



# Brokering Change

What Australian insurance brokers aren't saying when it comes to the challenges facing them in 2024



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# Rising to the Challenge of a New Broking Paradigm

The world is changing fast, and insurance brokers are at the coalface. Natural disasters are more common and more severe and each disaster requires an expensive recovery effort, largely funded by insurance policies.

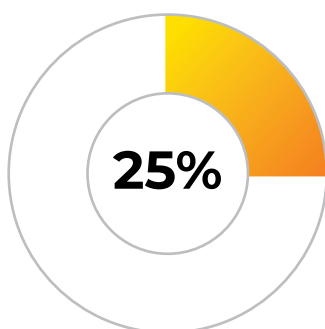
In the midst of a cost-of-living crisis, policyholders are finding themselves stuck between a rock and a hard place. They need insurance more than ever, but insurers are facing no choice but to pass on increasing premium costs at a time when many are struggling to afford it.

Brokers are caught in the middle. Not only do they need to justify these increases, but they also need to advise their clients on ways to mitigate their risks. This is all happening at the same time as the burden of administrative and compliance requirements is increasing. Workloads are getting heavier and brokers are being tested in new ways to navigate an increasingly complex space.

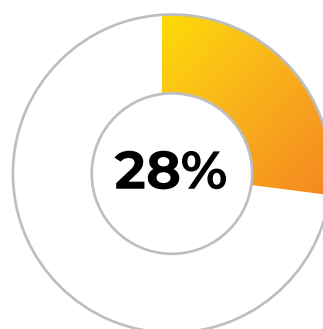
So where does that all leave insurance brokers in Australia today? To gain a better understanding, JAVLN and OfficeTech By JAVLN surveyed 500 insurance brokers at small and medium brokerages across Australia. This report — called **Brokering Change** — explores the mentality and resilience of the modern Australian broker in the face of big challenges in 2024.

The findings? That customer service is becoming a challenge brokers want to tackle head on — even more so than finding adequate cover for natural disasters and cyber breaches — and tiresome administrative tasks are sapping up brokers' time to be able to put towards servicing customers.

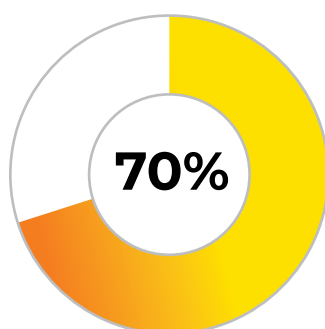
## Key findings



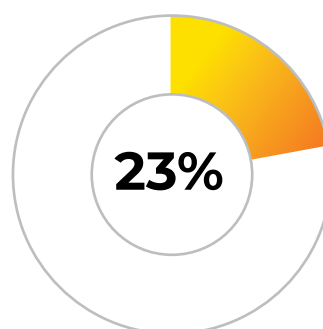
Only 25% of brokers are confident they have the right skills to be successful in 2024



Just 28% of brokers say their clients would rate their customer service levels at least at 8 out of 10



70% of brokers say they are spending over three hours each day on admin tasks



Only 23% of brokers say their employer gives them what they need to be as productive as they possibly can be

# The Broker Mindset and the Need to Embrace Change

Brokers are being challenged on multiple fronts. The volume of claims is rising quickly because of natural disasters, and brokers are going above and beyond to understand the individual circumstances of each client in an effort to help them reduce their risk to achieve more affordable premiums.

