

Application Program Interfaces (APIs)

Unlocking the power of data

“Some carriers are leading the way — and some BGAs as well — and the ones who get this right early on will have a huge advantage.”

Rick Hyde, Insured Connect

Sometimes when I’m trying to accomplish something on the Web, I’ll finish up a purchase or make a contact information change or something like that, and all goes absolutely smoothly. Sometimes I’m so surprised that I’ll actually say out loud to myself, “Wow! That was easy.”

Please know that I am not talking specifically about life insurance companies here; I’m talking about online interactions in general. Sometimes it just seems easy and smooth.

But at other times, I feel like the people behind “customer service” have no clue what it’s like being their company’s customer. And I’ve started asking myself, “How can the exact same experience be so easy and seamless with one company, and so difficult with another?”

Charles K. Hirsch, CLU

President of Hirsch Communications Consulting, LLC, is a regular contributor to NAILBA’s *Independent* and *Perspectives* publications. As previous editor and publisher of *Life Insurance Selling* magazine, he also provides consulting services to the industry. Charles.K.Hirsch@gmail.com



Rick Hyde
President and Co-founder
of Insured Connect



Clint Pidlubny
Senior Director, B2B Integration
& Enablement, Allianz Life

"APIs enable two disparate systems to talk, so that users can leverage functionality and/or data from multiple applications at the same time without having to visit multiple systems or apps"

Rick Hyde, Insured Connectv

Magic behind the curtain

There are lots of reasons why there may be a seamless digital experience, and more and more these days the driving force behind it is application programming interfaces (APIs). In its definition of APIs, the website APIfriends.com says, "APIs are a set of functions and procedures that allow for the creation of applications that access data and features of other applications, services, or operating systems. Good APIs make it easier to develop a computer program by providing all the building blocks, which are then put together by the programmer."

The implication in that definition is that the more robust the data being accessed, the more benefit APIs can realize. That leads to the question of how in a data-rich industry like the financial services business, APIs can be best utilized.

Taking advantage of the data

Working toward the goal of helping this business take full advantage of the power of APIs is Rick Hyde, president and founder of Ticoon Technology and president and co-founder of Insured Connect. Ticoon has developed multiple platforms that aggregate in-force life insurance, investment, banking, and other secure data feeds onto a single platform for life insurance distributors, advisors, and policyowners. Ticoon has worked with many of Canada's top life insurance companies and investment firms to provide them with access to a single view of the book as well as tools to engage their clients and cross-sell additional products and services.

In 2017 Mr. Hyde launched Insured Connect, a US-based company that focuses on creating a single in-force data and policy service platform (called "NIC") for the United States life insurance business. Insured Connect is currently partnering with more than a dozen life insurance carriers and dozens of independent life insurance distributors who have adopted NIC as their in-force policy service solution. Mr. Hyde has been creating technology platforms in the life insurance and financial services space for more than 20 years.

Consolidating into one solution

Mr. Hyde told us where he sees APIs adding value to the life insurance business. "APIs enable two disparate systems to talk, so that users can leverage functionality and/or data from multiple applications at the same time without having to visit multiple systems or apps, essentially consolidating multiple third-party 'best-of-breed' capabilities into one solution. This is very important in the insurance industry where agents and brokerage general agencies — BGAs — typically do business with multiple carriers. Currently, BGA users and agents need to visit multiple carrier websites to update policy information, like making address changes, beneficiary changes, etc. Each carrier process is different and requires separate logins and so forth. It is therefore time-consuming and frustrating for users, and for that reason often does not get done.

"In an ideal world," Mr. Hyde continued, "NIC, my firm's single in-force data and policy service platform, would have a single address-change feature and would connect to the carriers' address-change apps through an API. The users could make the address update once — on a single interface that they become accustomed to — and then it would connect to the carrier systems through an API to pass the address change information to the carrier. The carrier is comfortable receiving the change through the API because they know it is a secure channel and we have authenticated the user on our end. And I can't stress enough how important that user authentication is."

