



## The Insurance Industry's Golden Gate Appulate's President Shares the Story of Uplink

One of my earliest memories is sitting in the back of my parent's 1973 Oldsmobile Station Wagon on our summer vacation. My father had just purchased the car and loved it so much that he pleased in sitting in it for hours as we drove up the California Coast from Los Angeles to our eventual destination of San Francisco. Back then, there were no DVD players in the headrest in front of you and I doubt that I was even wearing a seatbelt. Perhaps you have a similar memory from your childhood.

Of course today, I know that the drive up California's route 101 is one of the most scenic in the country. But, at age 4 I was pretty bored. As we got closer, I was increasingly anxious to get out of that car, but my parents were determined to make it to our destination. To this day, I am not sure if it was actually on my parent's itinerary, but in their attempt to keep me patient during the long drive, my father let me know that we were going to see a "big bridge". This caught my interest as I had seen pictures of bridges in books and even on TV.

My eyes were open wide as my father started to count down the miles. We were 100 miles away, then we were 50 miles away and finally we were only 10 miles away. Then, in the distance, through a typical San Francisco fog, I saw my first bridge, the famous Golden Gate Bridge. I remember its vastness, its red color and how captivated I was by it.

Today, I am up in the Bay Area frequently for business and I have probably driven over the Golden Gate Bridge more than 100 times. The traffic can be frustrating and the \$5.00 toll is not my favorite either. But, I still am in awe of that bridge and every other I have traveled across.

Bridges are one of the most important structures there are. Its idea is a simple one – to connect two independent and otherwise isolated places. In society, bridges bring these places together to offer a more efficient flow of communication, ideas and commerce. And it's this idea that drove Appulate to develop its own bridge, Uplink™.

### **Uplink vs. Golden Gate Bridge**

Up to this point, I have been presented the idea of a bridge to mean something like the Golden Gate. However, I probably should not try to compare Uplink to the Golden Gate. For one, Uplink is not a physical bridge, but one that allows data to transmit from one party to another (typically from the retail agent to the carrier / mga). Secondly, Uplink provides the normalization of data. This means that even though agents can submit data to Uplink in many different formats (since each agency management system stores its data slightly differently), the output is standardized (in ACORD XML format). This would be like having several different types of cars (Ford, Nissan, BMW) drive on to the Golden Gate, but all of them driving off as my



father's 1973 Oldsmobile Station Wagon. While I think we can safely say that only he would like that, in the insurance world, data normalization is very helpful. From the carrier / mga standpoint, this means that you need only have your internal system be able to consume a single format (ACORD XML). Next, the Golden Gate offers connectivity from one destination to another only. You can only take it from San Francisco to Sausalito. Uplink is different in that it provides a "many to one" connectivity. This means that a carrier / mga can distribute this technology to all of its agents allowing a data bridge to exist with each. Finally, as I so frustratingly mentioned above, there is a \$5.00 toll to use the Golden Gate. According to the California Department of Transportation (CalTrans), an average of 120,000 vehicles cross the Golden Gate Bridge each day. If you multiply that number by \$5.00, you will quickly see that the Golden Gate generates about \$600,000 in revenue each day. Multiply that out by a year and this landmark generates nearly a quarter of a billion dollars. Appulate's competitors must have used similar calculations when devising their business models. Like the Golden Gate Bridge, these companies charge a transaction fee or "toll" each time their product is used. Add up these small fees and it turns in to a pretty sizable expense for the carrier / mga. Here at Appulate, we recognize that no one likes paying tolls, so we have built Uplink to be without any type of transaction fee. Carriers / MGAs license the product and their agents can use it as much as possible with no increased costs. Staying on the bridge reference, there is one similarity between the Golden Gate Bridge and Uplink. Both use a single structure to carry a variety of cargo safely and securely from one side to the other. The Golden Gate Bridge is used by cars, trucks, bikes, pedestrians, motorcycles and even the occasional base jumper. Uplink too can carry a variety of cargo. The same one-time installation on the agent's desktop can be used to transmit almost any form imaginable. This can include any ACORD form, carrier specific supplemental forms, endorsements, claims forms and even loss run data. All of this has its place in the ACORD XML output that Uplink sends to the carrier / mga.

