Oxbow Partners

NAVIGATING THE DIGITAL DECADE:
25 EMERGING TECHNOLOGY-LED BUSINESSES WELL PLACED TO HELP INSURERS SUCCEED



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Our Insights teams are a leading source of data and analysis. Our Market Intelligence product provides qualitative and quantitative insight to UK management teams to help inform strategic decisions. Magellan is used by corporates and investors to find new insurance technology partners and powers our technology and innovation insights.

Common to all of our engagements is a need for deep industry expertise, bespoke thinking and an agile-inspired approach.

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InsurTech Impact 2021

If you believe that your business should be considered for the Oxbow Partners InsurTech Impact 2021, then please let us know by emailing impact25@oxbowpartners.com.

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Impartiality and objectivity

Impartial and objective analysis is central to the Oxbow Partners InsurTech Impact 25.

All Members of the 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. The criteria and methodology that we used to choose Members is described later in the report.

WELCOME

We are happy to present the third Oxbow Partners InsurTech Impact 25.

The 2020s are going to be an exciting decade for insurance; in this report we have called it the "digital decade". Incumbents are finally going to be forced to face the technology challenges that have been put off for years. As one client said to us, "we must now finally accept and address the 'legacy debt' that we have inherited from previous management teams."

Compounding this imperative are forces from outside the insurance industry. The impact of technologies such as AI and 3D printing will not pass insurance by. Technology companies which have literally millions if not billions of customers are maturing and accelerating their monetisation strategies. In this report we consider the impact of these potential "super-gatekeepers" on the industry.

The InsurTech market continues to develop. However, we note in this paper that it is also losing its special status. Insurers and brokers are, quite rightly, no longer seeing InsurTech as an end in itself, but a facilitator of change. This presents both opportunities and threats to InsurTechs.

This year's Impact 25 Members are innovative companies with the ability to create and reach new premium pools and accelerate incumbents' digital transformation. Along with our Advisory Board, we spent five months reviewing over 100 companies to select this year's Members. We believe that our rigorous review process distinguishes the InsurTech Impact 25 from other InsurTech lists.

We are also excited to be launching Magellan, our insurance technology navigator, with this report. Magellan (www.oxbowpartners.com/magellan) gives subscribers access to our proprietary database of over 2,000 established and InsurTech vendors, and allows them to share information with colleagues and interact with vendors. It has been instrumental in powering the insights for this report.

We hope you find the report valuable.



Christopher Sandilands
Partner



Greg Brown
Partner

OUR 2020 ADVISORY BOARD

This year's report has benefited from the support and insight of our Advisory Board. These industry leaders have helped us with both the selection of Members and analysis of 2020 themes. We are grateful to them for giving their time generously.



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Brit Insurance
Co-Founder of InsTech London



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Director Innovation
and Business Development,
Ageas Group



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Any analysis or comments in this report about companies with which the Advisory Board Members are associated should not be considered to have been validated by them.

Thanks

Oxbow Partners would like to thank the InsurTechs who applied for inclusion in the Impact 25, successfully or not, for their considerable efforts providing information about their businesses. We would also like to thank Lorcán Hall for his help managing the analysis and selection process, as well as preparing the profiles.

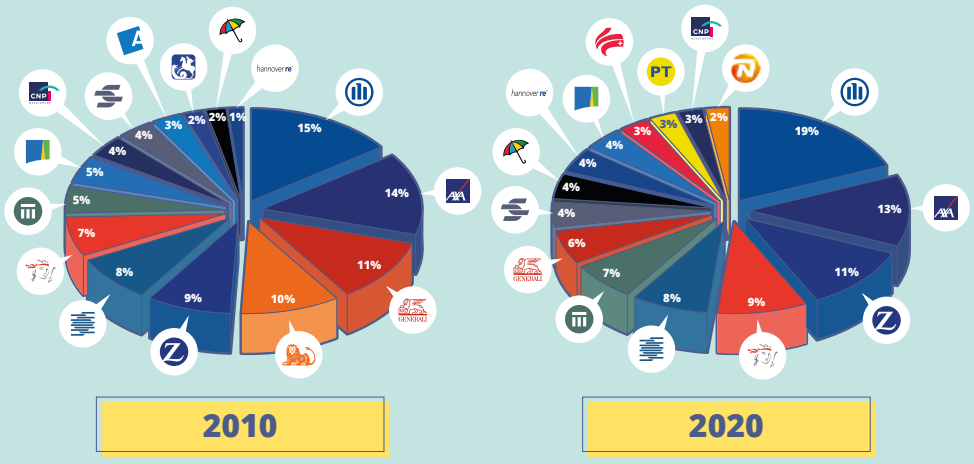
1. THE DECADE AHEAD: WHO WILL WIN?

The economic standing of European insurers is in flux

Things move slowly in insurance. Insurers do not have developer conferences to showcase their latest innovations, like Apple and Google. Travel companies employed Heads of Innovation at the start of the last decade whilst insurance started at the end. Insurance has been much slower than, say, retail to digitise.

But things do change. The chart below shows the market share of capitalisation of the fifteen largest European quoted insurers at the beginning and end of the last decade.

Figure 1: Share of market capitalisation of top 15 European quoted insurers



Source: Bloomberg

Six insurers have swapped out and in over last decade – ING, Aegon and Alleanza are out and Poste Italiane, Swiss Life and NN Group are in.[1] Allianz has gained four percentage points of share of the European top 15 market cap, whereas Generali has lost five.

The value creation story from the 2010s is not materially about digitisation or innovation. Instead, traditional levers such as corporate strategy, cost control and capital management have been key. Prudential grew its share of top-15 market cap from 7% at the start of the decade to 13% in 2018 through its Asia exposure (before dropping back in 2020 due to the divestment of M&G). European life players lost out whereas the large composites generally gained. The three largest reinsurers gained share from 14% to 19% – remarkable given the generally softening marketing throughout the period. The point is, as William Hawkins at KBW points out, that "the economic standing of quoted European insurers is in flux."[2]

1 Although NN Group is a partial reinvention of ING's insurance business and Alleanza is now part of Generali
2 Insurtech track wrap 2019: data drives destiny, KBW, 20 May 2019

