Summary

Life and Annuity insurance companies have been addressing legacy concerns with systems architected, built, and modified over the past four decades. Technologies have evolved many times over this period, making the systems or ecosystem unrecognizable from when they were originally built or purchased. Technology organizations are in various stages of modernizing these legacy ecosystems, with deployment timelines spanning many years as they contemplate software implementations, conversions, and data strategies arising from projects such as these. However, life companies' executives have acknowledged the critical importance of digital transformation. Time is of the essence and business executives are not able to wait for the evolution of modernization programs.

In recent years, there have been entrants in the vendor marketplace with a mission to enable digital insurance. However, few of those have looked at the problem end-to-end and doing so in a way to seamlessly integrate into existing and complex ecosystems. Insurance companies have recognized that they must modernize, but at the same time must deploy an omni-channel digital experience, develop simplified products, and provide instant underwriting decisions for a consumer base with demanding digital expectations.

Our Report

This report analyzes an Insurtech completely focused on digital transformation for Life Insurance and Annuities companies. **Sureify** has unleashed its **Lifetime Platform** designed to accelerate digital transformations, nicely integrating with technologies across the existing ecosystem. Some of the key findings in our report include feature rich *digital capabilities*, *modern technical design* following an API-driven approach, and *pre-integrations* with the leading underwriting rules engines. We have evaluated the technical design and product features to prepare a report that will be undoubtedly useful for many US Life and Annuity Insurance Companies contemplating their modernization and digital journeys.

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Section 1: Company Background

Sureify is an Insurtech startup founded on March 1, 2012, based in San Jose, California and has developed an industry leading SaaS digital engagement layer for the US life and annuities insurance company marketplace. They are a well-established company with a startup mindset, and a strong, experienced leadership team who has a firm commitment to their technology platform and a distinctly clear company identity.
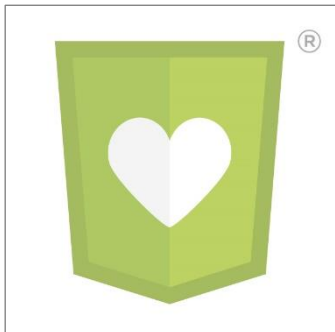
Sureify' s organization structure is typical of an Enterprise Software provider. The main departments include engineering, product management, customer success (which includes professional services and customer support), sales and marketing, operations, and corporate functions. Each functional area is led by experienced professionals with an average of 15-25 years of experience. The extended Sureify team is comprised of equally experienced colleagues who each bring knowledge in life insurance and technology. Finally, the company is made up of professionals with experiences in enterprise software/Insurtech providers, system integrators and other technology providers.

The company has a named Board of Directors that provides outside oversight comprised of 5 individuals. Two of the Directors are involved in leading day-to-day operations as full-time employees: This includes the Sureify CEO and Sureify President. Two other Board members represent strategic investors who have each led equity rounds. The 5th independent board member has significant insurance industry contracts and provides sales and partner leads. We see this as a well-balanced board, with the likely need for an additional independent seat to bring a buyer's perspective to the conversation, such as CIO executive, CTO, or CISO, as well as an additional insurance industry executive.

Sureify has raised over $25M in funding, with the latest round closing in May 2021. Development and future expansion are supported by a combination of these funds and operating revenue from the business. Customer revenues are projected to grow sufficiently, to the point that they could fully fund the business by 2023 (i.e. achieve breakeven), though it is likely they would choose to raise additional capital so that they are able to capture the large market opportunity more fully.

Their current business model is entirely focused on individual life and annuity. However, they see opportunities in the employee benefit and worksite product space as customers have discovered the ROI of utilizing the Lifetime Platform for these product lines as well. This is also an emerging trend in the market as evidenced by life insurance companies expanding their market presence into group, worksite, and employee benefit product lines. Sureify's overall strategic direction is to provide the digital link between advisors, customers, and insurance carriers. The company mission is to deliver a platform for the life and annuity industry to adapt and succeed in a time of rapid digital transformation. We view this objective as highly relevant to insurance company digital objectives, as well as CIO's who are contemplating their own modernization strategies.

