



**KEN
LEIBOW**

is head of Distribution Technology and Strategy/Procurement at Global Bankers Insurance Group. He has enjoyed a career spanning more than 31 years, with an extensive background in distribution technology and back office systems. He previously worked for Genworth Financial, Mutual of Omaha and as Vice President of Operations at Diversified Underwriter Services, Inc. As COO of Integrated Insurance Technologies, Leibow built the largest life insurance data exchange hub in the industry, processing over 1 million policies per year and \$30 billion of annuities.

Innovation in quoting and illustration tools, CRMs, agency management systems, eApp platforms and ePolicy Delivery are some key initiatives implemented by Leibow during his career. He is also a leader for industry technology standards working with ACORD, LBTC, LIDMA, NAILBA and IRI. Ken is a past winner of the NAILBA Chairman's Award.

Leibow can be reached at Global Bankers Insurance Group, 2327 Englert Drive, Durham, NC 27713. Telephone: 919-246-3414. Email: Ken.Leibow@globalbankers.com.

Benefits Of eApp For Annuities For Agents And Financial Advisors

The ability to submit annuity applications electronically, or eApp for annuities, is finally gaining momentum in the annuity space. For years life, and property and casualty, insurance carriers have saturated the market with multiple options to submit business online. The annuity space, however, seemed to be in a holding pattern from 2007-2015, in which eApp was mostly available solely to financial advisors selling variable products for big wirehouses. During that time, over 90 percent of annuity applications were submitted via paper filled out manually by an agent or financial advisor—an increasingly antiquated and time-consuming process for all involved.

Today, fixed SPDA and index annuity products are being added to eApp platforms, and eApp for annuities is being offered through other distribution channels such as independent brokerage agencies, banks and independent broker dealers. With the advent

of integrated sales platforms, DOL and other connected services, the benefits of eApp for annuities to agents and financial advisors has grown significantly.

What is AOE and what does an eApp platform for Annuities do?

Application Order Entry (AOE) is a method of completing an annuity application online using an eApp platform. The agent or financial advisor logs into an agent online portal or accesses the eApp directly from a vendor or brokerage website. Logging into an agent portal allows agents a single entry for access to all sales tools available to them, including eApp.

There are multi-carrier and single-carrier eApp platforms available. In most cases an agent chooses the carrier's product and state, and a licensing check automatically verifies the agent's status to sell the product. The agent can then quickly walk through

questions on the screen that are from the annuity application and supplemental forms such as replacements and 1035 forms. Other required fields and validation checks ensure the application is completed in **good order**. All forms are either eSigned or printed and wet-signed. By using eApp through an agent portal, completing an application is a quick and easy process.

The benefit of completing an eApp versus a fillable form is that all the product rules are programmed into the eApp, such as minimum and maximum issue ages, min and max premium amounts, and product state approvals—just to name a few. Also, integrated processes are tied into an eApp for annuities, such as compliance routing for review and approval, quoting, premium automatic transfers, netting commissions and DOL workflow. The data is submitted automatically to the carrier's policy administration system to quickly issue the annuity policy and pay commissions.

Benefits of Annuity eApp

- Annuity application submitted in good order.
- Commissions paid faster.
- Faster and better experience for the client.
- eSign annuity applications (don't have to chase down signatures).
- DOL, compliance and suitability integrated workflow.
- Integration with CRMs, illustrations and annuity market research sales tools.
- Automate 1035 exchanges.
- Automate brokerage account premium transfers.
- Straight-through processing with ePolicy delivery.
- Sub-pays on flexible annuity products.
- Automate brokerage-specific forms.

What eApp platforms are available?

Here are three notable annuity eApp platforms on the market today (listed alphabetically):

- **AFFIRM for Annuities** from iPipeline has 30-plus carriers and 30-plus distributors. However, with its recent acquisition of Laser App, iPipeline is expanding its annuity distributor client base significantly with \$25 billion

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of annuity premium annually and 200,000 annual transactions. AFFIRM for Annuities supports over 3,400 unique variable, fixed and index annuity products. In 2017, AFFIRM for Annuities reported 100,000 unique financial advisors using the platform.

