

AuditCover Is Changing Tax Audit Insurance with Ingenuity and the Socotra Modern Insurance Core Platform

AuditCover, founded in 2020, provides **best-in-class tax audit insurance to protect salary earners, sole traders, companies, directors, and SMSFs** from professional fees when audited by a statutory authority. The Australia-based startup operates as a fully digitised insurance product that protects accounting firms, financial planners, advisers, service providers (intermediaries) and their clients from the hefty expenses that come with being audited. In March 2022, the company announced that it had received **\$1.7 million** in its latest seed round funding, led by Hunter Equity Group. Given its plans for expansion, AuditCover is poised to be the next major player in the accounting insurance space with its unique personalised tax audit insurance that puts the customer in control.



An Industry Begging for Change: How AuditCover solved a desperate challenge in the tax audit insurance space

Gil Snir, founder and CEO of AuditCover, was consulting for a venture capital firm in Sydney that specialized in insurance startups when he discovered an opportunity for disruption that would modernise a stagnant part of the auditing process. Prior to AuditCover, generating a quote for tax audit insurance was a major pain point for accountants. In order to save time, tax-related entities were grouped, pre-filled, and organised prior to the client even requesting the quote. The laborious task of collecting the data and delivering it to the underwriter was left to the accountant, adding to their manual workflow, and creating room for human error and inefficiencies. The additional release of private client information exposed the auditor to potential data breach violations, though the practice was considered standard.



We're on a mission to uncover how small business insurance can be dynamic and a force for change. We want to figure out how small businesses can use it as a tool for growth, rather than a risk mitigation strategy.

-Gil Snir, Founder & CEO, AuditCover

Gil started asking the important questions. Could accountants send their clients to the start of a quote flow that was dynamic enough to build out a quote and bind a policy themselves? Why do accountants give up sensitive client data (without consent) to their partner insurance providers? They realised that **with the right platform, they could save accountants a huge amount of time and manual labor without the risk of security breaches**. Gil and his team set out to develop an agile product that they could easily scale to serve more clients. This shift not only delivered improved accuracy and efficiency, it removed the burden from the accountant, freeing them to focus on their clients' accounts, not the bureaucracy of audit insurance.



Finding the right foundational core platform was key to seizing a new niche market opportunity and solving a 20-year-old pain point

Prior to deciding on Socotra, the team signed with a fully managed service that promoted itself as “no code,” and promised delivery in a remarkable two weeks. Two weeks quickly turned to months, and the AuditCover team discovered that they were completely dependent on their vendor development team for updates, deployments, and changes to their product. This would not meet their need for control and growth goals.

After deciding to search for an alternative, the AuditCover team conducted a rigorous analysis of platform vendors. Snir notes that they assessed vendors on available features, and a business model that was API-driven, SaaS, and fully self-serve. They also wanted a platform that would accommodate complexities within their product, as well as the ability to launch multiple product lines quickly to market. AuditCover’s Head of Insurance Product and now COO, Richard Hughes, said, “Ultimately we landed on something that had a lot of configurability, and that we could manage ourselves, which was Socotra.”



We went through a rigorous review of potential services. Ultimately we landed on something where we had a lot of configurability and we could manage a lot of it ourselves, which was Socotra.

-Richard Hughes, Chief Operating Officer, AuditCover

With the Socotra platform, the AuditCover team developed and launched their product to market in record time - just under three months. Chief Operating Officer, Richard Hughes, said “We selected Socotra because it is a true stateless, headless API with integration capabilities. We also feel that high grade security infrastructure is very important.” Richard prefers the platform above all others because Socotra is API-driven and provides robust documentation for a reference that supports different environments.

Using Socotra's flexible, cloud-native platform, AuditCover has embedded tax audit insurance into the accounting practice

It is a unique business model as the insurance is often embedded into the accountant experience. "We wanted to integrate closer into the accounting ecosystem to deliver quotes in a faster fashion but also with greater accuracy and take a dynamic and personalised approach to it," commented Gil Snir, AuditCover CEO & Founder. When an accountant is onboarded to AuditCover they are set up with a unique link to the quote flow that is personalised for that practice. Anyone who clicks the link for a

quote or to bind is automatically associated with the practice to which they belong allowing the associated practice to then oversee the policy and if necessary initiate the first notice of claim. Utilising the open API design of Socotra, integration for payments with Stripe and journey monitoring with Google Tracking was easy, quick and straightforward. Next on the horizon is for the AuditCover product to become embedded and integrated into the insurance ecosystem in meaningful ways that will help reduce workload and insure more clients. "The vision we've got is to become embedded within the ecosystem, and use meaningful data to inform our product and pricing," Snir said.

Socotra Connected Core injected flexibility throughout every step of the product life cycle ensuring AuditCover success

Using Socotra's intuitive APIs, AuditCover was able to quickly design an agile embedded product and launch it to market in under 3 months. The AuditCover engineering team, completed the design, deployment themselves. They commented the Socotra professional services team who were great mentors throughout the entire process. The team needed to accommodate two different approaches; a simple straight-forward workflow and a more common, but complex workflow for businesses and groups. The challenge was it needed to be simple enough for the business owner or the accountant, on behalf of their client, to complete. As well they were striving to achieve organisational goals of quoteflow completion times; for the simpler flow in under 60 seconds and for larger, complex entities under 2 minutes. The user journey needed to be educational

and informative in the hope of increasing demand and capturing new business. The Socotra platform was leveraged to develop new products for quick launches, and actually helped to inform AuditCover on the buyer journey allowing them to improve as they deployed. AuditCover's engineering team controlled every aspect of the product design and launched on their timeframe, to their specifications, with assistance from the Socotra team as needed, and now in production can make needed updates or changes to existing products.



Working with Socotra and how we structure everything has enabled us to better understand our customer journeys and where we can support people.

-Richard Hughes, Chief Operating Officer, AuditCover

The leader in true cloud-native platform

Socotra is the first cloud-native core platform for insurance and the first core system with open APIs. It is trusted by global carriers to develop new products and manage their existing lines of business. With its recent launch of the Socotra App MarketPlace, Socotra is connecting insurers with an ecosystem of partner products and services that empower them with the agility needed for faster time to market. Most recently, Socotra was included in the SONR Insurtech 100, CB Insights Fintech 250, and Comparably Awards.



For more information visit
[Socotra.com](https://socotra.com)

