

SURVEY SAYS...

Insights from the top
independent insurance agencies



From Veruna's Chief Strategy Officer

Despite being underrepresented, the voice of independent agents remains crucial. At Veruna, we're dedicated to listening, adapting technology to fit agencies' needs, and sharing our findings with the community.

Our survey delves into current challenges and opportunities, offering perspectives from diverse roles and agency sizes. These insights paint a comprehensive picture of the industry, guiding us towards informed strategies.

Key findings?

- Automation tools are in demand, especially for streamlining quoting and submission processes.
- Talent retention is a pressing issue amid mergers and acquisitions, compounded by evolving workforce and market dynamics.
- Profitability and loyalty are concerns due to government intervention and direct-to-consumer alternatives.

The survey also highlights a growing interest in AI, though its implementation remains limited due to integration and data integrity challenges. Nonetheless, agencies are eager to explore AI-driven solutions to enhance various operations.

These insights are invaluable for agencies navigating market shifts. As Veruna evolves, these findings will steer us towards a brighter future for the insurance industry.

Stay tuned for insights from peers and further commentary, building on our survey results and ongoing industry conversations.

COLLEEN WELLS
Chief Strategy Officer
Veruna



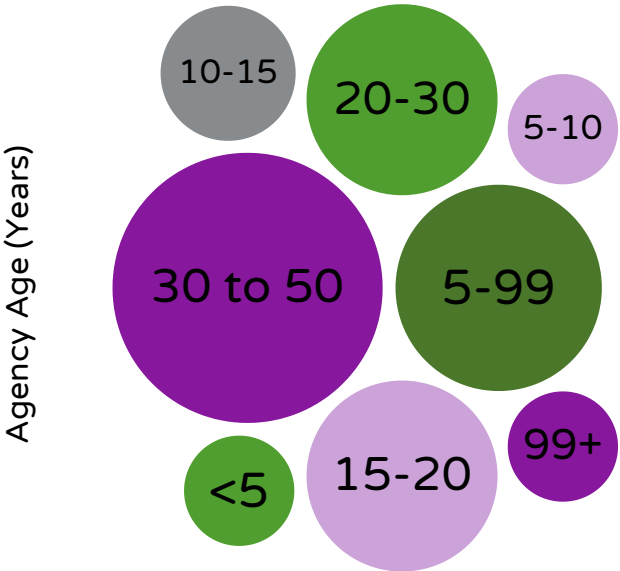
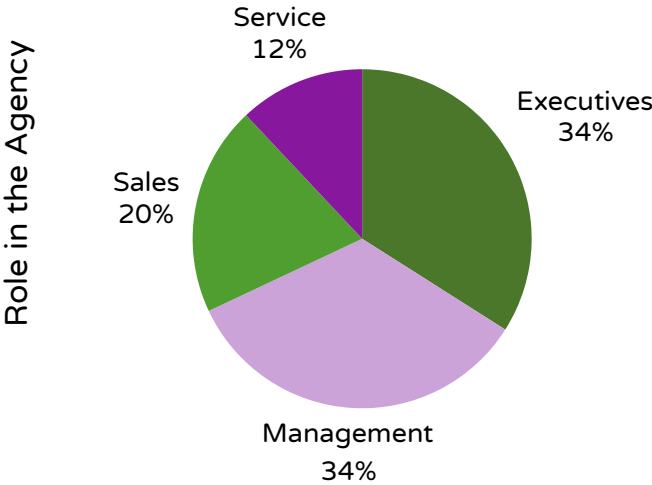
Let's see the results



Contents

- Introduction - 2
- Respondent Overview - 3
- Top Concerns - 4
- Bridging the Talent Gap - 5
- The Innovation Slump - 6
- Successful Project Roadmap - 7
- Top Threats - 8
- Tech Trends - 9
- State of AI - 10
- What's Next - 11
- About Veruna - 12

Respondent Demographics



Independent Agents' Top Concerns

It's all about talent

The biggest concern for the future of agencies is, by far, people. Concerns about attracting, retaining and training skilled professionals are shared by nearly all respondents, with additional focus on succession planning.