### **Uplink's Benefits**

Back to the "famous" Golden Gate Bridge, which (by the way) celebrated its 70<sup>th</sup> birthday in May of 2007 - almost on the exact same day that Uplink went live, (but 69 years earlier). An important characteristic that makes the Golden Gate (and for that matter any of the world famous bridges) famous is that it connects two important places together. Because of costs, bridges are not just build for the sake of building bridges, they need to have a purpose. Appulate could be included in this thinking when it set out to build Uplink. We knew that in order to justify the investment, we needed to be able to demonstrate benefits and value for all of the stakeholders involved (Agent, Carrier /MGA).

So, let's begin by discussing some of the benefits for the carrier / mga. Perhaps the most important benefit is that Uplink is a "one size fits all" solution. Prior to Uplink, some of the agency management system vendors developed their own bridging technologies that would enable carriers / mgas to connect to their agents. This in theory makes sense since these



vendors provide products to store some of the data required for submission (such as ACORD data). But, the problem is that there are many different vendors on the market that provide agency management systems. There are a couple of large vendors and then several small vendors. What this means for the carrier / mga is that if they went out and purchased one of these data bridges, it would only provide them limited connectivity to a subset of their agents (those that use a certain agency management systems provided by the same vendor). This means that a carrier / mga has to implement several different procedures in order to receive submissions from their agents. This is counterproductive, adding both costs and time to the process. Uniquely, Uplink works with any agency management system on the market today. The Uplink technology downloads and installs the same for every agent and provides the exact same functionality. This allows a carrier / mga to distribute it to every agent knowing they will be able to easily take advantage of its functionality regardless of what management system vendor they use. In fact, already, Appulate has worked with agents using 9 different vendors with over 20 different versions. Here is a list of these:

- **AfW 4.5, 5.2, 5.3**
- **AMS 360**
- **DORIS 7.8, 9.0**
- **EbixASP**
- **InStar 9.1**
- **Nexsure**
- **Sagitta 7.2**
- **TAM 7.1, 7.4, 7.5, 7.6, 8.0, 8.2, 8.3, 8.4, 8.5, 9.0, 9.1, 9.2, 9.3**
- **Vision 4.3, 4.4, 5.0**

The next benefit is that Uplink's output is in the ACORD XML standard. This means that as long as the carrier / mga has a system that can consume this standard, it will be able to connect to receive the data successfully. Before launching Uplink, Appulate spent many months learning about the ACORD XML standard. Our feeling was, "why re-invent the wheel" when ACORD did a real nice job creating this data standard. And by sticking with a standard, this makes it easier for carriers / mgas to work with Appulate. They can align themselves to the standard anywhere in their workflow in order to capture Uplink's output. Most commonly, Uplink bridges to a carrier / mga's portal. But, there are some that wish to instead push the ACORD XML directly into their underwriting software or even into their claims system (if they are receiving claims data via Uplink). The possibilities are many and this flexibility makes Uplink valuable. And, Appulate will continue to follow the ACORD standard as it gets updated.



Another benefit of Uplink is that it makes it easier for agents to do business with carriers / mgas. This is a benefit that can't be overlooked. Ask any agent and they will tell you that they dislike all the data entry of forms. Most agents are type A personalities and they thrive in situations that involve dealing with people, relationship building and sales. Without a data bridge in place, the typical agent may re-enter the same data several times just to get a quote from a carrier / mga. Then, they need to do it again at each renewal. This tedious and monotonous task keeps agents from generating new business for themselves and for the carriers / mgas they work with. Uplink makes it much faster to get the data to the carrier / mga. And, by making it easy, it will greatly increase the loyalty of the agent to a specific market. Sure, there are times when an agent really seeks out the perfect market for the insured. But, for most business, speed and efficiency seem more important. If the carrier / mga can make it easier for the agent, they should see more business generated from them.