The 'digital decade' poses new challenges

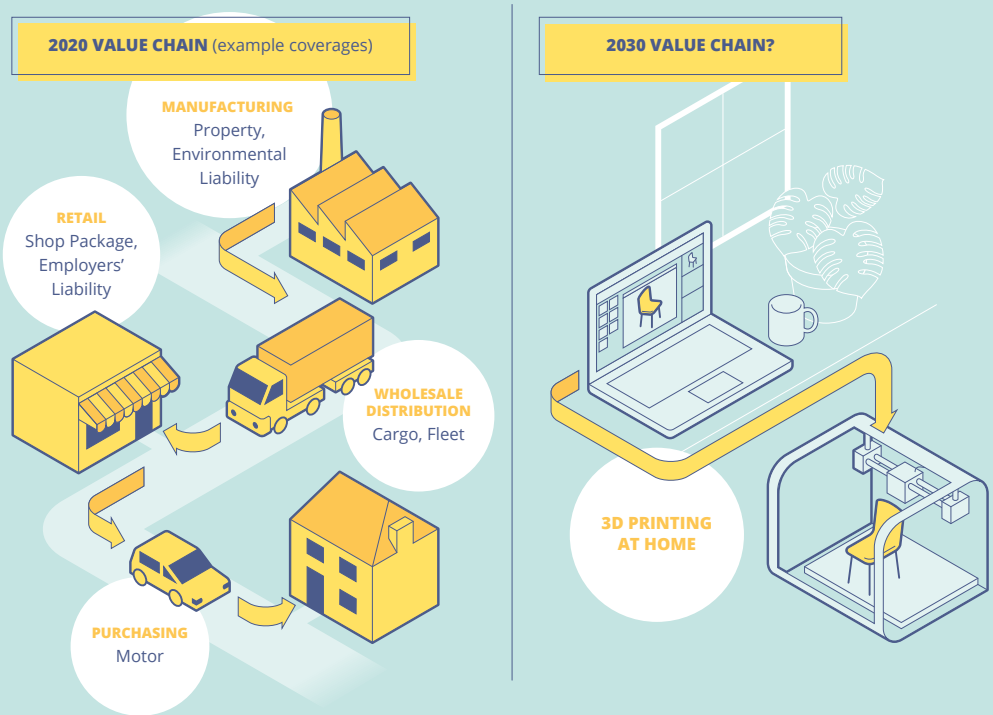
But where will things go from here? What will be the relative importance of traditional drivers of value and newer ones in the next decade? Where will 2030's winners have placed their bets?

We believe that the digital agenda will be critical for success. 2030's winners will be those companies who were able to build digital propositions that attracted the millions of millennials who became first-time insurance buyers in the 2020s, who innovated their use of data and applications, and who built the scalable infrastructure that enabled the next wave of consolidation. The digital agenda is much bigger than InsurTech, but InsurTech could play an important role as we describe in the next section of this report.

There are three broad reasons why we are convinced that the 2020s is the 'digital decade'.

First, we believe that technology will change the way the world works and that this has massive knock-on effects for insurance. We first discussed this issue in our 2018 paper for the Lloyd's Market Association, where we considered the implications of 3D printing technology on the firearms value chain (a topical issue at the time).[3,4] In short, if an object can be printed at home, the need for manufacturing and retail is eliminated along with wholesale distribution and personal travel to shopping centres. This decimates certain premium pools (e.g. property insurance for manufacturers) but creates new ones (e.g. product liability for the 3D printing value chain). We observed that the opportunities these technology-driven dislocations present "will not necessarily accrue to those insurers who are the current market leaders". In other words, the 2030 winners will be those who understand and can serve these new areas of demand.

Figure 2: Impact of 3D printing on insurance premium pools



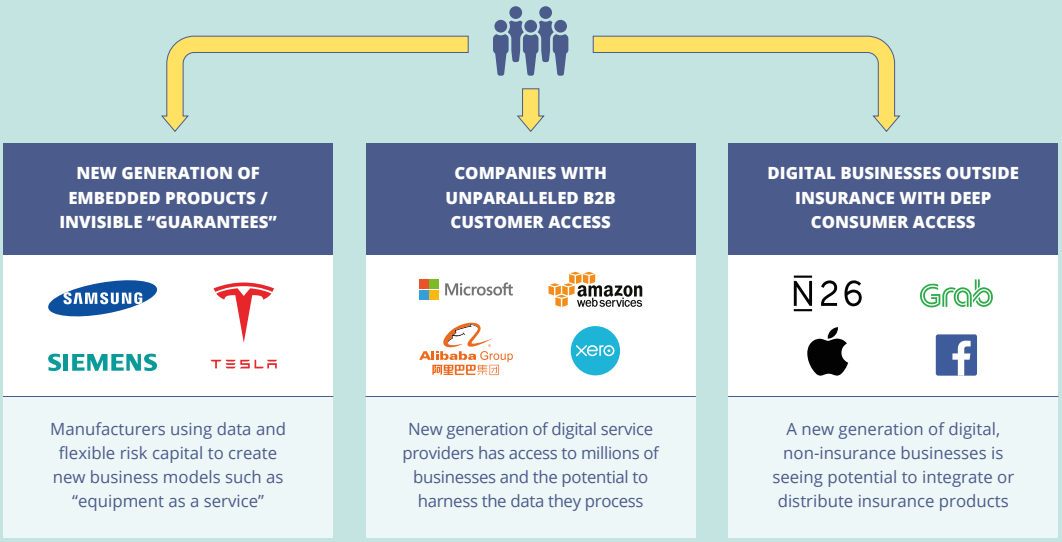
Source: Oxbow Partners analysis

3 https://www.oxbowpartners.com/2018/lma-insurtech-2018
4 https://edition.cnn.com/2018/07/19/us/3d-printed-gun-settlement-trnd/index.html

Second, the marketplace will become more digital as non-insurance entities exploit the value of not only their data but also, crucially, their access to customers. For example, Tesla announced in the summer that it planned to offer its own insurance policies in California and expected to reduce premiums by 20-30% [5]; Amazon Web Services provides hosting services to millions of SMEs, large companies and governments and could become a dominant sales channel for a range of add-on services like cyber insurance; and Facebook's exploitation of user data for commercial purposes is well documented.

In time, these companies could become the primary access routes to many risk pools. In that scenario, the current dominance of the large brokers in certain risk pools will be dwarfed by the power of these 'super-gatekeepers'.

Figure 3: Potential 'super-gatekeepers' to premium pools



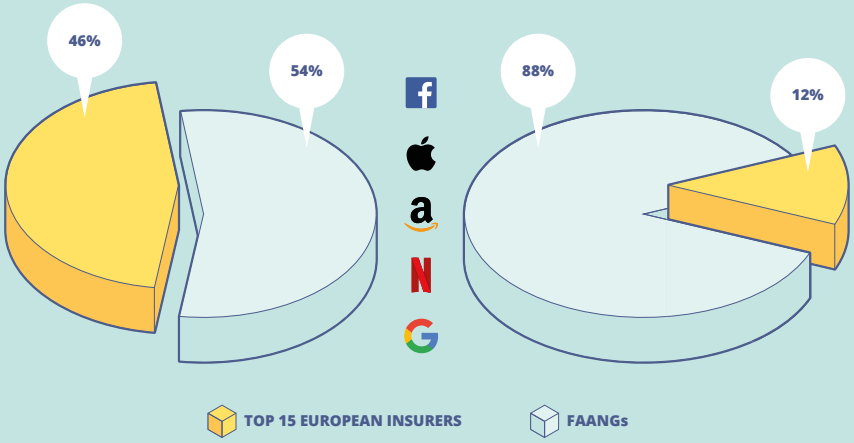
Source: Oxbow Partners

Crucially for insurers in the 2020s, some of these technology companies dwarf even the largest insurance groups when it comes to available resources. Indeed, this has arguably been the biggest change over the last decade: the market value of the FAANGs [6] has gone from roughly equal to that of the top 15 European insurers to being nine times greater.

