Oxbow Partners



25 EMERGING TECHNOLOGY-LED BUSINESSES WELL PLACED TO HAVE AN IMPACT ON THE INSURANCE INDUSTRY IN 2019

ABOUT OXBOW PARTNERS

Oxbow Partners is a management consultancy serving exclusively the insurance industry.

We work on strategy and transformation, digital and M&A topics in general insurance, life insurance and pensions.

Our agile approach, senior teams and deep sector expertise allow us to deliver projects for clients faster than traditional consultancies.

In 2018 we were ranked one of the top 10 management consultancies in the UK for insurance in a Financial Times study.

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Thanks

Oxbow Partners would like to thank InsurTechs selected for inclusion in the Impact 25 for their considerable efforts providing information about their businesses.

InsurTech Impact 2020

If you believe that your business should be considered for the Oxbow Partners InsurTech Impact 2020, then please let us know by emailing impact25@oxbowpartners.com.

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CONTENTS

Welcome 4

1 InsurTech 2018: A year in review and trends for 2019 5

The Oxbow Partners InsurTech Impact 25 – 1 year on 5

What happened to last year's Members? 8

2. The InsurTech Impact 25 2019 12

Our 2019 Members 12

A note on the selection of Members 12

3. What this all means for incumbents 14

Focus on execution 14

Five tips for working with an InsurTech 15

Adapting agile for the corporate environment 17

Investment consolidation could make change sudden in Europe 18

Are current organisational structures fit for the digital age? 19

The shifting boundaries of innovation 20

4. Impact 25 Member Profiles 21

Impartiality and objectivity

Impartial and objective analysis is a core principle of Oxbow Partners.

All Members of the Oxbow Partners InsurTech Impact 25 were selected on their own merits. No Member has paid a fee or offered any other financial incentive, directly or indirectly, to be included.[1] The methodology that we used to choose Members is described in the report.

[1] Note, however, that one of our partners is a minority angel investor in Laka.

WELCOME

We are happy to present the second Oxbow Partners InsurTech Impact 25, highlighting 25 technology-led businesses we believe are well placed to have an impact on the insurance industry in 2019.

Last year's report proved a huge success: it was downloaded from oxbowpartners.com over 13,000 times, shared widely and frequently quoted at conferences. This publication has quickly established itself as one of the go-to publications for executives wanting to inform themselves about the InsurTech landscape and trends.

We are delighted to see that all of last year's Impact 25 Members had a great year; we provide an update on last year's Members in section 1. We think this is testament to our robust selection process (which is also central to our InsurTech advisory work, one of the themes in our insurance strategy and operations practices). As we said last year, there are no prizes for insurers or brokers who are active in InsurTech but select the wrong partners.

This year we have selected 25 new InsurTechs which we think are worthy of your attention. The range of companies is broader than last year and include everything from a programmatic auction platform for reinsurance placement, a gamified B2B2C life insurance platform and a German 'full stack' health insurer. There should be something for everyone.

But most importantly for many of our readers we again consider what impact InsurTech is likely to have on insurers and brokers. One potentially significant observation is that funding is skewing to larger, later stage investments. This could favour InsurTechs in the US, where investor pockets are traditionally deeper. Europe might find that InsurTech quickly moves from being a universe of early stage experimenters to a group of aggressive, US tech companies attacking their markets. Lemonade has already announced its plan to enter Europe in 2019. Insurers must be prepared.

We hope you find the report informative.

Stuart Davies
Chairman, Oxbow Partners

1. INSURTECH 2018: A YEAR IN REVIEW AND TRENDS FOR 2019

Last year's Oxbow Partners InsurTech Impact 25 has been downloaded over 13,000 times from our website and has established itself as one of the preeminent InsurTech publications in a crowded field.

We made some predictions about how InsurTech would evolve in 2018 in last year's report. We are relieved that we were mostly right, although a few nuances are emerging that we had not anticipated. We start this paper by revisiting our predictions and describing 2018 trends. In section 2 we introduce this year's Impact 25 Members and conclude in section 3 with some observations about what this all means for incumbent (re)insurers and brokers.

The Oxbow Partners InsurTech Impact 25 – 1 year on

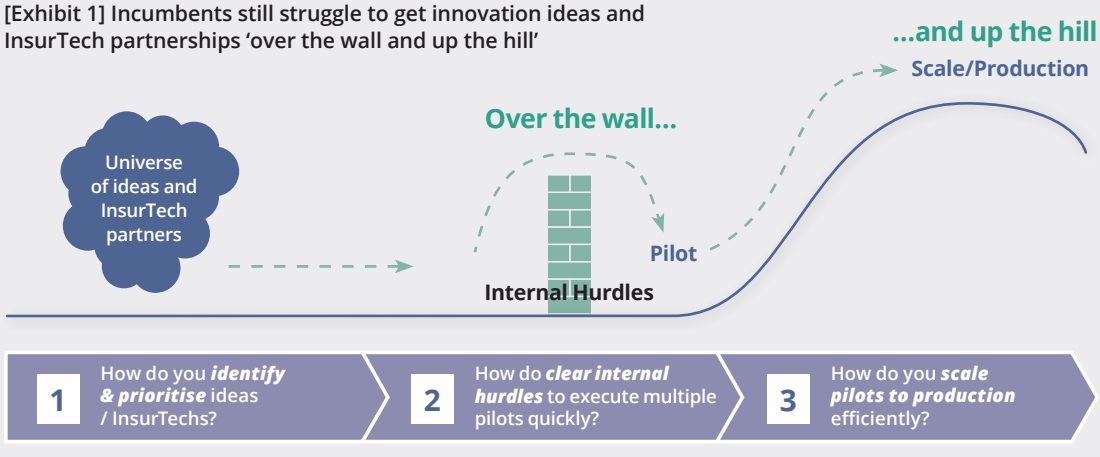
In the 2018 Impact 25 we said that there would be a move from hype to impact

Our most important prediction last year was that insurance executives would move from being 'excited by ideas and opportunities' to 'demanding results'. We observed that many InsurTech and innovation initiatives were focused on experimentation and a desire to disrupt the market, or radical opportunities to avoid being disrupted. We suggested there would be a shift to a 12 to 24 month P&L impact horizon.

We see strong evidence that this has happened in 2018. There has been a marked reduction in discussion about blockchain in favour of more tangible opportunities. For example, Zurich is implementing a new claims platform with Snapsheet, an Impact 25 Member in 2019[2], and the Lloyd's market has worked with McKenzie Intelligence, another Member, to manage catastrophe claims better.[3] Both partnerships have potentially significant customer and bottom-line impacts, but neither will dominate the headlines.

Moving the focus onto impact implies increased focus on execution. Some incumbents are getting better at this, although there is still quite some way to go, especially when it comes to scaling innovations and InsurTech partnerships in the core business. This is illustrated in exhibit 1 and we cover execution challenges and solutions in more detail in section 3.

[Exhibit 1] Incumbents still struggle to get innovation ideas and InsurTech partnerships 'over the wall and up the hill'



We said there would be greater focus on strategic themes

We predicted last year that incumbents and InsurTechs would cluster around some strategic themes. We see this as a facet of a maturing market where early movers test some ideas but soon pivot to the areas where they see competitors gaining traction.

[2] https://www.prnewswire.com/news-releases/snapsheet-and-zurich-insurance-group-collaborate-bringing-innovative-claims-software-to-international businesses-300755591.html
[3] https://www.lmalloyds.com/LMA/News/Releases/PR_2017/claimsimagery_06July2017.aspx

This has happened. On the general insurance side, we see many incumbents engaging Supplier InsurTechs to improve their own operations. Activity is clustering in three main areas: data and analytics for risk selection and pricing; specialist insurance systems for certain products or channels; and claims. Some (re)insurers are also focusing on distribution opportunities, most prominently Munich Re through its Digital Partners division, but with increasingly focused competition from SCOR and its Channel Syndicate. A handful of carriers like Hiscox and Zurich are taking a more opportunistic approach.

The focus in pensions and investments has been on digitising the advice journey, with a number of well-established InsurTech businesses now household names (and therefore too mature for the Impact 25). In health insurance, telematic propositions that encourage wellness have progressed furthest. There has been less activity in life, though we are starting to see firms try to streamline the buying journey. RGA's RGAx team is most active on the distribution innovation front (for example through its investment in Impact 25 Member yulife).

These partnerships allow insurers to deliver better propositions to customers. Some examples involving Impact 25 2019 Members is shown in exhibit 2.

[Exhibit 2] How Impact 25 Members are helping insurers build better propositions for their customers



We said this would lead to clustering and the need for careful due diligence

The flip side of a focus on strategic themes by incumbents is the clustering of InsurTechs around those areas. There are dozens of InsurTechs providing SME pricing data, for example, and ever more claims systems. Distribution InsurTechs are clustering around products that are gaining traction such as gig/sharing economy propositions and renters' insurance. It remains as true as ever that incumbents must conduct careful due diligence to ensure that they work with the most suitable partner.

An important consideration when assessing the suitability of a partner is the 'soft' side of the InsurTech business. InsurTech products are immature and guaranteed to change – sometimes dramatically. Incumbents selecting an InsurTech partner must ensure that they are comfortable with the InsurTech's strategy, product roadmap, ability to execute and cultural fit. These considerations are at least as important as the business's current product.

However, it is notable that this year's Impact 25 showcases some InsurTechs with unique propositions that cannot be easily assigned to a 'cluster'. Metabiota provides modelling solutions for pandemic risk and Laka is a 'digital mutual'. It is good to see that entrepreneurs are still finding creative opportunities as InsurTech evolves.

We said there would be increased participation by incumbents

In last year's report we pointed out that a lot of InsurTech activity was concentrated in a few incumbents. Munich Re's Digital Partners division and RGA's RGAx division dominated capacity provision for Distribution InsurTechs in non-life and life respectively, AXA was most prolific on startup investment and various insurers were actively agreeing Supplier InsurTech partnerships.

It is, however, still true that some globals, many regionals and most life insurers, have not embraced InsurTech as actively as one may have expected, and we predict a steady increase in activity this year. That doesn't – and shouldn't – mean that insurers will all start making high-profile InsurTech investments and announcements about AI implementations. Rather, incumbents will be more open to niche vendors for challenges and opportunities they are working on and increasingly find themselves partnering with them. There are plenty of examples of this happening in our first two cohorts of Impact 25 Members.

We said that there were 'headwinds' for InsurTechs

We pointed out the challenges faced by InsurTechs – and here we were a little off the mark. We were bearish about Distribution InsurTechs, pointing out the difficulties they faced affordably acquiring customers. In fact, Distribution InsurTechs have been more successful than we expected this year. Bought By Many, an InsurTech Impact 25 Member last year which uses social media to distribute tailored personal lines and SME policies, has now acquired over 700,000 members and wrote £20m of premium in the year ending March 2018. This year's Member INSHUR, which targets workers in the 'gig economy', wrote $24m of GWP in its first eight months of trading. Lemonade announced in January 2019 that its full year GWP for 2018 was $57.2m – annual growth of 466%.[4] These companies are demonstrating that new distribution models and attractive propositions are resonating with customers.

We said that a failure to engage with InsurTechs could see them becoming competitors

Finally, we said that if incumbents did not get better at engaging with InsurTechs, InsurTechs would find ways to bypass them. We suggested that Supplier InsurTechs might consider sourcing their own capacity and becoming MGAs, both to showcase their IP but also because the length of sales cycles made the Supplier model unviable.

There is some (but admittedly scant) evidence that this is becoming true. We know of one InsurTech currently setting up a carrier to give it more control over product development, but there has certainly not been a rush in this direction by Supplier InsurTechs.

What is, however, interesting is the success of several of the 'full stack' InsurTechs (the name for InsurTechs which have their own regulated balance sheets). This is turning out to be a more popular business model than we would have thought. ottonova and ELEMENT, 2019 Impact 25 Members, are German companies focusing on health and affinity propositions respectively, whilst ONE (a 2018 Member as part of the wefox Group), Alan and Coya are other European examples. In the US, the leading 'full stacks' are Lemonade, Metromile and Root.

A way to balance growth and profitable income may be evident in ottonova's approach. The company is white-labelling its platform to third party insurers. Clearly management see a big opportunity in helping incumbent insurers to address their own legacy issues which prevent them from updating their propositions or reducing costs. Perhaps dual-track models – also pursued by InsurTech Impact 25 Member Laka, for example, will be the approach taken by InsurTechs as they assess their fastest opportunity to grow.

Overall, we would characterise 2018 as a year of 'keeping calm and carrying on', as the British saying goes.

[4] https://www.lemonade.com/blog/signals-from-space/

What happened to last year's Members?

We do not claim that the companies that we have included in our Impact 25 are the 'best' 25 InsurTechs. We do, however, believe that our rigorous selection process helps us identify companies with a sustainable strategy, business model and execution capabilities.

Last year's companies have, without exception, had a strong year in 2018.

DISTRIBUTION

BOUGHT BYMANY	**Bought By Many transforms the customer experience for groups with specific insurance needs** • Closed a £15m round in 2018 and will launch in Sweden this year • Grew GWP by over 100% and ranked 13th on the Sunday Times TechTrack 100
GUARDHOG	**GUARDHOG provides usage based insurance products to the sharing economy** • Now working with over 350 sharing economy marketplaces, platforms and property agents • Grew revenue by 300% in 2018
neos	**Neos provides smart technology-enabled home insurance** • Achieved double its planned sales in 2018 and signed major partnerships in the UK and Europe • Aviva acquired a majority stake in November, building on its existing minority investment
wefox	**wefox Group consists of a digital broking platform and a digital insurer, ONE** • ONE successfully launched household and private liability products in Germany and plans to expand to Switzerland; wefox announced expansion in Italy and Spain and plans to launch France and Benelux in 2019 • Entered into a strategic partnership with Marsh to pursue the micro SME sector, starting in Germany and gradually covering all European markets
ZEGO	**Zego provides UBI to gig economy workers** • Grew 4.6x in 2018 and has now has over 40k customers • Now operates across three European countries on the back of expansion into new mobility insurance solutions

DATA & ANALYTICS

Atidot	**Atidot provides an analytics platform to help life insurers optimise their portfolio** • Engaged with over 100 insurers in 6 geographies with a focus on the US, UK and Europe • Entered into strategic partnerships with various companies including Microsoft, KPMG, Salesforce and Sureify
CAPE ANALYTICS	**Cape Analytics analyses aerial imagery to identify specific property features** • Raised a $17m Series B round and expanded its property intelligence data stream to cover the continental United States • Now counts regional, super-regional and national carriers as customers, including The Hartford, AAA (CSAA), and Cincinnati Financial
CARPE DATA	**Carpe Data provides data from new sources to insurers** • Secured long-term contracts with some of the world's largest carriers • Opened its second office in Hartford, CT and welcomed Greg Jones from Equifax as their new Chief Data Officer
Cytora	**Cytora helps commercial insurers quantify, select and price risk** • Grew revenues by 594% in 2018 and is now working with several of the world's leading commercial insurers to enable fast, accurate underwriting decisions • The company doubled in size and was awarded 'Risk Modelling Technology of the Year' at the Insurance Times Awards and 'Best AI Product in Insurance' at the CogX awards
Digital Fineprint	**Digital Fineprint is a data analytics and AI company that helps to optimise SME distribution** • Agreed further collaborations with insurers, including most recently Euler Hermes • Launched DFP Engage to allow customers to access its technology via the Salesforce AppExchange
FLOCK	**Flock uses big data to quantify and insure the risk of drone flights in real time** • Now has five products serving over 25% of the UK drone industry, from micro-SMEs to the largest enterprise drone fleet operator in Europe • Will internationalise its drone platform in 2019 alongside the expansion of its risk-based insurance platform into adjacent insurance verticals
GEOSPATIAL INSIGHT	**Geospatial Insight uses advanced analytics to draw insight from aerial imagery** • Formed partnerships with corporates during the course of the year, including one of the world's leading reinsurers • Further developed its machine learning capabilities in order to quickly extract insights at scale from remote sensed data
insurdata	**INSURDATA provides accurate location exposure information** • Has now analysed exposures for 20 companies globally, including MGAs, insurers, reinsurers and brokers, to provide precise geocoding and a range of property attributes for residential, commercial and industrial exposures globally • Has fully integrated its technology via API into a US flood underwriting operation

OPERATIONS

Cognotekt	**Cognotekt uses AI to automate insurance processes** - Increased the automation rate of its claims validation software for motor glass damage to over 85% - Expanding to other areas of general insurance, in particular property and car body repair claims
INSTANDA	**INSTANDA is a cloud-based insurance Platform-as-a-Service** - Now has clients in 12 countries who are migrating books and delivering a radically improved experience to brokers and insureds - Most recently won Hiscox's European businesses as a client
KASKO	**KASKO helps insurers design, distribute and run digital insurance products** - Expanded its portfolio of insurers and products and grown GWP on its platform by over 400% - Grew revenue by 200% with several partnership agreements in the pipeline
KRYON	**Kryon helps insurers automate processes** - Launched Kryon Process Discovery™ which combines AI-powered technologies to maximize ROI and cut RPA implementation time by up to 80% - Successfully deployed intelligent RPA solutions in leading insurance companies worldwide such as AIG, Allianz, LTCG, Tokio Marine and Validus
riskgenius	**RiskGenius uses AI to automate the creation, comparison and review of policy documentation** - Started pilots with nine state insurance commissioners (including Connecticut) to test RiskGenius to make policy filings more efficient - Won five new carriers for the RiskGenius platform, who will have access to the new Insurance Policy Taxonomy 2.0; this is used to categorise insurance policy clauses and can interpret and analyse a policy quickly
qover	**Qover is a cloud-based insurance Platform-as-a-Service** - Qover is now covering over 20k freelancers in 7 European countries with Deliveroo as its flagship client - Opening a commercial office in France offering Pan-European insurance solutions to freelance platforms and FinTechs
TRADEIX	**TradeIX is building a trade finance infrastructure platform** - Closed investment round of $16m with ING Ventures, Kistefos, BNP Paribas and Tech Mahindra - Grew its core product, Marco Polo, to be the largest trade finance network leveraging blockchain technology with over 14 leading bank members

CLAIMS

360Globalnet	**360Globalnet helps insurers improve the claims experience** • Signed major new clients for its digital claims platform in the UK, US and Australia • Launched an innovative subsidence claim management service and generated significant growth in its unstructured data and anti-fraud technology business – overall revenues will double this year
FRISS	**FRISS uses AI and machine learning to detect and prevent fraud** • Completed 80 fraud analytics projects, bringing the total number of implementations to over 150 in 36 countries with new offices in Paris and Chicago • Delivered seamless integrations with Guidewire and DuckCreek
RIGHTINDEM	**RightIndem provides a front-end digital claims platform** • Grew 120% YoY with customers on 3 continents • Successfully launched its new digital claims platform with integrated voice analytics and fraud AI capability as a major step towards digital straight through processing
Shift.	**Shift Technology uses AI to detect claims fraud** • Opened new offices in Tokyo and Boston and doubled its team to serve an increasingly global customer base including wins with Assurant, Mitsui Sumitomo Seguros and P&V group, whilst ending 2018 with four live production environments in claims automation • Signed additional multi-insurer platform partnerships in the UK (Health Insurance Counter Fraud Group) and the US (National Insurance Crime Bureau)
TRACTABLE	**Tractable analyses images to assess vehicle damage** • Tractable has expanded to new geographies and acquired customers in Europe and East Asia • The company now has a team of over 85 people in three countries (UK, US, Japan) and has received a total of $30m of VC funding

2. THE INSURTECH IMPACT 25 2019

Our 2019 Members

We have selected 25 new companies as Members of the 2019 Impact 25. Our eligibility and selection criteria are described below. We received many applications from companies that had a credible claim to be included, but we did not have space for them all. Our selection is designed to showcase strong companies with a range of propositions and business models.

[Exhibit 4] The 2019 Oxbow Partners InsurTech Impact 25

Distribution InsurTechs	Supplier InsurTechs			
	Distribution support	Data & analytics	Operations	Claims
FINABRO*	BROKER INSIGHTS	Conclrrus	artificial.	Bdeo
FloodFlash	ELEMENT†	DQPro	DIGITAL INSURANCE GROUP	snapsheet
INSHUR	HOKODO	inforcehub	INSLY	
laka*	Tremor	METABIOTA	McKenzie Intelligence	
ottonova*†		pharm3r	OnSiteIQ	
yulife		SHEPHERD	WHITESPACE	
zeguro				

*Distribution InsurTech who licence their platforms as 'Supplier InsurTechs'

†'Full-stack' InsurTechs

The InsurTech Impact 25 has some interesting features compared to 2018.

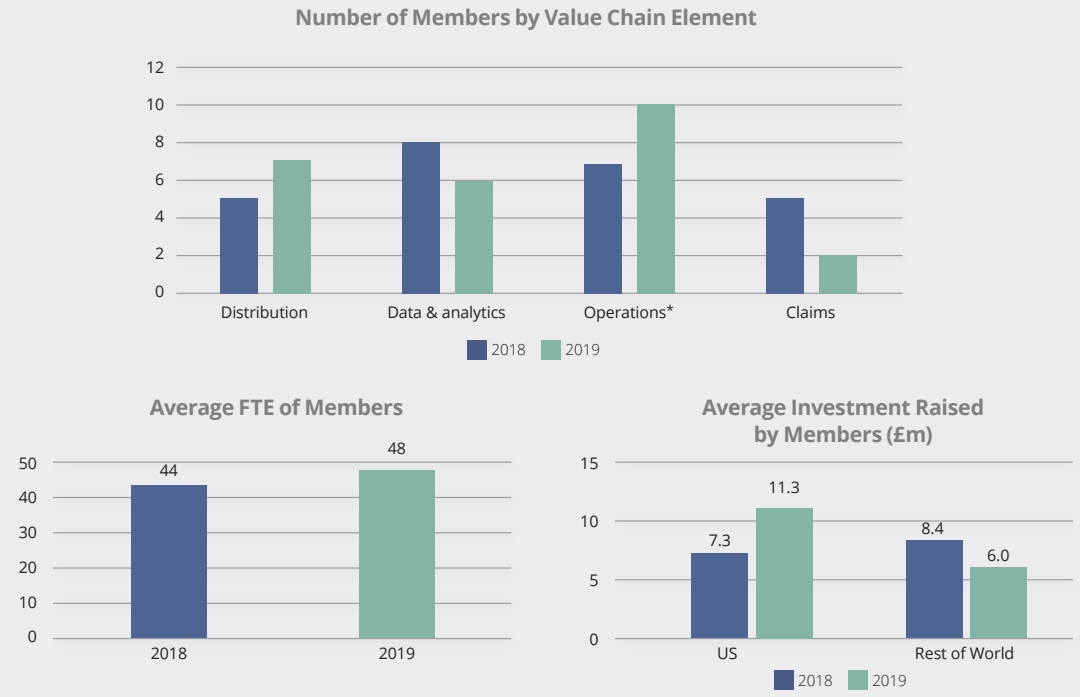
First, we have a greater weighting of Distribution InsurTechs (7 compared to five in 2018). We saw more traction in distribution than we expected in 2018 (see section 1) and felt like there were some interesting propositions and strong companies in this space. For example, Laka is a 'digital mutual' that charges customers retrospectively according to the previous months' claims, yulife is a B2B2C life insurance platform has built revenue in excess of £1m since launching in 2017.