Section 2: System Functionality

Modernization programs initiated by insurance carriers can be quite complex. We have seen ecosystems that are 40+ years in the making, with modernization programs largely focused on the core technologies. For life insurance, that may include 4-5 different platforms covering new business, underwriting, core policy administration, eApp, illustrations, and CRM.   However, what is often overlooked is Customer Experience (CX) as well as sound digital programs. Sureify focuses on this problem and aims to solve for two areas: 1. formalizing a CX/Digital program and 2. doing so in a way that leverages the insurance company future state technologies and architectures being assembled.
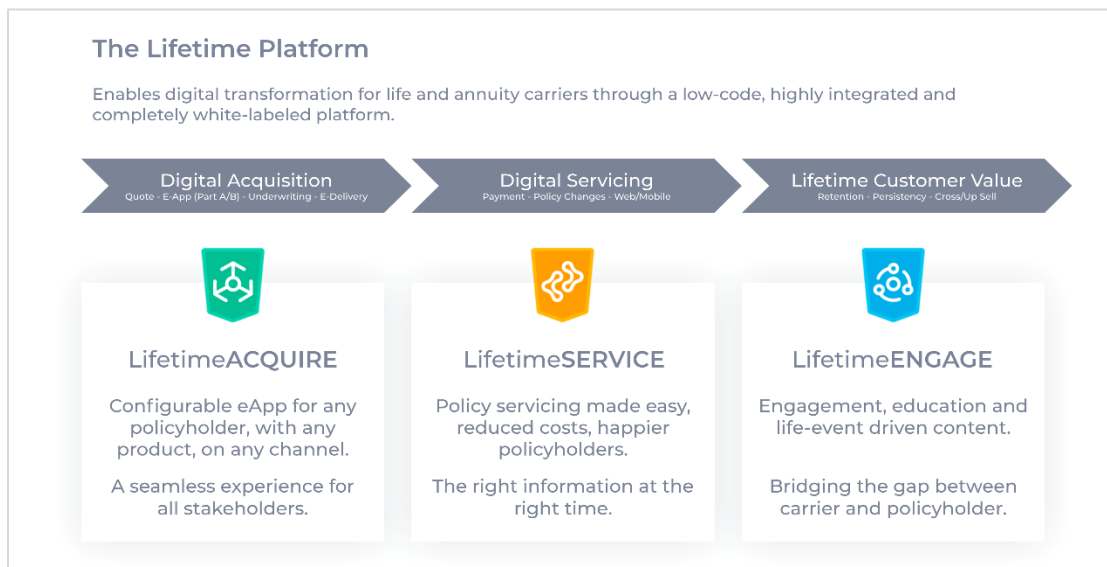
Sureify is a digital engagement platform designed to integrate into an evolving insurance company ecosystem. The Sureify solution encompasses **consumer**-facing web and mobile applications, a configurable **e-application** that can be used in any channel with any distribution, **underwriting** platform integrations, **e-delivery**, a self-service platform, and a full **CX engagement** program toolset including automated messaging and content with **analytics and reporting** for executive overview. Modules are designed to be low code and thus configurable by business or technology users at the insurance company, resulting in lower costs and improved speed of implementation.

Importantly, Sureify is designed to be integrated with existing core systems and CRM platforms, while also integrating with existing contact center systems, customer apps, and most life insurance emerging and traditional 3rd party applications.

All of this is supported by Sureify's **Customer Experience team** to ensure best practices, ideation, and configuration both inside the enterprise as well as end-user digitalization. Life insurers use the Sureify platform for direct sales, agent digital sales, policyholder service, self-service, new product education and marketing, churn reduction, upsell cross-sell, and complete digital tracking of policyholders.

Exhibit 1: Three Distinct Insurance Company Digital Enablers

The Lifetime Platform

Enables digital transformation for life and annuity carriers through a low-code, highly integrated and completely white-labeled platform.

Digital Acquisition
Quote - E-App (Part A/B) - Underwriting - E-Delivery

Digital Servicing
Payment - Policy Changes - Web/Mobile

Lifetime Customer Value
Retention - Persistency - Cross/Up Sell

LifetimeACQUIRE

Configurable eApp for any policyholder, with any product, on any channel.

A seamless experience for all stakeholders.

LifetimeSERVICE

Policy servicing made easy, reduced costs, happier policyholders.

The right information at the right time.

LifetimeENGAGE

Engagement, education and life-event driven content.

Bridging the gap between carrier and policyholder.