Unsurprisingly, most incumbents now fear a move by a large technology company more than disruption by a startup. This is, in our view, a reasonable conclusion, not least because the traditional argument that technology companies avoid regulated activities is being weakened as, for example, data becomes more regulated. But a move by such a player does not signal the death knell of incumbents. There is no guarantee that a non-insurance entity would want to carry insurance risk; incumbents must establish how they can connect to these super-gatekeepers and serve their needs effectively. Often this will be through nimble, technology-led InsurTechs. We have called the big technology companies 'gatekeepers' and not 'disruptors' for a reason.

5 https://www.tesla.com/blog/introducing-tesla-insurance
6 Facebook, Amazon, Apple, Netflix, Google

Figure 4: Market capitalisation of top 15 European insurers vs. FAANGs [7]



Source: Bloomberg

Finally, the next decade will be characterised by an ever-fuller smorgasbord of technology opportunities. Some of these have been developed in other industries and are ready for use at scale in insurance, for example AI and machine learning. Others, like domestic IoT, are becoming common but are in the 'trough of disillusionment' for insurance as carriers struggle to find profitable business cases. Finally, technologies such as blockchain remain in development as innovation pioneers try to identify mainstream use cases. Incumbents will need to identify and deploy appropriate solutions, either independently or with the help of technology partners.

Go for broke?

So, is this an argument for carriers to go for broke and 'disrupt themselves'?

Only to an extent, in our view. We have argued consistently that insurance is unlikely to be turned on its head by a disruptive technology-led entrant, in the same way that retail or mobility has been by Amazon or Uber. [8] We believe that – in the next decade, at least – the big technology firms will be profitable intermediaries for those carriers who can deploy capital efficiently. At the same time, risk carrying remains a somewhat niche-interest business model, and the challenges of mass distribution have been laid bare by the experiences of various InsurTechs.

On the other hand, insurance is changing. 2030's winners will have defined a corporate strategy that was based on a clear understanding of the emerging 'mega-trends'. Innovation will have been an integral part of this for reasons we describe later in this report. They will have executed better than their peers and in particular had feedback loops between execution and strategy to ensure continuous data-driven reprioritisation. The workforce will have been empowered to deliver, leading to a reputation that allows the company to recruit the best talent – in particular scarce, industry-agnostic resources like data scientists.

There is no reason to go for broke, but a need for radical change.

7 This analysis is partly driven by the differences in dividend policies between insurers and FAANGs. Insurers have typically paid large dividends over the last decade whilst FAANGs have reinvested profits in their businesses, with associated compounding effects on market cap.
8 https://www.insurancetimes.co.uk/insurance2025-2019/there-will-be-no-uber-moment-for-insurtechs-2025-speaker-chris-sandilands/1430599.article

2. INSURTECH IN 2020

Are there Barbarians, Trojans or Samaritans at the gate?

It is important to remember that there are two types of InsurTech: Distribution InsurTechs and Supplier InsurTechs. The former category tries to acquire end customers and needs (re)insurers as capacity providers. The latter develops technology which could help insurers, reinsurers or brokers do business more effectively. They are vendors and require incumbents as customers.

Distribution InsurTechs include brokers, MGAs and 'full-stack' InsurTechs. Many of these businesses took a somewhat confrontational position when they first launched, often talking about "fixing a broken industry". Lemonade had the most aggressive rhetoric when it launched ("instead of making our money from denying claims, as is the norm within the industry, we treat your premiums as if it's your money"). [9]

However, these Barbarians have largely morphed into Samaritans over the last few years as they have understood that they can only "fix" the industry by obtaining capacity from established carriers. They now position themselves as long-term partners to help insurers unlock growth in new segments.

Indeed, some have stopped competing against carriers at all by becoming Supplier InsurTechs. Trōv and Slice are examples of full 'pivots' from distributors to suppliers, while several companies like Impact 25 Member ottonova now licence their system to incumbents whilst maintaining their own sales channels. [10] Even Lemonade has significantly dialled back the rhetoric, although it remains committed to the direct channel.

A more negative reading of current trends is that InsurTechs are becoming not so much Samaritans as Trojans. Samaritan business models could be a stealthy, interim step to gain scale before 'untethering' and once again competing against incumbents. For example, 2018 Impact 25 Member Zego recently obtained its carrier authorisation whilst 2020 Member Dansk Sundhedssikring is waiting for one. Becoming 'full stack' – possibly something of an emerging trend – will allow these successful intermediaries to manage their capacity more strategically and shift volume away from their original "long-term partners".

This scenario could play out even if InsurTechs do not move towards 'full stack' models. Instead, they could, for example, become the primary, digital interface to the new premium pools mentioned in the previous section, and command outsized commissions from incumbents by doing so. Alternatively they could become monopolistic or oligopolistic providers of a critical service such as, arguably, the catastrophe modelling companies have become.

In other words, one could argue that InsurTechs are simply using their industry partnerships to develop their business models in order to subsequently pivot back to Barbarian business models. Insurers and brokers need to determine how to get sustainable value from their partnerships.

Finding product-market fit: Balancing progress with reality

Whether Samaritans or Trojans, Supplier InsurTechs need to find their product-market fit – the 'digital' term for an attractive proposition and sustainable business model. We see many InsurTechs still searching and some will fail because they never find it. Some founders will blame a lack of vision in the industry, but this is a superficial reading.

We believe that successful InsurTechs will have developed a solution that moved their clients forward – but crucially understood their context. Some startups are, in our view, developing solutions that are too sophisticated for today's market.

Consider a company that is using satellite imagery to measure the amount of fuel in various ports' storage facilities.

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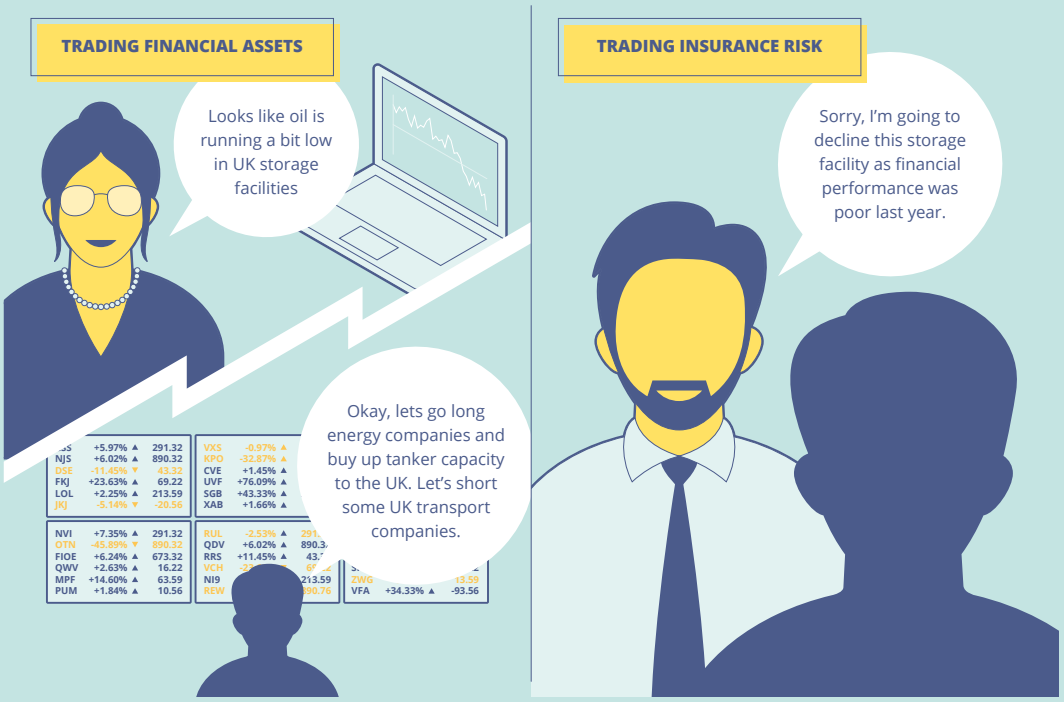
9 https://www.lemonade.com/blog/hello-world