- **AnnuityNet** by Ebix is a multi- and single-carrier eApp platform that supports over 1,800 fixed, index and variable products for 50-plus carriers, over 250-plus distributors and 200,000-plus users. AnnuityNet processed over \$40 billion dollars of annuity premium in 2017. AnnuityNet does integrate with SmartOffice CRM and VitalSales Suite.
- **FireLight**® by Insurance Technologies is a multi-carrier platform with 40-plus carriers and over 60 distributor clients representing over 150,000 producers. FireLight supports multiple lines of business including annuity, life, LTCL, DI and mutual funds, and supports all product types on a single platform. FireLight® provides carriers and distribution self-managing tools, and includes the key features producers and firms need to manage a compliant fully-digital eApp process.

AFFIRM for Annuities and AnnuityNet were introduced to the market in the 2005-2006 time frame. Their initial customers were wirehouses selling variable products. They have since expanded the annuity products offered on their platform and expanded distribution. AFFIRM for Annuities and AnnuityNet have features like routing for compliance review and approval, supporting specific brokerage forms, tied-in DTCC services for paying premium from brokerage accounts automatically, netting commissions, and includes subsequent premium

payments for flexible premium deferred annuity products. These are just a few of the key features offered. FireLight® was introduced to the market in 2010 and offers similar features. FireLight® is maximized to work on a mobile device, has offline capabilities and has built-in eSignature at no additional cost. Ninety-eight percent of all annuity applications submitted on FireLight® are eSigned.

What is new for eApp for Annuities?

Carriers are also developing home-grown eApp platforms for annuities similar to life insurance platforms in the past. In January 2018, Colorado Bankers Life Insurance Company® (CBLife) launched its GB QuickApp, which includes its new MYGA 3-5-7 annuity product and is being used by IMO and BGA agents through the secure CBLife Agent Portal. An agent can run an illustration and it is integrated into GB QuickApp. The CBLife annuity application is eSigned and submitted electronically directly to the carrier. Added functionality such as a professional agent training video and tablet optimization makes GB QuickApp very fast and easy to use for agents.

One of CBLife's IMO partners recently said, "eApps in the annuity space are a win for all...business is cleaner with less NIGOs, faster for policy issue and delivery to the policyholder, and faster commission pay for the advisor/agent."

Later this year, CBLife will also offer ePolicy delivery for annuities. Coupled with GB QuickApp, ePolicy delivery will give agents a true straight-through process for Annuities.

Additionally, tools including Client Relationship Management systems (CRM), illustrations, annuity market research and others seamlessly integrate with eApp

platforms for annuities. AnnuityRateWatch (ARW) for example offers product feeds for FIA/MYGA/Fixed/SPIA and income rider, quotes for the majority of the independent, bank and broker dealer distribution channels. ARW feeds will soon be launching directly into Ebix's AnnuityNet system.

Beacon Research is a recognized leader in quality annuity data that provides product and sales information on fixed rate, indexed and variable annuity products. Beacon Research's AnnuityNexus™ tool provides back office research and annuity comparisons to support advisors, and can be directly or indirectly accessed from an agent dashboard with eApp.

The importance of Annuity Process and Industry Standards organizations

Behind the scenes of the eApp for annuities

are standard organizations such as ACORD and the Insured Retirement Institute (IRI) that play an important role for compliance, workflow and ease of doing business for an agent and financial advisor when selling annuities. ACORD is known for data standards and creating standard insurance transactions, and has developed a Product Profile for Annuities (PPFA) standard, which allows a carrier to easily set up product rules and load them into multiple eApp platforms. Agents benefit from speed-to-market when annuity product changes are implemented or a carrier launches a new annuity product. IRI is known for its annuity education and government affairs for regulatory purposes; however, the organization has also developed industry Annuity Straight Through Process workflow. IRI working groups' members include carriers, vendors and

distributors who are expert in creating an automated process for annuities that eApp is plugged into.

Agent Adoption of eApp for Annuity will take a Significant Leap Forward in the Next 18 Months

The benefits of eApp are increased offerings to more distribution channels and the addition of more annuity products (fixed and index) to generate usage. Expanded availability combined with a mobile strategy that allows agents to quickly submit applications using eSign and paying agents' commissions faster will drive the growth of eApp for annuities. And in case those factors don't speed up adoption, carriers and distributors are offering agents incentives such as cash bonuses to use eApp. 🌐