

## **Ebix Buys E-Z Data to Strengthen U.S. Life Agent Support**

Steven Leigh

The purchase of E-Z Data expands Ebix's offering to independent life insurance agents. It expands Ebix's functionality by creating a platform for improved integration, and it also offers cross-selling opportunities.

## NEWS ANALYSIS

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### Event

On 1 October 2009, Ebix, a leading international supplier of on-demand software and e-commerce services to the insurance industry, announced that it has acquired California-based E-Z Data for \$50.35 million. The signing of the binding agreement and the closing of the transaction completed on 1 October 2009. E-Z Data will continue as the SmartOffice division of Ebix.

### Analysis

This purchase significantly strengthens Ebix's software offerings for life insurance and annuity distributors. Currently, Ebix provides illustration and electronic application capabilities for independent life insurance sale agents. E-Z Data delivers CRM, sales force automation and agency management capabilities to this same customer set. The acquisition opens new opportunities for Ebix to combine capabilities. For example, it may more tightly integrate electronic application capabilities with existing agency management workflows, or make quotes and illustrations available as part of a new sales campaign. This acquisition also strengthens Ebix's dominant position among independent agents as a provider of essential agency technology.

The challenge for Ebix will be to integrate capabilities under a common look and feel, creating a seamless integration and simplified user experience while retaining the flexibility and rich functionality of the existing systems. Ebix will also need to retain the existing functional components, as many agents will only deploy specific functional components of the Ebix suite.

In past acquisitions, Ebix has kept its acquisitions intact while finding effective ways for them to achieve synergies and integration points that its customers value. Life insurance companies and distribution customers of E-Z Data should expect that the SmartOffice application will gain tighter integrations and synergies with other Ebix systems as well as more streamlined workflows. In addition, Ebix competitors will likely expand their own offerings, or acquire companies to offer a similar suite of functions in the future.

## RECOMMENDATIONS

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### Life insurers serving independent agents:

- Pursue a relationship with Ebix, as it will continue to grow the number of independent agents using its platforms.
- Create interfaces to deliver pending and in-force data, illustration engines and new business product descriptions to allow independent producers to access their information through Ebix systems.
- Expect that consolidation of technology providers for independent agents will simplify the technology landscape that they will need to integrate with, while helping agents to be more productive and efficient.

## RECOMMENDED READING

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- "Understanding the North American Life and Annuity Illustration Software Market"— Understanding how the North American illustration market is adapting to the changing

needs of insurers will help insurers better identify, select and deploy vendor solutions that are most aligned to their business needs. **By Steven Leigh**

- "What's Next for Illustration Capabilities for North American Life and Annuity Providers"— Seeking solutions that deliver the greatest flexibility from vendors with vision will help North American life insurers will save millions of dollars in switching costs. **By Steven Leigh**

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