

EBOOK

KEY CONSIDERATIONS FOR CHOOSING A PAYMENT PROCESSING SYSTEM



HOW TO MAKE A SELECTION



Selecting the appropriate payment platform for an agency involves a multitude of decisions that can be quite daunting. Given that this is not a decision you make on a daily basis, it's easy to become distracted and risk neglecting crucial factors.

While there is no universal payment solution that suits every situation, by carefully considering the vital aspects, an agency can evade making erroneous decisions and greatly streamline the process of discovering a suitable payment platform.

**SO, LET'S TALK ABOUT WHY YOU MIGHT
BE CONSIDERING A NEW PAYMENT
PROCESSING SYSTEM.**

THE CHANGING LANDSCAPE OF INSURANCE PAYMENTS

The insurance industry has evolved due to customer needs and regulatory changes, with digital payment solutions playing a pivotal role. As insurtech grows, adopting digital payments is essential for insurers. Technology offers solutions to modern challenges, making digital payments key for efficient and customer-focused operations.

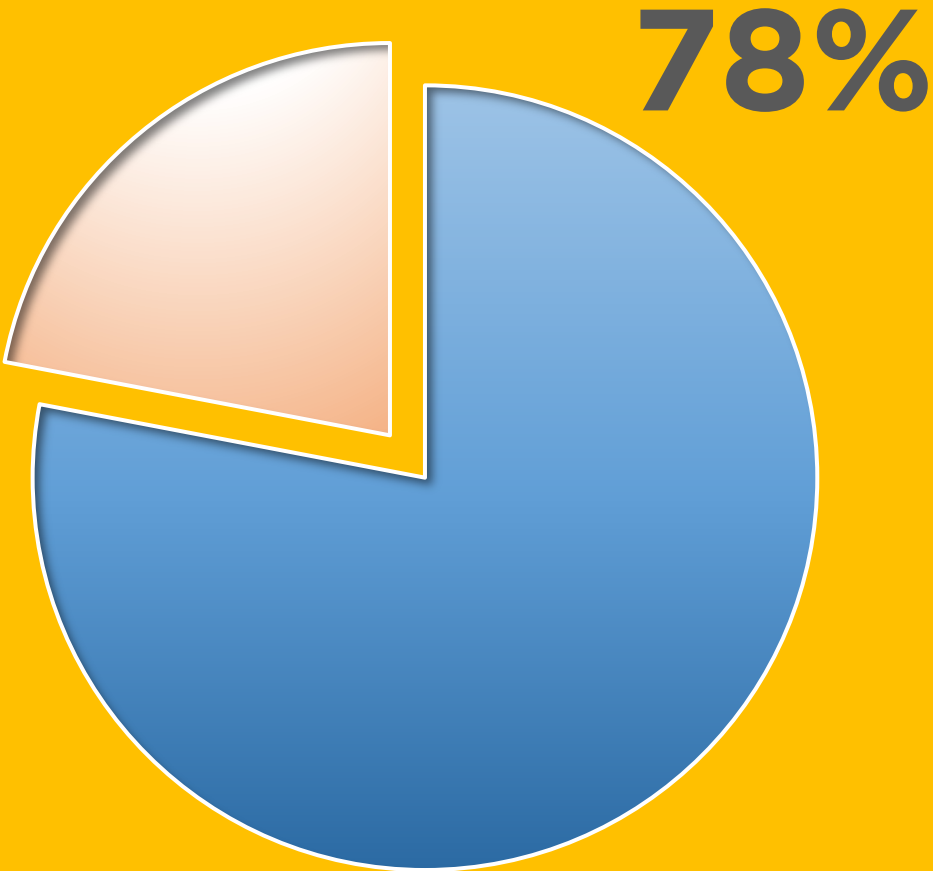


JUST THE FACTS

CONSUMER EXPECTATIONS

More than four in five Americans used some form of digital payment in 2021, marking an increase from 78% in 2020 and 72% five years ago.

This shows a growing preference for digital payments over traditional methods.

