

Innovation in Insurance Distribution

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Current Insurance Distribution Landscape

DISTRIBUTION CHANNELS

- Direct to Consumer
- Independent Agents
- MGAs & General Agents
- Brokers
- Captive Agents



Current Insurance Distribution Landscape

INSURANCE AGGREGATORS

[in-*shoo* r-uh ns] [ag-ri-gey-ters] noun

1. A website portal or call center that enables a shopper to request several quotes via electronic quote forms.
2. Common usage is often very time consuming, confusing and encompasses a wide variety of businesses.

Current Insurance Distribution Landscape

"Aggregators" as commonly understood in insurance:

Model	Multiple Providers	Real-time Rates	Direct Fulfillment w/ Bindable Rates
Lead Aggregator	✓		
Insurance Search Engine	✓	✓	
Online Insurance Agency	✓	✓	✓

Truly Understanding What Transforms Industries

Innovative Customer Experiences



NORDSTROM

UBER



amazon.com®


NETFLIX


Truly Understanding What Transforms Industries

It was  **Expedia**[®], an online travel agency,
that fully transformed the Travel Industry...

Not  **KAYAK**[®], an aggregator, which did not
successfully exist until nearly 10 years later.

Truly Understanding What Transforms Industries

It was  , a trusted marketplace which returned predictive modeled “matches” based on real success factors that transformed how consumers secured new mortgages online.

Not  , which existed since 1976, but failed to ever deliver anything more than lengthy rate tables of aggregated (based on lowest price) mortgage rates.

Building a Digital Insurance Agency of the Future

Customer centricity is the key theme that will define all aspects of a digital insurance agency in the future:



NPS

WHAT IS NPS?

NPS (Net Promoter Score) determines how likely a customer is to recommend a company to their friends and family. The customer rates the company on a scale from 0 – 10.

NPS looks at the end-to-end customer journey – including interaction with the website, advisors on the phone, rates, onboarding process, customer service, and emails.

NPS

HOW IS NPS CALCULATED?

Promoters (9 or 10): These are promoters and most loyal customers.

Passives (7 or 8): These are satisfied but less enthusiastic customers.

Detractors (Between a 0 & 6): These are unhappy customers with negative comments on the brand. 5 – 6 may be customers who're not unhappy but just not excited enough to recommend the company.

$$\text{NPS} = \frac{(\# \text{ of promoters} - \# \text{ of detractors})}{\text{total \# of NPS respondents}}$$

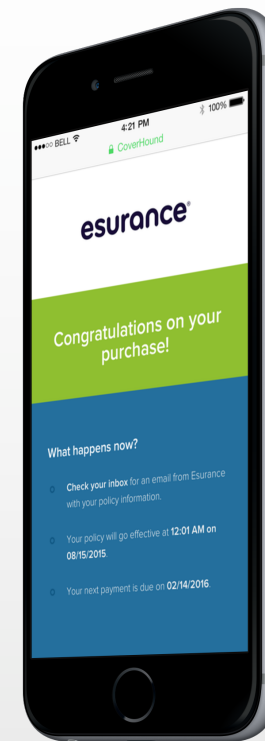
NPS

Key Strategies to Deliver Great Results

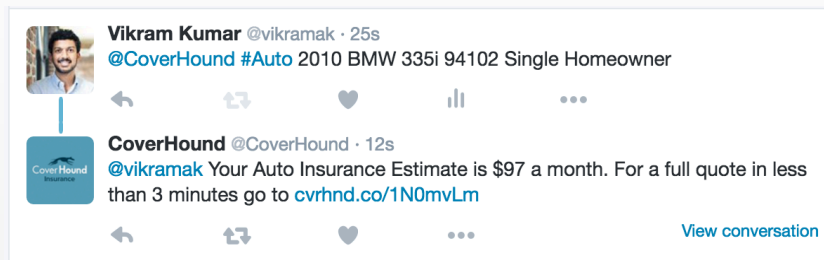
1. Build an NPS culture & hire true believers
2. Incentivize appropriately
3. Create unique NPS processes
4. Close the loop externally & internally
5. Power up highly visible NPS reporting



Industry Leading Desktop and Mobile Conversions



Powerful API Capability for Robust Third Party Integrations



Vikram Kumar @vikramak · 25s
@CoverHound #Auto 2010 BMW 335i 94102 Single Homeowner

CoverHound @CoverHound · 12s
@vikramak Your Auto Insurance Estimate is \$97 a month. For a full quote in less than 3 minutes go to cvrhnd.co/1N0mvLm

View conversation

Get Instant, Accurate Car Insurance Rates


Your Car

Year Make Model Style

Zip Code

Home Owner No Yes
Married No Yes
Clean Record No Yes

[Compare Rates](#)

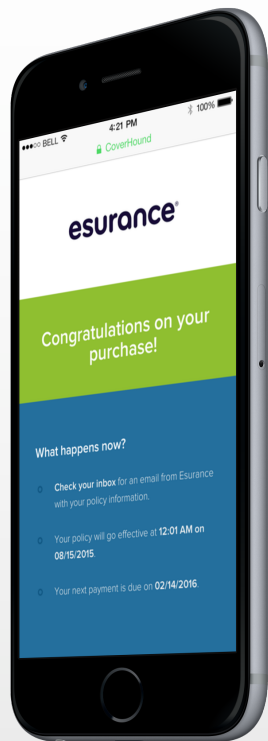


\$150 /mo

4 Trends for the Future of Comparison

1

Continued Mobile Growth



2

Bindable Rates on Digital Platforms

- As true comparison sites become ubiquitous, consumers will become increasingly intolerant of sites that offer estimates and/or don't actively validate data.
- Data enrichment offered by traditional data vendors can be cost prohibitive.
- Creative alternatives will be exploited in the short-term and become more commonplace over time.

CoverHound Study

- > 52% of insurance shoppers provide inaccurate info during the initial quote process
- Baby Boomers are more likely to provide accurate info vs. Millennials
- Homeowners are more likely to provide accurate info vs. Renters

3

Improved Multi-line Capabilities

- Online Insurance Agencies and Insurance Search Engines have fallen short thus far with bundling capabilities.
- Bundling is critical for converting the Preferred shopper segment.
- The Preferred shopper segment is increasingly web savvy and frequently shopping online (higher expectations).



Sam Belden,
Founding Team Member
Comparison Market

“ Staying monoline created major challenges for us in competing up-market. We were unable to convert our most profitable customers efficiently, which put pressure on our core economics. ”

April 2016

4

Highly Integrated Purchase Options

- As seen with Google Compare, fragmented and under-optimized fulfillment across multiple carriers can result in low conversion rates.
- Leading Online Insurance Agencies and well-equipped direct carriers are natural fits to fill that void.
- Investments will continue in the Insurance Search Engines channel, but a few optimized fulfillment partners will emerge to make the troubled channel viable.



Jeff Chesky,
Insuritas CEO

“ [Overstock] has done an extraordinary job of getting very attractive risks from a carrier standpoint. The issue is a couple thousand people call the carrier and the consumer says, ‘This isn’t Overstock.’ ”

Insurance Journal, Feb 2015