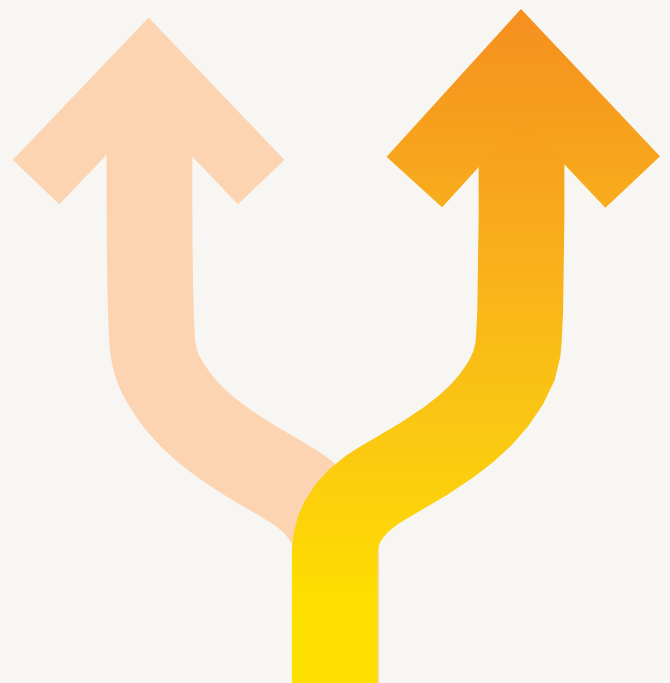
Embracing change and learning new skills is how many brokers have met this new paradigm. There is a widespread awareness that the industry is changing and that the broker of the future will gain a closer relationship with their clients by successfully demonstrating the challenges of the industry, and working hard to help clients identify the risks unique to their personal circumstances.

The research shows many brokers are attuned to how big of an opportunity this situation creates. Any big change can lead to apprehension, but brokers are ready to rise to the occasion. They're analysing the situation to ensure they're placing their effort where it will achieve the most value.

A quarter of brokers surveyed say they're confident that they already have all the skills they need to be a successful broker in 2024, and almost a third say they expect to be promoted or receive a pay rise in 2024. A similar proportion (30%) say 2024 will be more successful for them personally. This indicates that a large number of brokers are reaping the rewards after rising to the challenge, and underscores the opportunity available to many others.

While some brokers are worried about stagnant progression and workload pressures, 75% say they're not worried that their skills and abilities will become outdated in 2024 if they don't upskill, and only 24% said their current workload is unmanageable in the long run.

Brokers don't need to reinvent the wheel. In most cases they are already more than capable. The challenge is ensuring their time is well spent, and not wasted on repetitive administrative tasks.

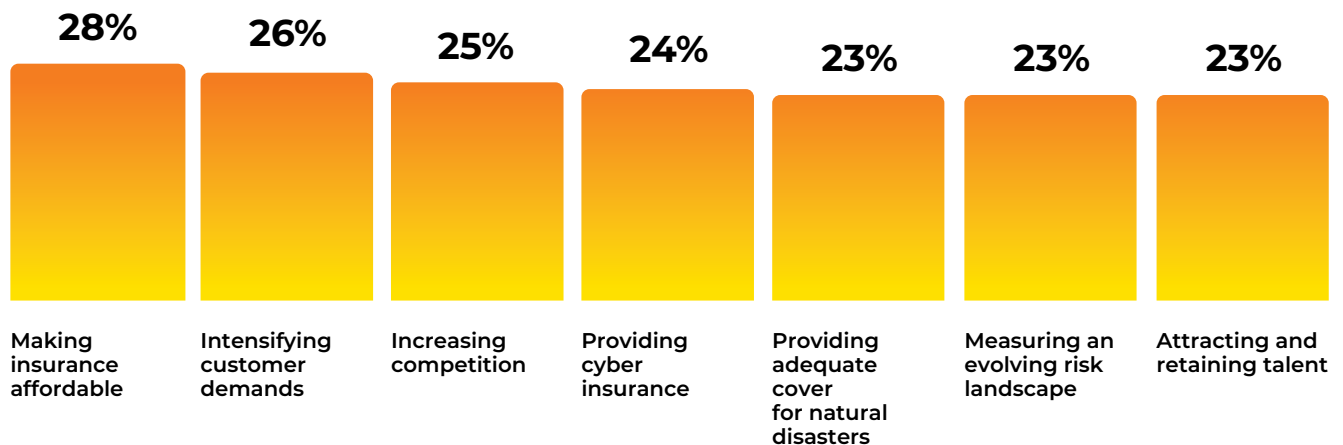


# The Rising Importance of Customer Service

Amid the apprehension that Australian brokers are feeling at the moment in their jobs, they've also highlighted the two biggest industry challenges facing them — affordability and customer demands.

## What do you consider to be the industry's top challenges in 2024?

Mentioned by % of brokers:



It's easy to see why insurance affordability is such a challenge.