Another phenomenon that we are seeing is that the average age of agents (specifically agency principles) is declining. As the baby boomer generation hits their retirement age, books of business and even entire agency operations are being passed down to sons and daughters. This group of people are in their 20s and 30s and grew up using technology and the Internet. It could even be said that this group of people prefer to use technology over the alternative. This is the generation that pays their bills online, is involved with social networks online, buys books, travel and purchases other goods and services online - they may have even met their spouse online. For this group of people, Uplink makes much more sense than the "old fashioned" way of submitting business.

The next major benefit for a carrier / mga is that they are able to receive far more than just ACORD data via Uplink. The ACORD XML standard has built in to its schema the ability to submit other data (carrier specific supplemental data, endorsements, claims data or even loss run data). However, until Appulate came along, there were really no vendors collecting and transmitting this data from agents. Since Appulate's background is providing a suite of software to agents for the data collection of ancillary data (more on this later), we are in a unique position to transmit this as part of our data bridge offering. This means that carriers / mgas can decide if they would like additional data beyond the ACORD.

Finally, Appulate offers a strong value proposition for a very reasonable price. The Golden Gate Bridge cost California more than \$35 million dollars back in the 1930s and took the lives of 11 construction workers. Uplink on the other hand is priced to be a "no-brainer" costing just \$5,000 (per line) at setup with a monthly maintenance fee of 1-5K per month (based on the premium volume of the organization). There are no transaction fees, no costs to the agents and no annual licensing fees. On top of this, we promise that no lives will be lost implementing this solution. It is quick to setup and easy to distribute to agents. And, if it results in a more streamlined process with greater agent loyalty, the ROI should be almost immediate. Our Chief



Technology Officer, Dimitri Nikouline, says it best, “good technology should be simple and inexpensive.” This must be why he decided to start Appulate instead of going to work for NASA.

## **History of Uplink**

You probably already knew the history of the Golden Gate Bridge, but if you didn't before, there is enough information in this white paper to at least answer the first couple of questions if the topic is used as a Jeopardy column. But, what is the history of Uplink and who is the company behind this?

The company behind Uplink is Appulate, Inc. This highly innovative technology company got its start in early 2005 when two software entrepreneurs (who were running another business entirely) became frustrated with the burdensome process of applying and renewing their commercial insurance policies. Curiosity got the best of them and they sought to truly understand the process their agent went through to submit business to carriers. The two shadowed their agent for nearly 2 months and what they saw was astonishing. They could not believe how much time was being spent entering data on forms. And, having a close relationship with their agent, they watched painfully as he would sacrifice time spent with his family, friends or out on the golf course to sit at a desk and fill out these forms. Where there is pain, there is an opportunity to heal and so the two eager entrepreneurs decided they would work to create technology to increase the efficiency of completing commercial insurance forms.

In July, 2005, Appulate unveiled its first product, “SupplementalPro™”. This forms product offered agents a more streamlined way to collect, store and use supplemental data. Since agency management systems did not offer functionality to deal with carrier specific supplemental forms (and no other vendor had tackled this previously), the industry responded in amazement. Within just a few months, SupplementalPro was being used by hundreds of agents and quickly made a name for Appulate in the industry.

Appulate discovered that it could carve out a niche for itself by providing functionality that the agency management systems did not. By the end of 2005, Appulate had several new products in the works and a rapidly growing customer base. However, Co-Founder and Chief Technology Officer, Dimitri Nikouline felt that the agents were still having to type in far too much data. Customers had lots of praise for Appulate, but Dimitri was just not satisfied. He specifically did not like that agents were re-typing data into the Appulate product suite that was already in their agency management system. A new pain presented itself and Dimitri challenged the team to find a solution.

