

TRACKING SUCCESS:



Internet Update Helps Carrier Compete

CARRIER STATS

Business market: 48 states

Agents: over 45 thousand, most of them independent

Offerings: fixed and equity-indexed annuities, UL, whole life, term

Accomplishments:

- #1 in overall service, based on a 2003 survey by Jack Marrion of The Advantage Group
- Completed IPO in December of 2003, ticker symbol AEL

ORR'S ROLE

Manages the carrier's agent and public websites, agent illustration system, and agent leads program

EASE OF DOING BUSINESS

As most of Orr's projects directly touch the agent, ensuring ease of use and providing a complete user experience are among his top concerns. While agents considered several factors when ranking American Equity #1 in overall service, Orr said it comes down to one truism: a carrier must be easy to do business with.

To that end, he uses the Internet Update module in the company's COSS illustration system to upload system enhancements, new products, and state approvals. The update module also allows him to upload non-illustration enhancements, such as brief training videos and new marketing information.

Best of all, it's a timesaving bridge between the home office and the field force, who conduct business in a disconnected, desktop environment. "It's a step in the right direction for us, technologically," Orr said. Through use of Internet Update, he can:

- Manage state approvals
- Modify interest rates
- Add and remove products and concepts
- Enhance usability with marketing materials and videos for the agent
- Save money— an estimated \$30,000 in annual distribution costs

He worked at a national insurance carrier, completed three professional designations, and earned a B.A. in business management from William Penn University ... all at the same time.



Jeremy D. Orr, AAPA, ACS, PCS
Marketing Services Representative
American Equity Investment Life
Insurance Company

"I looked at it like, 'OK, I've got these letters to get,'" said Jeremy Orr, Marketing Services Representative at American Equity Investment Life Insurance Company. "Here are these industry designations that apply directly to my job. I earned 18 college credits for them, and I also took care of all my elective requirements."

Orr, who broke into the insurance industry at age 19, worked for a variable life company for 1½ years before joining American Equity. When his previous employer was bought out by another insurer, Orr moved with his supervisor to the marketing team at American Equity. "I had worked on the other side of the business," he said. "And my experience had been that marketing

staff usually bang heads with administrative staff. So, we went into it with that knowledge—knowing that this will be a marketing group that works with the administrative team."

He joined American Equity on September 4, 2001. Whatever his expectations had been of the West Des Moines, IA insurer, things quickly changed in the following weeks. A reservist was called to active duty, and Orr took over her assignment, rolling out the agents' website. "I had a one-hour crash course on it," he said. "We got it live, and things just blossomed." He later added the carrier's public website, the agents' illustration software, and an annuity leads program to his responsibilities.

Orr needed to be efficient to keep all of these balls in the air ... and he soon realized that American Equity's illustration system could use a technological boost. The carrier had been using a desktop-based COSS illustration system since 1997. Every time the company wanted to update state approvals, add products, or release other enhancements, it meant having to rollout 10,000 CDs. The physical rollout was not only a logistical concern; it also made it impractical to frequently modify interest rates. In the annuity marketplace that American Equity serves, this posed

a competitive disadvantage. “It was costly for the company,” he said. “Besides the CDs and shipping costs, we had to notify the agents by email, fax, or postcard with every release. The time and efficiency were just not there.”

The solution: an Internet Update module that allows the carrier to upload system enhancements to the agent site, and to prompt agents when to check for these updates. COSS built the module and inserted it into American Equity’s existing illustration system. “It’s a step in the right direction for us, technologically,” Orr said of the module. “I really pushed for this Internet Update, and I couldn’t wait to get it implemented. It’s helped us quite a bit. We can remind agents as often as we like when to update their software. Right now, we’re prompting them every 30 days.”

“That’s one of the best things. We can add products and remove them from the system. Control over our state approvals is huge.”

At an average of five releases annually, the Internet Update was quickly paying dividends ... and letting American Equity perform more frequent, interim releases as needed. “If we’re talking rate changes, we’re in a volatile market now,” said Orr. “Rates could change three, four, or five times per year. If you have a brand new product, Internet Update will add it for the agent. That’s one of the best things. We can add products and remove them from the system. Control over our state approvals is huge.”

He explained that previously, managing rates and state approvals had been a manual process that relied too heavily on the agent. Now, when the agent downloads a new system update from American Equity’s site, he or she receives all the new product information needed, including any changes to rates and state approvals. This makes things easier for the agents and the home office.

To arrange an Internet Update, Orr acquires new system files from COSS and plugs them into the appropriate directories. To add marketing materials or other agent tools, he works with American Equity’s IT team to upload and position the necessary files. From the home office, he can also control when the agents should check for future updates. For instance, he may change the frequency of updates based on market conditions, or on the anticipated release of future products and enhancements.

Still, performing a system update isn’t always a simple cut-and-paste operation. Illustration systems are complex, and they must be perfect. For help, Orr relies on Customer Care Specialist Charlie Buehler, ACS in COSS’ North Carolina office.

“I like Charlie,” he said. “But I like *not* working with her because that means we don’t have any issues. From me, she gets an A with many pluses behind it. She obviously cares about her job. I can call Charlie and she’s always there for me. She’s persistent, and she won’t give up until the problem is resolved.

“The COSS employees from top to bottom, actually, care about their jobs, careers, what they do ... and that’s big to me, because at American Equity, we do as well. That’s why our service is #1,” he said. “The people here care ... and when I’m dealing with vendors, I look for the same thing.”

For other companies considering the Internet Update technology, Orr recommends the following:

- Ask questions.
- Set out an implementation plan within the company. “That’s one of the things that we didn’t do,” Orr said. “We received the material, and I was so excited to get it out there, we wanted to just go with it. Save time by coming up with a detailed plan. Look at the material COSS has and ask questions.”
- Test extensively. Orr tests both internally (Web-connected with existing software) and externally, on a box that doesn’t currently have the system. “You can never do enough testing. Agents don’t like dealing with problems,” he said. “So try to avoid those situations if you can. Install the system, and then do some updates. Maintain the test environment throughout.”
- Catalog and back up the updates. “Not every single one—otherwise you’re going to have a lot of updates,” he said. “But, you could keep a backup of your last three updates. If there’s ever a problem, you can always go back to an earlier update, get those files, and swap them out. Then you can go in there and work with COSS to get the files fixed. They always keep backups, too, but it’s easier if we maintain them. If you don’t have a backup, you always have COSS being your backup.”

Since its 2002 implementation, the Internet Update has streamlined American Equity’s release process. It has allowed Orr, an early proponent of the Internet Update, to modify interest rates and products in a low-cost, efficient way. Did it help the carrier win the top service award in 2003? That’s hard to say. But we do know that it gives Orr the freedom to update the illustration system whenever needed, and it also frees up time for the several other projects he manages.