Second, we have introduced a new category called 'distribution support'. Our definition of Distribution InsurTech is a company trying to acquire its own end customers through distribution and proposition innovation.[5] Our Distribution Support category is for InsurTechs connecting capacity with distribution, but not pursuing sales themselves. We have included four companies here: ELEMENT and Hokodo, which focus on 'live' D2C sales, and Broker Insights and Tremor, which are B2B marketplaces. This category might grow if InsurTechs think they can grow faster by providing their platforms to incumbents: we have categorised Laka and ottonova as Distribution InsurTechs as this is their primary model, but both run two-track models.

Third, there is a much broader spread across the insurance spectrum. Last year's Members were focused on personal lines and SME insurance. Over the course of 2018, InsurTech has started to add real value to commercial and specialty insurance (as described in our report published with the Lloyd's Market Association in September 2018[6]). As a result, we have included 19 InsurTechs that have an application in that part of the market.

[5] https://www.oxbowpartners.com/distribution-vs-supplier-insurtechs/
[6] https://www.oxbowpartners.com/lma-insurtech-2018/

[Exhibit 5] InsurTech Impact 25: 2018 vs. 2019



*Distribution support InsurTechs were added to the Operations category for the purpose of this graph.

More detail about each of the companies can be found in our profiles in Section 4.

A note on the selection of Members

As the InsurTech landscape matures, we hope to move to an objective measure such as revenue growth to select our Members. However, whilst InsurTech continues to mature, we do not feel like this is the best selection criterion.

Instead, we have assessed eligible companies based on detailed submissions, covering revenue and revenue growth, business model and strategy, clients and investors. A high weighting was placed on revenue and the small number of Members who did not disclose it had to meet a much higher bar on the other criteria than companies that did.

To be eligible as a Member, companies needed to meet most of the following criteria.

- More than £100k forecast European revenue (distributors: commission) in 2018 from insurance clients
- Not more than £10m forecast global revenue (distributors: commission) in 2018 from all clients
- For companies whose revenue is largely not from Europe: a concrete plan to enter Europe in 2019 should be in place
- A proposition that is technology-led and somehow innovative
- No corporate shareholder (whether insurance or otherwise) who owns 50% or more of the company (financial shareholders like private equity are acceptable)
- Established before 1 January 2018

The objective of our report is to highlight companies that have traction and potential for European incumbents, but are not household names.

We also sought to get a broad spread of businesses, covering all elements of the value chain, customer types (commercial and personal lines) and products (general insurance, life insurance).

There is no fee or other financial incentive for Membership: all Members are selected on their own merits.

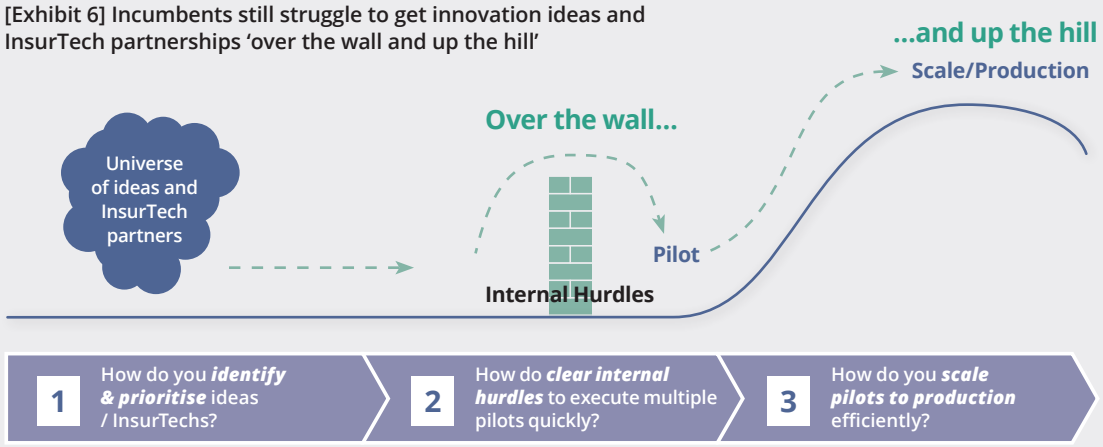
3. WHAT THIS ALL MEANS FOR INCUMBENTS

In this section we reflect on some issues linked to InsurTech which will shape our thinking on strategy and operations for (re)insurers and brokers in the year ahead.

Focus on execution

Incumbents who want to innovate – whether internally or through InsurTech partnerships – generally speaking need to get better at identifying, developing and scaling ideas and partners. We represent this as 'getting over the wall and up the hill'.

[Exhibit 6] Incumbents still struggle to get innovation ideas and InsurTech partnerships 'over the wall and up the hill'



Identifying ideas and InsurTech partners – and the need to be realistic about origination capabilities

Some companies have invested heavily in internal innovation teams or building a 'honeypot' brand for InsurTechs. For example, AXA XL's innovation team is the source of some market-leading innovations in commercial insurance, while RGA's RGAx team is active in life insurance and Munich Re's Digital Partners division is the first port of call for many non-life Distribution InsurTechs.

Smaller insurers, especially those outside the major European tech centres, still struggle to get access to quality ideas or InsurTech 'dealflow'. Of course, it is difficult to identify quality and incumbents need to make sure that they are not just busy, but working on high quality, high impact ideas. They might therefore consider alternative ways to identify and evaluate innovation ideas and InsurTech partners. One of these might be an investment in an InsurTech-focused investment fund such as Anthemis or Eos Venture Partners, where they benefit from access to specialist investment expertise. For example, Baloise, a Swiss insurer, invests via Anthemis whilst Beazley and TransRe chose Eos.

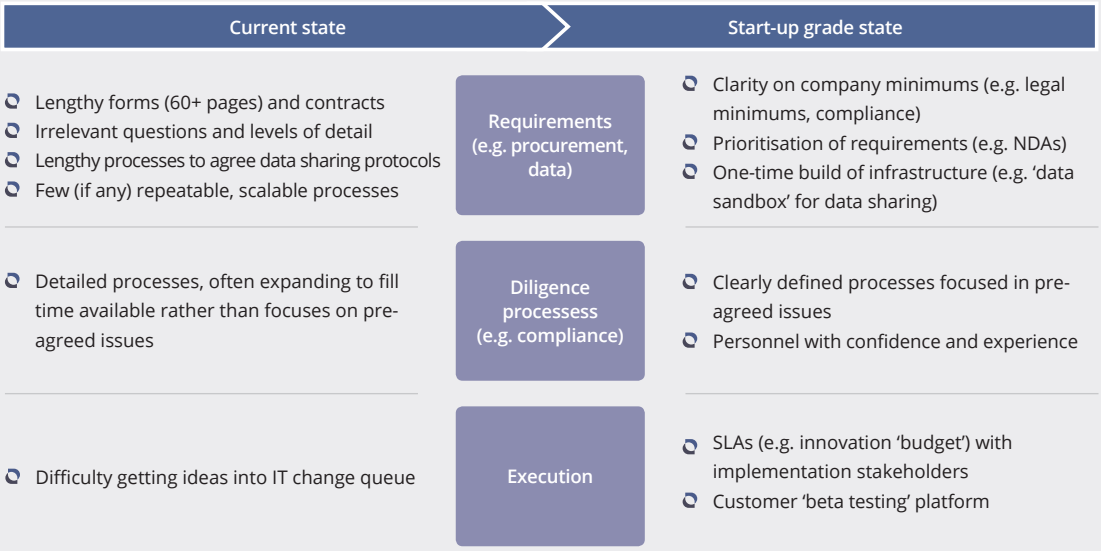
Other insurers are taking a problem-led approach, working with organisations such as Oxbow Partners to ensure that creative external thought, including a detailed view of possible InsurTechs solutions, is considered in strategic or operational projects such as building a more customer-centric sales experience or claims transformation.

Engaging with ideas and InsurTechs – and the need to align methodologies

Identifying the right idea or InsurTech is only the start.

In last year's report we talked about the importance of 'startup grade processes' to engage with InsurTechs. This remains true: incumbents need to find ways that they can launch pilots efficiently and quickly. They must recognise on the one hand that regulatory compliance is absolute and not negotiable but also that InsurTechs are small entities who have limited resources. It is surprising how little progress has been made on this point across the industry in the last twelve months.

[Exhibit 7] Incumbents need to define 'startup-grade processes'



Second, incumbents and InsurTechs need to develop methodologies to allow them both to be productive. InsurTechs generally work in agile, delivering functioning (but often imperfect) modules regularly for ongoing testing. Many incumbents have tried to move to agile methodology, but the reality is that the size, complexity and (necessary) governance of a regulated entity makes it impossible to apply without significant adaptation (see box). InsurTech implementations require content-led project managers to quickly identify when parties are speaking different languages and develop approaches to maintain productivity across the programme.

Five tips for working with an InsurTech

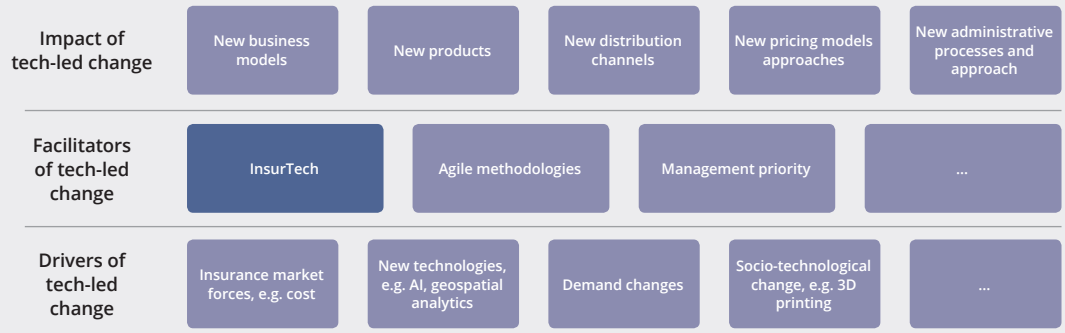
- **Don't assume it'll be an InsurTech:** The objective of a project should (normally) be a business outcome, not to engage an InsurTech. Work out your objectives and consider traditional vendors as well as InsurTechs.
- **Clarity of objectives:** Be as clear as possible on your objectives before engaging with the InsurTech. If you are not, the balance of power in the relationship will shift to the vendor. A perception will grow that the InsurTech is 'superior'.
- **Understand success:** Your objectives should include quantified assumptions on outcomes. Understand what your baseline KPIs are and how you expect them to move. Make sure that there is a 'golden source' to track these KPIs after launch. Interpret data dispassionately and work with the InsurTech to enhance outcomes – it is in everyone's interest.
- **Think broadly:** An InsurTech partnership is an opportunity to leapfrog the competition with new thinking and approaches. Don't waste the opportunity by re-digitising your existing proposition or processes. Think big.
- **Work on the relationship:** InsurTechs and incumbents have cultures and ways of working that could not be more different. Recognise that both sides will need to adapt their working style and consider using an independent facilitator to manage the relationship and find productive methodologies and approaches.

Scaling – and the need to see InsurTech as a facilitator of change

Finally, incumbents need to get better at scaling innovation ideas and InsurTech partnerships in their organisations.

An obvious but sometimes overlooked point is that InsurTech is a mere facilitator of change, sitting between drivers of change (like new technologies that are pushing the industry to new approaches) and business impacts (like new products). You could say that InsurTech is not a trend in itself but merely a new type of tool.

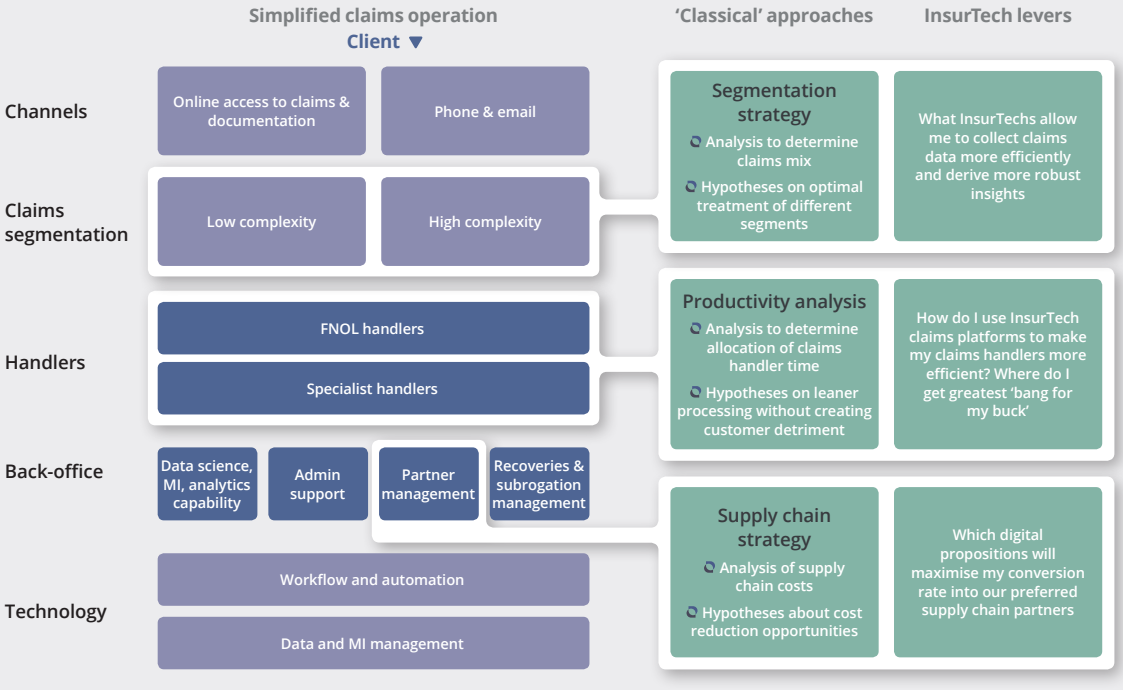
[Exhibit 8] InsurTech is just a facilitator of business change



It is therefore essential that incumbents do not shift too far to thinking about 'InsurTech projects' but keep the focus on strategy or change questions like in any other project. These questions might be 'how do we raise profitability in our motor portfolio' or 'how do we segment life insurance customers better'. InsurTech merely enhances the solution.

Claims transformation is a good example. InsurTechs such as Impact 25 Members 360Globalnet, RightIndem and Snapsheet can all help deliver better customer experiences, but only if the operating model is reshaped around the technology proposition.

[Exhibit 9] InsurTech partnerships must support 'classical' approaches to change: Claims transformation example



Adapting agile for the corporate environment

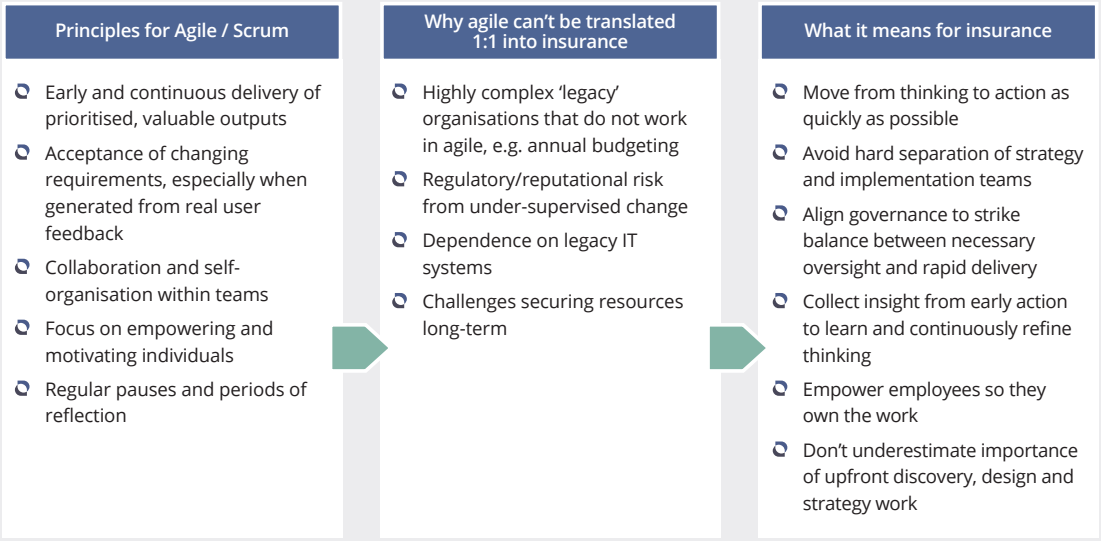
Agile has become a common term in the insurance industry – but what does it mean? Our clients use it to mean anything from 'hot desking' and 'flexi-time' to its intended definition.

One of Oxbow Partners' founding beliefs was that agile principles can lead to faster and lower risk project execution in corporates. We observed that clients often spend too much time developing strategies and plans, and not enough time considering the practical levers that make them real. If strategies fail, it is as a rule not because the upfront market size analysis was slightly incorrect, but because the complexity of the IT change was underestimated.

It is not, however, true that agile methodology can be imported directly from technology development (where it was invented) to business change. Insurers' change projects sit within highly complex 'legacy' organisations: for example, they have matrixed networks of stakeholders and 'waterfall' processes such as budgeting. The regulatory and reputational risks of uncontrolled and misdirected change are significant. Facebook's famous mantra of 'fail fast' doesn't work for many listed companies.

Agile can, therefore, only be used in corporate change projects with significant adaptation. Incumbents should consider how the twelve principles of agile can be applied to their change processes. This is illustrated in the exhibit below.

[Exhibit 10] Translating agile principles into an insurance change environment



There is no single, 'optimal' adaptation. Every organisation will need to find its own flavour based on its operating culture and project context.

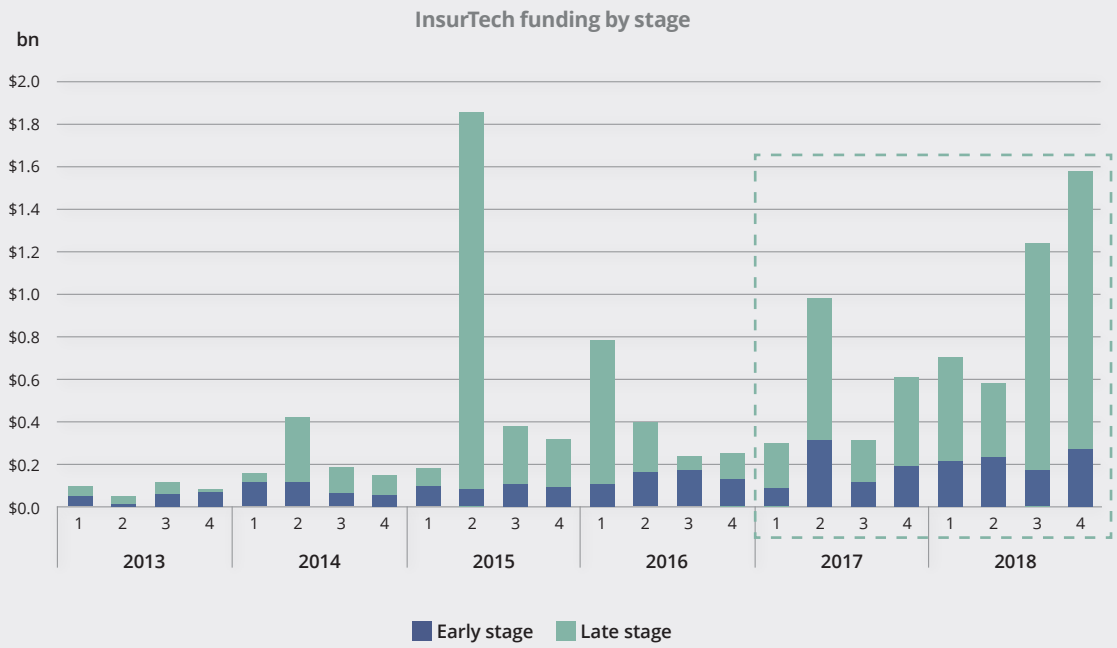
Equally important is that organisations don't try to be 'too agile' (which is a misuse of the agile principles). Agile does not mean that discovery, design or implementation planning should be compromised. Far from it; organisations need a clear strategy before they embark on any change or build programme, comprising a direction of travel, expected benefits, costs and resources. Embarking on any project without these building blocks can be catastrophic.

The pertinent question that corporates should be asking themselves is: when do they have sufficient confidence in their discovery, design and implementation planning that they can start executing a series of rapid but clearly defined delivery 'sprints'. Put another way, when does the primary execution risk move from being a lack of knowledge about the opportunity, to a lack of knowledge about their practical ability to execute on it. The answer is often sooner than many corporates think.

Investment consolidation could make change sudden in Europe

InsurTech investment was buoyant in 2018 according to data from Willis Towers Watson.[7] $4.2bn was raised in 2018, compared to $2.2bn the previous year. Crucially, the data also shows that later-stage investments are growing as a proportion of total funding – up to 80% in 2018 from 70% in 2017.