APIs continued on **page 28**

"By carriers increasing their API integration options and BGAs continuing their own investment in technology, we can work together to drive the best possible service experience for our mutual clients."

Clint Pidlubny, Allianz Life

APIs from page 27

Carrier's perspective

To get a carrier's perspective on APIs, I turned to Clint Pidlubny, senior director, B2B integration & enablement at Allianz Life. Mr. Pidlubny has spent his career focusing on digital transformation and has worked at Allianz for more than six years. He recently spent three years in Munich, Germany, at the Allianz Global Digital Factory, where they lead digital transformation initiatives across the Allianz portfolio of companies. During his career, Mr. Pidlubny has been a developer, a technical architect, and an executive leader building new capabilities around marketing technology, and most recently around data governance and B2B API connectivity.

Mr. Pidlubny spoke to the general impact of APIs on the life insurance business and within Allianz in particular. "We see the value in two ways. First, APIs can be simplified down to meet specific use cases. For instance, if you want to get an updated status on a specific application, we could build an application status API that provides a near real-time status update. This kind of API call should take less than one second to make. The more traditional approach has been to provide that data through batch files, which take a lot of time and processing power to produce — because of the volume of data contained in them — and consume, which actually leads to the second value, which is that APIs can provide data in near real-time. We never want to promise real-time, but it would be much more current than data in batch files. This directly drives an improved experience, reducing the amount of telephone calls and manual follow-ups chasing data that is now in their hands."

Strong market results

There are some areas in the business now where APIs are being used with some very good results. Mr. Hyde told me, "I believe APIs are being used in the new business area, but I have not seen anything of real substance yet in the policy service area. There are lots of opportunities in the policy service area — policy updates, requests for and runs of in-force illustrations, real time data updates, policy renewal processes, and so forth."

Mr. Pidlubny highlighted the areas where Allianz Life is using APIs effectively. "Internally, we have APIs that connect many of our strategic systems so that changes in one system will be quickly reflected in another. What seems to be less common is connectivity with partners through APIs, but we're seeing a shift happening. As new fintech platforms come on to the market, they're expecting to have APIs available for integration. The

opportunity here is that our partners can now focus on providing the best experience for the producer and their customers, knowing that they will have our most up-to-date and relevant information available to them. We can also take it one step further and push new data to their platforms when it becomes available, through API notifications that our partners can subscribe to."

In the brokerage distribution system, APIs appear to be on the verge of making a significant impact. Mr. Hyde stated very simply and clearly the reason why. "BGAs users," he said, "will benefit from APIs as they are responsible for a lot of the policy change activities."

Making a real difference

Mr. Pidlubny shared the carrier's perspective, and his viewpoint shows real promise for APIs making a real difference for the brokerage distribution system. "BGAs utilize increasingly sophisticated tech stacks that require the kind of real-time integration experience an API catalog can offer. From a product-information offering where they could pull new business rates or illustration data, to the account-opening process where BGA case managers need the most up-to-date information at their disposal, APIs offer that ability in a more efficient manner than ever before. By carriers increasing their API integration options and BGAs continuing their own investment in technology, we can work together to drive the best possible service experience for our mutual clients."

For Mr. Pidlubny, the enhanced service that APIs help provide go hand in hand with increased sales opportunities. Mr. Pidlubny said, "We believe the best way to service our customers and producers is to ensure the most up-to-date data is always at their fingertips in a format that is easily integrated with their systems. We also believe that, through the closer integration of our systems and our partners' systems, we can reduce effort to manage our products and make it easier to sell them. Our APIs are the key for our partners to unlock near real-time data and our business processes."

With that key at their fingertips, you can expect more and more brokerage general agencies to take advantage of the power of APIs in increasing their efficiencies, better serving their brokers, and growing their sales and business operations. According to Mr. Hyde, "Some carriers are leading the way — and some BGAs as well — and the ones who get this right early on will have a huge advantage."