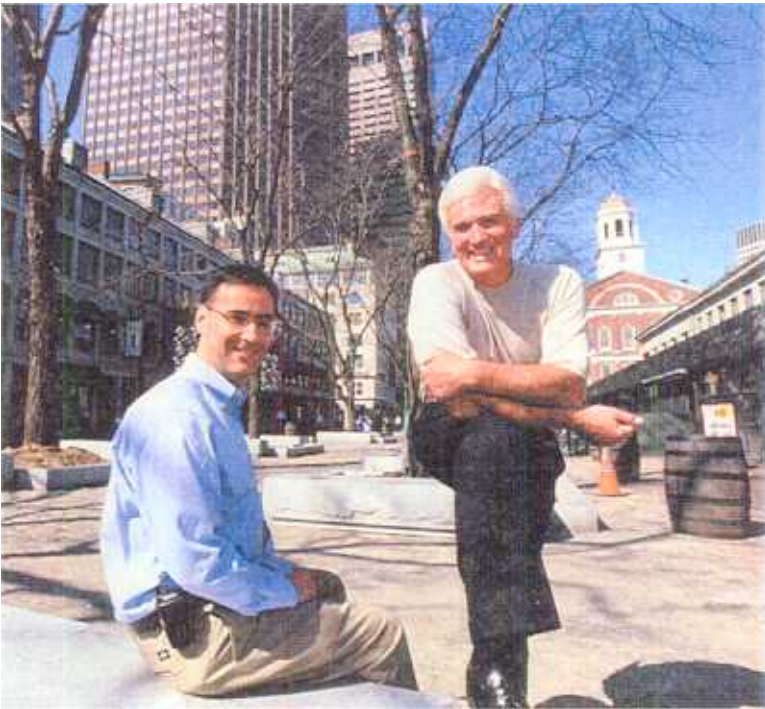


A Portal With Mass Appeal

Safety Insurance Builds Internet Community In Competitive Auto Market



Safety Insurance's Bob Duggan and Daniel Loranger worked with agents in Massachusetts to develop a portal designed to seamlessly link agents to a variety of services and business functions.

“Eventually all insurance related services will be made available to a policyholder via InsureAnswer. The secret for an insurance company to be successful on the Internet is not as a sales tool but to create a great business relationship.”

—DANIEL LORANGER
CIO and Vice President
Management Information Systems

An insurance agent for more than 25 years, Paul Soucy has heard plenty of promises about how insurance companies would make it easier to do business with them. But Soucy, who sells mostly auto and homeowners insurance in Massachusetts, says one carrier, Safety Insurance, has really delivered on its promises.

“At several meetings in the early 1990s, they asked, ‘What can we do to give you a leg up on the 21st Century?’ said Soucy, of the Salem-based Soucy Insurance Agency (www.soucyins.com). Safety was the first to provide us agents with automation and they’re still the leading company. They have given us the Internet.”

Boston-based Safety Insurance (www.safetyinsurance.com) introduced its agents to the Internet with the development of its Agents Virtual Community (AVC) (www.onceanddone.com). AVC is designed to serve as the agent’s homepage with links to a variety of agent-related services and functions. Along with the AVC portal, Safety provides agents with free high-speed Internet access and e-mail.

“With AVC we have access to our clients via the Web, our own agency statistics—premium volume, loss and claim information, and commissions,” Soucy said. “We use the portal to get in touch with not only Safety, but vendors, and even other insurance companies. Using AVC, the agency can report a claim to Safety by accessing the customer’s policy information, locate a body shop, or glass repairer and schedule the services with the customer—plus rent a car if necessary.”

It has taken about five years to get Safety Insurance’s portal where it is today, but it wouldn’t have happened without lots of planning and perseverance. Daniel Loranger, Safety’s

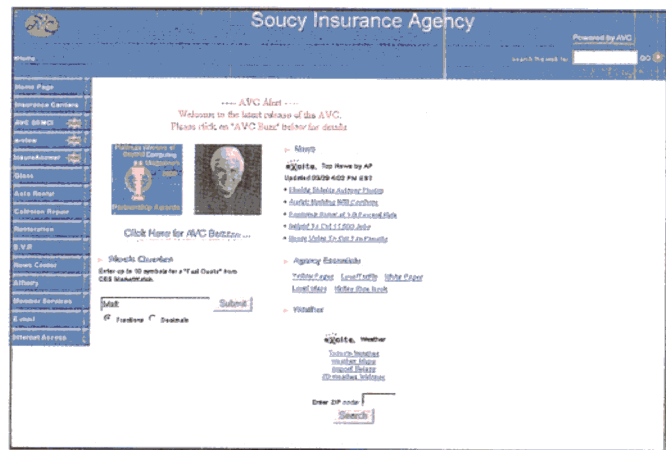
CIO and vice president for Management Information Systems, has a credo that guided the process: Think big. Start small. Act fast.