Many of the most common policy types such as home, car and business insurance are all impacted by climate change, which is a large part of the reason costs are rising faster than the rate of inflation — itself at generational highs. The high costs of labour, building materials and car parts is also driving some of the eye-watering price increases. Home and car insurance rose on average 16.2% in 2023, according to the [Australian Bureau Of Statistics](#).

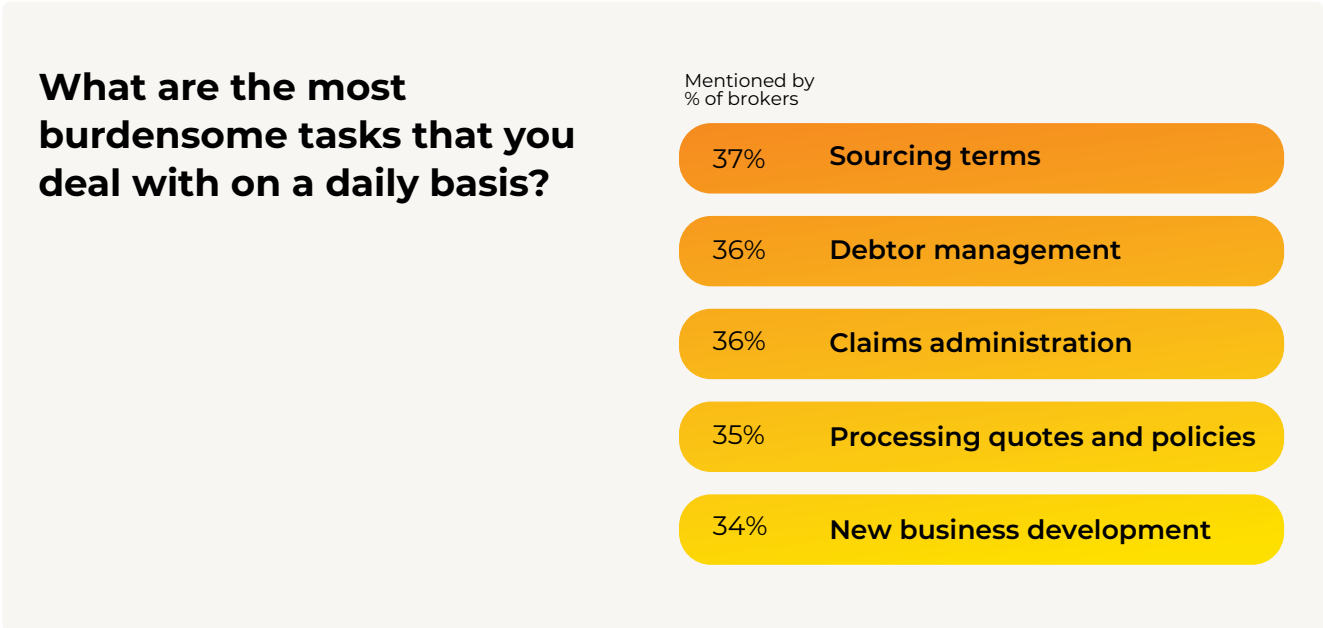
After affordability, the research shows us that intensifying customer demands is an Australian broker's second-biggest challenge.

However, brokers are struggling to service those clients to the best of their ability. Just 28% of brokers say their clients would rate their customer service levels at least at eight out of 10, and just 23% of brokers say they felt that in 2023, their clients received better customer service from them than they would have got elsewhere. Less than a quarter (24%) are confident they already provide the best customer service to their clients, and 23% of brokers admit to finding 2023 a tough year for customer relationships.

# The Time-sapping Admin Burden on Brokers

In today's insurance market, customer service is what sets brokers apart. Clients have never wanted a salesperson to simply process their purchase of a policy. But the need for a trusted adviser who can understand their unique needs has grown alongside rising insurance costs. There's more of a need than ever before for brokers to understand the intricate details of their customers' businesses and lives, and work with them to create a solution that safeguards what matters most.