10 https://www.insuranceinsider.com/articles/127090/trov-withdraws-uk-consumer-app-to-focus-on-commercial-insurance (paywall)

These companies already sell their data to hedge funds who can use it to day-trade financial instruments against their view of demand and supply. In this case the precision of metrics is essential.

The insurance market is relatively simple: participants make binary choices about whether to underwrite a risk or not, reinsure some of it, and then hold the net for a set period of time. Insurers normally need to understand expected risk cost only to the extent that they can compare their price with a market price; if the market price is too low, there is no value in knowing by how much as they cannot trade that perceived under-pricing.

Figure 5: Trading financial assets vs. insurance risk



Source: Oxbow Partners

This is not to say that data and insight is not important. Far from it: any UK motor insurer will count pricing analytics as a key driver of profit. 2019 Member Concirrus is demonstrating the transformational impact of dynamic data in the marine underwriting process.

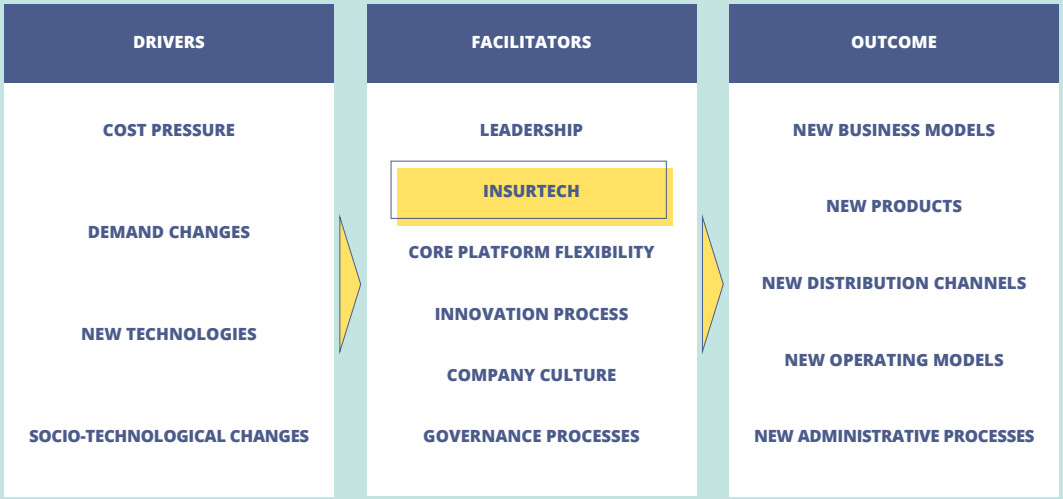
We also see huge value in more complex, data-driven products or capabilities. For example we have frequently argued the case for parametric products and have included some parametric solutions in this year's Membership. We also believe that data solutions can have a transformational impact on risk management, for example dynamic reinsurance.

Our point here is about context and timing. Successful InsurTechs need to understand where their proposition can plausibly, practically and impactfully be implemented by incumbents in any reasonable timeframe, and where a technological advance is either merely interesting or too far ahead of its time.

InsurTech is no longer a special category – leading to risks and challenges

Finally, InsurTech and established technology have levelled in terms of status. Corporate objectives have moved away from InsurTech experimentation to achieving business outcomes. Gone are the days where the insurance press was full of articles about blockchain pilots. Instead, we are now seeing InsurTechs and established insurance technology vendors being evaluated on their own merits in selection processes. For example, an insurer wishing to enhance its claims capability could consider vendors ranging from Guidewire (market cap: $9bn) to ICE Insuretech (owned by one of the 'original InsurTechs', Acturis) to Impact 25 Members Snapsheet (founded in 2010 and now with over 500 employees) and Socotra (founded 2014 and 35 employees). InsurTech is now a facilitator of change of equal status to things like effective leadership.

Figure 6: InsurTech is a facilitator of change for incumbents



Source: Oxbow Partners

InsurTechs have had to mature quickly over the last few years to compete in this environment and we believe many are falling behind. Corporate vendor selection processes evaluate not only technological modernity of the solution but also the ability of the vendor to deliver and it's long-term stability. Established vendors have roles like 'customer success champions' and implementation partners yet InsurTechs continue to portray themselves as maverick technology businesses. This is not sustainable.

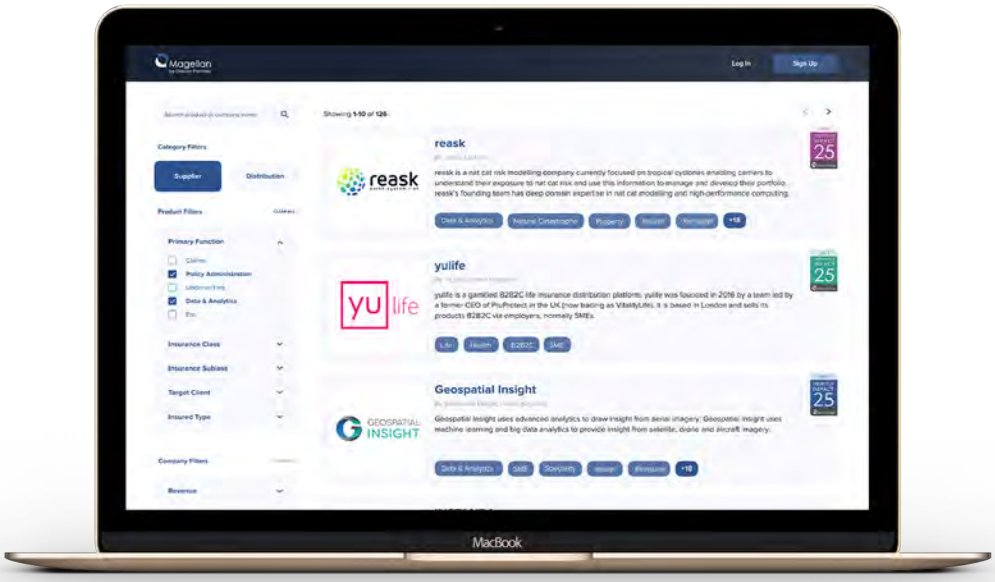
InsurTechs who invest in these fundamental capabilities will thrive as corporates are willing to partner with the next generation of vendors at scale now. Those who do not risk being great technology solutions on which executives would not want to bet their careers.

