office. There was safety within the walls of the office. Sure, there was always the small chance that there could be a break-in. But thieves were not usually after a list of names with social security numbers or credit card information in those days. Today, there exists an entire army of thieves looking for every electronic way possible to invade privacy and steal personal data. Chris Foster, President of W.R. Reed tells us: "My greatest concern is the rapid and reliable exchange of information through technology. We must effectively serve both our internal customers – our staff, as well as our external customers – our clients. Our livelihood as an agency is based on outstanding technology support. We also have a huge responsibility to protect the privacy of our clients." Clearly, that is the starting point that agency business need: security and privacy of information.

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Some of the business questions that soon follow include:

- How is that information received into the office?
- How is it managed and sent out of the office?
- How is the data stored for archival?
- What is the impact on an agency if a laptop or cell phone is lost or stolen that contains private client information?

It's important to notice that none of these questions address the issue of what type of computer they should buy, what processor speed is needed, or what type of cell phone should be purchased. That's because these are all *business* questions—not *technology* questions. They all focus on business **data**. How does an agent define business data?

There are two types of data in an agent's office: customer data and agency data. Table 1 summarizes those components. They include names, addresses, SSN's, agency

accounting records and countless other pieces of information. We can think of these data types as the informational things that make the agency run, and the things that technology must be built to serve.

Data Type	Related Information	How Information is Received and Sent
Customer Data	Names, addresses, drivers license numbers, social security numbers	Electronically, handwritten, hand-carried by client, emails, faxes, regular mail.
Business Data (Agency Data)	Accord forms, accounting records, invoices, personnel records.	Generated by employees in electronic and manual form. Transmitted as electronic attachment, emails, faxes, regular mail

**TABLE 1: Types of Data**

Once business managers understand the business “drivers” of IT we can begin to move forward with building a stable IT infrastructure that really works. Ryan Miller, President of Miller Insurance captured this concept succinctly. He was recently working directly with a health care client in a risk assessment presentation. He said: “IT is a

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 – Ryan Miller  
 President, Miller Insurance

critical part of your business, the same as it is here at our agency. As your broker of record, it is our job to help you understand the risks in your business. Privacy of health records is one of those associated risks. Your clinic has evolved to a point where it needs to shift from

IT as a necessary evil to a stable and responsive business tool.” Miller could not have been more accurate in making that statement. The simple truth is that IT does not need to be an investment in chaos or frustration. Instead, IT needs to be designed to fit the business and then actually serve those business needs.

In most cases, the planning, design, and implementation that are described above have already evolved in an agency— a primary reason and frustration why technology might be broken. The good news for agents is that it is not too late to do things the right way.

Admittedly there are so many components of IT that solutions can appear to be overwhelming. There are so many “moving parts” to a properly configured network that no single person can know every aspect of technology. And,

in some agencies it will take certain specialists to effectively configure networks. Table 2 illustrates some examples of IT components that agency owners will need to consider. IT components like those described in Table 2 allow agents to begin to grasp the complexity of what is involved in IT management. Agents and brokers should not have to become IT experts! Their jobs are to manage their business and help generate revenues. But, they do need to be involved. The key words for agents to focus on and help move networks forward are: Network Configuration. Each network component may impact the other, which creates larger risk levels. We often times hear agents, managers and employees say: “I just want my computer to work!” In most cases, when this comment is verbalized, it is because the network has not been configured to the business needs of the agency. When networks are not configured and optimized, insurance agents will experience frustrations.

Data back-up, storage, and retrieval	The ability to reliably recover data in the event of a catastrophe
Users not authorized as administrators	Ensuring that agency employees do not hold all the keys to private information
Patch management	Understanding that software patches can enhance network performance
AntiVirus Protection	Making sure that viruses cannot be downloaded onto a network
Firewalls	Keeping intruders on the outside and your data on the inside
Content Filtering	Keeping your employees safe by restricting access to unfriendly web sites
Remote access and security of remote access	Having the ability to access your records from anywhere you might do business
Document management	Receiving and deliver faxes and a controlling document flow in the office
Employee computer use policies	Developing policies that will help you enforce continued good practice by your employees

**TABLE 2: Examples of IT Components in Agencies**

In summary, IT is complex! Pointing towards network configuration as a cure-all is an over-simplification of technology issues as any of our IT peers will point out. Without debate, however, there is one thing that is clear. Implementing technology where the business becomes a slave of technology is incorrect. Instead, agents need to build a business where technology complements and serves the business. *That* is what will result in an optimally performing network.

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