[Exhibit 11] InsurTech investment by stage



Source: Willis Towers Watson Quarterly InsurTech Briefing, Q4 2018

Until now, European and US InsurTechs have been at a broadly similar level of maturity. Indeed, Europe was seen as being slightly ahead until a few years ago. This could now change and the impact could be dramatic for European insurers.

Our hypothesis goes like this: As InsurTechs mature, they will require ever larger funding rounds. US investors have deeper pockets, so it is likely that US InsurTechs will find it easier to raise more money. This means that some US InsurTechs will develop fast and accelerate away from their local and European counterparts.

These US InsurTechs will initially use their funding rounds to grow in the US, growing from single-state propositions to national companies. However, at some point they will put European expansion on their investor presentation.

When they arrive in Europe, these InsurTechs are not small companies asking for pilots, but relatively mature technology companies looking to roll out in a new market. Lemonade is a good example. The company announced in November 2018 that it is coming to Europe. This 'full stack' InsurTech will arrive with proven technology and operating capabilities, combined with a well-funded marketing budget.

These companies will hit European insurers hard, especially those who have enjoyed comfortable oligopolies in their markets for decades. Whilst nobody can prevent an InsurTech from coming to their market, insurers would do well to ensure that their market does not look like the ripest for disruption.

[7] https://www.willistowerswatson.com/en-CH/insights/2019/02/quarterly-insurtech-briefing-q4-2018

Are current organisational structures fit for the digital age?

Insurance incumbents – like most established industries – are organised geographically. Countries are the 'primary organising factor'.

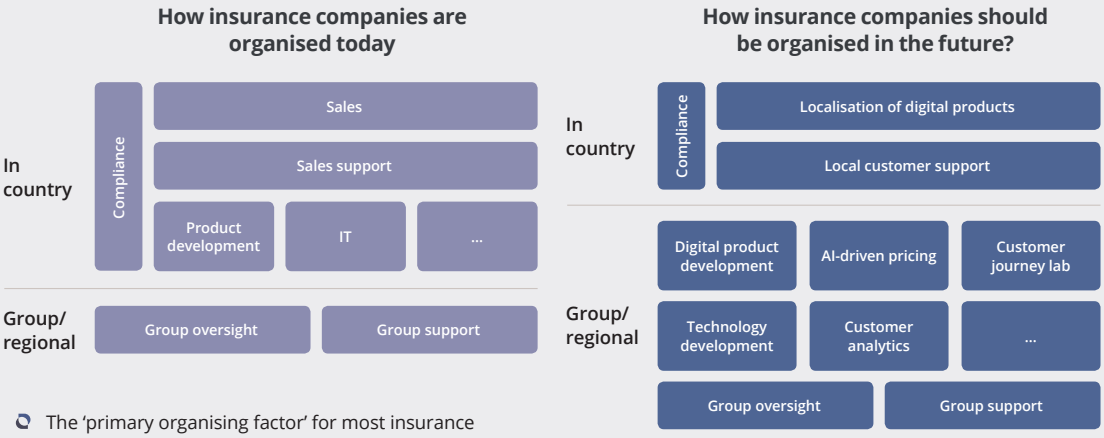
Consider 'full stack' InsurTech Lemonade, whose plan to enter Europe we referenced above. Lemonade is an ambitious business with a top-down view of the world. As their blog post put it: "Lemonade has no intention of stopping at water's edge".[8] Digital-first businesses seek out their target customers, build technology for them and support the proposition with the minimum operational infrastructure required to deliver the customer promise.

For insurers, on the other hand, it has historically made sense to see country as the primary organising factor. A France-based, French-speaking individual should cover the French agency salesforce. Products needed to conform to local standards and market preferences. But nowadays, as Lemonade notes in the same blog, "great digital brands transcend borders. Whether in Chicago, Paris, or Singapore, today's consumers listen to music on Spotify, ride with Uber, and stay at Airbnb. Consumers are increasingly cosmopolitan, socially aware, and tech-native – everything Lemonade was built to be."

We agree with Lemonade that customers are becoming more homogenous as they become more digital. We therefore think that digital capabilities rather than local specialisms become the most important organising factor for incumbents. These capabilities could be a top-quality robo-advisor to optimise an individual's investment portfolio (such as the one being built by Impact 25 Member FINABRO) or technology to seamlessly integrate with third party platforms (such as Impact 25 Member Hokodo's proposition).

We therefore wonder whether global insurance groups should consider reorganising around global capabilities. Should functions such as customer analytics, digital product development and AI-driven pricing be driven out of global centres of excellence to deliver consistently market leading local experiences? Should country entities be reduced to 'localisation layers' that adapt global capabilities to the genuine differences between markets, such as the local claims supply chain?

[Exhibit 12] Organising the digital insurance group of the future



- The 'primary organising factor' for most insurance companies is currently the country entity
- This made sense in the past: a French agent should be supported by a French sales support team with knowledge of French policies
- Group provides compliance and control oversight and some 'arms length' support

- Digital businesses have a 'top down' view of the world: they build global tech and follow with operations
- For example, Lemonade noted at a conference that California is its biggest market but it has no people there

[8] https://www.lemonade.com/blog/coming-to-europe/

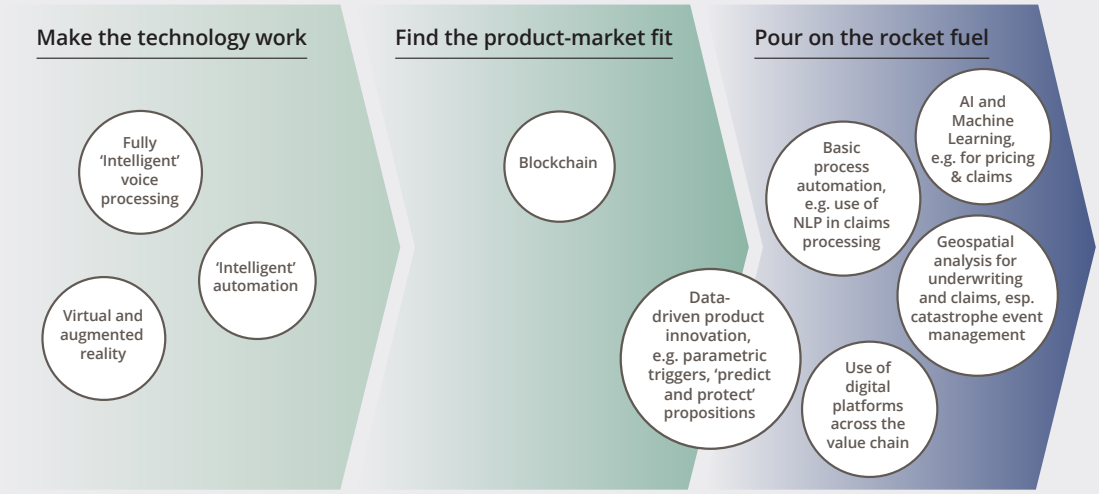
Moving to such a model will, of course, be a huge shift for any global insurance group. There are huge challenges of technology, governance, politics and more. However, to compete with international technology companies, this may be a necessary step in the next few years.

The shifting boundaries of innovation

Our final observation is what the state of InsurTech means for the organisation of innovation.

We observe that some technologies are beginning to mature to the point where they are ready for the 'rocket fuel'.[9] The technology works, the product-market fit (i.e. an understanding of how the technology can be used to add value) has been found, and the market is ready to scale. We have illustrated our view in the picture below.

[Exhibit 13] Some technologies are ready for the 'rocket fuel'



Understanding the maturity of a technology and its potential deployment in insurance is critical for insurers for two related reasons.

First, it informs what fits into an incumbent's 'innovation appetite' (a core part of a company's innovation strategy). Does your company want to be a 'pioneer' or a 'fast follower'? How does this vary by geography or line of business, for example? Answers to these questions inform the choices incumbents make about their areas of focus for innovation, their innovation operating model and resource allocation.

Second, understanding the maturity of technologies should inform how trends are addressed by incumbents. For example, more mature trends such as AI-enabled pricing models should be explored close to the core business and implemented quickly – a failure to do this could lead to losing ground against competitors. Further-out trends such as blockchain should be explored in an innovation team which tries to find the product-market fit, and only by companies that have decided that there is value in being a 'pioneer'.

Given the abundance of innovation opportunities, insurers need to take a structured approach to the choices they make.

[9] This term and the framework below are borrowed from Ben Evans, Partner at Andreessen Horowitz, and adapted for insurance. See the following link for an excellent presentation about technology trends (not limited to financial services): https://www.ben-evans.com/benedictevans/2017/11/29/presentation-ten-year-futures

4. IMPACT 25 MEMBER PROFILES

	MEMBER	PERSONAL LINES	COMMERCIAL & SPECIALTY	LIFE/PENSIONS/ HEALTH	PAGE NO
Distribution	FINABRO			♡	22
	FloodFlash		🏢		24
	INSHUR		🏢		26
	yu life			♡	28
	zeguro		🏢		30
	laka	🏠			32
	ottonova			♡	34
Distribution support	BROKER INSIGHTS		🏢		36
	ELEMENT	🏠	🏢		38
	HOKODO		🏢		40
	Tremor		🏢		42
Data & analytics	Concirrus		🏢		44
	DQPro		🏢		46
	inforcehub			♡	48
	METABIOTA®	🏠	🏢	♡	50
	pharm3r		🏢		52
	SHEPHERD		🏢		54
Operations	artificial.	🏠	🏢		56
	DIGITAL INSURANCE GROUP	🏠	🏢	♡	58
	INSLY	🏠	🏢		60
	McKenzie Intelligence	🏠	🏢		62
	OnSiteIQ		🏢		64
	WHITESPACE		🏢		66
Claims	Bdeo	🏠			68
	snapsheet	🏠	🏢		70

2019 INSURTECH IMPACT 25 Oxbow Partners

FINABRO

FINABRO is a digital platform for company and private pensions in German-speaking Europe

FINABRO aims to make saving for retirement easier and more accessible with its D2C and B2B2C digital platform

Position in the insurance chain:

Distribution | Distribution support | Data & analytics | Operations | Claims

Bitesize profile

FINABRO was set up to disrupt the traditional central European pensions and savings landscape – initially focused on the German speaking region. The company provides an innovative pensions platform focused on employers and employees. For employers, FINABRO provides full digital processing, removing a large part of the administrative burden. For employees, the company offers a pensions product either as a low-cost ETF-based robo-advisor or more classical capital life insurance products. The company also offers non-wrapped investment products.

The company's core focus is the pensions market in central Europe which is underdeveloped compared to northern Europe. For example, costs are high (5 to 10 times the cost in UK and Scandinavia), and risk appetite defaults to inappropriately low levels especially for those with a 30 to 40 year investment horizon. With regulatory reform on the horizon (especially in Germany), FINABRO hopes to import some practices to the region.

Founder Søren Obling tells us that companies welcome his business's digital-first proposition, and he expects to sign up some large companies in Austria in 2019. Whilst the D2C channel remains open, it expects B2B2C to deliver most of its volumes from now on.

The pensions wrapper is provided by Helvetia and Zurich, both Swiss insurers with a strong presence in Germany and Austria. The savings product is offered in conjunction with an Austrian and a German custodian bank. FINABRO is licensed by the Austrian financial market authority.

> **"Due to the current low interest rate environment, long-term saving and old-age provision is one of the biggest challenges to society. FINABRO's vision of digital retirement saving is centred on solving this challenge and helping people prepare for better, longer living"**
>
> **Andreas Nemeth**, CEO, UNIQA Ventures

Plans for 2019

FINABRO's focus is to multiply its customer base by more than 25x in Germany and Austria and double its team size for greater scale.

Who should speak to this company?

FINABRO is keen to hear from life insurance and pension funds across continental Europe as well as brokers in Germany and Austria.

Company summary

Year founded: 2016
Revenue band: £100k-£1m
Total investment: £1m
Latest round: £350k (August 2018)
Main investors: UNIQA
Offices: Vienna
Live in: Austria, Germany
FTEs: 10 (2017: 3)

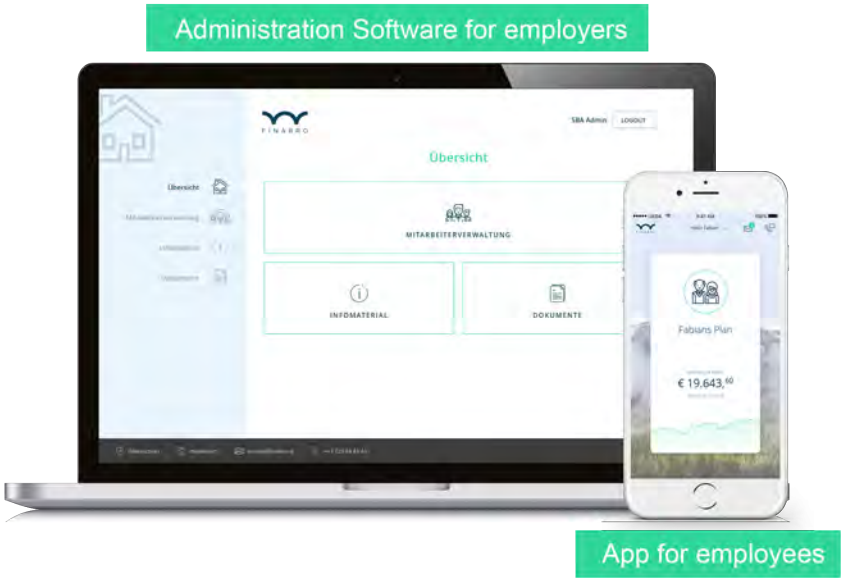
Key insurance clients / partners: Helvetia, Zurich, UNIQA
Key execs: **Søren Obling**, CEO: Formerly at McKinsey, TTTech and Altius Associates Private Equity. **Oliver Lintner**, CIO: Formerly at McKinsey, Erste Bank, Bank Austria, Solomon Brothers. **Joachim Schuller**, CSO: Formerly at Raiffeisen and Valida pension fund

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action



Case study

Client situation: A customer had 200 employees, all of whom were offered a company pension scheme. The finance department spent close to one day per month calculating pension payments per employee as the insurer did not provide an overview. Any changes (employee leaves of absence, employees leaving the company) were manual and highly time consuming.

What they did: After meeting FINABRO, the client cancelled its current contracts and signed up all employees to FINABRO's platform and insurance partner.

What impact it had: Via FINABRO's employer platform, the administrative burden was almost eliminated. Employees were given the opportunity to choose tailored products through a digital MiFID II and IDD compliant process. Employees could get anything from a zero-risk guaranteed product to a high-risk (100% equity) portfolio. FINABRO's app and newsletter informed and educated employees on retirement, and the pensions contributions of the company were more visible to its employees.

The Oxbow Partners view

Austria may not be the largest market in the world, but conditions for technology disruption are close to perfect. Distribution remains dominated by agents, which means that insurers struggle to make significant progress in digital channels for fear of channel conflict. There are opportunities for startups to provide products that insurers cannot offer to customers whose digital expectations are no less developed than in other European markets.

Furthermore, the market structure has allowed fees to rise to levels that would not be tolerated in more competitive markets. For example, banks regularly charge upfront fees of 5% on investments. There is plenty of margins for startups to feed on.

Germany is obviously where the volume is in this region, and competition is stiffer there. The challenge for FINABRO's business model in any market will be ramping up its B2B distribution force. It will be interesting to see if the company remains an independent brand with an insurer providing the product at arm's length to do this, or if the provider promotes it to its own distribution more actively. Indeed, the business could also evolve into a platform that allows multiple insurers to deliver a robo-product.

2019 INSURTECH IMPACT 25 Oxbow Partners

FloodFlash

FloodFlash provides a parametric flood insurance product

FloodFlash aims to address the estimated $41bn of uninsured global flood losses by rethinking the way flood risk is covered

Position in the insurance chain

Distribution | Distribution support | Data & analytics | Operations | Claims

Bitesize profile

FloodFlash's parametric insurance, currently targeting SMEs, removes underwriting uncertainties such as building vulnerability and contents value from risk cost, and eliminates many loss adjustment costs. This reduces volatility and operational costs for carriers and makes insurance more affordable for customers even in highest risk areas.

The company generates quotes based on the trigger depth of any flooding and payout value selected by customers. Once a policy is issued, the FloodFlash team installs water sensors at the insured property within 2 weeks. The sensors are tamper-resistant, have self-contained power, and use their in-built communications capability to provide real-time data to FloodFlash.

In the event of a flood, policyholders automatically receive the pre-agreed claims payment within a few days. Given that claims payments are all cash, business owners can prioritise which aspects of the flood-related damage they want to address first. FloodFlash recently completed a successful paid pilot with a group of UK-based SMEs, providing them with flood insurance cover despite their location in high-risk flood areas.

FloodFlash is a coverholder at Lloyd's of London with delegated underwriting authority.

"We are excited to play a part in the launch of this new customised solution to help alleviate the significant flood risk that so many continue to contend with around the world."

Sam Geddes, Everest Insurance

Plans for 2019

FloodFlash aims to continue proving the appetite for event-based flood policies by ramping up UK GWP and will begin a US pilot scheme.

Who should speak to this company?

FloodFlash is keen to hear from wholesale and retail insurance brokers serving SME clients.

Company summary

Year founded: 2017
Revenue band: Less than £100k
Total investment: £2.1m
Latest round: £1.9m (August 2018)
Main investors: LocalGlobe, Pentech Ventures, InsurTech Gateway by Hambro Perks
Offices: London
Live in: UK
FTEs: 9 (2017: 2)
Key insurance clients / partners: Underwriters: Everest Syndicate 2786; multiple brokers and distribution partners

Key execs: **Adam Rimmer**, Co-CEO: Ex-RMS, degree in natural sciences from Cambridge. **Ian Bartholomew**, Co-CEO: Ex-RMS, MA and MPhil from Cambridge, geoscience PhD from Edinburgh. **Josh Gill**, Head of Technology: Former software engineer at RMS, PhD from Imperial College. **Pete Codling**, Head of Hardware Design: Former design engineer at Dyson, MA from Royal College of Art

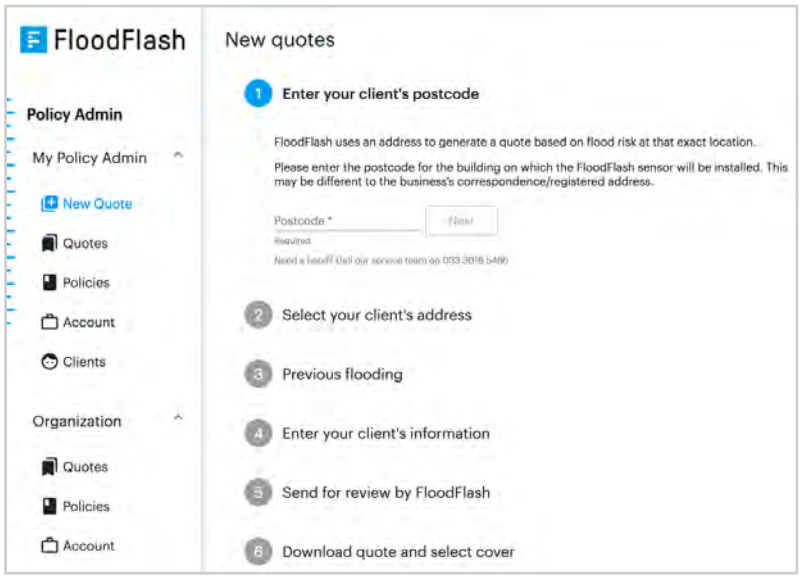
Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

The FloodFlash portal provides an instant quote-and-bind facility for retail brokers.



Case study

Client situation: A retail broker was unable to provide a solution to their clients after multiple underwriters refused to offer flood cover.

What they did: The retail broker issued FloodFlash policies to their clients, working with them to set depth and settlement amounts at an affordable premium.

What impact it had: The retail broker's clients are now protected with transparent, objective parametric policies.

The Oxbow Partners view

The data revolution is making it much easier to create products with digital triggers. These products could be either parametric or traditional (i.e. indemnity). We see considerable opportunities for parametric offerings as there is value in the certainty of rapid, fixed settlements for customers (although this must be balanced with the risk of mismatch to the loss).

It is also interesting to note that FloodFlash does not need a claims department as settlements are fixed and losses do not need to be physically validated (beyond fraud). This is another example of how product innovation could lead to value chain compression as digital platforms connect distribution directly to capital (reinsurers) with no need for the traditional capabilities of primary insurers.

2019 INSURTECH IMPACT 25 Oxbow Partners

INSHUR

INSHUR is a digital MGA providing insurance for professional drivers

INSHUR wrote over $24m of GWP in New York in the 10 months after launch in February 2018; the company is now also live in the UK

Position in the insurance chain

Distribution | Distribution support | Data & analytics | Operations | Claims

Bitesize profile

INSHUR is the latest InsurTech providing a product tailored to the needs of professional drivers working with services such as Uber, Lyft and Gett in the 'rideshare' or 'gig' economies. The company's mobile app allows drivers to obtain a quote and purchase a policy in minutes. Traditionally they would have had to visit or call a broker, and receiving the policy documentation often took days. Furthermore, mid-term adjustments and payment are managed in the app.

The app uses a digital messaging assistant, Ami, to collect basic customer information. An important component is the collection of driver IDs and licences, which the system ingests and analyses in real time. The company claims that a policy can be issued within three minutes.

INSHUR provides digital claims processing and document uploads via the app. Users also receive timely alerts for items needing attention, such as renewals and claim payments. During renewal periods, the company's platform automatically reviews prices and presents options to users in the app.

INSHUR plans to use its technology platform to target future sectors such as transport and delivery, where the driver profile, employment status, and commercial insurance need is similar.

"With a solid UK launch well underway and the financial backing from ourselves and others, INSHUR is one to watch in 2019."

Andrew Rear, CEO, Munich Re Digital Partners

Plans for 2019

INSHUR plans to scale up the team and significantly grow its premium in New York and the UK while also identifying opportunities to expand into new territories and product lines.

Who should speak to this company?