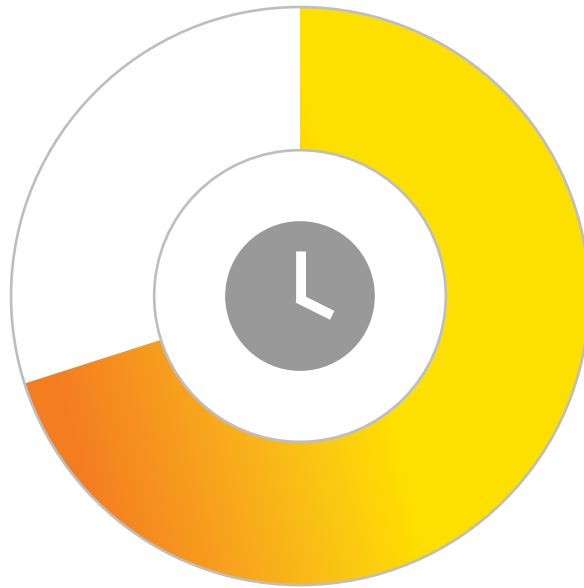
Given customer service is now such a big part of the job, it's worrying the brokers we surveyed for this research say admin — particularly claims admin and processing quotes — is just as big a challenge as the really important parts of their job, like sourcing terms from the market and reviewing clients' insurance needs.



There's still only 24 hours in a day, but the demands on advisors keep piling up. **Nearly two thirds of brokers (70%) say they are spending over three hours each day on admin tasks like processing data!** Worryingly, that means many brokers are not spending as much time as they should be making their customers their number-one priority.

Many of these hours could be better spent working with clients instead of wasted on administrative tasks. When asked what they'd spend their time on if they could save time on admin, 38% said bringing in new business, 36% said learning and development, 32% said diversifying their client portfolio and 32% said managing insurer relationships. These are all aspects of the modern brokerage that if neglected could see business left behind.

# With 70% Spending 3 Hours a Day on Admin, Brokers Want to Be More Productive



Brokers know what they're up against. A growing proportion have realised unlocking productivity is one of the best weapons in their arsenal. These brokers know they need to do more with their finite amount of work hours each week.

According to the research, almost a quarter of brokers now say they wish they could be more productive in their role and 25% say profitability is one of their biggest challenges for the year ahead. This indicates many are aware they need to streamline tasks, and secure the time to concentrate on big-picture challenges and higher-value tasks that can help their businesses take the next step and remain competitive.

Not all brokers have realised repetitive tasks (ones that are not highly productive) are holding them back. But a growing number are becoming aware — in fact 21% of brokers say they see many inefficient processes within their brokerage sapping productivity across the board, and the same proportion felt significant pressure to work longer hours. Instead of adapting, these brokers are being asked to pick up the slack by sacrificing time with friends and family. This is an unsustainable, band-aid solution.

Adding insult to injury, many of the brokers we surveyed also indicate their brokerages have their heads in the sand when it comes to new productivity tools. For example, 22% are forbidden from using artificial intelligence (AI) tools like ChatGPT to help them be more productive.

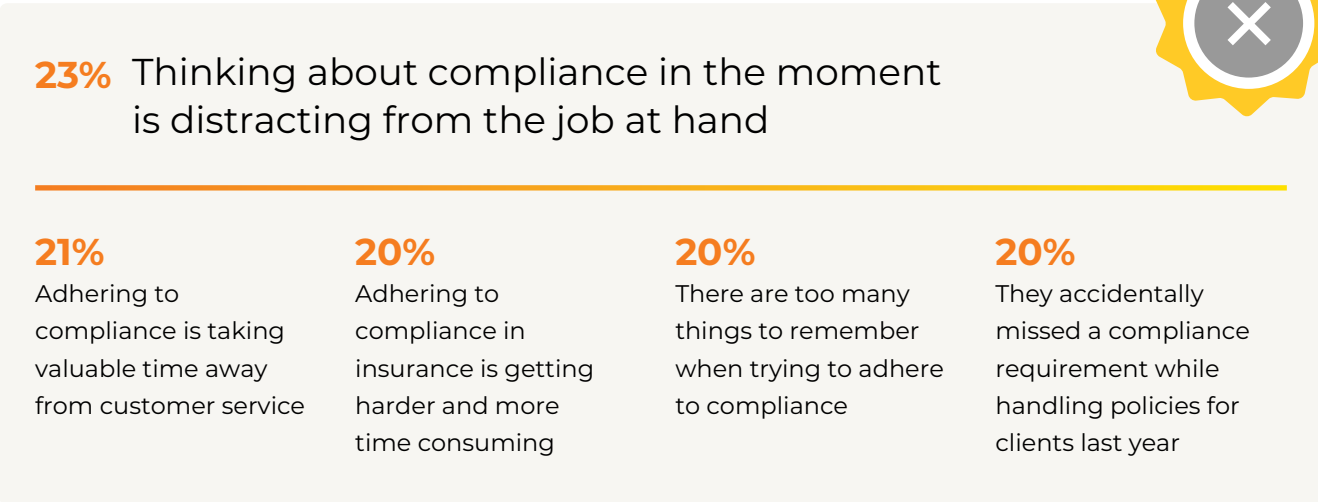
# 80% of Brokers Agree That Compliance is Difficult