As **Exhibit 1** illustrates, there are three distinct products that comprise Sureify. These modules cross the entire insurance ecosystem and provide a nice opportunity to create a unified digital customer experience ecosystem from end to end. While sold as modules, the true value of the platform is the end-to-end nature of the experience.   Integration of leading-edge digital capabilities with an existing ecosystem is inevitable and paramount for life companies – and Sureify ensures this integration is easy.   The platform suite includes:

1. **LifetimeACQUIRE**, powers omnichannel sales capabilities via configurable quoting, e-application interfaces, and integrated automated underwriting.

2. **LifetimeSERVICE**, enables insurance companies by providing their in-force customers comprehensive self-service via web portals and native mobile applications.

3. **LifetimeENGAGE**, is centered on using multiple forms of engagement and analytics to reach out with the right message at the right time to foster a lifelong digital relationship with policyholders.

The capability roadmap for the entire suite is being approached in a smart, methodical, and expected way. From a technical perspective, supporting new and existing API's is what you would expect for a digital engagement platform leader. Insurance ecosystems are complex, so a healthy suite of API's that enable integration is the lifeblood of the platform strategy.   In addition, functional improvements to web and mobile applications, improved claim process workflows and integration, continued build out of behavioral incentives, and improvements to the agent dashboard are all on the enhancement docket.

We are also quite interested in the longer-term efforts. Upcoming are a series of strategic partnerships that will be integrated into the platform in the coming years to support capabilities from machine learning to detect and respond to behavioral patterns to new regulatory tool integrations.   In addition, improvements and enhancements as part of their ongoing low code platform strategy is planned, as well as a series of enhancements to the agent portal capabilities that advance their omni-channel direction for supporting and engaging customer and agent workflows.

These digital enablers will all become the heartbeat of any modernization strategy. Of course, an insurance company cannot modernize a technical ecosystem all at once. There will be a collection of technologies that must co-exist during the journey.   At the same time, a digital ecosystem is expected and a key driver to an *insurance business strategy*.

Sureify has the budget and spending approval process with a joint team of the CEO, President, and CFO reviewing the budget and spending requests monthly (or off-cycle for critical needs). That team has accountability for ensuring that spending decisions are consistent with customer success, strategic priorities, and long-term financial health.

The Sureify suite nicely creates a leading edge and feature rich digital presence, while ensuring it can do so by integrating with any technical ecosystem, whatever form or whatever stage it is in the modernization journey.

Section 3: Technical Design

A summary and review of the Sureify technical design philosophy and features is provided in this section. This report uses documentation provided and technical discussions conducted with Sureify technical resources as primary sources of information and context.

Design Philosophy

Sureify's applications use an N-tiered architecture that provides processing segmentation and scalability. This architecture also expands the type and scope of resources that can be brought to bear on the throughput of the system. The implementation approach leverages RESTful Services.   These stateless services provide independent application components that can be easily invoked. Sureify's mobile applications are coded natively, separately for IOS and Android. Integrations are accomplished using RESTful APIs.

Sureify architecture is compatible with modern systems such as web clients, mobile apps, and other enterprise systems, and the design paves the way for building microservices.

They employ MVC architecture in the application layer and in the presentation layer. This architecture provides a separation of concerns and provides a pattern to follow for structuring new code that is added to the codebase. Most importantly, integrations leverage API based communication. This API approach allows for a more modern and flexible integration approach that promotes customer optionality.

