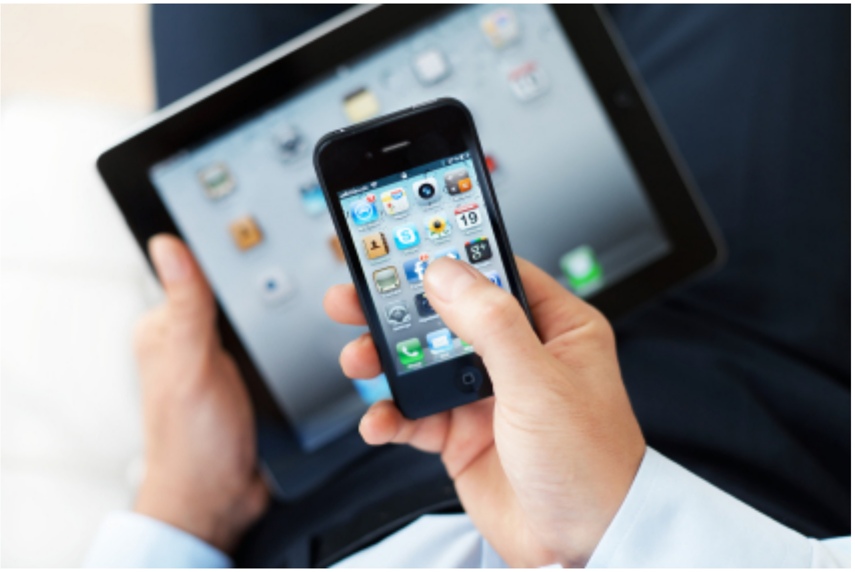
Participant Summary
Channel Harvest Research
2014 Survey of Agent/Carrier Relationships
"Agents Left to Their Own Devices"



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Respondent Profile

- **Total sample:** 1,424 respondents (NOTE: Not all respondents answered every question)
  - forty-eight states plus D.C. and the U.S. territories were represented (none from Hawaii or North Dakota).
- **Gender:** 58% male, 42% female
- **Age range:** 35 to 65+
- **Respondent's title/role:** About half of the survey respondents (51%) are the principal, president, partner or owner of their agencies; another 8% are in other senior management roles.
- **Respondent's area of focus:** 70% work in personal lines; 71% work in commercial lines.
- **Survey respondents represented a wide range of agency sizes,** from those with annual revenue less than $150,000 (16%) to those with $3 million or more (23%). While more than half of the respondents work for agencies with fewer than 10 employees (61%), larger agencies were also well represented in this study.
- **Agency focus:** A minority of agencies represented in this study (15%) are focused heavily on commercial lines (accounting for 76%-100% of their premiums). One-third of the agencies are less focused on commercial lines (25% of premiums or less come from commercial).

Selected Key Findings: Personal and Commercial Lines

	Personal Lines	Commercial Lines
Overall Satisfaction with #1 Carrier: % "Extremely satisfied"	38%	46%
Top 3 reasons for switching #1 carrier *(within the past year)*	Pricing/rates "not competitive" Underwriting policies Declining or unsatisfactory customer service and support	Underwriting appetite Pricing/rates Ease of doing business/customer service

Selected Key Findings: Mobile Apps

- This year's survey included questions about agents' use of 15 different types of mobile applications for work-related purposes.
- Laptops are the device most frequently used for these mobile applications, though respondents may use a particular app on more than one device. Use of mobile phone and tablet for most apps is (still) fairly small, as compared with laptop apps.
- Relative to laptop use, mobile phone and tablet use are higher for apps related to personal tasks and organization, information gathering, document access and sharing, and social media management.
- More respondents anticipate future increases in tablet apps than anticipate increases in mobile phone apps, which is logical given the length of time each device has been on the market.

Top 3 Apps, by Device

Laptop	Mobile Phone	Tablet
Attend meetings online	Access traffic and travel-related information	Access industry news and publications
Access training from carriers	Manage social media	Access traffic and travel-related information
Access company management systems/ client data	Manage contact information	Manage social media

Selected Key Findings: Social Media

- Respondents were provided with a list of popular social media sites and asked which ones their agency currently uses as part of its social media strategy. Facebook (46%) and LinkedIn (44%) were most often mentioned, with others far behind in use.

- When asked which online platform/tool they feel <u>best</u> suits their agency's social media marketing strategy, Facebook was mentioned most frequently (35%), followed by LinkedIn (19%).

- Notably, one in five respondents (20%) say their agency lacks a social media marketing strategy.

- Among those who have perceived specific benefits from their social media marketing efforts, "generated exposure for my business" was cited most often, by 52%. One in five reports that his/her social media marketing has "helped us rise in Google search rankings" and that it "generated qualified leads."

Selected Findings: Carrier Support

- Training is the most-used type of carrier support; the most-used types of training in 2013 were carrier-specific product training (used by 50% of respondents) and carrier-specific systems training (used by 41%).

  - Going forward, agents want courses that qualify for continuing education credits or industry designation and training/consulting on how to use the agency website to bring in business.
  - In addition, more than one in four respondents (26%) would like carrier training to be delivered in multiple ways: live webinars, eLearnings, videos, etc.

- Among the various types of carrier support, technology support most often was rated as being “very important” or “critical,” followed by customer service (by 84% and 80% of agents, respectively).

- While fewer than 10% of agencies represented in this study currently use technology support, a much higher percentage expressed interest in carrier-provided assistance with use of mobile phones and tablets by agents (23% desire) as well as by customers (18% desire).

- Lead generation, funds for signage/advertising and management/consulting support were much less frequently rated as being “very important” or “critical.”

Advice to CEO: Main Themes

- The final question allowed respondents the chance to chime in with their opinions regarding changes they would make if they were CEO of their favorite carrier; nearly 700 respondents offered responses to this question.

- Many respondents suggested that carriers do a better job of listening to agents, so they understand what challenges and issues agents face on a daily basis.
  - Some talk about "going back to" a time of loyalty, agents getting better treatment from carriers.
  - Some agents seem to resent the “Progressives of the world.”

- Other common themes identified from these comments are:
  - Better rates, discounts; rate stability.
  - Incentives and bonuses.
  - Commissions.
  - Creating tiers of agents who get certain advantages/incentives based on how much business they write with carrier.
  - Product offerings.
  - Product delivery − more things online, usable website/ease of use.
  - Better phone support/allow phone support people more latitude in decision-making.
  - Claims handling/customer service − speed of response.
  - Simplification of: document handling, ratings, policy issuance, billing process.
  - Underwriting flexibility, expertise, consistency, transparency.
  - Claims management.
  - Customer service.

Require underwriters to spend 30 days of their training working in an agent’s office.

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Thank you for your participation in the
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