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3. INCUMBENTS' APPROACH TO INNOVATION

Incumbents vary greatly in their level of focus on the future

If it is true that the 2020s is the digital decade, then one would expect most insurers to be highly focused on their digital agenda including InsurTech and digital innovation – and indeed many are. Carriers from highly specialised Protection & Indemnity (P&I) marine insurers through to local retail players, speciality underwriters and European globals are investing in their digital capabilities.

However, the importance and nature of InsurTech and innovation within the digital agenda varies significantly between incumbents. In this section we describe three categories of incumbent.

Insurers who see innovation as existentially important

Some insurers see innovation as an *existential* requirement. These companies see both threats and opportunities around them and believe that they need to turbo-charge their R&D capabilities to be well positioned over the long term. Many of the large multinational groups and reinsurers are in this category. For example AXA has set up Next to build "new services and business models beyond insurance" and has committed to investing €200 million in it annually.[11] Munich Re is taking a similarly wide-ranging approach with a number of innovation initiatives including Digital Partners, its vehicle for providing capacity to Distribution InsurTechs, a large data science team and labs where employees can co-create solutions with clients. Zurich recently employed its first Group Chief Customer Officer to drive a business transformation.

However, size does not necessarily matter. London Market specialty insurer Brit has recently made hires to focus on both long-term disruptive innovation and shorter-term opportunities to be creative. Swiss insurer Baloise has a small team of innovation professionals drawn from multiple industries who have launched a greenfield usage-based motor insurance brand called Friday, invested in various non-insurance companies to build ecosystems, and innovated the proposition in partnership with 2018 Impact 25 Member Kasko.[12,13,14]

An interesting development in 2019 has been the emergence of distribution 'mega-deals'. This was arguably kicked off in 2017 when Travelers bought the UK's Simply Business for $480m or 50x EBITDA. Simply Business was an early InsurTech and the leading digital SME broker at the point of exit. In 2019 Munich Re invested $250m in a US-based digital SME broker, Next Insurance, and Aon acquired of Coverwallet, also a digital SME broker, for an undisclosed sum.[15,16] However, perhaps the most eye-catching deal was Prudential Financial's investment in Assurance IQ for $2.3bn. Assurance IQ was set up only in 2016.

These players are investing heavily to find the insurance propositions or business models of the future. We talk about the significance of these 'mega-deals' in this process in the next section.

These players are not necessarily reinventing insurance, but they are investing heavily in their future relevance.

11 https://www.axa.com/en/newsroom/news/bringing-innovation-to-the-next-level
12 https://www.baloise.com/en/home/news-stories/news/blog/2019/what-is-friday.html
13 https://www.movu.ch/ratgeber/en/baloise-acquires-movu
14 https://www.kasko.io/portfolio/baloise-snapsure
15 https://www.insurancebusinessmag.com/uk/news/technology/us-insurtech-next-insurance-gets-massive-funding-boost-from-munich-re-179953.aspx
16 https://ir.aon.com/about-aon/investor-relations/investor-news/news-release-details/2019/Aon-to-acquire-CoverWallet-the-leading-digital-insurance-platform-for-small-and-medium-sized-businesses/default.aspx

Figure 7: Selected InsurTech mega-deals

YEAR	ACQUIRER/ INVESTORS	TARGET	REGION OF OPERATION	TYPE	ROUND	KPIs
2017	TRAVELERS	SB Simply Business		Acquisition	$480m	£93m GWP
2018	SoftBank, Allianz	Lemonade		Minority	$300m	$57m GWP
2019	Munich RE	NEXT INSURANCE		Minority	$250m	$44m GWP
	AON	coverwallet		Acquisition	Undisclosed	Undisclosed
	Prudential	ASSURANCE		Acquisition	$2.35bn	$120m revenue valuation <$1bn
	MUBADALA, OMERS Ventures	wefox		Minority	$235m	Undisclosed

Source: FT, Lemonade, Crunchbase, S&P, WeFox

Insurers who take a strategic view of innovation

The second group comprises innovators, yet we describe the focus as strategic rather than existential. These companies understand the importance of evolving their business but are focused on initiatives that have a shorter and more predictable payback. These companies are not trying to reinvent insurance, but position themselves effectively in the current paradigm. They are likely to be 'fast followers' when new sources of value emerge.

An example is the UK's Direct Line Group which has recently launched Darwin, a 'greenfield' brand for price comparison websites. Whilst Darwin is pursuing an established business model, it is doing so with its own strategy and technology stack to compete effectively against newer, 'tech-native' entrants like 2020 Impact 25 Members Avantia and Policy Expert.

Many of the other European national and regional players count themselves in this category. For example Austria's Uniqa has a venture capital team, whilst Germany's Nürnberger invests via VC Anthemis, Hiscox is the capacity provider to Impact 25 Member Bikmo, and Spain's HNA has its own innovation team.

Insurers who take a tactical view of innovation

Finally, some companies continue to plough the same furrow as at the start of the last decade. These companies do not agree with the arguments put forward in this report about the forces that will transform insurance in the next decade. When opportunities arise they execute tactically and not without a clear picture about the future market landscape. We believe that these companies will struggle in the next decade.

Why innovation matters – now

We believe that innovation matters, but perhaps not for the reasons many cite. Whilst there is evidence from outside insurance that innovative companies enjoy higher valuation multiples, there is little evidence of this for quoted insurance groups. Indeed, recent analysis by Swiss Re found no correlation between companies investing actively in InsurTech and share price.[17] Other factors such as natural catastrophes and cost control are still a greater driver of value.

There is mixed evidence that innovation is driving meaningful GWP growth. The emergence of the cyber market is the most obvious example. But what about more radical innovation? Munich Re's Digital Partners team is perhaps the best example here; it revealed its GWP to be over £100m in December 2018 (and is likely to be significantly higher now).[18] This is an interesting number – material in itself and perhaps more than most observers would have estimated the Distribution InsurTech market was throwing off, but a rounding error on Munich Re's accounts.

But consider Munich Re's recent investment in Next Insurance. Next had just 70k micro SME customers at the point of investment. A $250m investment in such a business is a risky move by any measure. However, Munich Re was able to take this calculated bet thanks to the earlier investment rounds in which it had participated. That gave it place at the table to watch the company's development and get comfortable with a major strategic move. In other words, innovation can be a critical enabler of organisational learning, which in turn informs the corporate strategy and decision-making process.

Figure 8: Why innovate?