INSHUR is keen to hear from insurance carriers, Transportation Network Companies (TNCs), investors and future employees.

Company summary

Year founded: 2016
Revenue band: £1m-£5m
Total investment: £7.7m
Latest round: £5.4m (December 2018)
Main investors: Munich Re, MTech Capital
Offices: New York, Brighton (UK)
Live in: US, UK
FTEs: 29 (2017: 12)

Key insurance clients / partners: Munich Re
Key execs: **Dan Bratshpis**, CEO: Former VP Merrill Lynch Technology, 8 years of transportation insurance experience. **David Daiches**, COO: Former CEO of Insurecom (sold to Applied Systems)

Personal lines

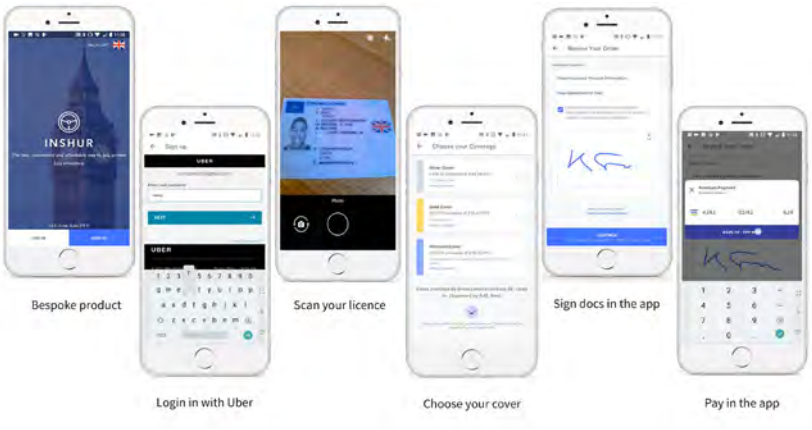
Commercial & speciality

Life/Pension/Health

Company in action

The INSHUR solution is a mobile-first digital insurance platform, driven by a chat-based agent called Ami.

The goal is to present a simple set of questions to the user, but underneath the hood, Ami relies on a sophisticated proprietary framework that allows INSHUR to configure new underwriting flows quickly with analytics to track user behaviour.



Case study

Client situation: Professional drivers are frustrated with the process of buying insurance. For example, after calling an insurer it was necessary to send copies of various documents by post or email and sign forms in person. It took several hours or days to confirm cover.

What they did: A driver can download INSHUR's mobile app for free from either Apple or Google Play. The automated chat process makes data entry simple, which is essential considering the diversity of the driver customer base. A quote and policy can be bought in a matter of minutes with the record being 171 seconds. Over 38% of transactions are handled outside of traditional broker hours.

What impact it had: The driver was able to return to work, confident that they had reliable insurance that could be managed using their phone.

The Oxbow Partners view

We selected this business on account of its rapid initial growth – $24m of GWP within 10 months of launch. In comparison, Oxbow Partners analysis (published on our blog) suggested that Lemonade wrote only around $2m at the same point. Clearly, there are big differences – Lemonade is writing $5/month renters policies whilst INSHUR is writing commercial motor – but still...

The question is, therefore, whether INSHUR can make money on motor. Traditional underwriters sometimes have a black-and-white view of portfolio profitability, often based on historic anecdotes – and taxis are 'bad'. We think that InsurTechs might be more successful: a data-driven approach to finding pockets of profitability is likely to win against incumbents, not to mention lower acquisition costs and maybe (time will tell) better retention. This has certainly been the experience of some of the other InsurTechs in this area that we have been tracking.

2019 INSURTECH IMPACT 25 Oxbow Partners

yu life

yulife is a gamified B2B2C life insurance distribution platform

yulife allows SMEs to provide life insurance as a corporate benefit, rewarding policyholders for healthy behaviour with points (called yucoin) that can be redeemed with a range of brands

Position in the insurance chain

Distribution | Distribution support | Data & analytics | Operations | Claims

Bitesize profile

yulife was founded in 2016 by a team led by a former CEO of PruProtect in the UK (now trading as VitalityLife). It is based in London and sells its products B2B2C via employers, normally SMEs. The firm offers accidental death and full life cover at a fixed monthly cost. Policies are underwritten by AIG.

yulife has created a 'gamified' platform to engage policyholders and encourage healthy living. It looks very different to the traditional life insurance distribution platform with vibrant colours and cartoonish imagery. Features include a company leaderboard, where winners of challenges such as the longest 'streak' of activity are recorded. Activity leads to points, which can be redeemed with a range of suppliers. Activity is recorded via feeds from tracking devices.

The yulife team also aims to promote healthier company cultures alongside individual changes. It notes that one company using its app has already started to have walking meetings. Gamification expertise is provided by members of the team who have experience in the gambling industry.

"We were searching for a benefit that was both engaging and encouraged wellbeing and found that yulife ticked all the boxes."

Joshua Van Raalte, CEO of Brazil, an international communications agency

Plans for 2019

yulife intends to increase its sales growth to 30% month-on-month and grow digital sales. It also aims to launch a direct to consumer offering and new insurance products on its platform while pushing its app development forward.

Who should speak to this company?

yulife is keen to hear from SMEs and employers of any size, as well as brokers looking to offer their clients additional benefits.

Company summary

Year founded: 2017
Revenue band: £1m-£5m
Total investment: £3m
Latest round: £3m (August 2017)
Main investors: Anthemis, Local Globe, Ourcrowd, RGA
Offices: London
Live in: UK
FTEs: 25 (2017: 12)
Key insurance clients / partners: AIG

Key execs: **Sammy Rubin**, CEO: Founding CEO of Pruprotect, founded Policy Portfolio. **Sam Fromson**, COO: Previously FinTech VP, BD and Ops. **Josh Hart**, CTO: Previously founding partner of Chelsea Apps Factory. **Jaco Oosthuizen**, CPO: Previously CEO of Multiply. **Jonathan Roomer**, CFO: Previously KPMG

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action



Case study

Client situation: As a recruitment firm, BrighterBox understood the importance of investing in its people. It had already started to think about how to support its team but was struggling to find a solution that had a holistic view of wellbeing which included the mental as well as physical side. It also wanted to encourage its people to be well by rewarding them for doing simple healthy things like walking and meditating regularly.

What they did: BrighterBox saw that yulife met all of its requirements and shared their ethos for holistic wellbeing. It purchased yulife lite for its employees.

What impact it had: According to Brigherbox's employees, not only has yulife helped to increase general levels of wellbeing in the office, an employee leader board and regular challenges have also helped to improve teamwork.

The Oxbow Partners view

yulife is one of only a handful of InsurTechs in the life insurance space. It is all the rarer for being a Distribution InsurTech; most life start-ups are Supplier InsurTechs (e.g. data & analytics, operations).

The success of Vitality shows there is scope for life insurers (and, given that Vitality now also has a South African motor insurance product, perhaps all insurers) to innovate the proposition and engage customers – the brand has phenomenal customer engagement compared to other insurers. We see this as yulife's opportunity: its combination of legacy-free technology and high calibre management team means that it will innovate fast and should discover how to engage customers even better than incumbents.

But arguably yulife's most important weapon is the ability to organise itself around flat, multi-disciplinary product teams, which experiment and execute in lockstep. We explain in other parts of this report that agile product development is not something that siloed corporate structures lend themselves to.

2019 INSURTECH IMPACT 25 Oxbow Partners

Zeguro is a 'virtual cybersecurity officer'

The company helps SMEs reduce the risk of successful cyber attacks and provides insurance for any breaches

Position in the insurance chain

Distribution | Distribution support | Data & analytics | Operations | Claims

Bitesize profile

Zeguro's virtual cybersecurity officer has three main roles:

- Identify and mitigate cyber risk: Zeguro continuously scans businesses' digital assets, identifying areas of potential cyber weaknesses. An example could be that a team member has not selected two-factor authentication on a cloud-based service: to do that, Zeguro monitors AWS, Azure, Dropbox, GSuite and Office 365 and if weaknesses are identified, either automatically fixes the issue (e.g. changes settings) or recommends fixes. The solution depends on the issue.
- Provide cyber risk training: Zeguro provides services such as cyber security awareness training to help employees prepare for threats, including ransomware scams, password management and phishing schemes. It also helps companies comply with data and cyber standards. Zeguro creates a to-do list and audit trail to keep clients in line with current regulations, tailoring recommendations based on the client's industry, sector and business.
- Offer insurance: Zeguro uses the data it collects on each business to provide cyber insurance coverage that is tailored (i.e. cover and price) to meet the business's needs. The company's cyber insurance policies cover loss of customer or employee data and third-party lawsuits among other cyber-related threats. The distribution channel is fully digital without intermediary fees, and policy holders can file a claim and receive assistance from the Zeguro team 24/7.

"Loss prevention has always been a core element of HSB's business model. That's why we were attracted to Zeguro's approach of using technology and risk assessments to help businesses defend against cyberattacks and breaches."

Stephanie Watkins, Senior Vice President, Hartford Steam Boiler

Plans for 2019

Zeguro plans to grow its team over the next year and offer its product to SMEs outside of its current US and UK markets.

Who should speak to this company?

Zeguro is keen to hear from SME business owners, executives and compliance and operational officers who are responsible for maintaining the cyber safety and financial security of their companies.

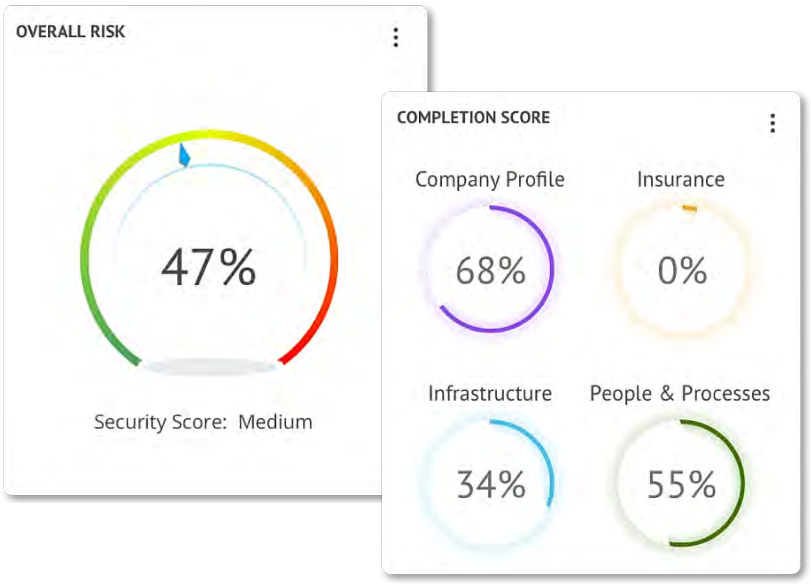
Company summary

Year founded: 2016
Revenue band: £100k-£1m
Total investment: £4m
Latest round: £4m (November 2018)
Main investors: Mosaik Partners, HSB Ventures, QBE Ventures, Healthy Ventures
Offices: San Francisco, London
Live in: US, UK
FTEs: 12 (2017: 4)

Key insurance clients / partners: HSB, QBE
Key execs: **Sidd Gavirneni**, Co-Founder & CEO: 18 years of security, strategy, product and innovation management experience. **Daniel Smith**, Co-Founder & President: 14 years of experience in cyber security. **Abbey Gallegos**, EVP Insurance: Previously at AIG and WTW

- Personal lines
- **Commercial & speciality**
- Life/Pension/Health

Company in action



Case study

Client situation: A small business did not have the knowledge or resources to protect itself against cyber attacks, a common scenario given that 61% of SMEs faced a cyber attack in 2017 but only 4% had cyber insurance.

What they did: Zeguro's cyber safety platform allowed the company to continuously monitor and mitigate its cyber risks. The SME could also easily buy cyber insurance because of the real-time insights that Zeguro had. The business saved on its insurance premiums by using the Zeguro platform and decreasing its cyber risks.

What impact it had: Zeguro's client is likely to have saved up to 30% on cyber insurance by using the Zeguro platform and decreasing its cyber risks.

The Oxbow Partners view

Cyber insurance is the much-talked about growth opportunity for insurance, and given the low penetration rates it is not hard to see why. New volume will build in personal lines, SME and commercial.

Zeguro is a good example of a 'predict and prevent' proposition. Rather than focusing on insurance sales per se, it is providing a cyber proposition that has insurance embedded into it. This seems to be the emerging standard for many personal lines and SME cyber propositions; this is a cover that is bought primarily as a risk management product with the indemnity providing the 'backstop'. It will be interesting to see whether this model becomes the standard in more lines of insurance as companies try to be more than a mere financial partner.

2019 INSURTECH IMPACT 25 Oxbow Partners

Laka is a 'digital mutual' that charges customers retrospectively

Laka currently provides bike insurance in the UK but has ambitions to grow into new areas, including an Islamic insurance product with its Malaysian partner

Position in the insurance chain

Distribution | **Distribution support** | Data & analytics | Operations | Claims

Bitesize profile

Laka's proposition to customers is simple: if there are no claims in a month, your premium is zero at the end of the month. If there are claims, however, you pay your share, up to a cap which is set at around the market price in the UK. The credit risk on defaulting customers is taken by Zurich, as is the cost of excess losses that the pool cannot sustain.

Laka's first product is insurance for high value bikes in the UK. This has allowed the firm to test its hypotheses; first, that people will take better care of their possessions if they can see a direct link to their insurance premium (Laka's monthly statements lay out clearly how the share is calculated), and second that customers will pay premiums retrospectively. These hypotheses have been true so far – there have been no credit defaults, nor has Zurich's excess policy been triggered to date.

The next challenge will be to extend the proposition into new groups. The company will next target 'lifestyle affinities' like water sports, golf and fishing, where physical property can be insured within the community.

In 2018, Laka agreed a partnership with Malaysian insurer Tune Protect Group. Laka's proposition complies with Takaful (Islamic Insurance) principles, which positions it as a compelling proposition for countries with large Muslim populations. This partnership is in line with Tune Protect Group's plans to become the leading digital insurer in the region, supported by its affiliate AirAsia, Asia's leading low cost carrier.

> **"Insurance is going to change. Like AirAsia, I feel that Laka is the future."**
>
> **Tony Fernandes**, Group CEO of AirAsia

Plans for 2019

On the back of a successful proof of concept with high value bicycles, Laka is aiming to move beyond cycling and roll out several products in 2019 in the UK. It also prepares to launch in Malaysia. Finally, Laka intends to start licencing its platform to insurance carriers and e-commerce brands later in 2019, allowing them to offer a 'digital mutual' solution.

Who should speak to this company?

Laka is opening its post-seed round and is keen to hear from strategic and financial investors, as well as insurers and distribution partners interested in bringing Laka's community-based model to their domestic market or exploring new revenue channels.

Company summary

Year founded: 2017
Revenue band: £100k-£1m
Total investment: £1.35m
Latest round: £1.1m (June 2018)
Main investors: Tune Protect Group, 500 Startups
Offices: London, Bristol, Kuala Lumpur
Live in: UK
FTEs: 15 (2017: 6)
Key insurance clients / partners: Zurich (capacity), Tune Protect Group (distribution and capacity in Malaysia)
Key execs: **Tobias Taupitz**, Co-Founder and CEO: M&A, corporate finance covering FinTech and Insurance at Barclays and KPMG. **Jens Hartwig**, Co-Founder & CPO: COO at Startupbootcamp InsurTech. **Ben Allen**, Co-Founder & CTO: 17 years of experience building software teams and systems

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

On average, Laka charged 35% of the customer's cap in 2018. Even excluding the first quarter, Laka achieved a respectable 47% of the personal cap.



Case study

Client situation: Zurich wanted to explore opportunities to innovate in the value chain and identified Laka as an interesting partner.

What they did: Zurich partnered with Laka to provide 'working capital' that allows Laka to settle claims swiftly before its monthly premiums are received. Zurich also acts as a reinsurer providing the stop loss arrangement that limits each individual customer's maximum premium to the price of conventional cover.

What impact it had: The partnership with Laka allowed Zurich to identify and remove hurdles in working with startups and to enhance their speed to market significantly. In addition, Laka's business model allows Zurich to earn fee-based revenues from stop loss and working capital products in line with conventional return on risk capital (RORC) requirements.

The Oxbow Partners view

We think that Laka's simple proposition will resonate with customers: a premium that is directly linked to losses and is capped at the market rate. The company is arguably the first that has made peer-to-peer insurance work.

We think Laka's strategy to provide its technology to insurers could be the real game-changer. The challenge for many Distribution InsurTechs, particularly those with innovative propositions, is the speed of growth in a lethargic market; partnering with incumbents would provide access to a customer base. For corporates there is an opportunity to provide an innovative affinity proposition, for example a 'digital mutual' scheme for churches or a football club.

And that's quite apart from the huge Takaful opportunity. Insurance penetration in the Islamic community lags Europe not least because of the difficulty of creating compliant products. With Laka's proposition there is a huge opportunity in Malaysia, where it has a local partner, or indeed in neighbouring Indonesia with its 260m population.

2019 INSURTECH IMPACT 25 Oxbow Partners

ottonova

ottonova is a German 'full stack' digital private health insurer

ottonova serves customers through its 'digital concierge' and licences its technology platform to other health insurers who want to offer a better digital proposition

Position in the insurance chain

Distribution | **Distribution support** | Data & analytics | Operations | Claims

Bitesize profile

ottonova was the first health insurer to be founded in Germany for 17 years when it opened for business in 2017 (134 years to the day that Otto von Bismarck introduced health insurance in Germany). The company has attracted significant attention since being founded – investment of over £30m including from Debeka, Germany's largest private health insurer.

ottonova's app provides policyholders with a digital concierge service (allowing policyholders to book appointments, get support when abroad, etc.), a personal medical timeline (e.g. past appointments, prescriptions) and an automated claims handling process, including the ability to make claims by photographing receipts and uploading them. The service is supported by a 24/7 helpline.

The company has two variants of its main product called 'Business Class' and 'First Class'. First Class offers perks like single rooms in hospitals, direct access to specialists and other perks. Expats can access short-term plans, and those who are insured via Germany's public system can buy 'top up' coverages like dental insurance or add-on hospital cover. Unsurprisingly, given the branding and products on offer, the proposition is aimed at young professionals in Germany.

The company has so far focused on the D2C market in Germany but is now expanding its white label platform to other insurers. The first B2B customer is German health insurer Süddeutsche Krankenversicherung (SDK) based near Stuttgart. ottonova says its modular IT-platform can integrate with a large variety of systems across the insurance and healthcare market and that it is in talks with a number of insurers across Europe.

"What's really important for me, is to know I'm taken care of when I need it. I don't really want to be bothered with too many details and too much paperwork"

KT Flood, US expat customer

Plans for 2019

ottonova aims to onboard more insurers onto a white labelled version of its software platform, allowing insurers to circumvent their own legacy IT issues as they try to launch digital products. It also aims to grow its customer base through better targeting of its marketing.

Who should speak to this company?

ottonova is keen to hear from European health insurance providers looking to add a digital product to their product set.

Company summary

Year founded: 2015
Revenue band: £1m-£5m
Total investment: £33.1m
Latest round: £17.4m (June 2017)
Main investors: B-to-V, Debeka, Holtzbrinck Ventures, Vorwerk, Tengelmann Ventures
Offices: Munich
Live in: Germany (B2C), Europe (B2B)
FTEs: 95 (2017: 60)
Key insurance clients / partners: Süddeutsche Krankenversicherung (SDK)

Key execs: Dr Roman Rittweger, CEO & Co-Founder: McKinsey and Almeda, medical PhD, MBA INSEAD. **Michael Karb**, CFO: Alibaba/Lazada, Scout24/ PropertyGuru. **Daniel Bay**, CPO: Netflix, Amazon Lab126 (Alexa). **Jesko Kannenberg**, CMSO: Gothaer, Asstel, Debeka

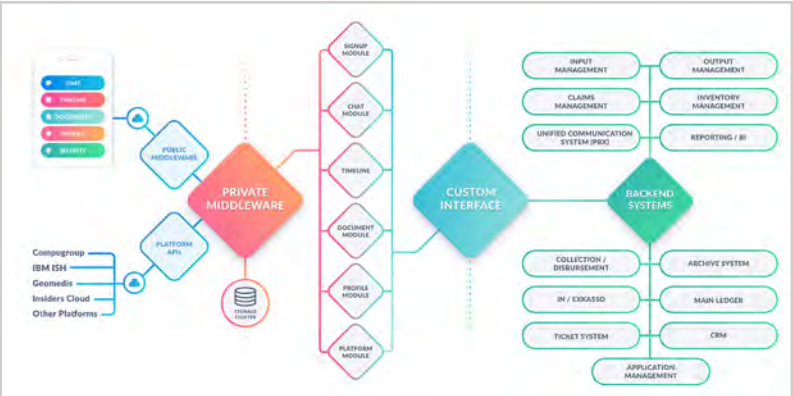
Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

The ottonova technology platform supports all parts of the health insurance value chain:



Case study

Client situation: The customer needs to see a doctor, be that a general practitioner or a specialist, for a check-up.

What they did: The customer contacts ottonova's concierge who asks for further details and recommends reliable and customer-oriented physicians. Once the customer has chosen a doctor, the concierge books an appointment, taking into account the travel time to the surgery. The appointment confirmation and details are displayed in the Timeline section of the ottonova app and a push notification reminds the policyholder shortly before the appointment.

What impact it had: ottonova delivered an end-to-end solution to ensure the customer received the medical attention or help they needed.

The Oxbow Partners view

We selected ottonova for the InsurTech Impact 25 because it is one of Europe's leading 'full stack' InsurTechs (startup insurance carriers). We think that it has potential to become a significant player in the €34bn health market with its digital-first product delivered through a legacy-free technology stack.

The challenge for the company will be acquiring customers quickly and cheaply enough. Traditional German medical insurers may be archaic, but they do the job and the care provided by the system is good by any European benchmark. All of the usual comments about customer inertia apply.