It's nearing summer of 2006 now and as we discuss this issue in more detail, I am remind of that drive up Route 101 and the first time I saw the Golden Gate Bridge. Immediately, an image came into my mind of a bridge that could connect the agents with Appulate. Sharing this rough concept with our brilliant team, the brainstorming session expanded.



A huge development undertaking would take place to design, build and test Uplink. Appulate's engineers were under a great deal of pressure to create a product that was going to be powerful enough to allow the agent (regardless of what management system they use) to push ACORD data into Appulate, yet simple enough that they would actually use it. Uplink went live at the start of 2007 and our customers cheered. For them to be able to "print" an ACORD form that would pre-fill fields of supplemental applications, loss run requests or other forms saved huge amounts of time. Now, Appulate could offer a significant value proposition to any agent across the country. With Appulate, an agent could extend the power of their agency management system into the submission process for the first time ever.

Appulate's hard work paid off and its customer base grew to nearly 2000 agents nationwide. This was quite an accomplishment for a team of just 20 people, but as you get to know Appulate, you will quickly learn that the people behind the scenes are pretty special. It's not just brains that make them great, but it is their incredible dedication to our mission, our customers and each other.

Appulate is not your typical company. Our corporate culture is young, educated and worldly. In fact, even though our company is headquartered in Southern California, just one of our employees was born and raised here. The rest of the group is a melting pot of both domestic and international talent. And, walk in the door to our offices at 28348 Roadside in Agoura Hills, California and it's not just humans you will meet. No, we have not secretly developed robots to do our work for us. But, we do allow and encourage our employees to bring their dogs with them each day. This great addition to the Appulate environment keeps us relaxed and in good spirits. Want to see our office and play with the dogs? Come by anytime!

So this brings us to the present year. As agents continued to use Uplink as a bridge to Appulate, word was getting out about this unique technology. Soon, several carriers called to inquire about Uplink and find out if it could be used to bridge the retail agency data to themselves (instead of to Appulate). They were feeling a pain that Appulate was ready and excited to heal – they wanted a way to get agency data seamlessly. And the story continues...

### **What's Next**

The Golden Gate Bridge was pretty innovative for its time. However, like all technology, bridge building today is very different than it was in the 1930s. Stronger and more flexible materials allow larger bridges to be built. Today, the world's largest suspension bridge is the Akashi-Kaikyō Bridge in Kobe, Japan. At more than 6500 feet long, it is about 50% larger than the Golden Gate Bridge (which is still the world's 9<sup>th</sup> largest). But, just because the Golden Gate Bridge is not as modern does not mean that it is not just as useful. It has withstood the test of time and remains a vital part of the economy in California's Bay Area.



Appulate believes that the technology behind Uplink will also stand the test of time. The Insurance Industry is going to continue to evolve and change, but there will always be a need for retail agents to send data to the markets they serve. Now, it is up to Appulate's gifted team to work to constantly modernize Uplink and add functionality to enhance this technology.

Already, two major enhancements are in the works. First, Appulate is working to add functionality that will allow agents to batch upload data using Uplink. The goal would be that an agent could send a carrier their entire book of business rather than just a single account. This idea of "book rollover" is not new, but there has never been a "one size fits all" solution to do it. Appulate is going to be that solution.

The other enhancement will be to offer download functionality. This will allow a carrier / mga to push policy data back to the agent where it could be easily imported into their agency management system. The idea of download is also nothing new, but our ability to offer one technology that will do both upload and download from any agency management system will be something no other vendor can offer.

The future of bridges looks bright. Already in the works, an even longer suspension bridge than the Akashi-Kaikyō which will connect Italy and Sicily. And the same is true for Uplink. The Insurance Industry is ready and waiting for further automation and Appulate is excited to help achieve this.