Exhibit 2: Integrating with the Ecosystem
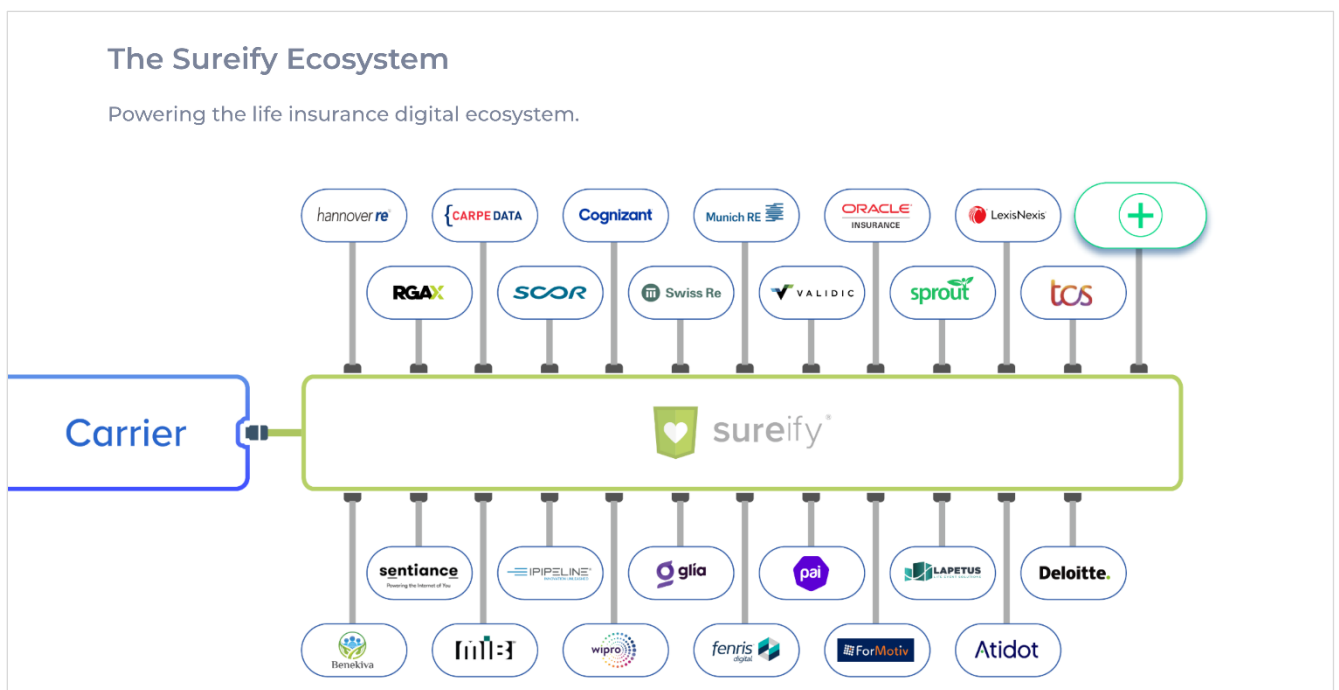
<u>Implementation Approach</u>

Sureify's applications are hosted in the cloud, on Amazon Web Services (AWS).   Each customer is hosted on its own Amazon Virtual Private Cloud (VPC) which is dedicated and specific to that single customer. The single tenancy approach provides isolation between clients and prevents *co-mingling of customer data* with the data of other customers.

They do not offer an on-premises implementation option, which we believe is a sound strategic approach. However, Sureify' s AWS-hosted cloud applications can integrate with client private cloud and on-premises installations.

From a DevOps perspective and software development point of view, a customer's Amazon VPC will typically have staging, UAT and production environments. Direct access to the VPC is strictly limited to the Sureify DevOps team. Clients do not have the ability to develop/deploy directly into a hosted instance. However, the Sureify implementation team that implements and configures Sureify's apps for a particular customer works in close partnership with that customer, maintaining a two-way dialog with technical personnel and receiving requirements.

Code deployment updates are done by communicating with the customer that a new version of Sureify's software is available; then agreeing on a time when the update will be rolled out to that customer. Updates do not happen until the customer is ready to accept an update and is confident in user acceptance testing results. Sureify runs scripts as part of the upgrade that update the database schema to be consistent with the new version of the software.

When Sureify introduces a new version of an API as part of an update, they deprecate the older version of that API but do not remove the older version for several subsequent releases of the software. This assures the customer has ample time to migrate away from the usage of that API.

<u>Architecture</u>

Sureify prefers open-source tools and technologies when they are available without compromising on performance and security. **Lifetime Studio** is their integrated development environment. They use this for business rules and screen configuration. There is also Carrier Panel functionality within their products that allows for parameterized logic for configuring of products. As **Exhibit 2** illustrates, Sureify is an API-first development company and have a blend of public and private APIs.

Satisfying the most common but core life insurance requirement, Sureify integrates with the leading **underwriter rules engines**. Sureify is agnostic to rules engines, but they have prebuilt integrations with **SwissRe, RGAx and HanoverRe**. The appeal of Sureify is that they offer integrated digital experiences for any rules engine for sales or service. Since they follow an API-driven approach, Sureify is a great fit for SOA tools such as SnapLogic or Mulesoft. We see this integration capability as a strategic advantage.

Security

Sureify has taken a modern approach to security for their cloud-based offering. Sureify has a well-documented comprehensive, policy-driven information security program which seeks to protect applications, clients, and 3rd parties through a combination of physical, administrative, and technical security measures.