For this reason, we like two pillars of ottonova's strategy. First, a dedicated expat product is a smart, tactical way to build D2C volumes in a pure new business market (in the same way that Lemonade's customers are primarily new to insurance rather than switchers). Second, white labelling the platform to a few other insurers is a good way to boost short term revenues to give the D2C business a chance to mature.

2019 INSURTECH IMPACT 25 Oxbow Partners

BROKER INSIGHTS

Broker Insights is increasing transparency between brokers and insurers

The company presents information about brokers' portfolios to insurers to allow them to be more targeted in their market coverage

Position in the insurance chain

Distribution | **Distribution support** | Data & analytics | Operations | Claims

Bitesize profile

The Broker Insights proposition was inspired by the changes that have taken place in industries like estate agency or car sales. As Fraser Edmond, CEO, explains: "In the old days, you would go to multiple estate agents or car showrooms to find out what inventory was available. Nowadays, you use the internet to see what the inventory is and exactly where to find what you want."

Fraser also points out that not even the largest insurance carriers – shoppers in the above analogy – can effectively cover all 3,000 UK brokers. Broker Insights therefore aggregates 'inventory' from brokers (in the form of suitably anonymised portfolio information) and other sources and presents it to insurers. Insurers can then be more targeted in their coverage of the market, focusing on those brokers who have risks within appetite at the right time.

This is advantageous also to brokers, who get meaningful contacts from insurers with solutions for specific clients or account types. In addition, Broker Insights provides analytics to brokers on their platform. The platform does not provide the capability to transact directly on it, just prospect and portfolio analysis.

The data is aggregated from brokers' core systems (e.g. Acturis, OpenGI) and other sources. Insurers pay a combination of subscription and transaction fee.

"The Broker Insights model has the potential to transform the way insurers and independent brokers interact by bringing them closer together."

Ross Dingwall, Managing Director of Broker Channel, Hiscox

Plans for 2019

Broker Insights aims to grow the number of UK brokers using its system. To do this, it will build out its UK salesforce, which it put in place in H2 2018. The company also plans to enhance its technology platform.

Who should speak to this company?

Broker Insights is keen to hear from UK commercial brokers and UK commercial insurers.

Company summary

Year founded: 2017
Revenue band: £100-£1m
Total investment: Not disclosed
Latest round: Seed round (Oct 2017)
Main investors: Angels, including prominent investors from the gaming industry
Offices: Dundee
Live in: UK
FTEs: 13 (2017: 0)

Key insurance clients / partners: Ageas, Allianz, Axa, Ecclesiastical, Hiscox, QBE, Zurich
Key execs **Chris van der Kuyl**, Chairman: Chairman 4J Studios, TV Squared, Entrepreneurial Scotland. **Fraser Edmond**, CEO: Former Broker Distribution Director at Aviva. **Iain Crole**, Commercial Director: Former Head of Regional Brokers at Aviva. **Sandy Cairnie**, COO: Former Global Programme Manager

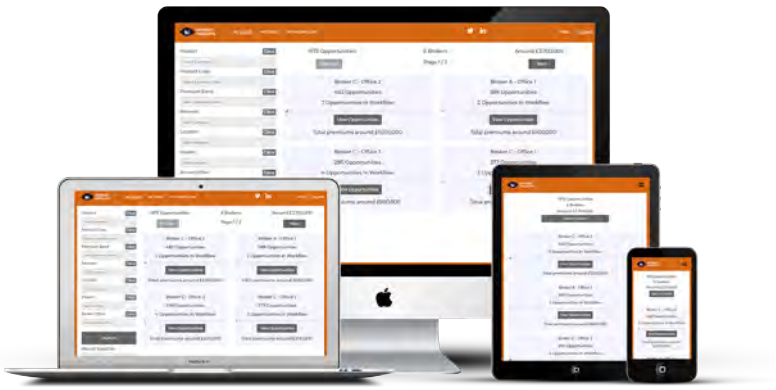
Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

Broker Insights are making broker portfolios visible to insurers through a searchable platform. Insurers pay to access the platform, providing them with transformational broker profiling, sales planning and sales prospecting capability. Brokers pay nothing to sign up to Broker Insights, and receive more attention from insurer partners, at the right time, for the right customer and with the right products as well as detailed profiling insights about their business.



Case study

Client situation: A UK insurer was struggling to serve the whole general commercial broker market efficiently. There was an opportunity to cover broker partners better using a data-led coverage approach.

What they did: By partnering with Broker Insights, the insurer has greater visibility of relevant business opportunities. Often these will be brokers who the insurer has paid minimal attention in the past.

What impact it had: The insurer is growing its portfolio in areas aligned to its strategy. Relationships with brokers are strengthening as the insurer contacts them with relevant propositions at the right time.

The Oxbow Partners view

We have been impressed by the pace with which Broker Insights has launched and acquired meaningful, six-figure revenue. In the twelve weeks since launch (October 2018), the business has onboarded 20 brokers, representing over £100m of GWP from over 30,000 policies.

We see huge opportunities for partnerships. For example, broker networks could use the platform to get a better understanding of their members' activities, arrange facilities and better understand influence (the currently opaque driver of their overrider commission). With over 1,000 UK brokers in networks, winning over networks could accelerate growth dramatically.

Whilst the business is currently UK-focused, it is easy to see how the business could extend to other markets. For example, there could be opportunities in the US E&S markets for niche risks or indeed Lloyd's.

If Fraser's vision plays out, Broker Insights will facilitate an inflection from a world where brokers place accounts, to one where insurers come and get them. It will require insurers to make some changes in the way they approach the market – big prizes for those who adapt, and risks of anti-selection and portfolio contraction for those who do not.

2019 INSURTECH IMPACT 25 Oxbow Partners

ELEMENT

ELEMENT is a 'full-stack' InsurTech distributing through partners

The company develops tailored, digital insurance products for insurers and other brands, allowing them to focus on their customers

Position in the insurance chain

Distribution | **Distribution support** | Data & analytics | Operations | Claims

Bitesize profile

ELEMENT is a 'full stack' InsurTech, meaning that it has its own regulated balance sheet. In a twist to other 'full stacks', ELEMENT sells its products through partners (both insurers and other brands) and does not distribute direct. The proposition to insurers is that the partner can focus on its core products, customer service and sales. ELEMENT develops products to complement the core offering (both traditional and 'next generation' digital products, including pricing), and manages the technology and risk. For non-insurance partners, the proposition is the ability to sell insurance to their customer base (i.e. affinity).

ELEMENT's focus on technology ('Insurance as a Platform') allows it to develop its products quickly, including tailored propositions for specific target groups.

The company currently has about fifteen partners and writes both personal and commercial lines products. One example is an insurance proposition called Versicherung09 for Borussia Dortmund fans, developed in conjunction with German insurer Signal Iduna. The insurance product is home contents and personal liability and has some quirks like cover for Borussia shirts if they are damaged in goal celebrations. Policyholders earn 9 cents for every goal Borussia scores.

The company has also developed a flight delay insurance policy in cooperation with FairPlane and has experience developing cyber insurance and warranty extension products. It recently added Volkswagen Financial Services to its insurance client base.

> **"We decided to partner up with ELEMENT so that we could develop these innovative on-demand products in record speed"**
>
> **Ulrich Bollmann**, Volkswagen Financial Services

Plans for 2019

ELEMENT plans to focus on supporting its existing partners, onboarding new partners and further developing the platform. The company also plans to expand its international presence with both existing and new partners although it will remain focused on Europe.

Who should speak to this company?

ELEMENT is keen to hear from insurers, brokers, corporates and organisations looking to offer insurance products.

Company summary

Year founded: 2017
Revenue band: Not disclosed
Total investment: Not disclosed
Latest round: £25m (December 2018)
Main investors: Alma Mundi Ventures, Engel & Völkers Capital, finleap, SBI Insurance, SBI Investment, Signal Iduna, Mitsui Sumitomo Insurance Group, MS&AD Ventures
Offices: Berlin, Lübeck, Nuremberg
Live in: Germany, Austria
FTEs: 100 (2017: 35)
Key insurance clients / partners: Signal Iduna, FairPlane Austria, Volkswagen Financial Services

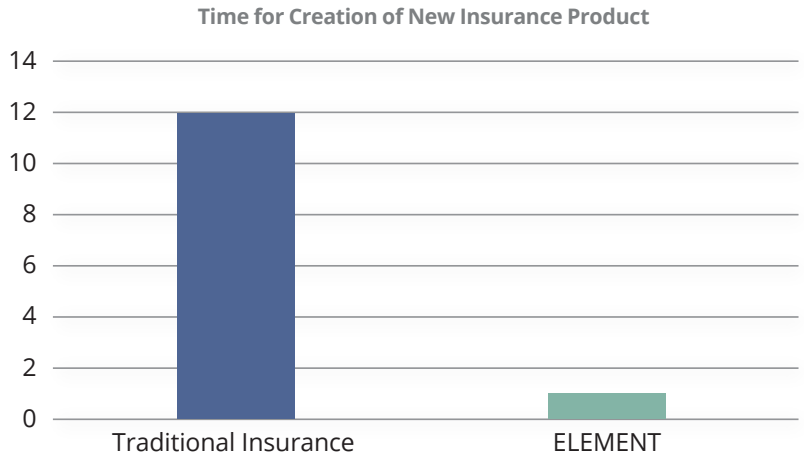
Key execs: **Dr Christian Macht**, Chief Representative: CEO Rakuten Germany, COO Groupon Central Europe, VP Groupon China, MD Gaopeng China. **Dr Wolff Graulich**, Board Member: Extensive business development experience in the international insurance industry. **Sascha Herwig**, Board Member: Leading roles in the insurance business for over fifteen years, specialised in P&C

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action



Case study

Client situation: Car insurance is generally not set up to provide short-term adjustments, making things like lending a car to an acquaintance or facilitating test drives difficult to arrange.

What they did: Together with Volkswagen Financial Services, ELEMENT created flexible short-term insurances, expanding the existing car insurance by covering possible excesses, increased premiums and other cost-related damages.

What impact it had: Customers are now able to safely share their cars with friends, offer test drives or rent cars without risking financial loss.

The Oxbow Partners view

We have regularly written about affinity on our blog. We see opportunities in all geographies to deliver more integrated digital propositions. ELEMENT has more flexibility than most (e.g. brokers or MGAs) given that it has its own balance sheet. That means that it can offer highly customised products like the cover extensions on its policy for Borussia Dortmund fans without relying on a third party. We think this will be a huge bonus in the market.

Interestingly, ELEMENT's most similar competitor is Swiss Re. The reinsurer launched iptiQ in 2014, initially focused on life and health, but now extending into P&C. The idea was to allow insurers to broaden their product offering, for example giving motor insurers the ability to sell simple life insurance products. Time will tell the relative importance of the corporate infrastructure and balance sheet versus a nimble, digital startups.

2019 INSURTECH IMPACT 25 Oxbow Partners

HOKODO

Hokodo enables digital B2B platforms to offer insurance and financing solutions

Insurers can use Hokodo to distribute niche products, currently invoice insurance, to SMEs through an integration into digital B2B platforms such as accounting systems

Position in the insurance chain

Distribution | **Distribution support** | Data & analytics | Operations | Claims

Bitesize profile

Hokodo makes niche financial products available to SMEs who would not otherwise have access to them. Single invoice insurance – the company's first product – has a low premium per transaction meaning it is unattractive and difficult for brokers or insurers to distribute through traditional channels.

Instead, Hokodo integrates with platforms used by SMEs in the course of their ordinary business to distribute these products. For example, invoice insurance can be sold at the point of invoicing on a cloud accounting platform. This integrated sales model means distribution costs are low and the 'context' will raise conversion rates. The company's pricing and policy administration is fully automated making operational costs highly scalable. Integration with partner platforms is done via API with a relatively low effort for partners.

Hokodo was set up by two experienced insurance professionals. Richard Thornton is the former Head of Strategy and Group COO at Aspen, and Louis Carbonnier was the founder and Co-CEO of Euler Hermes Digital Agency (which we have written about on the Oxbow Partners blog).

Hokodo's data science team uses a range of external data sources to build the rating structure and accurately price risks. Its products are underwritten by the Channel Syndicate, a unit of SCOR P&C.

> **"We're glad to partner with Hokodo as they make it incredibly simple to offer different insurance solutions through our platform."**
>
> **Maex Ament**, Co-Founder & CEO, Centrifuge

Plans for 2019

Hokodo launched with its first distribution partner in January 2019 after a soft launch in 2018. It plans to integrate with at least 8 partner platforms in 2019, expand into France and Germany and launch an MVP of a standalone platform.

Who should speak to this company?

Hokodo is keen to hear from digital platforms interested in integrating insurance and financing solutions into their proposition.

Company summary

Year founded: 2018
Revenue band: Less than £100k
Total investment: £1.7m
Latest round: £1.7m (September 2018)
Main investors: Anthemis
Offices: London, Paris
Live in: UK
FTEs: 14 (2018: 3)
Key insurance clients / partners: Channel Syndicate/SCOR

Key execs: **Louis Carbonnier**, Co-Founder & Co-CEO: Founder & CEO, Euler Hermes Digital Agency. **Richard Thornton**, Co-Founder & Co-CEO: CRO and COO at Aspen, Oliver Wyman Director. **Sami Ben Hatit**, Co-Founder & CTO: CTO of Euler Hermes Digital Agency

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

When making a transaction online, platform users can choose to easily add insurance or financing to their invoice. For B2B platforms, the advantage is an enhancement to the platform's range of services at relatively low effort and without disruption to the core customer journey.



Case study

Client situation: A growing SME will find itself issuing more and more invoices to clients it does not know. The SME will be faced with an increasing credit risk exposure. Traditional risk management options include whole account credit insurance which may not be tailored to the requirements of the SME (for example it covers known clients with good payment records).

What they did: The SME can purchase invoice insurance directly from the cloud-based tool that they use to issue those invoices. Hokodo is able to provide insurance for these accounts thanks to its data science capabilities, which use third party data to understand the exposure of these accounts.

What impact it had: The SME can trade in the knowledge that its invoices will be paid – ideally by the client but if not by the insurer.

The Oxbow Partners view

Hokodo did not meet our minimum revenue requirement in 2018, but we have chosen to include the company because we see it as high potential given its proposition and management team.

Online marketplaces and cloud accounting providers are becoming an increasingly important part of an SME's operations. In fact, many SMEs find that insurance is one of the few services where they still need to deal offline – everything from banking and accounting to CRM and office supplies are done on digital platforms. Being able to offer relevant products at a tailored price as part of that system's functionality feels useful to the platform and its users. Clearly there is scope to broaden the product range over time to higher premium products such as professional indemnity.

The interesting thing about the proposition is that no conscious channel shift is required. An SME doesn't have to tell its broker that it's switching to an online broker – an awkward conversation at the golf course. Instead, the SME just starts to buy more and more products embedded into its third party platforms, and at some point realises that it no longer needs the broker. We think this will drive faster adoption than other digital SME insurance platforms.

2019 INSURTECH IMPACT 25 Oxbow Partners

Tremor

Tremor is a programmatic reinsurance marketplace

Tremor's auction platform is used to automatically clear prices and shares to optimise reinsurance placement

Position in the insurance chain

Distribution | **Distribution support** | Data & analytics | Operations | Claims

Bitesize profile

Tremor is the latest technology company to try to disrupt the centuries-old reinsurance pricing and placement model. The traditional process has multiple steps and hand-overs to find price and allocate limits; it is both inefficient and intransparent.

Tremor brings programmatic auction technology (such as that used in the digital advertising industry) into the process. Cedents can 'post' their reinsurance order on Tremor's platform along with a blind sealed bid and the system then runs batch auctions to match risk and capital.

Tremor's platform is designed to fit into existing workflows. Programmes are prepared by cedents or brokers and are placed on the platform with documentation in virtual private data rooms. Reinsurers approved by the cedent can then review and evaluate the programmes before submitting bids.

The business announced in August 2018 that its technology was ready. It has completed several auctions to date, the first few of which were pilots, but the most recent (in December 2018) was described as a "substantial" property / casualty programme by a top 20 US carrier. According to Sean Bourgeois, CEO, fifty reinsurers participated in the transaction along with a number of alternative capital providers. Nearly $700m of capacity was offered.

Reinsurers around the world have signed up to Tremor's platform, including fifteen Lloyd's managing agents and reinsurers in Asia. Tremor charges a fee to the buyer of protection based on the limit placement.

"Congratulations to Sean and his team for their successful release of Tremor, an honest and direct platform facilitating the marriage of risk and capital at its most optimal state."

Nephila Capital

Plans for 2019

Tremor plans to host more auctions building on the success of 2018. It also sees opportunities to help alternative carriers to trade their portfolios through the auction process.

Who should speak to this company?

Tremor is keen to hear from cedents who are interested in a new approach to pricing and placing their reinsurance programs.

Company summary

Year founded: 2017
Revenue band: £100k-£1m
Total investment: £3.1m
Latest round: £1.5m (August 2018)
Main investors: Anthemis
Offices: Greenwich, CT
Live in: US with global capabilities
FTEs: 10 (2017: 5)

Key insurance clients / partners: Not disclosed
Key execs: **Sean Bourgeois**, CEO: Reinsurance professional turned technology professional. **Peter Cramton**, Chief Economist: Recognised international expert on auction theory and practice

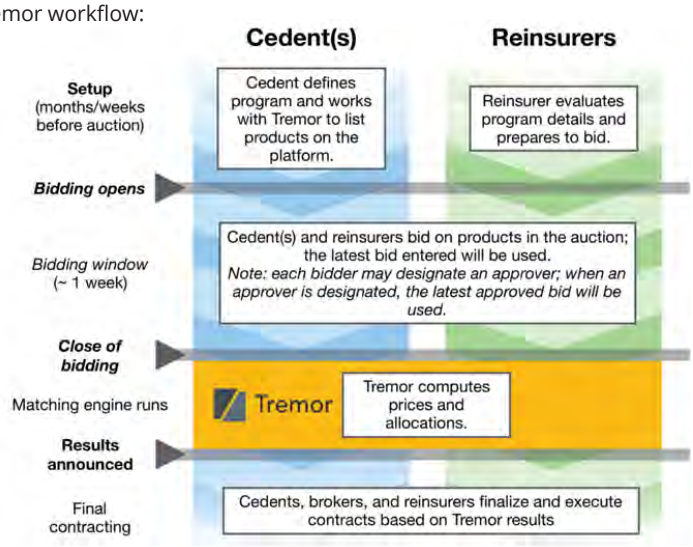
Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

Tremor workflow:



Case study

Client situation: A top 20 US carrier wanted to explore a new approach to pricing and placement of its property catastrophe reinsurance. It decided to price and place their entire property catastrophe tower through Tremor's technology platform, facilitated by their broker.

What they did: The broker managed programme design and developed the submission package. The company then selected its preferred reinsurer panel on Tremor and the submission was distributed to each reinsurer. All parties finalised the contract wording and were invited to enter their blind sealed bids on the Tremor platform during the bidding window. At the end of the window, Tremor ran a batch auction to find market clearing prices that incorporated the preferences and constraints of all sides and allocated limit accordingly. All parties were notified when the results were ready, and lines were signed on the basis of the output from Tremor.

What impact it had: Tremor brought significant supply and competition to the auction. Nearly 50 markets bid on the submission, offering a total of nearly $700m of capacity. Tremor delivered competitive market clearing prices and managed allocation in a fraction of the time and cost of a traditional placement.

The Oxbow Partners view

The reinsurance placement process is a well-documented inefficiency in the insurance industry. Tremor is hardly the first startup to address it – for example RI3K was an early mover in London – but its timing might be better than that of previous companies. We offer two pieces of evidence to support our thesis.

First, Lloyd's is committed to digitising its marketplace – an objective which John Neal has reiterated in public statements since becoming CEO in October 2018. In March 2018, the Corporation announced targets for syndicates on the proportion of the risks they should writing electronically (40% by the end of 2018). It is widely assumed that brokers will be mandated to use electronic placement systems in 2019. This will force some London Market players to commit more actively to technology solutions.

Second, we are interested by the recent acquisition of broker Ed by Cantor Fitzgerald. Cantor Fitzgerald was the first electronic marketplace for US government securities and now runs several other such marketplaces. One can only assume that they see opportunities to digitise the insurance market, providing additional impetus to this trend.

Tremor might be in the right place at the right time.

2019 INSURTECH IMPACT 25 Oxbow Partners

Concirrus

Concirrus's Quest platform provides big data and analytics to improve risk insight

Concirrus established itself as a leading InsurTech in 2018, especially in marine, thanks to partnerships with global names such as Marsh and TransRe

Position in the insurance chain

Distribution | Distribution support | **Data & analytics** | Operations | Claims

Bitesize profile

Concirrus is the creator of Quest, a big data and analytics platform designed to deliver greater visibility of risk for the marine and motor insurance markets.

Quest can access and interpret large sets of historic, semi-static and real-time data, including segmentation factors not readily available to the market today. This could include granular behavioural information (e.g. vessel statistics, movements, driving behaviour) and an insurer's own information.

The results enable (re)insurers and brokers to gain better visibility of their portfolio, quantify risk more accurately and identify new opportunities for business and revenue growth. Quest makes it possible for insurers to offer new, more targeted products and connected insurance policies.

In October 2018, Concirrus announced a global partnership with Marsh, which will push the platform out to Marsh's marine clients. In November, Concirrus announced a partnership with TransRe, with whom Concirrus will develop innovative marine reinsurance solutions. One mooted solution could be a dynamic reinsurance programme that is customised to the risk in a portfolio at any point in time, facilitated by a 'data-driven dialogue' between cedent and reinsurer, as CEO Andrew Yeoman describes it. The company also announced a partnership with Antares, the Lloyd's Managing Agent.

> **"We're excited to be collaborating with Concirrus and leveraging Quest Marine to assist our global marine clients in capitalising on the opportunities that digitisation presents."**
>
> **Marcus Baker**, Chairman of Global Marine Practice, Marsh

Plans for 2019

The company plans to diversify its offering in the cargo insurance market and continue to focus on building its existing client relationships.

Who should speak to this company?

Concirrus is keen to hear from marine and motor (re)insurers who think that a data-driven approach to underwriting could create value for them.