INCREASE VALUATION MULTIPLE	INCREASE GWP / PROFIT	LEARNING	CULTURE
HYPOTHESIS Innovation could lead to positive investor sentiment and increase the valuation multiple	**HYPOTHESIS** Innovation could allow insurers to access new customers or write business more profitably	**HYPOTHESIS** Innovation helps insurers understand emerging strategic and underwriting risks	**HYPOTHESIS** Innovation makes companies attractive employers as insurers compete for talent
OBSERVATIONS • There is evidence from outside insurance that innovative companies enjoy higher valuation multiples • There is no corresponding evidence in insurance	**OBSERVATIONS** • There is evidence that innovation drives growth by strengthening relationships with existing customers (e.g. pet) and in capturing new areas of risk (e.g. cyber) • There is evidence that new data sources and analytics drive profits through superior underwriting performance or risk management	**OBSERVATIONS** • There is reason to believe that (re)insurers who have clear innovation strategies and execution models are generating institutional learning that will allow them to outperform in the long term	**OBSERVATIONS** • Competition for talent is increasing, especially for cross-sector skills such as technologists or data scientists • Companies that are not open to innovation will not attract top talent, who want to have an impact in their careers
CONCLUSION Insurers need to do more than just create noise in the market	**CONCLUSION** Insurers should explore distribution opportunities and find partners to drive profitability	**CONCLUSION** Insurers should use innovation to inform their corporate strategy	**CONCLUSION** Insurers cannot expect to attract the best talent if they do not have a reputation for innovation

Source: Oxbow Partners

17 https://www.swissre.com/institute/research/sigma-research/sigma-2019-04.html
18 https://www.postonline.co.uk/technology/3974026/munich-res-digital-partners-targets-asia-after-hitting-ps100m-gwp

4. THE JOURNEY TO 2030: WHAT INSURERS AND BROKERS NEED TO DO

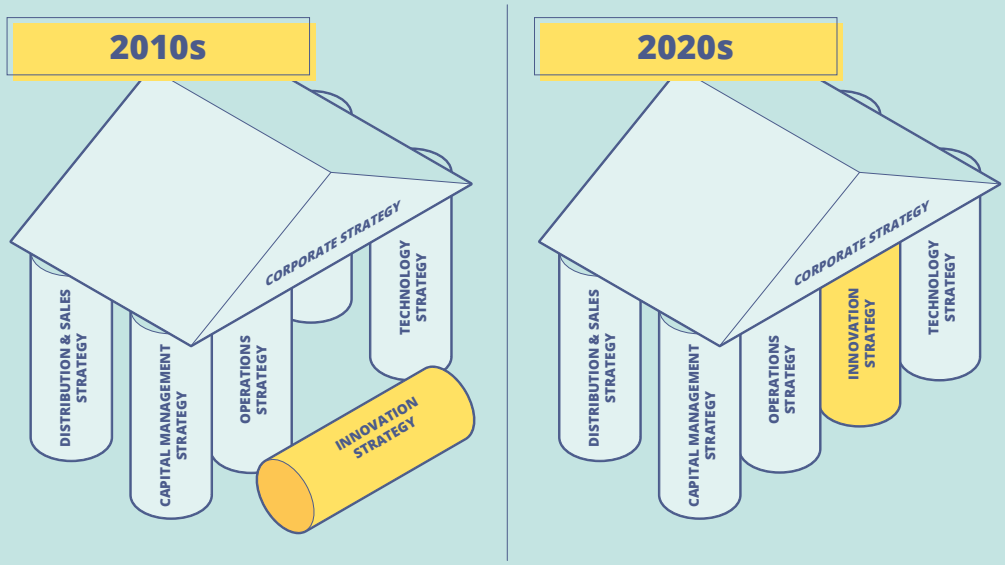
Strategy: Make innovation an integral and aligned element of your corporate strategy

We have reached the end of the beginning. In the last few years it was fashionable to launch innovation initiatives with a mandate to explore. We question whether many insurers with a loose mandate have generated a reasonable return on these efforts; either in hard metrics like growth or profit, or soft ones like access to organisational learning or talent.

The fallout from these haphazard strategies is in some cases worse than just neutral. We have seen examples of InsurTech investments that have soured and consumed huge amounts of management time to exit without reputational damage and resources distracted from value-creating activities. In the words of one of our Advisory Board members, activity has been "confused and uncoordinated".

Earlier in this report we discussed InsurTech mega-deals and argued that these can be transformational for incumbents. We also acknowledged that the investment risk is high and that companies had to be "at the table" for some time to get comfortable with them. Sometimes this will mean participating in early investment rounds, but in other cases careful tracking of a theme or company could be the right approach.

Figure 9: Connecting the innovation strategy to the corporate strategy



Source: Oxbow Partners

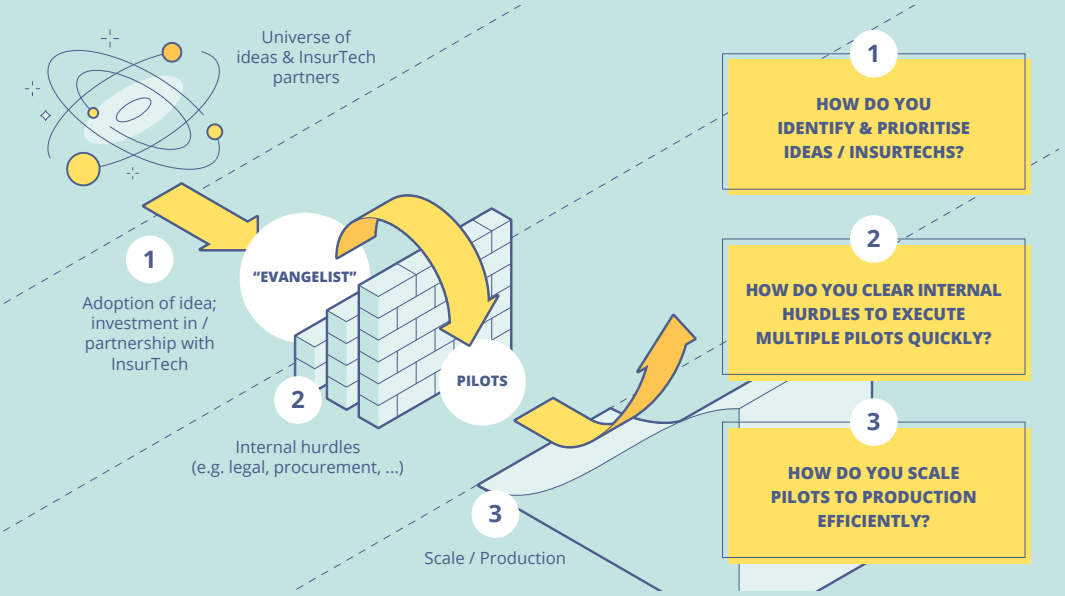
Either way, the innovation strategy must become an integral and aligned element of a company's corporate strategy. The column must both support and inform corporate objectives. The innovation team must have clear goals – in our view a combination of GWP/profit growth, organisational learning and talent development – and operate within clear strategic parameters.