Safety's goals with AVC were to improve production and reduce errors. "We tried to find a portal that agents could use, but decided in the end to create our own," said Loranger. Over three years, Safety worked with Verizon to install high-speed data lines and the AVC in 450 agents' offices. As a result, Safety currently has one of the largest frame relay networks in New England.

"Safety's independent agents now have complete access to the information and programs they need to serve their policyholders, companies, and vendors from a single site—saving them considerable time and effort," Loranger said. "If we can save our customers time by using the Internet as our mutual communications conduit, we raise the level of service and increase the retention rate of our agents."

Safety has both a CRM and technical support team that travel around Massachusetts to provide agency support. All agency CSRs are trained on Safety's applications in the agent's office. Safety also provides on site technical support to the agents for their Internet connections and Safety applications. Often the Safety technicians end up troubleshooting the agent's network or non-Safety applications. "It was really a no-brainer," Loranger said. "No one else was offering this type of support." Two years ago, only 7 percent of the new business sent to Safety was processed electronically. Today, that number is up around 85 percent.

New features are constantly being added. Using CSC's iSolutions software, Safety recently added a Single Entry Multi-Carrier Interface (SEMCI) feature to the Web site called AVC SEMCI. This application allows agents to seamlessly upload policy information to Safety from their own agency management systems. That means agents only need to type in the policy information once to submit a policy to Safety. "SEMCI has long been a goal of the insurance industry," said



To help attract and retain agents, Safety Insurance designed a portal that acts as the agent's homepage, as in this example for Soucy Insurance Agency, with links to quotes, policy information, car rental firms, repair shops, and other agent-related services.

Bob Duggan, assistant vice president of Safety's MIS department. "It is important to make it easy for our agents to do business with us."

Safety has done this by integrating with as many vendors as possible. AVC SEMCI can accept a policy feed from both Applied and AMS agency management systems as well as popular rate quote software. Safety has also developed an especially close working relationship with Boston Software, the number one agency rate quote vendor in Massachusetts to accept a feed from the WinRater application. "Safety has done a great job of putting a face on their technology," said Henry Hayes, general manager of CSC's Boston Office.

The AVC SEMCI application is more than just an upload vehicle. In the near future, Safety will rate the policy interactively and allow an agent to print a new business application and declaration page in his or her office. "Giving the agent the ability to hand a finished policy across the desk to a customer is a great selling feature," Duggan said. "The developers at CSC have been great to work with. They really understand what we are trying to do and they delivered."

Safety's technology strategies are paying off, too. In just two years, with little addition to staff, Safety has increased written premiums by 45 percent to more than \$440 million. During this stretch the average premium per employee has

increased from around \$500,000 to almost \$900,000.

Founded in 1979 by an insurance agent, Safety has close to 500 employees and is the third largest writer of private passenger automobile insurance in Massachusetts. In September of 2000, Safety was awarded the "Beyond Computing Platinum Award" for its success in forging a winning technology and business partnering strategy.

Safety is also very excited about its latest project called InsureAnswer (www.insureanswer.com). InsureAnswer allows an agent's customer to receive billing and claims information securely via an Agent's Web site. Safety has developed open ACORD XML applications that serve up billing and claim status information. A customer can also use InsureAnswer to order glass repair, reserve a rental car, and update a vehicle registration with the Massachusetts Registry of Motor Vehicles.

Safety is currently working with CSC to enable an agent's customer to handle simple administrative chores such as address changes from the InsureAnswer.com Web site. "The sky is the limit," Loranger said. "Eventually all insurance-related services will be made available to a policyholder via InsureAnswer. The secret for an insurance company to be successful on the Internet is not as a sales tool but to create a great business relationship." **C**