The innovation diet

The appetite for innovation seems a bit lost in our corner of the industry. Whether caused by a lack of organizational buy-in or trying but not having the time, respondents want to be innovative but face numerous hurdles.

Feeling threatened

In an ever-evolving industry, several key threats were highlighted: larger competitors, VC acquisitions, increasing costs/overhead, direct-to-consumer sales models, and challenges surrounding carriers like increasing storm activity.



Tech trends still abuzz

Our agents understand the power of technology, and most prioritize integration and automation. Unsurprisingly, common responses also included a focus on efficiency, scalability, future-proofing and enhanced data access.

Sleeping on Artificial Intelligence

It's the biggest buzz word of them all, yet independent agents are still taking their time adopting AI. A shocking 60% of respondents are making little to no use of artificial intelligence, while those who are find themselves at the very beginning, experimenting with ChatGPT and similar tools.



Ready for an AI awakening

We may be sleepy, but we can still dream. Survey respondents are keen on the future of AI, citing research, customer predictions, content creation and client satisfaction as their most anticipated use cases.

Bridging The Talent Gap

TALENT ACQUISITION

Talent acquisition presents a pressing challenge given the scarcity of qualified candidates. Agencies must replace retiring account managers and find ways to convince licensed agents to join the team. Despite best efforts, the prolonged hard market worsens the difficulty in finding suitable candidates, demanding creative recruitment strategies.

CULTURE

The pandemic sparked hiring challenges, and for the same reasons above, building and maintaining an agency's culture remains problematic.

TRAINING

Great, we've hired the perfect team member! Now comes the hard part. Agency owners and managers don't have the time to do their own jobs, let alone train others.

SUCCESSION

Succession planning and perpetuation evoke a mix of urgency and foresight, with a nod to an agency's legacy. Many express concerns about the impending retirement of seasoned staff and the challenge of recruiting and training the next generation of agents. Respondents share a commitment to ensuring their agency's long-term viability and continuity.

What's Driving the Innovation Slump?

"We lack technology buy-in and organization synergy."



"Disruptive is a poor term. There isn't anyone disrupting anything on a macro level."



"Being proactive is the best I have."



"I am not sure we are very innovative, but we are looking into how we can leverage bots and AI."



"We are rebranding soon."



"We aim to hold these cards close to our chest."



The sentiment toward innovation is not overly optimistic. Yet, many agencies are doing some great work, like:

- ✓ API Quoting
- ✓ Niche Marketing
- ✓ Automating Processes
- ✓ Using More Social Media
- ✓ AI Backoffice Processes
- ✓ New D2C Pipelines
- ✓ Single Workflows
- ✓ Shopper Alerts

These use cases and more prove that agencies with an appetite for innovation are putting away the excuses and making it happen.

These are real quotes from those who took our survey - and they're decent reasons not to maintain the status quo.

For those ready to move on, the following page offers a simple roadmap for successful technology programs.

5 Step Project Roadmap

We get it - change is tough!
There are a million reasons not to modernize your tech stack.
Eventually you'll have to, and with the right plan you'll have a brighter future.
Here is a simple, helpful roadmap to get you started.

1

BUILD BUY-IN

No project is successful without buy-in from the organization. Many agencies find their daily users (producers, CSRs, etc.) are reluctant to use a new system. Agency leadership must clearly articulate the need for and benefits of a new system early on.

ASK THE RIGHT QUESTIONS

Don't just dive in - make sure you're asking the right questions. Why are we making a change? What are the desired outcomes? What are we trying to solve? Do we have the right resources? How do we need to modify our processes to adapt to the new change?

2

3

DEDICATE A PROJECT MANAGER

Naming a dedicated project manager will ensure your project doesn't run off the road. Project managers foster a high level of engagement with both the internal team and any tech vendor(s). They also greatly increase the likelihood of staying on timeline and on budget.

PRIORITIZE PARTNERSHIPS

No single software is perfect, nor will it meet every single need for every single customer. Focus instead on a strong partnership with your software vendors and work collaboratively toward shared goals. You may need to adapt certain ways of working.