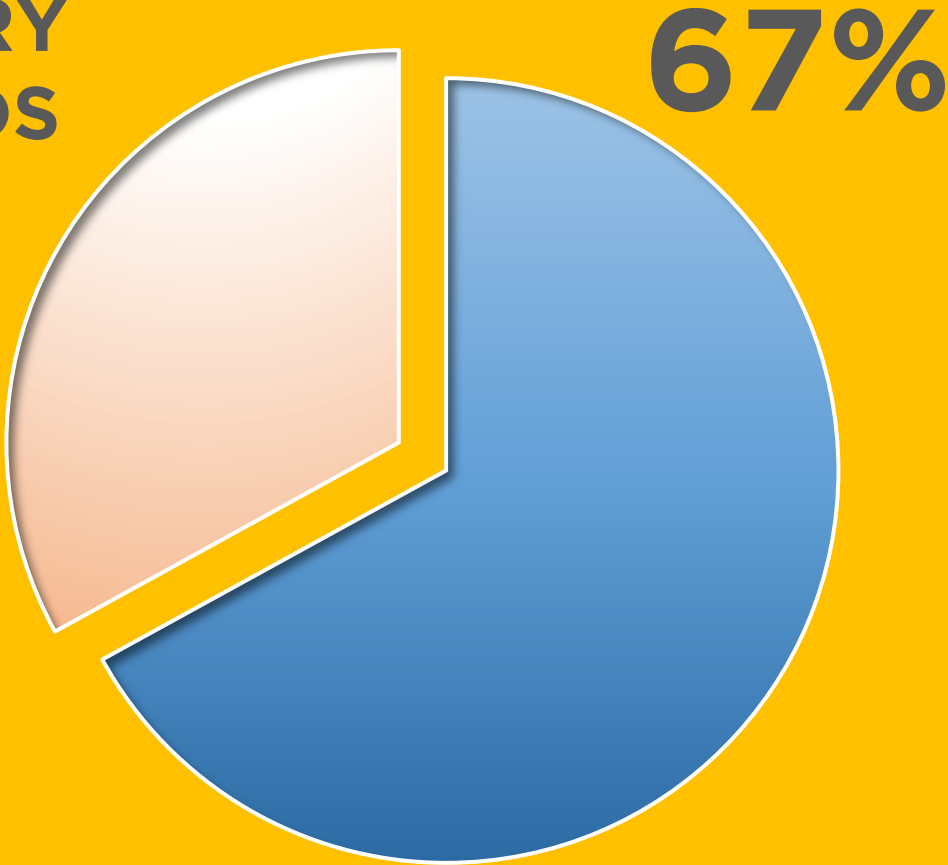


JUST THE FACTS

INSURANCE INDUSTRY DIGITIZATION TRENDS



67% of insurance carriers see the digitization of payments as an essential part of their digital upgrade plans, driven by their desire to reduce dependence on paper checks and minimize internal expenses.



Source: PYMENTS

JUST THE FACTS

GLOBAL PAYMENT DIGITIZATION



The total transaction value in the Digital Payments market is projected to reach US\$9.46 trillion in 2023, demonstrating an anticipated increase in the use and acceptance of digital payment methods worldwide.

**\$9.4
Trillion**



Source: Statista



KEY CONSIDERATIONS TO TAKE WHEN LOOKING FOR PAYMENT SYSTEMS

HIDDEN COSTS OF PAYMENTS SYSTEMS



Non-compliance Penalties

In the case of non-adherence to certain regulatory standards (like PCI DSS for card payments), fines can be incurred.



Chargeback Fees

These occur when a customer disputes a transaction.



Upgrade or Feature Access Cost

Certain features or upgrades may be locked behind additional costs which aren't obvious initially.