They have taken an approach to implement multiple vendors and open-source security products to provide current encryption capabilities, vulnerability management, intrusion detection, and application security in support of their security policies.

In addition to day-to-day involvement by senior management, Sureify uses third parties to provide additional privacy, regulatory and security expertise as well as audit (SOC 2 Type 2).

Access Control

From an access control perspective, Sureify supports single sign on (SSO) integrations with the carrier's identity provider. They have supported a wide variety of identity provider solutions in the marketplace such as Ping Identity, Oracle, IBM, Azure, and others. They also support a layer of rules based and role-based security for individual users including different home office staff roles and agent/agency level roles.

Access to the Sureify cloud infrastructure (AWS) must be accessed via Sureify VPN via two factor authentication (2FA). Production services have highly restricted access, and these users must use additional authentication.

Database protection is provided using a least-privileged access model. The databases are encrypted, and security updates and patches are applied in accordance with Sureify's patch management policy.

Sureify would eventually like to converge authentication and access control across services to a central identity provider and implement a zero-trust model.

Application/SDLC Security

Sureify's SDLC contains a security section which specifies that developers must follow secure coding practices to mitigate most common software vulnerabilities. A leading platform is used for static code analysis during code development, and it is used to identify code anti-patterns including a set of security issues. The platform allows for continuous inspection of *code quality*, automatic reviews with static *analysis of code* to detect *bugs,* and *security vulnerabilities.*

Finally, penetration testing is performed by the Sureify team once per quarter. Penetration testing is performed by an external firm once per year.

<u>Operations</u>

Sureify tracks several metrics related to each VPC, including server and network utilization, concurrent connections, failure, and error statistics. Sureify leverages AWS capabilities to monitor the health of the VPC. VPC flow logs and network address translation (NAT) gateway metrics are monitored for any abnormalities. Sureify has implemented a leading application performance management product that will also provide additional application performance telemetry.

When anomalies are detected, alerts are triggered and the creation of support tickets for appropriate follow-up are created.

Alerts are configured across different sources for various anomalies and are routed through an alerting and on-call management solution for DevOps teams that provides the tools needed to design actionable alerts, manage escalations, and ensure that the right people are notified at the right time. These alerts could be originating from application monitoring software relevant to the application performance, network security alerts, and application log alerts. Rules are configured to escalate the issue to the next level until the time the issue is acknowledged.

Sureify is committed to rapid response of all support requests. All severities can be logged with Sureify on a 24 hours-per-day, 7 days-per-week, 365 days-per-year basis via email at support@sureify.com. All support requests receive a system generated response immediately, which is forwarded to a people resource, then an additional automated follow up within 1 hour of receipt if a people resource has not been assigned to the support case. All requests labelled as *Critical - Severity 1* are monitored for immediate action and follow up for resolution by people resources on the Sureify technical support team.

Section 4: Technical Implementation

A summary and review of the Sureify approach to implementation will be provided in this section. This report uses documentation provided and technical discussions conducted with Sureify technical resources as primary sources of information and context.

Our intent in this section is to provide insight and perspective across several critical components of implementation.

<u>Implementation Methodology and Timelines</u>

Sureify's implementation approach is based on agile scrum. After a planning phase, configuration of the solution is delivered by the Sureify team in 2-week sprints. The customer then performs user acceptance testing and approves the work. For larger, more complex implementations, a stabilization phase with more extensive integration and user acceptance testing may be necessary.

Sureify uses a phased approach to implementation starting with a minimum viable product

(MVP) release. After this release, there will be one or more follow on releases delivering additional features until the customer's vision is completed. For many customers, the MVP can be completed in little as four to six months depending on customer readiness and product being implemented. Follow on releases can be completed in equal increments.

Sureify will conduct workshops to collect customer requirements and integrations necessary to achieve the customer vision. The customer normally provides necessary application access and expertise to realize the integrations. Additionally, customers provide ongoing leadership and prioritization of work items guided by the Sureify customer advisory team. Finally, customers also provide business parameters including product definitions, rules, content, etc. to achieve the solution.

The three Sureify applications are architected on the same application platform and can be implemented simultaneously. Some Sureify customers have implemented the full suite of applications.

Conversions

Sureify products are typically developed in phases so there would be a gradual transition from legacy applications to Sureify. This is usually easily managed; however, Sureify will discuss options in the planning phase.