4

5

SHARE THE LOVE

Is the new system working? That's great! Ensure everyone in the organization sees what's working and how their contributions help lead to success. A good tech project sticks around for a long time, so you want to keep the momentum going and built upon it for the future.

For more sage advice, visit:
www.veruna.com/projectroadmap





Independent Agents' Top Threats

COMPETITION

The dominance of larger competitors and the trend of acquisitions pose significant threats to smaller agencies. With carriers favoring larger books of business and aggressive production targets, smaller agencies face the risk of being marginalized or forced out of the market, highlighting the competitive pressure within the industry.

REGULATORY HURDLES

Regulatory changes and legislative challenges, such as California's Senate Bill 1060, add complexity and uncertainty to the insurance landscape. These changes require agencies to stay informed and adapt their operations accordingly, impacting their ability to navigate the evolving regulatory environment effectively.

TECHNOLOGICAL DISRUPTION

Concerns about AI, data accuracy, and efficiency in tools reflect the industry's struggle to adapt to rapid technological advancements. There's a fear of being left behind by larger competitors utilizing advanced tools and the emergence of AI-driven processes, leading to a focus on upgrading systems for competitiveness.

INSURER-INSURED RELATIONSHIP

The rise of direct-to-consumer sales models and changing perceptions of the insurer-insured relationship pose challenges to traditional independent agencies. As carriers explore new ways to interact with clients directly, independent agencies must find innovative ways to remain relevant and demonstrate their value in the insurance ecosystem amidst evolving business models.

CARRIER RELATIONSHIPS

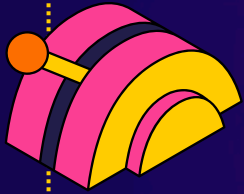
Carriers' changing strategies, undervaluation of independent agents, and the potential impact of acquisitions on client relationships highlight the complexities of agency-carrier dynamics. Agencies grapple with balancing carrier requirements, maintaining their value proposition, and navigating shifting preferences in carrier relations to sustain their business.

TOP TECH TRENDS

Shared by our survey respondents



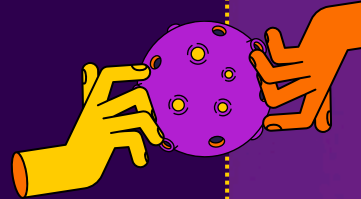
AUTOMATION



Respondents emphasize the importance of streamlining operations through comprehensive automation tools, including email marketing campaign management and workflow automation.

BETTER INTERFACES

There's a clear desire for agency management systems with intuitive user interfaces, flexibility, and ease of use to improve overall efficiency and user experience.



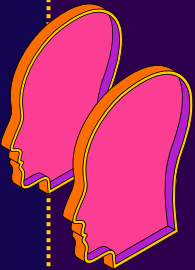
THE CASE(S) FOR ARTIFICIAL INTELLIGENCE

Agencies express interest in leveraging AI to enhance various aspects of their operations, from quoting and submissions to back-office processes like email management. Yet, more than half aren't doing anything with AI (yet).



Some respondents are exploring AI tools for content creation, such as generating email content based on specific topics, indicating a nascent interest in AI-driven marketing and sales content generation.

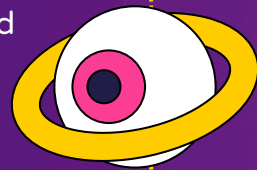
DATA INTEGRATION



Agencies seek systems that seamlessly integrate with other tools and carrier platforms to facilitate data exchange and ensure interoperability across their tech stack. When possible, they prefer to use one system.

ANALYTICS AND REPORTING

Agencies prioritize tools that enable robust data analytics and reporting capabilities to track key performance indicators, measure success, and drive informed business decisions.



SOCIAL MEDIA

While not a primary driver, there's still interest in utilizing social media platforms like Facebook, LinkedIn, and Twitter for sales and marketing initiatives, indicating a growing awareness of digital channels' importance.



CLOUD-BASED SOLUTIONS

There's recognition of the benefits of cloud-based solutions, particularly in terms of scalability, security, and accessibility, with platforms like Salesforce highlighted as preferred, trusted options.