Company summary

Year founded: 2012
Revenue band: £1m-£5m
Total investment: £12m
Latest round: £5m (September 2018)
Main investors: IQ Capital, Eos, IP Group
Offices: London, Delhi
Live in: UK, USA
FTEs: 31 (2017: 23)

Key insurance clients / partners: Marsh, Antares, TransRe, Acorn Insurance
Key execs: **Andy Yeoman**, Co-Founder & CEO: Tech & insurance entrepreneur. **Craig Hollingworth**, Co-Founder & CDO: IoT Entrepreneur. **Nick Roscoe**, COO: Insurance specialist

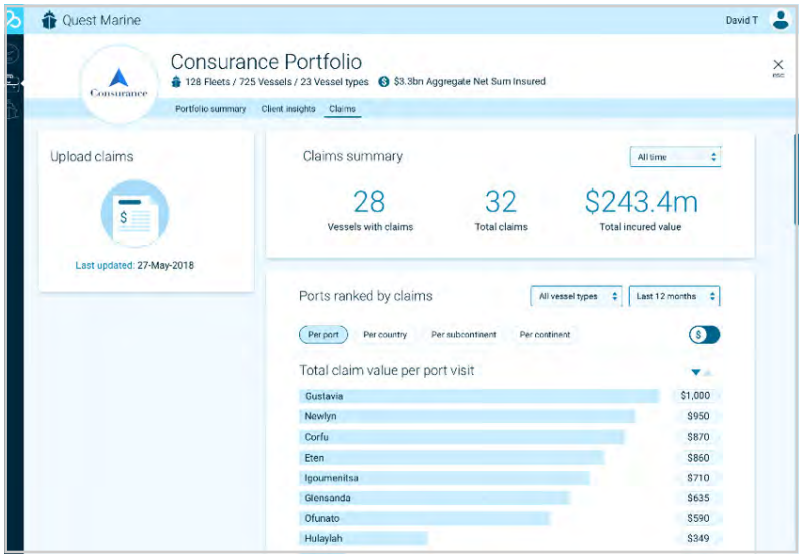
Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

Quest allows for full visibility of an insurance portfolio and total risk exposure in one place allowing for segmentation of the data to uncover insights to enable proactive risk management.



Case Study

Client situation: Commercial marine insurance is highly competitive, and costs are at an all-time high. A large commercial marine insurer wanted to understand how advanced analysis of their portfolio could improve efficiency.

What they did: Quest Marine was deployed to ingest five years of policy, claims and exposure data from the customer. This data was combined with Concirrus' proprietary datasets.

What impact it had: Quest Marine provided new insights into the performance of the portfolio. The insurer was able to make changes to the way risk was selected and priced and managed to improve their loss ratio by more than seven percent.

The Oxbow Partners view

Over the last two years, marine has leapfrogged other classes of commercial business to become the one that is arguably making the most progress with data innovation. To many this is surprising – marine is to insurance what Adam and Eve are to humanity – and the class has traditionally moved slowly.

However, closer consideration of the class makes it a prime candidate for data-driven disruption. Cargo in particular is high volume and therefore potentially complex to rate and low average premium. Marine telematics is generating huge volumes of data that is likely to yield insights for hull and P&I underwriters. In other words, marine shares many characteristics with motor, which is already a highly quantitative line of business.

2019 INSURTECH IMPACT 25 Oxbow Partners

DQPro

DQPro monitors and enhances data quality for specialty insurers

Insurers use DQPro to apply data policies across the value chain to meet financial, operational and regulatory needs

Position in the insurance chain

Distribution | Distribution support | **Data & analytics** | Operations | Claims

Bitesize profile

DQPro provides specialty insurers with a structured and digitally-enabled approach to monitor and enhance the quality of their data. The platform is pointed at the insurer's existing datasets and processes to look for issues, which could include general data quality (e.g. missing fields, ensuring the right risk code is used), breaches (e.g. underwriting authority threshold breaches) and compliance (e.g. sanctions breaches). Any issue is flagged to relevant users via an automated notification (normally email).

Issues are detected based on rules configured by users on the client side according to their own data environment and specific circumstances. The business currently has a library of over 200 customisable rules.

By addressing these issues, DQPro allows insurers to report better data internally (e.g. reserving team) and to external users (e.g. Lloyd's, regulators, financial reporting). The company prefers to work 'upstream' (i.e. at point of data ingestion) so that any data that then flows through the company's processes (for example into a central data lake) is already checked.

Most insurers currently have manual and sometimes ad-hoc processes for data transformation, which leads to challenges on efficiency and accuracy.

The company built the platform using lean development principles and currently has twelve carrier installations covering 500 users. Of these, nine carriers are in full production whilst the other three are in proof of concept stage.

> **"We chose Atticus DQPro because the team has a deep understanding of how a commercial specialty insurance business works, and so were able to easily integrate DQPro into our existing workflow."**
>
> **Hugh Maltby**, Director of Operations, Markel International

Plans for 2019

DQPro aims to double its customer base in 2019 (having doubled it in 2018) with a focus on US P&C and London markets. This includes increasing monitored GWP from £11bn in 2018 to £20bn or more, and further integrating with market and carrier systems where appropriate.

Who should speak to this company?

DQPro is keen to hear from any global specialty insurer looking to establish operational data confidence whilst cutting the cost of data errors and inefficiencies across their systems.

Company summary

Year founded: 2016
Revenue band: £100k-£1m
Total investment: N/A
Latest round: N/A
Main investors: Management
Offices: UK
Live in: US, UK
FTEs: 2018: 10 (2017: 4)

Key insurance clients / partners: Brit, Liberty, Markel, Tokio Marine Kiln
Key execs: **Nick Mair**, Co-Founder: Extensive experience in the data challenges insurers face. **Andrew Williams**, Co-Founder: Strategic business performance specialist with over 10 years advisory experience

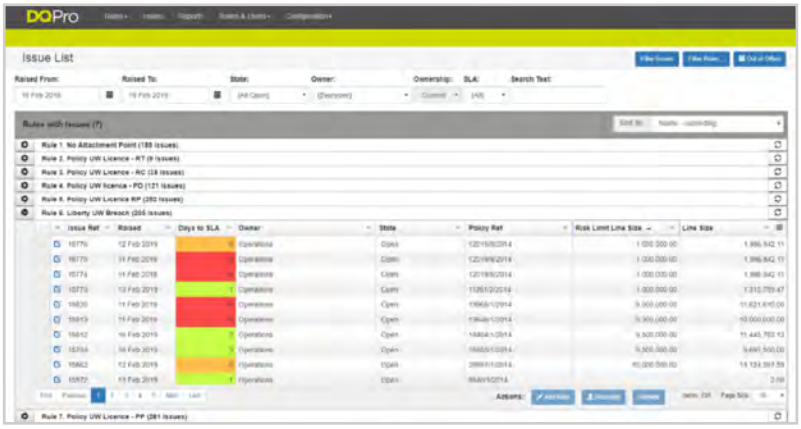
Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

Data reliability is key to the overall performance of an insurance business. DQPro automatically monitors carrier data 24/7 to apply the controls they need on their data, be it underwriting, compliance or simply ensuring data quality. Specifically, DQPro allows business-side users to take control of their data checks, replacing existing and highly manual ad hoc methods with intelligent and real-time workflow, visibility and audit trails.



Case study

Client situation: A major Lloyd's carrier identified significant operational cost arising from erroneous upstream data ingestion. Issues were captured and resolved using traditional exception reports, spreadsheets and email. There was no audit trail of data changes for regulatory and compliance purposes, and any audits took weeks to prepare.

What they did: The client deployed DQPro to run automatic data checks for 100 users across their global branches (in UK, US, Asia and Latin America) and core systems against specific controls tailored to their exact requirements.

What impact it had: DQPro automated the process of quickly finding, triaging and resolving data issues whilst demonstrating that each department and branch was applying risk controls effectively. By addressing data issues upstream at source, DQPro significantly reduced the downstream time (up to 65% time saving per control) and cost to the carrier's operations. It also made audit compliance easier – preparation of a particular report for a recent audit was reduced from an expected three weeks to 30 minutes.

The Oxbow Partners view

We included DQPro because we generally like InsurTech businesses that have unglamorous propositions. These businesses have generally spotted a real business challenge and are developing a useful solution. DQPro's adoption by several leading London Market carriers is evidence of its appeal.

The insurance industry is regularly described as being 'data rich', but the reality is arguably different in specialty insurance. Insurers have generally not focused on (or invested heavily in) data collection, meaning that even basic data is often held by outsource partners and not available to the carrier. Insight-rich data such as reinsurance submissions is not absorbed into systems in a structured and reusable way. Data can often be limited. This is now becoming a focus for specialty carriers, both in London and more broadly.

We see big opportunities for DQPro to be a central pillar of carriers' work to create more structured data environments.

2019 INSURTECH IMPACT 25 Oxbow Partners

inforcehub

InforceHub applies advanced analytics to help life insurers and pensions providers re-engage with existing customers

The company designs and builds customer interactions with its clients and delivers them through its suite of technology products and algorithms

Position in the insurance chain

Distribution | Distribution support | **Data & analytics** | Operations | Claims

Bitesize profile

Life, health and pensions insurance companies have long-standing relationships with their customers, often through intermediaries, but few direct customer interactions. This means they often lose touch over time with the changing needs and circumstances of their customers. This can impact profitability as risks change and lapses increase. There is value to be found and released in the existing customer base.

InforceHub builds tools to help insurers understand these opportunities and to design and implement campaigns to build more profitable relationships within their existing customer base.

The company's 'CAFE' platform enables an insurers' customer-facing staff to have smarter and more relevant conversations with customers. This is not only useful to customers but also engages staff leading to better all-round relationships. Matt Gosden, Co-Founder says: "we have proven that responsible use of machine learning and artificial intelligence really does help insurers identify the right conversation to have with the right customer at the right time."

InforceHub says that its campaign work to date has achieved results on average 5x to 15x more successful than insurers' existing approaches. In time it sees opportunities in P&C.

> **"As more and more insurance companies are using technology as an enabler, machine learning has the ability to quickly and effectively analyse customer data for complex patterns."**
>
> **Zubair Siddiqi**, Head of In-force Management, Zurich

Plans for 2019

The company plans to build its team and invest in its product offering to make it more scalable. A major priority, which is now getting traction, is to convert existing clients from repeat projects and pilots onto long-term service arrangements based on a profit-share arrangement.

Who should speak to this company?

InforceHub is keen to hear from customer directors, marketeers, in-force managers and product developers at life and pensions insurance providers. Conversations usually start with CEOs and business heads.

Company summary

Year founded: 2017
Revenue band: £100k-£1m
Total investment: None
Latest round: N/A
Main investors: Co-founders
Offices: UK
Live in: Europe (75%), ROW (25%)
FTEs: 5 (2017: 3)

Key insurance clients / partners: AXA, Allianz, Standard Life Aberdeen, Zurich
Key execs: **Matt Gosden**, Co-Founder: Head of In-Force Management Zurich, Partner at Oliver Wyman. **Michel Abbink**, Co-Founder: Partner at PwC, Director at Swiss Re

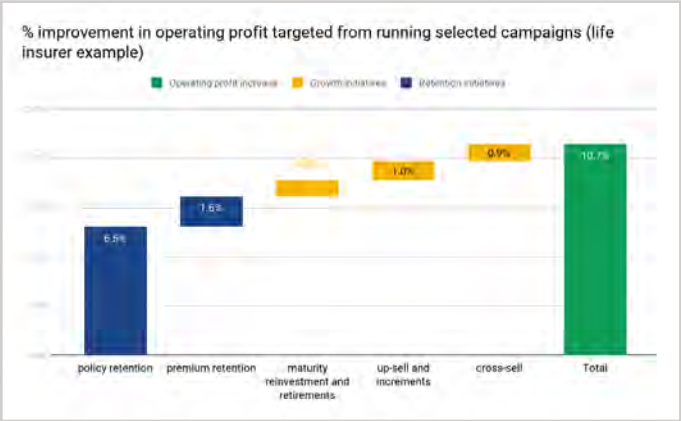
Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

The chart shows incremental operating profit increases (in % of current operating profit) targeted using InforceHub's methods and campaigns, scaling up the benefits the company has already achieved in pilots. This is the output of InforceHub's 'Estimator' tool which helps insurers focus on the commercial levers with the most potential. The shape of these incremental profits varies by insurer.



Case study

Client situation: An insurer noticed that a large number of customers were stopping paying their protection insurance premiums. There were many reasons: some customers' needs had changed, others had found a better or cheaper offer – but service issues such as disengaged advisors and lack of communication from the insurer also contributed. The insurer wanted to re-engage these customers but needed to identify which customers to contact and how best to approach the conversation with them.

What they did: InforceHub used its data mining and analytics software to work with the insurer to identify the best customers to target in two distribution channels. The company then used its technology to manage a campaign, including detailed feedback capture from each interaction.

What impact it had: The result was that almost 50% of customers contacted wished to recommence their insurance with the insurer – approximately 10 times better than the current rate.

The Oxbow Partners view

InforceHub is a good illustration of our view that incumbents need often to think of InsurTechs as hybrid product and service companies. A 'classic' InsurTech is product-led, promoting analytics or claims software (for example) to its clients. The reality is that considerable development and tweaking is often required to deliver the specifications that the client requires. That is good in some scenarios – clients receive a bespoke product – but implies some risk to the delivery process. Incumbents need to be as comfortable with the competence of the team, cultural alignment and business priorities and strategy before engaging.

InforceHub is taking an interesting approach to InsurTech because it is building technology to augment and 'industrialise' its service (consulting) proposition, which has been the starting point for its client relationships so far. A point we also make in this year's report is the need to remember the broader change activity that often needs to sit around an InsurTech deployment; it will be interesting to see to what extent InforceHub becomes a technology provider or must remain service-led to deploy its digital tools effectively.

2019 INSURTECH IMPACT 25 Oxbow Partners

METABIOTA®

Metabiota provides risk analytics on epidemics

Metabiota provides the insurance industry with tools to analyse and quantify the financial impact of epidemics for use in their underwriting processes

Position in the insurance chain

Distribution | Distribution support | **Data & analytics** | Operations | Claims

Bitesize profile

Epidemic risk is a major threat. In the last decade, there have been over 400 high-priority human disease outbreaks which have impacted the stability of economies and corporations. The Zika virus alone may end up costing Latin America and the Caribbean up to $18bn, and the South Korean MERS outbreak in 2015 caused a 40% drop in tourism, leading to an estimated $900m drop in revenue.

Metabiota has created a comprehensive and objective methodology for quantifying the potential impact of epidemic risk. The company's methodology comprises both data experts and on-the-ground specialists. It provides underwriters with tools to analyse and quantify the financial impact of epidemics for use in their underwriting processes. Separately, it works with industry (e.g. sports clubs) to understand the impact of epidemics on their businesses.

The company's models incorporate biological, socioeconomic, political and environmental data, and are continuously updated for accuracy. The team has built the largest infectious disease catalogue of its kind, including a 1 million year stochastic event database created by over 20 million simulations.

Metabiota's analysis allows emerging disease threats around the world to be managed with near real-time surveillance data. Its Pathogen Sentiment Index ranks pathogens by their likelihood of causing public fear leading to social and economic disruption. The company uses this analysis to track clients' exposure to emerging disease threats and quantify the resulting impact. Its tools are able to visualize the spread and containment of events at the global, country and sub-national levels.

"We see a big potential in using the Sentiment Index as a trigger concept as it makes people's anxiety measurable in terms of economic impacts."

Gunther Kraut, Head of Epidemic Risk Solutions, Munich Re

Plans for 2019

Metabiota plans to continue offering its portfolio of services on epidemic risk to its commercial and government customers, including analytics, consulting, training and peer-reviewed science. It will evolve its data insights, indices and applications to provide clients with greater information about how infectious diseases affect populations and economies.

Who should speak to this company?

Metabiota is keen to hear from leaders in the insurance industry and corporate environments.

Company summary

Year founded: 2008
Revenue band: £10m+
Total investment: £36m
Latest round: £1.5m (November 2018)
Main investors: Google Ventures, Pilot Growth Equity
Offices: San Francisco (HQ), Canada, Cameroon, DRC
Live in: US, Canada, Cameroon, Chad, DRC, Guinea, Iraq, Laos, Philippines, Senegal, Sierra Leone, Uganda, Ukraine

FTEs: 115
Key insurance clients/partners: Marsh, Munich Re
Key execs: **Bill Rossi**, CEO: Formerly COO at Bidgely, Enphase Energy, Google, Cisco. **Dr. Nathan Wolfe,** Founder: Scientist and Time 100 Most Influential People. **Nita Madhav**, VP of Data Science: Formerly at AIR Worldwide (Principle Scientist)

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

Metabiota analytics and the GEMM platform provide granular views of risk, including historical and near real-time surveillance and event monitoring as well as indices such as the Preparedness Index which measures key elements of risk anticipation and mitigation for responding to epidemic events across the globe.



Case study

Client situation: The global hospitality market has suffered multiple financial impacts from epidemic events, ranging from Zika in Florida and Brazil to SARS in Beijing and Hong Kong. These events motivated Marsh to understand how, in tandem with Metabiota's Munich Re partnership, one could reliably measure these balance sheet shocks and create an insurance policy for them with clear triggers, indemnity periods and coverage terms.

What they did: Working with Munich Re and Marsh, Metabiota is delivering a comprehensive methodology for quantifying the potential impacts of epidemics so that policies can be delivered to protect countries and corporations from financial setbacks related to a health crisis. The proposed insurance solution leverages the Metabiota Sentiment Index and economic loss modelling tool PathogenRX.

What impact it had: Since launching PathogenRX in April 2018, Metabiota and Munich Re have met with multiple Marsh clients analysed by Metabiota for epidemic risk exposure and are working with Munich Re on underwriting solutions.

The Oxbow Partners view

In our 2018 report on the impact of InsurTech on the Lloyd's Market, we suggested slightly flippantly that underwriters should go for lunch with data providers as much as they do with brokers. Metabiota is a good example of why this is important.

The data that could have a material impact on the insurance industry is not necessarily a pure InsurTech. Instead, specialist data providers like Metabiota (or, indeed, Impact 25 Member Pharm3r) are specialist providers who have insurance applications. It will sometimes take a visionary insurance practitioner to identify the 'read across' from these businesses.

One approach to ensuring new data sources are found is used by Munich Re, which has a 'data hunting' team focused on identifying new data sources around the world.

2019 INSURTECH IMPACT 25 Oxbow Partners

pharm3r

Pharm3r is a healthcare analytics platform

Pharm3r aggregates multiple data sources to generate insight about pharma exposures, allowing insurers to make better risk selection, pricing and portfolio management decisions

Position in the insurance chain

Distribution | Distribution support | **Data & analytics** | Operations | Claims

Bitesize profile

Pharm3r uses machine learning and artificial intelligence to collect, clean and aggregate data on all aspects of the life sciences market. Areas of focus include drugs, devices, clinical trials and physician outcomes.

Pharm3r's technology allows insurers quickly to detect, predict and price litigation risk. For example, an underwriter can see the number of adverse events reported for a particular active ingredient or compare the nature of reported product defects for a type of medical device.

The company has a number of tools to help underwriters in risk assessment, pricing and portfolio management. Its PandoraPlus software application provides comprehensive profiles, comparing and aggregating risk at the product, class and manufacturer levels. Its built-in portfolio manager allows underwriters to track metrics such as risk, premium and exposure on insured manufacturers and to view portfolio trends. Customised reports on specific manufacturers and product classes can also be provided.

The team comprises biology and computer sciences expertise and information is gathered, curated and handled in a Pharm3r propriety process.

"Pharm3r has revolutionized the life science underwriting process with data and analytics that empower the underwriter to make critical risk decisions rapidly and confidently."

Todd Lauer, LifeScience InsurTech MGU

Plans for 2019

Pharm3r plans to focus on three key areas:

- Deepening and expanding its existing client relationships, as well as continuing to expand in insurance
- Leveraging existing products into verticals adjacent to insurance such as the medical product industry, supply chain managers and hospital systems
- Developing new products around critical healthcare trends, such as medical malpractice and legal Cannabis use

Who should speak to this company?

Pharm3r is keen to hear from risk managers and underwriters from a variety of backgrounds, primarily in the US and Europe, with pharmaceutical and medical device companies in their portfolios.

Company summary

Year founded: 2011
Revenue band: Not disclosed
Total investment: None
Latest round: N/A
Main investors: N/A
Offices: New York, Nova Scotia (development)
Live in: US
FTEs: 10

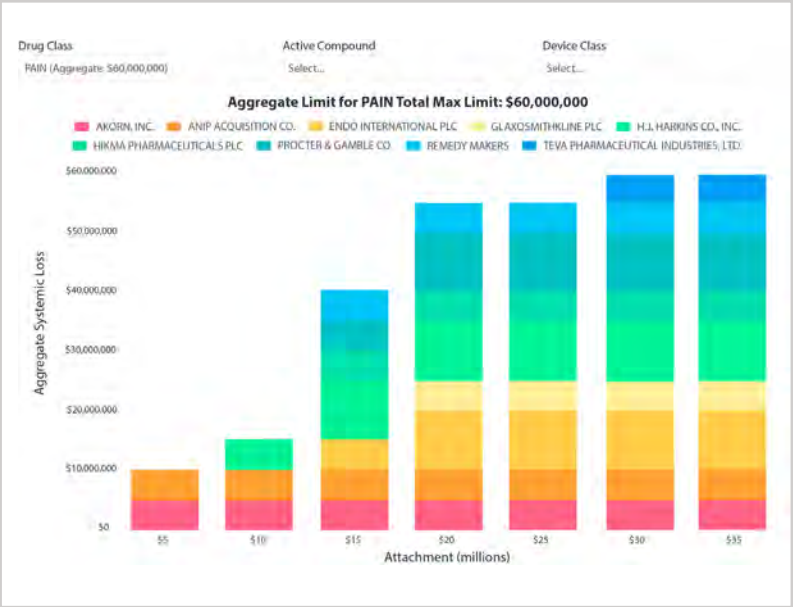
Key insurance clients/partners: LifeScience Risk, Allianz, Chubb, Sompo, OneBeacon, Ironshore, Medmarc
Key execs: **Libbe Englander**, PhD (CEO and Founder): Formerly ran, and then sold, a healthcare hedge fund. Named one of the 40 top innovators in healthcare by MM&M in 2017

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action



Case study

Client situation: A product liability insurer wanted an accurate assessment of the probable maximum loss that its portfolio would sustain.