Most companies should, in our view, review their innovation strategies.

Operations: Save the evangelist

In last year's report we described the challenges of innovation as a three-stage process where you must identify plausible ideas in a vast and unbounded universe and then get them "over the wall and up the hill". The corporate reflex is currently trained to reject change. The walls and hills remain largely unscaled.

Figure 10: Getting innovation ideas and InsurTech partners 'over the wall and up the hill'



Source: Oxbow Partners

Keen readers of the Impact 25 report will have noticed that we introduced two additional walls to our illustration. This was in response to a recent workshop where one attendee noted that the challenge was not the first wall, but the number of walls any idea had to be hauled over to get traction in an organisation. "It's so hard people stop trying" was his analysis.

Incumbents need to simplify both operations and governance. Groups that remain too complex will not be able to move fast enough to respond to future change. In last year's paper we suggested that Lemonade, which had just announced its move to Europe, was a test balloon for whether global technology models work in insurance. Accepted industry wisdom says no – too much local complexity – but InsurTechs beg to differ. We suggested that if Lemonade could demonstrate that its model works internationally, the local networks of European insurance groups could turn from asset to liability in the next decade. Companies with scalable, regional platforms like Impact 25 Member wefox could become the distribution consolidators of the next decade.

Incumbents need to save the evangelist by creating an operating model that has a transparent process for selecting and driving forwards transformation ideas.

Culture and talent: Creating a workforce that is alive

Organisations that want to thrive need to identify new pools of talent and attract the stars. How will this be done in an industry where the implications of data on the underwriting process have been obvious for years but where the underwriter remains king or queen in most companies? The German word for junior underwriter – Sachbearbeiter – translates as 'clerk'.

Luckily for insurers, the industry is becoming more attractive to talent. The current InsurTech wave has brought in thousands of digitally-minded individuals. Successful incumbents will create revolving doors between themselves and cutting-edge technology companies. This in itself will require a mindset shift as average tenure becomes shorter – this is not a sign of disloyalty but of new career paths.

Many companies have started on this cultural transformation. Some have launched innovation competitions, for example, and others have set up 'labs', innovation or new product teams. None of these approaches are a silver bullet but at least they get the creative juices flowing. As one of our Advisory Board members noted: "The barriers to innovation we see are a lack of budget, imagination, validation and execution. The financial challenge is easy to solve; the lack of imagination and execution are the hardest."

However companies choose to address their cultural and talent transformation, the first move lies with management who must ensure that their employees feel 'alive'.

Technology: Amplifying sources of competitive advantage

We have noted in this report that the universe of technology partners is huge and unbounded. Technology has always been an integral part of the industry, but the difference today is the proliferation of highly specialised vendors.

2030's winners will be those companies who have a clear view of their sources of competitive advantage and understand how technology can amplify them. Technology is rarely a source of competitive advantage in itself. For example a claims platform can only achieve its objectives if it complements an optimally organised claims function. This poses challenges for traditional companies where operational change, human resources and technology are often separate siloes coming together at the CEO level. 2030's winners will be those companies who are able to balance the influence of these functions in transformation processes.

Partnering with this new generation of vendors also remains challenging. The cultural chasm between 'agile' technology vendors and traditional insurers remains large – although much of the problem lies at the feet of the InsurTechs as we describe earlier in the report. 2030's winners will be those incumbents who have been able to select the right partners for the right challenges, and are able to work with them effectively.

But how do incumbents find these partners? Some will build their own scouting capabilities and we often cite Munich Re's 'Data Hunting' team in this regard – an internal function tasked with finding the data that competitors have not identified. For those with more limited internal resources, Oxbow Partners' Magellan insurance technology navigator (www.oxbowpartners.com/magellan), built from our experience in vendor selection processes, is an alternative solution.

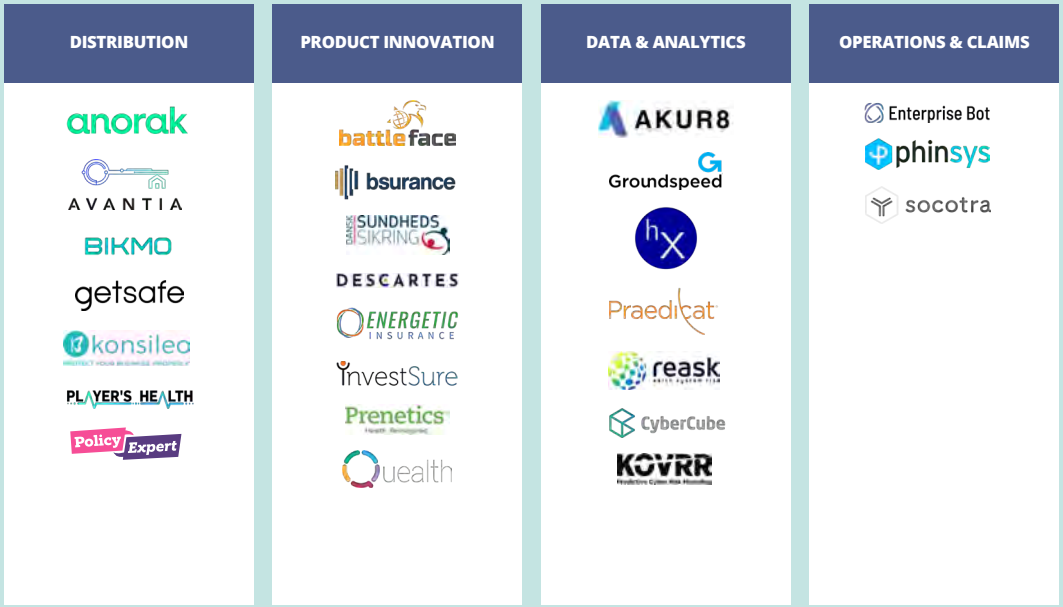
5. THE 2020 INSURTECH IMPACT 25

InsurTech Impact 25 2020 Members

Along with our Advisory Board, we spent five months reviewing over 100 companies to select this year's Impact 25 Members. Members span the value chain and cover both non-life and life insurance, personal lines and commercial. We believe that our rigorous review process – along with the fact that there is no direct or indirect fee for Membership – distinguishes the InsurTech Impact 25 from other InsurTech lists.

We have deliberately chosen companies at different stages of their life and some have proven business models whilst others are still exploring. Some, like Avantia and Dansk Sundhedssikring, are making revenue of over £20m and are in the private equity cycle; others are still looking to break through the £1m annual revenue threshold.

Figure 11: The Oxbow Partners InsurTech Impact 25 2020



Source: Oxbow Partners

There is a shift from Supplier InsurTechs to distribution and product innovation in this year's Membership. This is interesting: in previous years we had noted a shift away from Distribution InsurTechs to B2B business models as startups struggled to penetrate disengaged consumers and small businesses. Perhaps this year's cohort is an indication that startups have found B2B sales difficult also.

How does this shift tally with our observation that there is a shift from Barbarian to Samaritan business models? We see no contradiction: our Distribution InsurTech Members are focused on specific niches and are positioning themselves as partners for insurers to access new risk pools.