Compliance is one of the biggest drains on productivity. The growing burden of meeting legislative requirements is sapping time from other profitable tasks that help brokers grow their business. In fact, one in five brokers believes dealing with their compliance workload is one of the biggest challenges they'll face in 2024 and a third of brokers indicate it's one of the most challenging activities they work on as part of their day-to-day job.

Many brokers are used to dealing with increasing and ever-changing compliance tasks. It's little surprise there remains a significant proportion who are undaunted. But that doesn't mean it isn't taking up more time and energy than it needs to. Only 20% of brokers surveyed say compliance is easy to adhere to.

## The current state of compliance in Australia

% of brokers say:



There's a growing awareness of where these hours spent meeting compliance requirements could be better used, spurring calls for the industry to change. Almost a quarter of brokers (24%) say the insurance industry needs to do more to make adhering to compliance simpler, while 21% say adhering to compliance is taking valuable time away from customer service and 23% feel it is distracting from the job at hand.

It's understandable, therefore, that sometimes, things fall through the cracks.

**One in five** brokers says they have accidentally missed a compliance requirement while handling policies for clients last year, and a similar number admits to deliberately ignoring a compliance requirement to get work done faster.

Clearly, this is not acceptable. Brokers deserve manageable compliance requirements, and the tools to achieve demonstrable compliance in the most efficient way possible.



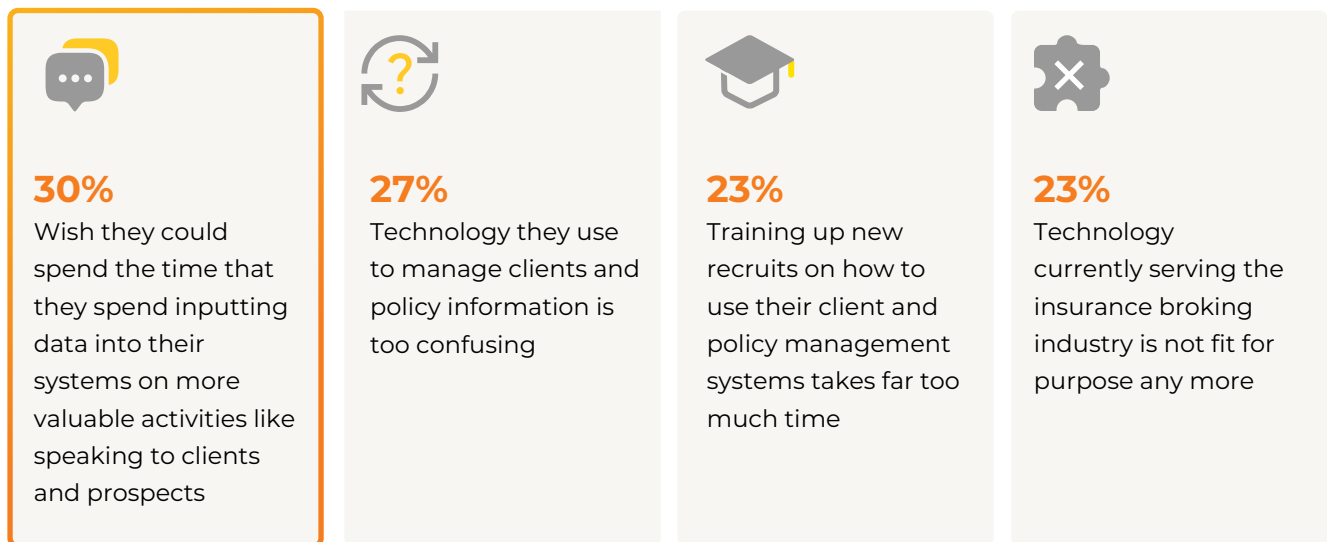
# Outdated Tech That Hasn't Kept Pace is Making the Situation Worse