What they did: Pharm3r used its database and risk scoring tool to analyse correlations within the client's portfolio. The resulting exposure analysis was then applied to the client's portfolio taking into account policy terms and conditions.

What impact it had: The insurer could pinpoint products and companies of outsize influence and measure the effect on the portfolio of different regulatory assumptions. Pharm3r was able to create an exposure management tool for liability insurance, which can be used in the same way as RMS and AIR are used by property insurers.

The Oxbow Partners view

Industrial insurers sometimes argue that their segment of the market is relatively immune to change. For example, D&O underwriters might say that there are too few claims for it to be possible to model risk and continue to price largely on gut instinct supported by some analysis of historic claims.

But industry databases and analytics companies are a game-changer for underwriters. In short, they allow underwriters to move away from using experience metrics (i.e. claims and near misses) as the primary source of rating to an informed and quantified view of exposure.

Consider a high layer medical device manufacturer's liability policy. The broker may be pushing for below-average ROL pricing due to manufacturer's good claims history, but data could tell an underwriter that there has been a sharp increase in the number of lawsuits related to a specific device. This insight could be the difference between a profitable and highly unprofitable book of business.

2019 INSURTECH IMPACT 25 Oxbow Partners

SHEPHERD

Shepherd provides risk analytics for property managers and insurers

Shepherd's risk score improves insurers' propositions by enabling preventative maintenance and reducing the scale and frequency of both attritional and major losses

Position in the insurance chain

Distribution | Distribution support | **Data & analytics** | Operations | Claims

Bitesize profile

Shepherd is an analytics platform which ingests property data from its own IoT sensor network, non-proprietary sensors and building management systems.

Shepherd monitors buildings, estates, facilities and the environment to provide information to prevent major health, safety, compliance or building services incidents. This approach removes the need for routine inspections and focuses manual intervention where it is required.

Using Shepherd's platform, insurers gain a deeper understanding of risk, allowing them to tailor policies to client needs. They can offer new products and services, combining the risk management services facilitated by Shepherd with both a traditional or parametric insurance product (similar to the one offered by Impact 25 Member FloodFlash).

One insurer has trialed Shepherd's technologies in its own office buildings and discovered that disruption and downtime were reduced during cold weather. The insurer began to recommend Shepherd's services to their commercial clients. Shepherd is now assisting the clients' internal and external maintenance teams to better protect assets while passing risk-relevant data back to the underwriters.

The company emerged from Founders Factory, the accelerator set up by LastMinute.com founder Brent Hoberman, in which Aviva has a substantial investment.

> **"Shepherd's unique product with sensors feeding machine learning for predictive maintenance is an exciting step forward in this space."**
>
> **Chris Andrews**, Head of Risk Management Solutions, Aviva

Plans for 2019

Shepherd is focused on partnering with insurers in the UK for property risk analytics. It also hopes to enter the US where these types of analytics are better established.

Who should speak to this company?

Shepherd is keen to hear from building managers and insurers with clients who have multi-site property portfolios in education, healthcare, heritage and light industry.

Company summary

Year founded: 2015
Revenue band: £100k-£1m
Total investment: £3.5m
Latest round: £2m (Q1 2019)
Main investors: Earthworm Group, Founders Factory
Offices: Henley on Thames, UK
Live in: US, UK
FTEs: 9 (2017: 6)

Key insurance clients / partners: Zurich (UK), Aviva (UK), Tokio Marine Kiln
Key execs: **Stephen Chadwick**, CEO: Formerly MD North Europe at Dassault Systèmes. **Will Brocklebank**, Executive Chairman & Founder: Formerly CEO of a building management systems company. **Robin Merttens**, Insurance Director: Founded Ri3k, Founder of InsTech London

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

Shepherd provides condition-based monitoring and predictive maintenance that protects people and facilities from harm.



Case study

Client situation: Insurers exclude Legionella risk because it is impossible for them to provide cover solely based on periodic human checks of the property's water system, where the disease could develop if certain conditions are not met.

What they did: By integrating Shepherd's technology, which monitors water systems continuously, a global insurer was able to provide preferential terms for Legionella cover. Insurance is offered in conjunction with a compliance partner as a managed service. Shepherd's Risk Scorecard allows underwriters to be informed through monthly reports and real-time dashboards on how the insured's risk profile is developing.

Impact: This is the only specific and comprehensive cover available to the 100,000+ UK business that are legally obliged to control this health compliance issue. The insurer was able to grow premiums and profit in a new category.

The Oxbow Partners view

IoT is an area of InsurTech that has been 'hot' for some time but arguably slow to find the product market fit. The use case is obvious – better risk insight leading to loss prevention and lower premiums for customer.

However, the practicalities are hard. Insureds need to feel comfortable giving their data to insurers and need to replace traditional maintenance contracts, which are likely to be long-term agreements. Insurers need to want to reduce premiums for good risks, also not a given in a market where GWP is still the key metric for many. Finally, the arrangements need to be found to cover the cost of installing new sensing arrangements.

2019 INSURTECH IMPACT 25 Oxbow Partners

artificial.

Artificial Labs is a digital insurance platform

Insurers, brokers and MGAs use the platform for the full insurance value chain, from distribution and pricing to risk negotiation and policy administration

Position in the insurance chain

Distribution | Distribution support | Data & analytics | **Operations** | Claims

Bitesize profile

Artificial's platform is structured around four core products: Build, Distribute, Price and Manage.

- Build has two functions. The first is to automatically capture information for the quote and buy journey. This could be from unstructured documents such as emails, using the company's machine learning technology. The second is to create insurance products and allow for the digital negotiation of complex risks.
- Distribute makes front-end websites, portals and mobile apps available to customers on a white label basis. These can be used to capture data or for quote and buy journeys.
- Price is a modular machine learning pricing engine that works with internal as well as third party data.
- Manage facilitates the management and automation of the post-bind workflow, including policy administration, endorsements, complaints, reporting and claims.

Several insurers and brokers have implemented the company's systems, including AXIS's A&H team which used Artificial to digitise its distribution and negotiation of risk. This resulted in a 75% reduction in the time to create a policy and a 19% increase in revenue.

Artificial also provided a new suite of distribution channels for Medical Travel Shield which enabled it to build an extensive partner network. This resulted in a 400% increase in the MGA's conversion rate, a 4.8x increase in revenue and a 90% reduction in support calls. The company announced a new partnership with Capita in 2019.

> **"We selected Artificial since we felt that the technology they use, coupled with their vision and proven track record of delivery, were a perfect match for us."**
>
> **Geoff White**, CEO, Tarian

Plans for 2019

Artificial plans to increase sales significantly through organic growth and their new Capita partnership. Furthermore, it aims to deliver on commercial opportunities with Ping An in China in addition to a number of US opportunities.

Who should speak to this company?

Artificial Labs is keen to hear from underwriters, brokers and MGAs wishing to digitise processes and introduce machine learning.

Company summary

Year founded: 2013
Revenue band: £100k-£1m
Total investment: £4.2m
Latest round: £3.2m (February 2019)
Main investors: Private investors, Capita, Alma Mundi, FOMCAP
Offices: London, Warsaw
Live in: UK, US, Lithuania, Latvia, Sweden, Canada
FTEs: 35 (2017: 20)

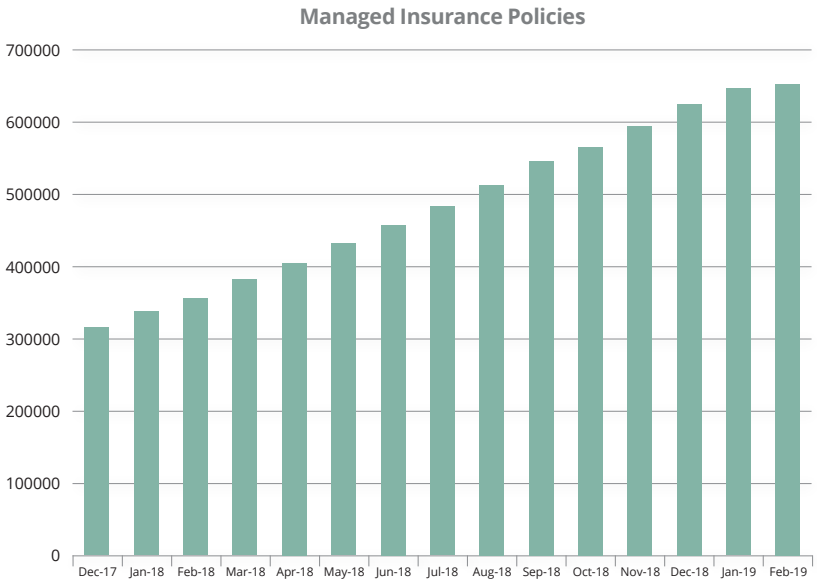
Key insurance clients / partners: Aon Affinity EMEA, Tarian, Axis, Sure Insurance, Ping An
Key execs: **Johnny Bridges**, Founder & CPO: Background in technology and insurance. **Damian Arnold**, CEO: Former COO of International at Direct Line. **David King**, Founder & CCO: Background in technology and insurance. **Artur Kisiolek**, CTO: Experience in building data platforms at scale for BMW, Levi's and Betfair

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action



Case study

Client situation: Aon Affinity EMEA needed a new platform for the distribution and management of policies, including the ability to integrate into the Aon Affinity EMEA's existing infrastructure (AQUA).

What they did: Artificial Labs provided a policy management system with distributor integrations, third party data sources and network repairs. Artificial also monitored for fraud, provided reporting and complaints functionality and automated over 60% of claims.

What impact it had: The platform is now operating in three countries and has processed over 500,000 policies.

The Oxbow Partners view

Artificial Labs has done well to build a profile in the highly competitive insurance platform market. The market is tough to penetrate because there's a natural bias towards established systems – nobody, least of all major players, wants to commit themselves to a system that could fall over for technical or commercial reasons. It is, therefore, a strong sign that Artificial Labs onboarded Aon in 2017 and Capita in 2019.

The next 12 months will be critical for the company as they move into a new phase of development and growth. They need to continue to prove their 'next generation' system credentials, but also develop a broader-based set of differentiating capabilities. This is a congested market – Oxbow Partners has over 250 policy admin systems in its database – and 'simply' being legacy-free has already ceased to be a USP.

2019 INSURTECH IMPACT 25 Oxbow Partners

DIGITAL INSURANCE GROUP

DIG is a 'next generation' digital insurance technology partner for insurers and brokers

DIG enables its clients to offer fully integrated digital insurance solutions to their customers

Position in the insurance chain

Distribution | Distribution support | Data & analytics | **Operations** | Claims

Bitesize profile

DIG was founded in 2017 through the merger of two early European InsurTechs: Knip, a mobile broker, and Komparu, a Dutch insurance SaaS provider.

The company's modular platform integrates into existing IT infrastructure including databases and legacy systems. By integrating with vendors, DIG allows clients to create ecosystems which can drive new propositions and features such as form pre-filling, risk analysis and loss prediction/prevention. DIG's solutions also include agent platforms, mobile apps and customer portals. DIG says its focus is on ensuring its products are set up for scale and multi-country implementation. The core of the system is DIG's API & data platform.

DIG and Zurich, one of the startup's largest investors and clients, recently entered into a multi-year collaboration agreement. Zurich will use DIG to build new propositions globally including mobile solutions and revamps of existing products using up-to-date data and analytics.

Knip, DIG's digital broking app is available in Germany and Switzerland and is TÜV-approved. Knip allows users to manage their insurance via smartphones and provides an overview of all policies, enabling customers to chat with DIG's insurance experts, get independent advice and compare offers.

"We are excited about this collaboration with DIG, a leading InsurTech innovator, to support our digital strategy and capabilities and to ensure we shape the future of insurance."

Theo Bouts, CEO, Zurich Insurances Mobile Solutions

Plans for 2019

DIG aims to add additional insurers and banks to their portfolio and expand into new countries. It will also continue innovating the product and building blocks of the platform to decrease the time to market.

Who should speak to this company?

DIG is keen to hear from (regionally) leading insurers (and banks) that want to accelerate their digital transformation.

Company summary

Year founded: 2017
Revenue band: £1m-£5m
Total investment: £15m
Latest round: £13.5m (June 2018)
Main investors: Zurich, Finch Capital, Route 66, QED, Red Alpine
Offices: Amsterdam, Berlin, Zurich, Belgrade
Live in: Netherlands, Germany, UK, Italy, Chile, Switzerland
FTEs: 64 (2017: 39)
Key insurance clients / partners: Santander, Allianz, Zurich, Aon

Key execs: **Ingo Weber**, CEO & Co-Founder: 20+ years global experience in insurance and digital including Swiss Re, GE Insurance, Verivox, Softbank. **Roeland Werring**, CTO & Co-Founder: 15+ years of experience in the tech industry and development. **Chris Bakker**, CPO & Co-Founder: 15 years experience in product and tech. **Irene van den Brink**, CCO: 15+ years experience in global innovation, insurance & InsurTech including InShared and co-founding OutShared

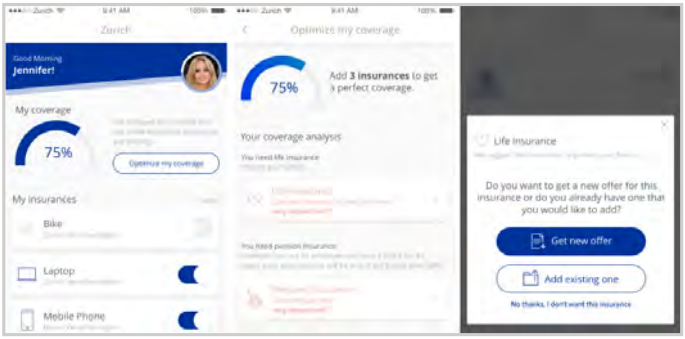
Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

DIG provides one core platform to allow for easy digital life insurance sales. The platform provides integration with credit score providers and data sources for identity and fraud checks, as well as online payments. Fully dynamic price quotations are based on customer input with the option to add and compare multiple insurers.



Case study

Client situation: To meet the needs of the digital generation and grow its life insurance client base, a bancassurance player aimed to set up a state-of-the-art online broker as a scalable model.

What they did: DIG enabled the bancassurer to set up the digital broker solution in record speed. DIG's platform provided easy-to-buy products, personalised pricing, flexible on/off solutions and a client portal with high engagement (e.g. users could easily change beneficiaries) to stimulate cross-sell. It was also linked to multiple insurers for the best personalised offers including the option to compare prices.

What impact it had: DIG's online broking platform resulted in new customers for the bancassurer in target groups that had not previously been reached. It allowed the bancassurer to expand in its region and it will roll the proposition out in several other countries.

The Oxbow Partners view

DIG's heritage and business model are both interesting. The path from Distribution InsurTech to Supplier InsurTech is well-trodden as companies discover that direct insurance sales are slower and more expensive than expected. At the same time they come to understand that insurers find their 'modern' technology stacks interesting. Numerous InsurTechs have either fully 'pivoted' in this way, or partly (by running dual-models – as DIG does).

Second, DIG's model is interesting as it blurs the boundaries between a technology product and development partner. DIG's proposition is built on significant 'bespoking' upfront to deliver a tailored digital experience, which is then delivered through its platform. In this regard, it is similar to Impact 25 Member InforceHub.

Finally, the model is interesting because of its overt focus on the front end. Most companies described as 'insurance platforms' focus on the administration portion rather than customer engagement. This will allow DIG to remain differentiated from InsurTechs – although it does, of course, mean it needs to win against competitors such as design agencies.

2019 INSURTECH IMPACT 25 Oxbow Partners

INSLY

Insly provides cloud-based insurance software for MGAs, brokers and agents

Insly's platform covers a range of insurance processes from sales and underwriting to premium accounting and reporting for both intermediated and direct channels

Position in the insurance chain

Distribution | Distribution support | Data & analytics | **Operations** | Claims

Bitesize profile

Insly is a 'next generation' policy admin system. The business provides a Software-as-a-Service (SaaS) digital distribution and insurance management system targeted at MGAs, brokers and agents. The system is designed to facilitate a high degree of automation in the back office including the ingestion of third-party data (to reduce manual data entry), automated rating, underwriting criteria, document generation and payments.

Insly has made significant progress over the last few years and have 500 clients on board working across most major lines of general insurance.

Unlike more traditional insurance technology vendors, Insly is very open about its system. For example, clients are able to sign up for a free version to 'play around' with the platform even before any contracts or NDAs are signed. The Insly system also has a full set of APIs, the documentation for which is available publicly from any trial account.

This API based approach means Insly is designed to be integrated into a client's existing IT estate, for example an existing claims system, distribution portal or data warehouse.

> **"We chose to work with Insly because we wanted to a have a cloud solution that is tailored to our specific business processes and functional requirements."**
>
> **Kevin Kettrick**, Cyber Underwriting, Ptarmigan

Plans for 2019

Insly plans to make its system more configurable to its MGA and insurer customers as well as scale its sales operations for its standard broker platform offering.

Who should speak to this company?

Insly is keen to hear from MGAs, insurers and brokers with delegated authority that would like to move away from legacy systems and onto digital platforms in the next year.

Company summary

Year founded: 2014
Revenue band: £1m-£5m
Total investment: £2m
Latest round: £2m (March 2018)
Main investors: Concentric, Black Pearls
Offices: London, Tallinn, Warsaw, Minsk
Live in: Estonia, UK, Poland, Belarus, Lithuania, Singapore, Spain
FTEs: 69 (2017: 46)

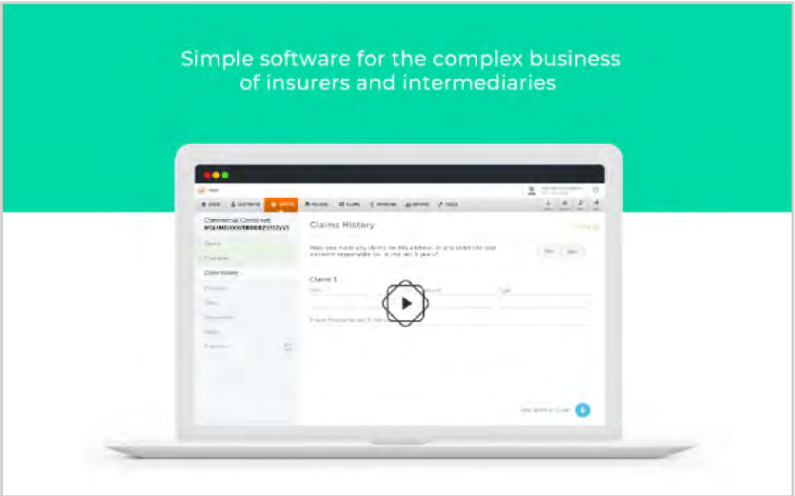
Key insurance clients / partners: Resolution Underwriting Partnership, Euroins, Bsurance
Key execs: **Risto Rossar**, CEO: 20 years insurance business experience, established IIZI Group and Insly. **Ott Kell**, CCO: Formerly at Aon. **Robert Kokk**, COO: Robert has worked with Risto for over 10 years, formerly as a Project Manager and Head of IT

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action



Case study

Client situation: Warranty Insurance, an MGA, wanted to launch an innovative B2C insurance product for a leading electronics retailer, dealer and manufacturer. The goal was to create an extended warranty insurance product coupled with a tech platform to efficiently handle the sales and administration.

What they did: After selecting Insly as their partner, Insly and Warranty set about building the tech platform, which included two main elements: a policy administration system for Warranty where all the data would be hosted and a white-labelled front end for the retailers. The solution needed to simplify the sales process for the in-store sales teams. Using Insly's platform, insurance cover could quickly be added to any household appliance sold and, upon concluding the sale, policy details were created in the Insly back-office system.

What impact it had: The solution was successfully deployed to the first major distribution partner and subsequent white-labelled versions have since been provided to other Warranty retail partners.

The Oxbow Partners view

Market entry for new platforms is challenging. Clients rarely want to hand over business-critical processing to a vendor without seeing references – meaning companies need clients to get clients. Nonetheless, few other 'next generation' insurance system vendors have made such inroads in such a short timeframe. Insly have built a well architected platform and are generating real business with MGAs and brokers. Insly have a good mix of clients, including increasingly well-known names.

The added benefit of this scale is experience with connectivity to other capabilities (e.g. third-party rating engines, external data sources, claims and finance systems). This allows clients to be confident that Insly knows how to integrate into their technology 'ecosystem', often a significant cost and effort in any system implementation.

The task for Insly now is to develop functionality to cover more of the value-chain and be able to support larger clients with more complex and nuanced needs. This will allow them confidently take on the large incumbent players.

2019 INSURTECH IMPACT 25 Oxbow Partners

McKenzie Intelligence

McKenzie Intelligence Services (MIS) provides time-critical geospatial intelligence for claims validation

Insurers use McKenzie's MIS-Data and MIS-Intel platform to speed up processing and payment of catastrophe claims (flood, earthquake and fire)

Position in the insurance chain

Distribution | Distribution support | Data & analytics | **Operations** | Claims

Bitesize profile

As natural catastrophes unfold, intelligence is sparse. MIS obtains information from a variety of sources (satellites, IoT, open source, etc.), identifies and quantifies scenarios, and then disseminates high quality actionable intelligence to insurers, governments, NGOs and others.

Historically, underwriters have not had data to assign adjusters to the most important sites, forcing them to rely on backwards-looking loss estimation models. This has inflated opex and led to inaccurate financial estimates and poor customer experience.

MIS aims to provide data and analysis to exposure and claims teams within 24 hours and 72 hours respectively. This allows insurers to understand how natural catastrophes are unfolding in near real-time, allowing them to direct their resources more optimally and estimate costs more accurately.

