



# Case Study: Breaking from the past to re-imagine life and annuity business

**Enabling rapid innovation through accelerated product development**



## The challenge

American Life & Security Corp. (ALSC) sought to build an unencumbered life insurance and annuity business model that would avoid many of the traditional industry's costs and complexities. The goal was to enable innovations that would deliver more attractive products and a better customer experience. This entailed designing a novel, end-to-end insurance platform to align and connect two sets of interests: Retail investors seeking to fund their retirement and institutional investors seeking uncorrelated returns.

To achieve this, ALSC needed a robust policy administration system built on an innovative technology platform to accelerate and simplify product rollouts while containing costs. Development cycles are long, expensive, and complex in the life industry. Many companies avoid this business challenge because:

- Legacy strategies and approaches limit their ability to deploy new products cost-efficiently.
- It costs less to launch existing products than to innovate with new ones.
- The risk of launching the “wrong” product can be significant.

ALSC aspired to create an ecosystem to quickly develop and introduce products that would be easily adaptable to the market and help provide exceptional service to customers and distributors.

**The mission:** *Advance the insurance value chain with technology and services that reduce cost, increase value, and provide a better experience for our partners and customers.*



## American Life & Security Corp. (ALSC)

[www.american-life.com](http://www.american-life.com)

### Industry

Life insurance and annuities

### Solution

Verisk's FAST platform

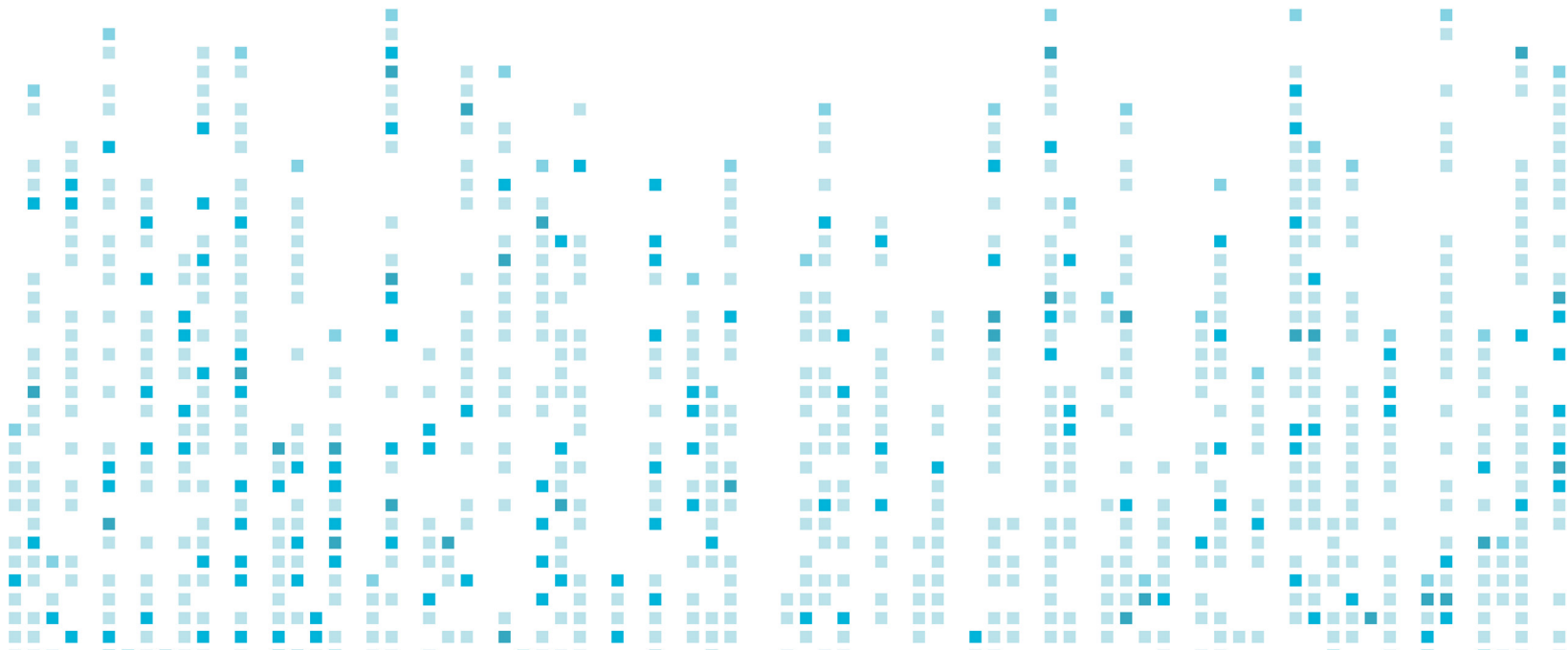
### Key challenges

Life and annuity product development is slow and expensive, hampered by legacy strategies and approaches. ALSC sought to re-imagine and accelerate the process with a cloud-based policy administration system to support rapid launches of novel products and adjustments to existing ones.