Much of the customer service, admin and compliance burden that's chewing up valuable hours relates to outdated technology. **Unfortunately, only 23% of brokers say their employer gives them what they need to be as productive as they possibly can be.**

The antiquated platforms brokers are stuck with in Australia make it more time consuming than it needs to be to execute simple tasks such as accessing policy information.

## The underlying insurtech problem in Australia

% of brokers say:



Brokers are seeing these outdated platforms become a barrier to their core, day-to-day work. More than a quarter (27%) say the technology they use to manage clients and policy information is too confusing and 30% of brokers say they wish they could spend the time that they spend inputting data into their systems on more valuable activities like speaking to clients and prospects. Brokers are in many cases also too busy to make technology overhauls a priority.

Insurance is a slow moving beast. The industry is highly conservative. Decisions on technology take years. But this hesitancy is seeing the industry miss out on advancements that are revolutionising other industries. Around a quarter (24%) of brokers now believe their organisation's hesitancy to turn to cloud-based technology for client and policy information will cost them in the long run — and 30% of brokers say having a more modern cloud-based tech setup for managing clients and policies would be a real differentiator for their business. A third (33%) are forward-looking enough and say their firm should invest in artificial intelligence (AI) to help them do their job.

# Brokers Don't Want Band-aid Tech Fixes — They Want a Whole New System

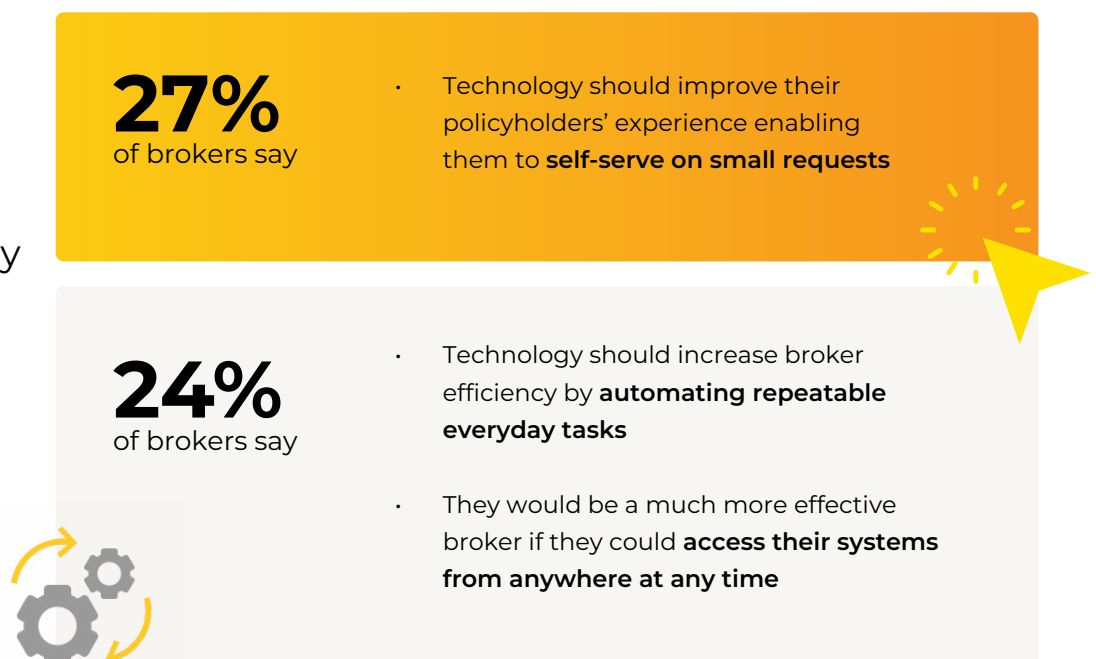
Given the heavy burden technology is placing on brokers, it's little surprise they want their businesses to adopt solutions that can make them achieve more in their careers. Ultimately, though, technology should be an enabler for brokers — not a hindrance — and should help in three distinct ways.

