

## Insurance Companies Entitled to Valuable Tax Credits for Customized Software

Many insurance companies are surprised to learn that their software development activities qualify them for a powerful government-sponsored benefit. This incentive allows companies to offset technical investments, even if the company operates in a non-technical industry. The IRS recently introduced new regulations in January 2015 that make this a more attractive process for insurance companies that have commissioned software development.

Customized software has helped insurance companies remain competitive, with specialized modules and interfaces for a mass of unique client-facing and internal-use needs. Here are a few of many examples.

### Internal-use Software Features

- Data entry
- Database and CRM
- Secure document management
- Inventory management
- Back-office functions
- Marketing automation
- Reporting systems
- Mobile integration
- Accounting
- Analytics

### Client-facing Software Features

- Secure login
- Bill payment
- eSignatures
- Interactive customer service
- Instant quotes
- Upload documents
- Social media integration
- Built-in forms
- View/Edit Profile
- Document duplication

### INSURANCE CARRIER

ANNUAL REVENUE: \$22.1 MILLION

RESULT: **\$524,022**  
IN FEDERAL AND STATE CREDITS

### INSURANCE COMPANY

ANNUAL REVENUE: \$67.5 MILLION

RESULT: **\$314,290**  
IN FEDERAL CREDITS

### INSURANCE SOFTWARE SOLUTIONS

ANNUAL REVENUE: \$13.4 MILLION

RESULT: **\$331,017**  
IN FEDERAL CREDITS

### PROPERTY AND AUTO INSURANCE COMPANY

ANNUAL REVENUE: \$171.3 MILLION

RESULT: **\$798,409**  
IN FEDERAL CREDITS

This incentive can provide an immediate source of funding, as well as a significant reduction to current and future years' federal tax liabilities.