### Key benefits

Using FAST, ALSC has been able to:

- Update products and commission rates as markets change quickly
- Automate testing to quickly see the impact of changes
- Eliminate platform obsolescence with automatic upgrades





### The solution

After extensive research and investigating the available options, ALSC selected the one solution that provided differentiated value: Verisk's FAST, which employs Amazon Web Services (AWS) to offer the first entirely cloud-based insurance platform. With the FAST platform, ALSC leveraged an innovative, secure, resilient, and technology-enabled insurance platform to reduce costs, continuously identify efficiencies, and quickly develop new products and solutions. FAST provided the flexible, technical solution ALSC needed to quickly pivot toward market opportunities as the industry evolved. This solution also favored ALSC's desire for autonomy versus reliance on a vendor. It enabled cost-efficient collaboration within small teams and the ability to execute innovation without needing to write code.

### The implementation

Using the customizable, out-of-the-box capabilities, microservices, and unique methodology of FAST, ALSC realized its vision of a drastically reduced implementation timeline. It took just 12 weeks to go live with a system that could launch and administer ALSC's current annuity business in production, compared with the industry's typical implementation time of 9-12 months or more.

As an example of its proposed innovations, ALSC aspired to launch a product with a benefit that would vest at the owner or annuitant's death. The product was built and tested quickly using FAST's configuration and testing toolsets. However, before ALSC could launch the product, the insurer identified a need to adjust it so the benefit could incrementally vest over time instead of only at death. Normally a change of this magnitude would take months of development. But with FAST, ALSC pivoted in just weeks and still was able to complete the overall project in less than four months.

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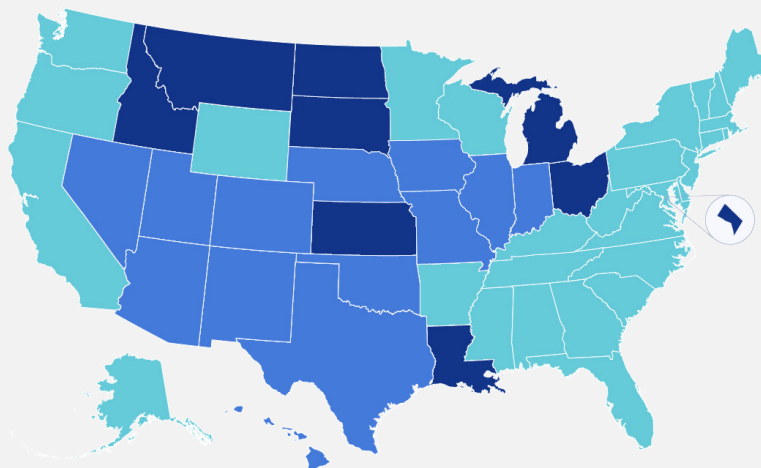
### Current Coverage Area

● New in 2020 & 2021:

District of Columbia, Idaho, Kansas, Louisiana, Michigan, Montana, North Dakota, Ohio, and South Dakota

● Existing territory:

Arizona, Colorado, Hawaii, Illinois, Iowa, Missouri, Nebraska, Nevada, New Mexico, Oklahoma, Texas, and Utah



### The results

ALSC's success with FAST has garnered external recognition, including a rating upgrade and positive outlook from AM Best. With the FAST technology platform, ALSC has been able to:

- Launch multiple products or variations in less than three years through rapid configuration with an intuitive user interface
- Apply as-needed product and commission rate updates to support quickly changing markets
- Leverage platform transparency to automate testing and quickly see the impact of changes
- Attain self-sufficiency by working with Verisk's FAST team to identify product rules and rates likely to change most frequently and focus ALSC training on those items

The annuity product that was rapidly re-positioned before launch has resonated with both producers and consumers. The company has leveraged technology to efficiently scale as volumes have grown.

ALSC now has the confidence to be more innovative, knowing it has the means to:

- Quickly build products
- Pivot and change products as the market demands
- Act with less reliance on its vendor

"From the beginning, FAST shared our objective to rapidly implement a robust and cost-effective policy administration system," said Michael Salem, co-CEO of Midwest Holding Inc.,

the parent of ALSC. "While others considered our approach to be aggressive or unrealistic, it made perfect sense to Verisk's FAST—and we succeeded with their collaboration.

We are proud of the American Life and FAST teams for this impressive accomplishment, and we are excited about what this means for the future of our company. It was this willingness to embrace a different way of implementing systems and disregarding legacy business process constraints that made this effort a success."

### The FAST difference

Verisk's FAST, which stands for "Flexible Architecture, Simplified Technology," is a leading provider of end-to-end software-as-a-service (SaaS) solutions for the life insurance and annuity markets. Life insurers can use the FAST suite of out-of-the-box components to quickly enhance or replace their legacy systems.

Verisk has recruited top architects, executives, and experts from leading insurance technology providers, including premier actuarial talent, to help optimize the FAST product configuration. The FAST team has experience working with more than 150 insurance companies to implement new core systems and more than 30 major conversions of policy administration systems. To extend the team, FAST works with many top system integration firms.

We aim to create true value and differentiation for you. See what kind of success you can achieve with FAST as you discover the difference in our software, our implementation methodology, and our value-aligned pricing model.



**+1.800.888.4476 / [verisklife@verisk.com](mailto:verisklife@verisk.com) / [verisk.com/life](https://verisk.com/life)**