Partnerships

Sureify has relationships with several technology and implementation partners. They are preparing to engage with a system integration partner for the first time in a coming implementation. See **Section 5: Partnership Strategy.**

Integrations

For **data mapping,** Sureify normally deploys enhanced tooling for configuring and mapping data from policy systems, configuring the UI, versioning capabilities, and much more.

Continuous investments in **APIs** are designed to expand APIs and API tooling.

Sureify continues to invest in making sure that Underwriting Rules Engine integrations have a seamless process for surfacing their reflexive questions into their Digital experience.

Section 5: Partnership Strategy

A summary and review of the Sureify approach to partnerships is found in this section. This report uses our discussions with Sureify' s team as primary sources of information and context. Partnerships are a key strategy for Sureify as they scale and begin to expand globally.

There are 4 types of partnerships with Sureify.

> **Referral** - organizations refer Sureify as a potential suitable vendor a carrier.

> **Co-Selling** - where partners and Sureify present to prospects together face to face or within RFP's.

> **Integrating Partner** - Sureify and Partner have pre-built integrations that are in production or within the *LifeCo* demo environment.

> **Reseller** - At some point in the future they expect organizations to be able to provide Sureify to their customers – like a SalesForce install where the partner manages the complete process.

Sureify's delivery teams mix local US resources that provide leadership and functional insurance expertise with a remote India based development and testing capability. Sureify' s implementations will soon be performed by partners with oversight assistance from Sureify leadership.
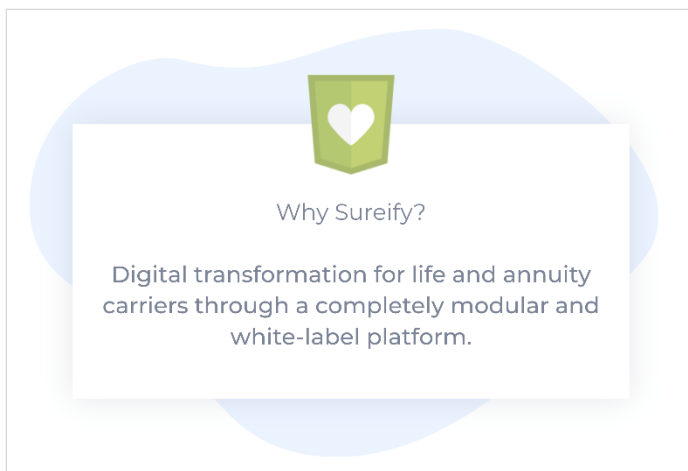
Section 6: Pricing

From an *implementation* point of view, Sureify maintains a rate card that is adjusted annually. Sureify will propose a team and blended rate based on the rate card. The blended rate reflects resources working locally in the US and remotely in India. The specific blended rate for a customer project depends on the scope and required team to achieve a solution.

Ongoing, Sureify' s pricing model is a subscription-based licensing model for the enterprise-wide SaaS platform plus a per application/policyholder/user fee once a maximum number is exceeded in a year. The "per" fee and maximum number depends upon the module purchased (i.e. Acquire/Service/Engage).

Overall, the stated objective is to be highly competitive when compared to their peers in the marketplace. It is important to note that upgrades are included in the basic fee, which is a strategic advantage.

Section 7: Conclusions

Life and Annuity insurance companies have been addressing legacy concerns with systems architected, built, and modified over the past four decades. Technologies have evolved many times over this period, making the system or ecosystem unrecognizable from when they were originally built or purchased. Technology organizations are in various stages of modernizing these legacy ecosystems, with deployment timelines spanning many years as they contemplate software implementations, conversions, and data strategies arising from projects such as these. However, life companies' executives have acknowledged the critical importance of **digital transformation**. *Time is of the essence and business executives are simply not able to wait for the evolution of modernization programs.*

Why Sureify?

Digital transformation for life and annuity carriers through a completely modular and white-label platform.

Sureify has unleashed its **Lifetime Platform** designed to accelerate digital transformations, nicely integrating with technologies in the existing ecosystem. This platform is smartly designed, with an understanding that a life insurance ecosystem is comprised of numerous and complex technologies, data platforms, and insurance products. The API driven approach ensures that a digitally based customer experience platform can be integrated quickly for those executives and Boards of Directors who recognize the need for a comprehensive digital presence. We also like that as modernization programs evolve, the Sureify platform can plug itself into these new parts of the evolving ecosystem.