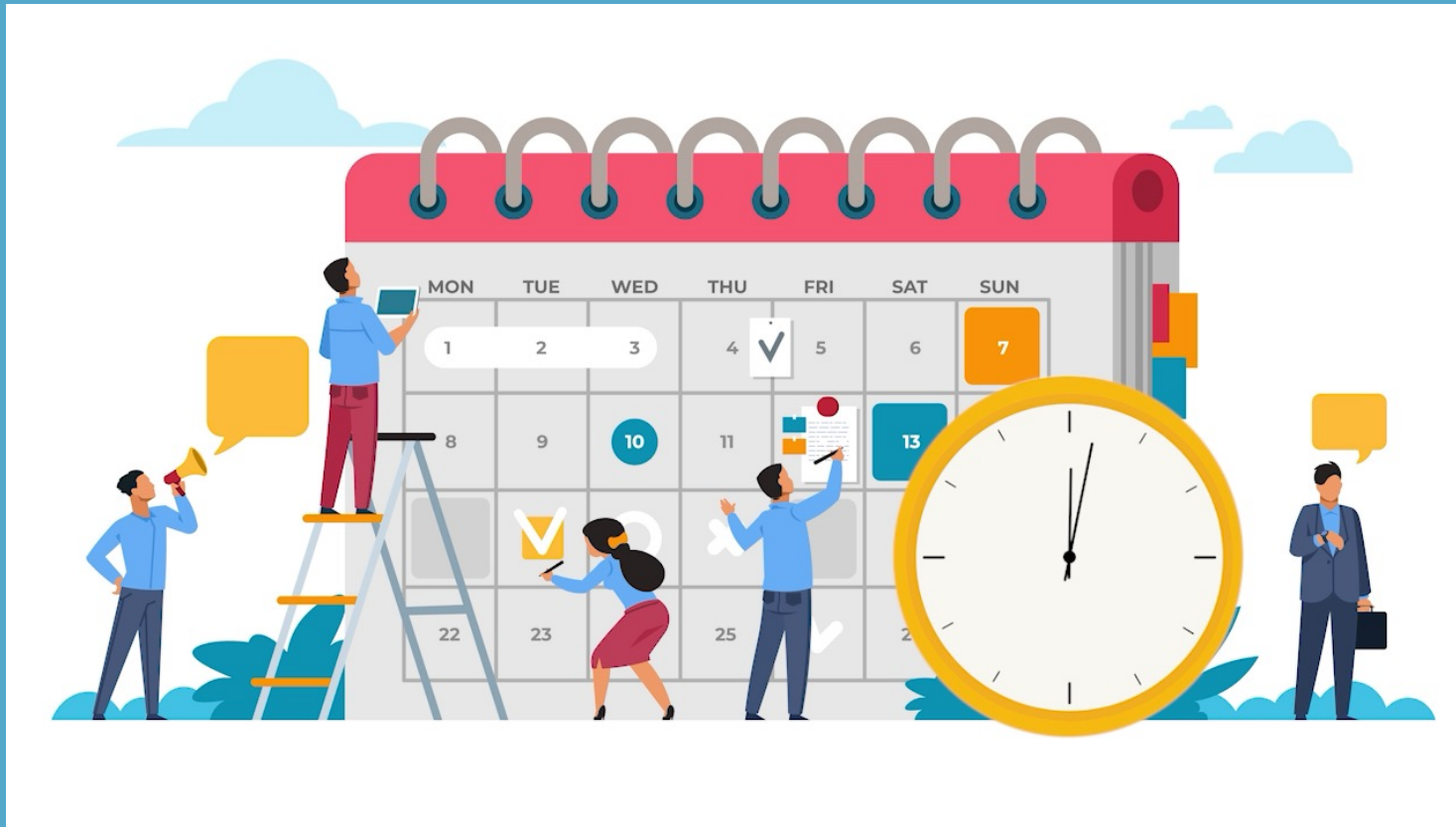


Currency Conversion Cost

If your agency operates internationally, exchange rates and associated fees can add significant costs.

COST (INCLUDING HIDDEN COSTS)

When it comes to outsourcing payment systems, the concern is not only the upfront costs but also the ongoing expenses, including transaction fees, monthly or annual fees, setup fees, and potential cancellation fees. And let's not forget the hidden costs that can often catch agents by surprise.



SETUP TIME

It can be challenging to tackle the challenge of diving into a new payments system, weaving through software integration, empowering their staff with training, migrating data, and rigorous testing.

TIP: Agencies should be wary of providers that promise overly rapid setup times, as this might indicate a lack of thoroughness or comprehensive support.



INTEGRATION

The new system should be able to interact smoothly with the agency's current infrastructure, including policy management systems, CRM, accounting systems, and more. A lack of integration can result in fragmented operations and reduced efficiency.

TIP: Insurance agencies should look for flexible APIs and consider whether the payment provider's system can support their preferred method of billing (one-time payments, recurring payments, etc.)



SECURITY

Given the sensitive nature of financial data, security is of paramount importance. The payment provider should comply with industry standards like PCI DSS for card payments, and preferably use advanced security measures such as tokenization and encryption.

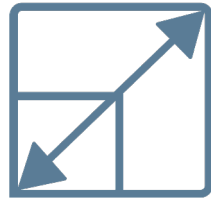
TIP: Choose a system that has strong anti-fraud measures in place. As cybersecurity threats evolve, the payment provider should also be capable of updating their systems regularly to mitigate these risks.



Provider's
Reputation



Customer
Service Quality



Scalability of
Solutions

**Other things
to consider
when
choosing an
outsourced
payment
provider.**

CONCLUSION

Outsourcing payment processes presents a viable and beneficial strategy for agents aiming to streamline operations, cut costs, and improve customer satisfaction.

By understanding the nuances, insurance agents can navigate the ever-changing business landscape with agility and resilience, ready to seize the opportunities of the future.

Learn more by visiting Input 1 at www.input1.com.

Input 1 is a leading provider of tech-enabled solutions for the insurance industry with a proven track record of successfully managing \$16 billion in annual insurance premiums across platforms for over 2 million unique annual users. Input 1's solutions streamline billing, payments, and premium finance to make insurance management efficient and hassle-free.

