

Innovations

SHARING INSIGHTS AND RESEARCH FROM IRI SOLUTION PROVIDER AND IMO MEMBERS ALIGNED WITH THE DIGITAL FIRST FOR ANNUITIES INITIATIVE AND ADVANCING OUR INDUSTRY.

Industry in Flux: Clearing Firm Changes Fuel Digital-First Annuity Initiatives

2024 marked the beginning of a migration to modern, configurable, integrated technology as the major clearing firms chose to update their existing platforms and operational systems. The industry-wide transformation presents a critical opportunity to not only improve the digital workflows of annuities and life insurance, but also to integrate these products with traditional investment strategies.

The clearing firm changes have created a two-year window for banks and broker dealers to modernize their systems. Dragonfly's *State of Banking* survey revealed that 53 percent of firms are concerned about their dependency on legacy technology and rising tech debt. So, the transformation we have been seeing this year is not a surprise. Improving workflows will remove operational and sales barriers, integrate applications, and enhance productivity across organizations.

Why Now Matters

Change is happening in conjunction with IRI's *Digital First for Annuities* initiative, aimed at improving the annuity sales process. Their "Build Once, Use Many" approach will result in smarter, more efficient workflows leveraging modern application programming interfaces (API). Hexure's existing API and embedded capabilities, which created this mantra along with their active collaboration with IRI, is turning industry standards into working solutions.

These APIs and embedded solutions are already enabling digital annuity solutions to be analyzed and processed alongside other investment products. Advisors can access everything they need in a single interface today. By adopting industry-wide standards, processes that once took weeks and months are completed in days and sometimes even hours. Automated validations reduce costly errors and speed up revenue generation.

Smart Technology Drives Growth Today

According to Bank Director's *2024 Technology Survey*, 75 percent of financial organizations increased technology budgets this year, and 61 percent say leveraging technology is a strategic priority. With major firms restructuring, it is critical to modernize and improve.

Digital technology's current wave of innovation is transforming how advisors grow their business. One example is technology that analyzes client portfolios in real-time during meetings to help advisors suggest the right mix of products for each retirement strategy.

Carriers are spotting market trends earlier. They are launching products that match exactly what clients need. Distribution firms are using data to provide targeted training and support. This helps advisors close more business faster and more efficiently.

Our platform already turns these innovations into reality. Interactive tools show clients exactly how annuities protect their retirement and the best product for their clients from one digital experience. Automated compliance checks cut application processing from weeks to days. Real-time data feeds help carriers launch products faster than ever. The rules-based digital rails that power application submissions reduce not-in-good-order (NIGOs) issues and speed up the entire sales process.

Building Tomorrow's Platform

The difference between industry leaders and followers is clear. Financial institutions that fully embrace digital transformation gain competitive advantage. Those making minimal system updates risk losing market share. But this advancement offers more than survival – it enables true innovation.

At Hexure, we see several key industry shifts ahead:

- > Annuities integrating with investment platforms for holistic planning
- > Real-time data exchange replacing batch processing for instant transactions
- > Embedded APIs enabling unified advisor experiences and connected data, allowing carriers and distributors to build solutions and deploy them in many different workflows and use cases
- > Instant can-sell validation for faster, in-good-order sales

Hexure is partnering with IRI and the Depository Trust and Clearing Corporation (DTCC) to develop solutions that propel the industry forward, such as pending case status and NIGO remediation workflows. Through collaboration, we are bringing digital-first initiatives to life – introducing can-sell checks, optimizing workflows, and championing industry standards. Together, we're eliminating paper processes, enabling real-time validation, and creating smooth, modern experiences.

The path forward is clear: modern platforms will connect carriers, distributors, and advisors through standardized digital workflows. Those who embrace this vision will shape the future of financial services.



About Kevin Pohmer

Kevin Pohmer is a 20+-year veteran of the financial services industry. As President of Hexure, he oversees corporate development, partnerships, client relationships, and product strategy. Previously, Kevin served as CEO of IXN and Financial Guard, driving innovation and leading Financial Guard to a successful sale to Legg Mason. He began his career at J.P. Morgan Chase, holds a BA from Binghamton University and an MBA from The Ohio State University, and enjoys coaching youth sports in his free time.

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