- ARTIFICIAL INTELLIGENCE -



Many agencies express excitement about AI's potential to enhance time management, facilitate growth, and improve client satisfaction by automating tasks and providing valuable insights.



Some agencies are already using AI for internal policy audits, predictive analytics for retention, and content creation, albeit on a very limited scale, showcasing its versatility and initial impact.



AI is seen as a supplemental tool that can speed up processes, create efficiencies, and decipher information more quickly into actionable items, providing valuable support to existing workflows.

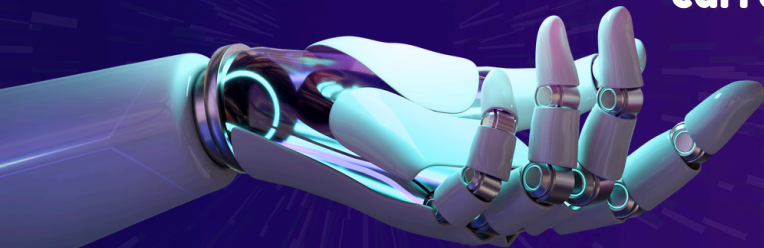
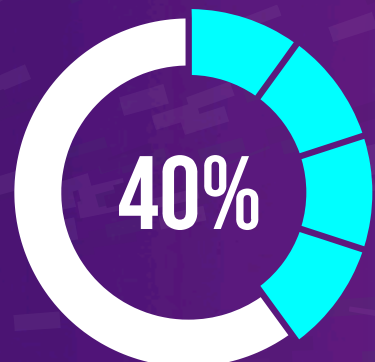


Agencies are leveraging AI to analyze interactions with clients, return unbiased insights on overall customer sentiment, and enhance both external communications and internal procedures.



While recognizing AI's limitless potential, agencies also acknowledge challenges such as system integrations and the need for further development before widespread adoption. However, they remain optimistic about the opportunities it presents.

A small percentage of agents acknowledge employing AI in their current practices.



What's Next: Our CEO's Perspective



JENNIFER CARROLL
Chief Executive Officer
Veruna

We heard it loud and clear: **independent insurance agents are dedicated to progress and innovation.**

THE CHALLENGE: Technology, talent and evolving markets continue to pose a threat.

Top threats include:

- Finding and keeping talent
- Inefficient management systems
- Increased competition

Agencies are struggling to keep up with the big carriers and they fear being left behind. I hear this constant struggle, and my job is to make the innovation easy for you.

So what's ahead?

The rise of AI presents real opportunities for efficiency, enhanced client experience, and more. We're working alongside Salesforce as pioneers in AI for independent insurance, while still enabling simple day-to-day operations.

Said another way, our solutions balance the need for disruption-free operations with a focus on the future.

At Veruna, we're more than just tech providers; **we're partners in progress.** Thank you for your trust and commitment to excellence as we navigate towards a future where agents thrive.



Delve into the latest insights and strategies
shaping independent insurance on our website:
www.veruna.com



Grow Faster

Veruna's powerful CRM drives faster sales, highlights upsell and cross-sell opportunities, and keeps you ahead in today's competitive market.



Improve Efficiency

From sales to service, pre-built and fully customizable workflows let you do your job smarter, not harder.



What Can You Do With Veruna?

Veruna is the all-in-one AMS+CRM for independent agents and brokers. Built on Salesforce, Veruna offers the full power of the world's #1 CRM to run every aspect of your business. There's no limit to what you can build on our completely extensible platform. Plus, you're backed by industry-leading standards in AI, security, and data protection.

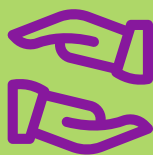
Powerful Servicing

With all client information in one system, Veruna keeps you in control and lets you deliver a superior customer experience.



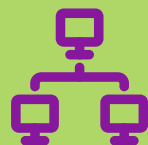
Designed for Insurance

Veruna is the only Salesforce-native CRM and AMS in one system, designed specifically for independent insurance.



All on One System

Veruna is Salesforce for Insurance. Stop paying for, connecting, and maintaining multiple systems - your Veruna subscription includes Salesforce licenses for your entire team.



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