Following are some additional observations relative to Sureify and the platform:

- The depth of **experience** of Sureify's people is impressive as is their offering; however, Sureify's value proposition to the market is not as well-known as it should.

- We believe that the addition of one or two independent Board members who can bring the buyers experience or a critical eye, such as a former CIO, or an executive with a background deploying digital solutions to life insurance companies, would benefit the Sureify leadership team.

- We believe that the stated goal of **evaluating the group insurance or worksite business is smart**, and a natural evolution for Sureify. This should be prioritized given industry demand.

- As the platform evolves, a formal user group would help inform Sureify long term product development plans and help ascertain the sentiment of the customer.

- From a pricing strategy, increasing price commensurate with volume is a traditional approach, allowing for lower costs for the insurance company as they ramp up.

However, the goal for Sureify is for increased adoption, and insurance companies may see increased costs associated with volume as a dis-incentive.

- Key strengths of the Sureify platform include its **cloud-native design** and, most likely of all, its focus on seamless integration into existing ecosystems.

- **API management** is key to the Sureify implementation (although not required). This type of integration approach may be new to many insurance company clients and may involve a design and implementation learning curve.

- Integration with the leading underwriting rules engines is a big strategic advantage. We like the fact that Sureify comes out of the box with prebuilt integrations for **SwissRe, RGAx and HanoverRe.**

- A natural extension of the Sureify platform would be the build out of agent and consumer portals. We believe that this area would greatly expand the Sureify offering and solve for a substantial unmet need within insurance companies.

Email and Text Message Follow Up

Message follow up capability to send customer quote data and remind applicant to start application if they abandon.

- Sureify's implementation approach is based on agile scrum. This may pose a challenge for those insurance companies that employ a waterfall approach and maintain a waterfall "culture".

- The feature rich approach found in the entire **LifeTime platform** suite is a significant enabler for any insurance company, and a huge accelerate for CIO's architecting their modernization and/or digital journey.

- The approach to architecture **allows for smooth integration** with a typical heterogeneous environment within most life insurance companies.

- Sureify has contemplated data privacy, which should alleviate concerns from life and annuity companies. From a security perspective, the single tenancy approach provides isolation between clients and prevents co-mingling of customer data with the data of other customers.

- The appeal of Sureify is that they offer an integrated digital experience for any rules engine for sales or service. Since they follow an API-driven approach, Sureify is a great fit for SOA tools such as SnapLogic or Mulesoft. **We see this integration capability as a strategic advantage.**

- The Sureify culture is deeply experienced and scrappy. It is one that is defined as highly customer oriented, transparent, and with clarity of purpose. This culture is a nice fit for most insurance companies considering the adoption of technology and selection of a strategic partner.
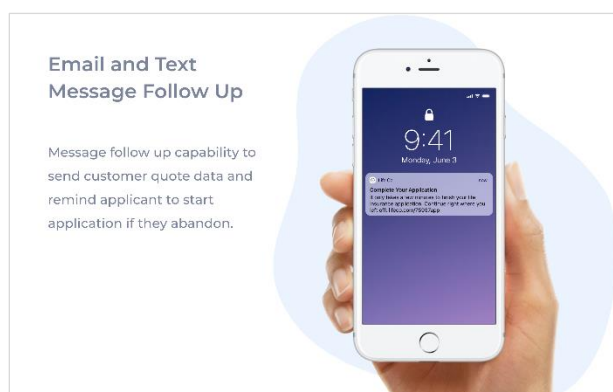
About the Authors

This report was created jointly by members of **Mantissa Group.** The report is intended to provide insights on a perceived development in the life and annuity industry relative to digital priorities, with an analysis that crossed multiple topic areas with the appropriate level of depth in each area. ***The report is not intended to be an endorsement of the platform, but rather bring objective insights on capabilities, strengths, and areas of potential improvement.*** This report is the second in a series of reports of this kind.

Mantissa Group provides business and technology strategic consulting services, specializing in the Insurance and Wealth Management industries. Mantissa supports the Chief Information Officer executive and their leadership teams, with a focus on CIO engagement as a business leader. Mantissa has practical experiences supporting leaders with technology strategy and delivery, executive coaching, leadership development, and relevant research for technology organizations.

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