MIS worked alongside Lloyd's managing agents and an extensive network of TPAs in North America during recent natural catastrophes. In the case of Hurricane Florence, MIS used data from flood sensors, collecting IoT data in real time to build a detailed timeline for the reinsurance claims community. During Hurricane Michael, MIS delivered zip code fidelity reports to exposure managers and individual property assessments to claims teams within 24 hours.

MIS is an InsurTech founded by former military intelligence personnel.

"Via the use of timely, automated ground intelligence and space satellite imagery, MIS-Intel marks a new departure in claims solutions."

John Eves CILA, Judge, British Claims Awards 2018

Plans for 2019

In 2019, the company plans to 1) execute its current product roadmap agreed with Lloyd's of London and 2) continue attracting new clients. Additionally, MIS intends to launch proofs of concept for parametric products suggested by current and prospective clients. This primarily concerns their business interruption tool which has thus far proved successful with insurers and international law firms.

Who should speak to this company?

MIS is keen to hear from claims directors of companies exposed to natural catastrophe scenarios and those facing business interruption claims.

Company summary

Year founded: 2011
Revenue band: £1m-£5m
Total investment: £1.1m
Latest round: £600k (December 2018)
Main investors: Eden Rock Capital Wealth
Offices: London
Live in: UK with US coverage
FTEs: 13 (2017: 6)

Key insurance clients / partners: Lloyd's of London
Key execs: **Forbes McKenzie**, CEO: Decorated former British Army Intelligence Officer. **Matthew O'Connor**, Chairman: Former COO of Avanti PLC. **Alfie Conetta**, CTO: Former military officer

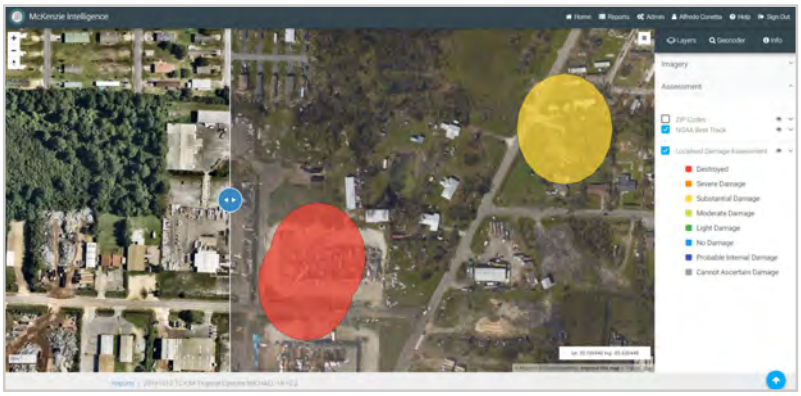
Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

MIS-Intel connects operatives on the ground with office workers, permitting exposure and claims decisions to be executed quickly. For example, MIS provided market-wide assessments for 4,500 homes affected by Hurricane Michael and 10,300 homes affected by the California wildfires.



Case study

Client situation: A consortium of 107 enterprise customers, including every Lloyd's of London Managing Agent and their extensive Network of Third Party Administrators in North America, wanted to put in place a holistic insurance response process for catastrophe risks.

What they did: MIS-Intel provided post-event situational intelligence to exposure, claims and reinsurance teams in the form of a quantifiable damage layer. This enabled informed decisions regarding the extent of damage to be made based on quantified facts extracted from post-event, high-resolution aerial and satellite imagery. For instance, following Hurricane Florence, MIS aggregated IoT data and built a detailed timeline of events for the claims reinsurance community. After Hurricane Michael, MIS delivered individual property assessments to claims teams.

What impact it had: This provided a focal point for market intelligence enabling faster reserving and exposure returns to the regulator and quick claims resolution for the affected insured.

The Oxbow Partners view

MIS's platform allows insurers to approach catastrophe claims in a more structured way. Data allows for better triaging of claims leading to processes for claims that can be paid immediately, those requiring an adjuster to attend urgently and those which can wait. It is also possible to validate claims and identify fraud. The consequence should be a combination of happier customers, lower opex and lower indemnity spend.

For insurers, the challenge is to build an operating model for catastrophe claims. There need to be clear 'triggers' for this process, as well as protocols for instigating the actions facilitated by MIS. For Florida homeowners, underwriters having such a response plan in place is a given; for European insurers, where catastrophes are less frequent, it might be less of a priority.

2019 INSURTECH IMPACT 25 Oxbow Partners

OnSiteIQ

OnSiteIQ provides 360° photo documentation services to property owners and developers

The company allows property owners, developers, construction managers and insurers to virtually 'walk through' construction sites from their offices

Position in the insurance chain

Distribution | Distribution support | Data & analytics | **Operations** | Claims

Bitesize profile

OnSiteIQ documents construction sites regularly in 360° data that is automatically mapped to the site floor plans, creating an interactive walk-through. The company employs its own network of Occupational Safety & Health Administration (OSHA) certified data collectors, who collect the data using an off-the-shelf 360° cameras and OnSiteIQ's mobile app.

The data then gets analysed using an AI platform to identify leading indicators and various categories of risk on the jobsite. Users can also manually identify issues and make annotations, which can be shared with colleagues. Data can be collected regularly without obstructing the construction workflow.

The data provides valuable record in the event of dispute resolution, litigation and defect claims which may surface down the line. The company's visual documentation platform permitted a client to complete a claims investigation 15% faster than using physical inspections and deny a delay claim based on the visual evidence captured by its platform throughout the construction process.

"OnSiteIQ's visual documentation platform finally brings 21st-century technology into construction collaboration for property owners and developers. Their solution requires no training and takes no time away from our current processes"

Mitch Moinian, Senior VP, Moinian Group

Plans for 2019

OnSiteIQ intends to move from 3 to 6 pilots with its insurance partners and expand its operations in the US.

Who should speak to this company?

OnSiteIQ is keen to hear from construction insurance companies providing workers comp, general liability, and builders risk policies.

Company summary

Year founded: 2017
Revenue band: £100k-£1m
Total investment: £2.2m
Latest round: £2m (November 2018)
Main investors: Anthemis
Offices: New York
Live in: US
FTEs: 12 (2017: 2)

Key insurance clients / partners: Undisclosed
Key execs: **Ardalan Khosrowpour**, CEO & Co-Founder: PhD in Civil Engineering. **John Mollis**, CTO & Co-Founder: Formerly CTO & Co-Founder at PatchWorkVR. **Kishan Sudusinghe**, Quantitative Developer: PhD in Electrical and Computer Engineering

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action



Case study

Client situation: OnSiteIQ's insurance client was only able to inspect one out of every ten projects they insured. Due to the ineffectiveness of the insurer's loss control/risk engineering process, it had a high loss ratio.

What they did: Through an OnSiteIQ pilot, the insurer was able to inspect twice as many sites at 50% of the cost of a physical inspection and with a broader geographical distribution.

What impact it had: By inspecting more sites, the client was able to lower their loss ratio. The pilot also improved the level of the client's engagement with safety issues, addressed numerous safety issues and generally improved the relationship between the client and the insurer.

The Oxbow Partners view

Risk engineering is ripe for technology innovation. In large parts of the industry, the function is still a clunky, manual process: risk engineers are dispatched (slow and expensive) and document findings in linear reports with photo attachments. Only the larger risks can be inspected more than once; many post-completion sites are inspected only once every few years. Recommendations are sent to the client but often not followed up. Reports cannot be analysed in a structured way for portfolio-level insights, and indeed connections between risk engineers and underwriters are often weak.

We think the OnSiteIQ proposition, whilst early stage, has great potential. We see an application both in the construction process (which the business is targeting now) and the post-completion risk inspection space. The opex and indemnity case on both is obvious for insurers and brokers, and the customer relationship point the company highlights is plausible also.

2019 INSURTECH IMPACT 25 Oxbow Partners

WHITESPACE

Whitespace is a digital placement platform for the London Market

Whitespace transforms documentation in Word and PDF into universally readable digital contracts, reducing transactional and processing costs

Position in the insurance chain

Distribution | Distribution support | Data & analytics | **Operations** | Claims

Bitesize profile

Whitespace is aiming to play a major part in the London Market's move to digital trading.

The company's solution does not change the way the market places business. Instead, it augments the existing process with an electronic platform, requiring little technical training upon adoption of the software. Brokers, insurers and policyholders can monitor the progress of the placement and can review any changes made to the contract. A comprehensive set of APIs allows Whitespace's platform to be integrated with an insurer's existing systems.

Brokers can manage every contract from draft to final signature via desktop or app. If a change is needed, it's made once rather than needing to be re-keyed and is instantly available to the people who should see it. Brokers can also compare quotes using the 'differences' function, and the 'chat' function allows all users involved to discuss the contract terms.

The system also allows underwriters to view the work of their entire team and check how far along contracts are in placing. Subjectivities and endorsements on the platform look exactly as they do in paper form, and underwriters can use the digital stamp as soon as they write a line.

In the future, Whitespace intends to expand its offering by introducing digital premium settlement and claims services.

"End-to-end and fully digital client engagement is critical to our future success. Whitespace will enable us to work with the latest technology, providing a better experience for our clients, our markets and our people."

James Masterton, CEO, Price Forbes

Plans for 2019

Whitespace aims to achieve live trading within the London Market this year.

Who should speak to this company?

Whitespace is keen to hear from London Market insurers and international brokers and carriers who are looking for a digital trading solution.

Company summary

Year founded: 1985; new strategy in 2014
Revenue band: £1m-£5m
Total investment: None
Latest round: N/A
Main investors: N/A
Offices: London
Live in: UK
FTEs: 28 (2017: 21)
Key insurance clients / partners: Various London Market insurers and brokers

Key execs: **Andrew Sedcole**, CEO: Physics graduate turned tech entrepreneur. **Jonathan Clarke**, Founder, Chairman and CTO: Former Technical Director at Property Hawk. **Marcus Broome**, Director: Digital entrepreneur. **Jody Wilkinson**, Manager: Insurance technology specialist

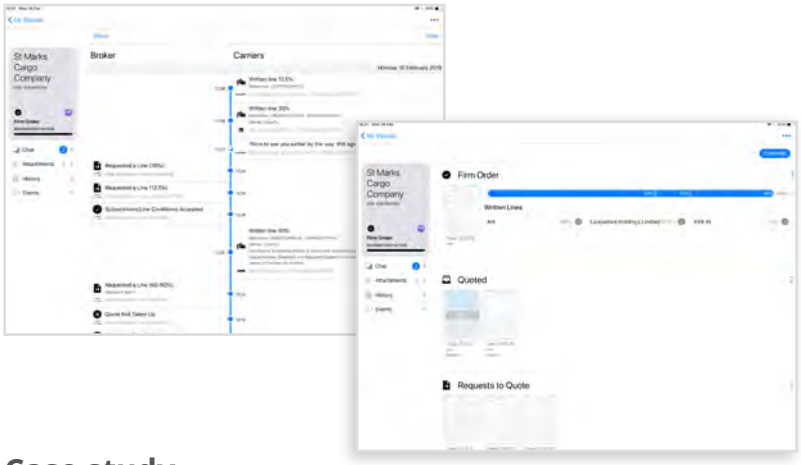
Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

Whitespace allows the real-time negotiation, collaboration and placing of digital contracts. The two pictures show a summary of the placing process and the detailed audit trail which accompanies it. User experience is optimised by the platform and the same data is available via the APIs.



Case study

Client situation: Following the LM TOM proof of concept in 2017, a consortium of London Market carriers and brokers continued to work with Whitespace through 2018 to understand how it could help risks to be placed digitally in the market.

What they did: The consortium worked with Whitespace through a number of scenarios of increasing complexity. Risks were placed through the platform and Whitespace was able to improve the technology based on user feedback.

What impact it had: In September 2018 Whitespace was recognised by Lloyd's for the purposes of the electronic placing mandate. In February 2019 Price Forbes & Partners, a broker, announced its partnership with Whitespace and intention to adopt the platform for all London business.

The Oxbow Partners view

Whitespace is something of an outlier amongst InsurTechs because the company has been going for over thirty years. However, it 'pivoted' to its new digital marketplace proposition within our eligibility timeframe. We included the company because it is at a critical point in its evolution: the technology and 'product-market fit' have been proven and the 'rocket fuel' is now required. That will involve the usual challenges of creating a digital marketplace – growing demand and supply in sync.

The company's timing is, however, good. Lloyd's has outlined its commitment to digital trading since the launch of the London Market TOM project; the new CEO, John Neal, has only emphasised the centrality of technology since starting in his role in October 2018.

2019 INSURTECH IMPACT 25 Oxbow Partners

Bdeo

Bdeo provides visual intelligence for the underwriting and claims process

Bdeo simplifies processes using technologies like geolocated video, augmented reality and artificial intelligence

Position in the insurance chain

Distribution | Distribution support | Data & analytics | Operations | **Claims**

Bitesize profile

Bdeo is a Madrid-based InsurTech active in central and southern Europe and Latin America.

The company allows insurers to provide a simpler, technology-enabled claims journey to customers. For damage categorised as moderate or severe, the company allows handlers to initiate a geolocated video call via Bdeo's mobile website. Other participants in the claims process can be added to video calls and remotely identify and document damage via the video. Thanks to Bdeo's API and white label capabilities the integration process with the insurer is simple and easily customised.

For simple claims, the technology is designed to assess documentation submitted and make automated decisions. The same technology can be applied to improve the underwriting journey, reducing costs and saving time for both customers and insurers.

Bdeo's visual intelligence platform provides AI algorithms to detect vehicles, parts and damage and uses augmented reality to provide measurements remotely.

In areas without internet connection, the customer app stores the claims documentation locally and shares it with the necessary parties once the connection is restored. Pictures and videos saved on the platform have a time stamp and GPS position secured through blockchain technology.

Bdeo processed 50,000 motor and home claims globally in 2018.

> **"Bdeo helped us to reduce costs and to be able to provide service in places like Cape Verde and Angola"**
>
> **Bruno Militao**, Director, Fidelidade Adjusters

Plans for 2019

Bdeo aims to increase its claim processing numbers by 400% and expand its projects in EU & Latin America.

Who should speak to this company?

Bdeo is keen to hear from insurance CIOs, COOs and claims directors.

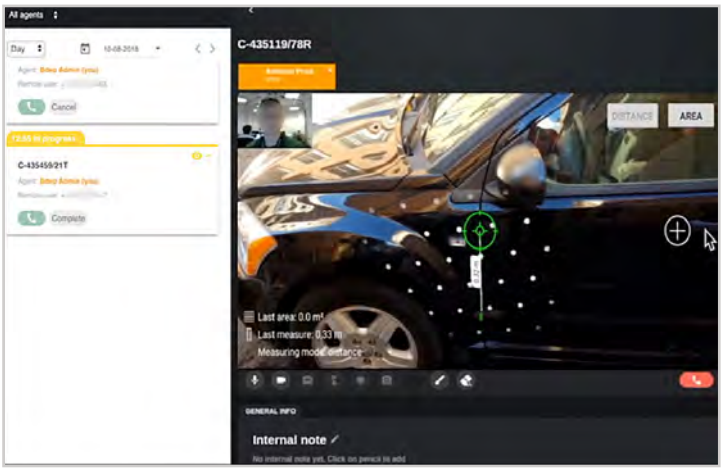
Company summary

Year founded: 2017
Revenue band: £100k-£1m
Total investment: £600k
Latest round: £400k (January 2018)
Main investors: Spanish VCs
Offices: Madrid, Mexico
Live in: Spain, Portugal, Germany, Switzerland, Mexico, Guatemala, Colombia
FTEs: 14 (2017: 3)

Key insurance clients / partners: Zurich (Mexico & Spain), Fidelidade (Portugal), Mutua Madrileña (Spain), Atlas, BBVA Bancomer, Ana Seguros (Mexico), Asitur (Spain)
Key execs: **Julio Pernía**, CEO: Co-Founder of Reparanet, former programmer at CERN. **Manuel Moreno**, CTO: Co-Founder of Reparanet, Serial entrepreneu. **Juan Luis Torres**, Country Manager: Former CEO of Brain in Paper

- Personal lines
- Commercial & speciality
- Life/Pension/Health

Company in action



Case study

Client situation: BBVA Bancomer struggled with its slow underwriting process and 28-day policy closing times as well as poor fraud detection mechanisms.

What they did: Bdeo worked with the company to introduce pre-existing damage detection on vehicles through Bdeo's platform and speed up the underwriting process.

What impact it had: Bdeo's solution improved BBVA Bancomer's average time to issue policies by 75% and helped reduce fraud by approximately 15%. Bdeo is currently a key part of their underwriting process for the bank in Mexico.

The Oxbow Partners view

We included this company because of its rapid launch and high early impact in southern Europe and Latin America. These are not regions that are blessed with a high volume of InsurTechs. We like the proposition, and its value to insurers is clear, particularly given its geographic focus. The ageing automotive stock and elevated levels of fraud make underwriting and claims challenging in some parts of the region.

The company will face an interesting strategic challenge as it grows. In our experience, the critical path on many InsurTech partnerships is not the technology itself, but the integration and change required on the insurer side. This raises the question what the right long-term go-to-market approach is. Bdeo's current model is to engage directly with insurers; this is viable if the solution has sufficient impact to be top of an insurer's priority list. But for companies that have a narrow solution for a single link in the claims journey this is hard. We note that other ClaimsTechs, like 2018 Impact 25 Member FRISS, have chosen to partner with claims technology platforms to remove integration effort from insurers, whilst 2019 Member Snapsheet is expanding its product to be an end-to-end system to deliver greater impact to its clients.

2019 INSURTECH IMPACT 25 Oxbow Partners

snapsheet

Snapsheet enables insurers to offer customers a digital claims experience

Snapsheet has processed more than $2.5bn worth of claims for insurers in the US through its virtual claims workflow solution

Position in the insurance chain

Distribution | Distribution support | Data & analytics | Operations | **Claims**

Bitesize profile

Snapsheet started as a direct-to-consumer mobile app which provided estimates from repair facilities directly to consumers. It pivoted into insurance in 2012 and has over 70 insurance clients in the US and Canada along with several 'new economy' players such as ride-sharing companies.

Snapsheet's core proposition is a virtual appraisal service which allows insurers to collect information about claims and make estimates on motor physical damage automatically. For example, Aviva Canada allows its customers to file claims by taking photos of the damage, submitting them through an Aviva branded app, and getting a repair estimate – all within hours.

Alongside this sits Snapsheet's second main product, a payment engine which allows insurers – many of whom still pay claims by cheque in the US – to offer electronic payments. This SaaS platform allows for digital population and transmission of payments and electronic signatures.

Based on the functionality of its internal platform for virtual appraisals, Snapsheet extended its platform to be an end-to-end claims management solution and brought it to market as a SaaS model. In 2018, the company signed a global deal with Zurich, which will allow Zurich to offer its customers and users a digital claims experience enabling faster cycle times. Ireland is the first market where Zurich is implementing the platform. This is Snapsheet's first European client.

> **"The collaboration with Snapsheet will allow Zurich to further streamline the claims journey for our customers and provide additional innovative services."**
>
> **Ian Thompson**, Group Chief Claims Officer, Zurich

Plans for 2019

Snapsheet plans to continue to expand its three primary business lines (virtual appraisals, transactions and SaaS platform) and improve its service offering to customers. The company aims to internationalise its platform, initially by making it available to more of Zurich's international operations.

Who should speak to this company?

Snapsheet is keen to hear from any insurers who are enhancing their claims experience in 2019 and would like to explore partnerships with an established InsurTech provider.

Company summary

Year founded: 2010
Revenue band: More than £10m
Total investment: £34m
Latest round: £9.5m (May 2017)
Main investors: Tola Capital, USAA, Intact, Liberty Mutual
Offices: Chicago
Live in: US, Ireland
FTEs: 500 (2017: c.250)
Key insurance clients / partners: Zurich, Aviva Canada, Atlas Financial Holdings

Key execs: Brad Weisberg, CEO & Co-Founder: Brad's work with Snapsheet has been featured in Forbes, The Wall Street Journal and Fast Company. **Jamie Yoder**, President: Former Insurance Advisory Leader at PwC. **CJ Przybyl**, Chief Strategy Officer & Co-Founder: Co-Founder of multiple startups. **Andy Cohen**, COO: Former Insurance industry executive at several large global carriers

Personal lines

Commercial & speciality

Life/Pension/Health

Company in action

The Snapsheet platform enables insurance carriers to seamlessly engage with customers and intelligently automates the entire claims process. It combines customer communication, proactive workflow, document management and a singular view of a claim to provide an easy-to-use interface for claim handlers.



Case study

Client situation: Zurich wanted to improve the customer claims experience and improve claims efficiency by simplifying the claims journey and shortening the overall claims lifecycle. The innovation team identified Snapsheet as a good alternative to the standard universe of vendors.

What they did: Snapsheet entered into a global partnership agreement with Zurich in Q4 2018. Under the agreement, Snapsheet will build an end-to-end claims system for Zurich which integrates with existing legacy systems. Ireland is the first country where the system will be implemented, with other countries likely to follow.

What impact it had: The implementation is ongoing but is expected to have indemnity, opex and customer service benefits.

The Oxbow Partners view

Snapsheet is one of the companies that breaches our £10m revenue cap, but given its rapidly evolving product and only recent entry into Europe, we felt the company merited a place in the Impact 25.

The company's core product has established a strong market position in the US, allowing it to benefit from a reliable revenue stream. The Zurich deal could be transformational, allowing Snapsheet to build out its proposition from a solution for a specific claims 'vertical' to an end-to-end system that could compete with the established systems.

As it happens, we think that most ClaimsTechs will work on broadening their propositions in the next year for two reasons. First, there is a risk that niche solutions will not be high enough on the agenda of claims leaders looking for transformational solutions in the next wave of InsurTech. Second, end-to-end vendors are the gatekeepers of many niche solutions, and there is a risk that these vendors will buy or develop technology making the niche vendors, which did well in the first wave of InsurTech, redundant. Owning the whole claims journey is a more sustainable position.

The challenge for Snapsheet in 2019 will be to make the transition from InsurTech to 'vendor' – a nuanced progression but one requiring companies to develop a new set of capabilities (which we recently discussed on our blog).


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