- 01 Productivity:** Given the sheer amount of time brokers spend inputting data in systems (often more than three hours per day), imagine what brokers could achieve if they suddenly had another three hours in their day to put towards finding new business or servicing clients.
- 02 Compliance:** Right now, it's too confusing, and it's distracting from the job at hand. Technology should be there to help brokers adhere to compliance in the moment — removing the burden from their minds so they have the mental capacity to do the more important parts of the job.
- 03 Data-driven decisions:** Technology should be there to help brokers make good data-driven decisions — whether that's regarding renewals, sourcing terms, or simply identifying the right kinds of customers to go after.

The key to unlocking all of this is modern technology. Almost a third (30%) of brokers say having a more modern cloud-based tech setup for managing clients and policies would be a real differentiator for their business, and when asked how technology should work for brokers in the future, 33% of brokers said their firm should invest in artificial intelligence (AI) to help them do their job — more than anything else.

## Insurtech as it should be

When asked how technology should work for brokers in the future:



# Addressing the Challenges Head-on

Brokers — especially the younger generation joining the industry — are well aware that tech needs to change. The status quo is no longer good enough. New technologies are necessary to enable brokers to get on and do their jobs, ensure compliance, and put customer service front and centre of everything.

JAVLN meets the needs of modern brokers and underwriters by providing one of the Australian insurance industry's only cloud-based platforms that unifies client, policy and partner information in one place. In 2023, JAVLN acquired OfficeTech (formerly Technosoft Solutions), one of the Australian insurance industry's most popular and trusted document and workflow management software companies. We did so because we want to make lives easier for brokers and underwriters — by unifying information, and making it easier to access and manage.

And that makes a huge difference in several ways for brokers and their firms.

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## 01 Improves productivity



With JAVLN and OfficeTech by JAVLN, all your customer, policy and claims data lives in one place — organised in a neat and consistent way that makes accessing it and managing it easy. Because everything is in one place, you only have to input data once, instead of putting the same information into multiple systems. Working in this way reduces the number of errors you'll have in your system, and makes accessing key information quickly easy. All that adds up to a considerably more productive broker or underwriter.

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## 02 Ensures compliance



JAVLN and OfficeTech by JAVLN's technology keeps pace with the ever-changing compliance landscape, and takes care of it in the moment automatically, so brokers and underwriters don't have to worry about whether they've met all their compliance requirements later down the line. Whether it's AFSL or auditing requirements, we've got you covered. And the less time you have to focus on compliance, the more time you've got to focus on the parts of the job that matter.

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### 03

#### Improves customer service levels



By making brokers and underwriters more productive — first by organising data more efficiently and secondly by making compliance easier to adhere to — brokers have more time to spend on what they consider themselves to be the second-most important challenge facing the industry right now — customer service. All brokers today want to be a trusted advisor for their clients and not just a salesperson. JAVLN and OfficeTech by JAVLN help them be the best advisor they can possibly be by arming them with everything they need to know about a customer's potential needs.

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### 04

#### Works the way you want



JAVLN is hosted on Amazon Web Services (AWS) and OfficeTech by JAVLN is hosted on Microsoft Azure — two of the most secure hosting platforms in the world. That means brokers and underwriters can access the tools they need to do their jobs from anywhere, whether that's while they're working from home, on the road, or meeting clients face to face. And at all times, critical sensitive client and policy information remains protected by the most advanced cybersecurity techniques today.

And using JAVLN and OfficeTech by JAVLN doesn't mean you can't use other business tools that you know and like. We don't lock you into a walled garden like some of our competitors do — JAVLN integrates with best-of-breed technologies like Xero and Power BI, and OfficeTech By JAVLN integrates with Office 365.

To summarise, the insurance industry faces a challenge to attract younger generational talent if the technology and tools in use are not state of the art, embracing the latest options. Competition for these young professionals is fierce and an industry not meeting the technology challenges will suffer the lost opportunity of populating their teams with enthusiastic, capable future leaders.

# How Trans-West Brokered Change

Trans-West changed its tech stack and saw a 20% improvement in productivity and an 8% increase in average revenue.

Founded in 1975, Trans-West Insurance Brokers (Trans-West) is an Australian owned and licensed general insurance brokerage firm serving commercial and industrial clients.

Trans-West refused to accept the status quo, and chose to embark on a journey to empower its brokers to better serve customers. Viewing technological innovation as an enabler of, rather than a replacement for, brokers, Trans-West's strategy focused on fixing the root cause of its challenges — its technology infrastructure.



We were struggling with a fragmented system that made it incredibly difficult to get a full picture of our clients. Information was siloed in different locations, and there was no consistency in how we recorded client data. Keeping all of our files and comms organised and updating information across multiple systems was an onerous task. These challenges made it nearly impossible to provide the kind of client service we strive for.”

“JAVLN has been a game changer for our brokerage. Its user-friendly interface and client-centric approach have significantly improved our efficiency and enabled us to take our customer service to the next level. The continuous development and support from the JAVLN team has made this partnership invaluable.”

- Pieter Versluis, General Manager at Trans-West Insurance Brokers

## The ability to achieve more

The implementation of JAVLN's easy-to-use platform helped Trans-West's brokers become more efficient and effective — while also fixing the root cause of many of its technical- and business-level challenges in one fell swoop.

The full case study is available on the [JAVLN website](#).

# Summary of Stats

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## Brokers on their day-to-day challenges



- 37% of brokers say sourcing terms from the market is one of the most burdensome activities they work on as part of their day-to-day job
- 36% of brokers say debtor management is one of the most burdensome activities they work on as part of their day-to-day job
- 34% of brokers say new business development is one of the most burdensome activities they work on as part of their day-to-day job
- 35% of brokers say claims administration is one of the most burdensome activities they work on as part of their day-to-day job
- 35% say processing quotes and policies is one of the most burdensome activities they work on as part of their day-to-day job

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## Brokers on productivity



- 23% of brokers wish they could be more productive in their role
- 21% of brokers say they can see so many inefficient processes within their brokerage sapping productivity across the board
- 21% of brokers say they felt significant pressure last year to work longer hours
- 22% of brokers say their employer forbids them from using artificial intelligence (AI) tools (for example, Chat GPT) to help them be more productive

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## Brokers on compliance



- 20% of brokers consider compliance requirements one of their top three challenges in 2024
- 33% of brokers say compliance is one of the most burdensome activities they work on as part of their day-to-day job
- Only 20% of brokers say they find compliance easy to adhere to
- 24% of brokers say that the insurance industry needs to do more to make adhering to compliance simpler
- 20% of brokers say adhering to compliance in insurance is getting harder and more time consuming
- 21% of brokers say adhering to compliance is taking valuable time away from customer service

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## Brokers on tech



- 23% of brokers say that the technology currently serving the insurance broking industry is not fit for purpose any more
- 27% of brokers say the technology they use to manage clients and policy information is too confusing
- 30% of brokers say they wish they could spend the time that they spend inputting data into their systems on more valuable activities like speaking to clients and prospects
- 30% of brokers say that having a more modern cloud-based tech setup for managing clients and policies would be a real differentiator for their business



JAVLN is a world-class intelligent insurance software company formed in 2011. JAVLN's SaaS cloud-based platform is designed specifically for brokers and underwriting agents providing full end-to-end policy visibility delivered securely in real time.

For more information about how JAVLN can help your broking firm or underwriting agency become more productive, adhere to compliance and improve customer service through technology, visit the JAVLN [website](#) or [get in touch](#).

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OfficeTech By JAVLN is a leading document management and workflow software. Founded over 20 years ago, OfficeTech has built a reputation as a client-focused solutions provider with great service and support, with customers across ANZ. In July 2023, OfficeTech was acquired by JAVLN and became known as OfficeTech By JAVLN.

For more information about how OfficeTech By JAVLN can help your business centralise all your client and business documentation visit the OfficeTech [website](#) or [get in touch](#).

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