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, we do not feel like this is the best selection criterion at present: should we favour a company with £1m of revenue and 1,000% y-o-y growth or a company with £5m of revenue and 300% growth? Who is performing better: a Distribution InsurTech with 100,000 £10 policies or a Supplier InsurTech with two £500k clients?

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:
- A proposition that is technology-led and somehow innovative
- The company had to be established before 1 January 2018
- Revenues should be between £100k and £20m from insurance clients in 2019
- Europe should be a strategic focus in 2020
- The company should not have corporate shareholders making up 50% or more of its shares

The objective of our report is to highlight companies that have traction and potential for incumbents, but are not household names. We also seek to get a broad spread of businesses, covering all elements of the value chain, customer types and products.

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

What happened to 2018 and 2019 Members?

Previous years' members – of which there are now fifty – have almost all continued to perform strongly and reached various customer and funding milestones.

360Globalnet	**360Globalnet helps insurers improve the claims experience** - Increased revenue by over 50% with sales into major carriers, brokers and the insurance supply chain - Developed applications to profile and manage personal injury claims, including a valuation toolkit, and 'know your opponent'
artificial.	**artificialOS is a platform of modular applications that empower brokers and insurers to quote, bind and issue policies** - Raised £4.2m seed funding in April 2019 - Processed nearly 1m policies on its platform
Atidot	**Atidot empowers life insurers to find value in their portfolios through AI, predictive analytics and machine learning** - Partnered with life insurance platform iPipeline for in-force management and Tech Mahindra - Awarded Gartner Cool Vendor in Insurance in 2019

Bdeo provides visual intelligence for the underwriting and claims process

- Grew client base to 20 insurers in 6 countries and doubled the team to 25 people in Madrid and Mexico City
- Released beta version of its damage detection platform for underwriting and claims automation

Bought By Many creates and distributes insurance policies designed around customer needs

- Started selling cat and dog insurance in Sweden in July, its first launch outside the UK
- Continued to grow in the UK, where sales surged 200% in consecutive months towards the end of 2019

Broker Insights increases transparency between brokers and insurers

- Onboarded 168 brokers representing over £400m of GWP from over 195,000 policies
- Developed a new management information dashboard to deliver data insights to both insurer and broker partners

Cape Analytics uses advanced computer vision to analyse geospatial imagery at scale and identify property features that are predictive of loss

- Gained investment from State Farm Ventures, the venture arm of the largest P&C insurer in the US
- Broadened its client base to over 30 insurance customers who it supports across quotation, underwriting, renewal and rating

Carpe Data supports superior claims and underwriting experiences

- Provided SME insurers with data for more than 30 million businesses across the United States (commercial data as a service)
- Harnessed real-time, dynamic experience sourced from emerging public data to make it consumable throughout the insurance lifecycle

Cognotekt automates business processes using innovative mathematical linguistics

- Expanded its non-stochastic text interpretation AI (Wernicke®) to achieve a higher rate of mathematical text representation
- Added two product lines for insurers: Eloquent® for mailroom automation and Argument® to process free-text medical reports

Concirrus' Quest platform provides proprietary behavioural data and predictive models for underwriting

- Continued to add clients including Willis Re, Hiscox, Chaucer, Skuld and North
- Andy Yeoman, CEO, awarded second spot in Lloyd's List Top 10 in Marine Insurance 2019, the first time an InsurTech leader has featured

Cytora transforms underwriting for commercial insurance

- Continued client growth with technology-enabled insurers including C-Quence and Convex, flagship customers creating a new kind of insurance company that puts data and innovation at the forefront
- Broadened its impact with current clients like QBE and AXA XL, evolving its product proposition in line with demand for new features, lines of business and geographic coverage

Digital Fineprint	**Digital Fineprint is a data analytics company that helps to optimise SME distribution** - Signed new partnerships with insurers including RSA and AXA - Attracted senior talent from the insurance industry, recruiting from Covéa, RSA, AIG and Deloitte
DIGITAL INSURANCE GROUP	**DIG helps insurers and banks to build digital insurance propositions, either independently of legacy systems or on top of them** - Launched a customer engagement app intended to build the "insurer of the future" for a direct insurer in Italy - Developed a digital broker solution for life insurance in Latin America and now integrating multiple carriers into one customer journey
DQPro	**DQPro helps specialty insurers to monitor, control and improve their data** - Expanded customer base by 40% in UK and US P&C markets - Grew active users by 90% with usage in 10 countries including Asia and Latin America
ELEMENT	**ELEMENT is a 'full-stack' InsurTech distributing through partners** - Expanded its product lines from eight to 12, including accident insurance and a parametric weather product relying on real-time data - Won major partners including Vodafone and increased their product offering with Volkswagen
FINABRO	**FINABRO is a digital platform for company and private pensions in German-speaking Europe** - Signed up many broker partners, including Austria's largest brokerage company - Announced a large partnership with Zurich Insurance
FLOCK	**Flock helps insurers instantly understand and insure against specialty risks in realtime** - Issued over 1,000,000 quotes and now insures some of the world's largest drone fleets - Talking to major insurers globally to launch drone products in new markets and apply its technology to other verticals such as general aviation and speciality lines like marine and cargo
FloodFlash	**FloodFlash is a parametric catastrophe insurance MGA** - Won awards at BIBA and The Insurance Choice Awards - Maintained 100% customer renewal rate
FRISS	**FRISS is an AI-powered solution for P&C insurers to detect and prevent fraud** - Grew global footprint by opening offices in Chile, Germany and the UK and seen significant growth of the customer base in the North American market - Integrated FRISS solutions into core system vendors such as Guidewire, Duck Creek, Sapiens, Keylane, Sistran, Snapsheet, CCS and MSG
GUARDHOG	**GUARDHOG provides trust-tech solutions to the peer-to-peer economy** - Covered over 3m bookings at 700,000 properties making GUARDHOG the world's leading host and guest insurance provider in the P2P accommodation space - Won Best InsurTech at the Insurance Innovators Awards 2019

Hokodo enables digital B2B platforms to offer insurance and financing solutions at the point of need

- Established a range of partnerships including with a trade financing platform, challenger-bank and Graindex, the UK's leading online grain marketplace, to help protect farmers against financial losses
- Launched in France and awarded the €2m Horizon 2020 grant

Inforcehub enables scalable customer activity for insurers to support growth and retention of the existing customer base, using a combination of advanced analytics and a platform of dedicated technology solutions

- Deepened relationships with multinational insurer partners; for one client inforcehub are now staging thousands of high-value actions for execution in their CAFE Platform at any one time across different commercial levers
- Developed its end-to-end proposition for scalable in-force customer activity, for example for campaign design (using behavioural science) and customer process automation

INSHUR is a digital MGA which has built a platform for the new mobility economy

- Achieved significant y-o-y revenue growth, grew the team from 10 to 60, and gained over 40,000 users on its platform
- Launched the industry's most flexible policy letting professional drivers choose a policy length of 7 to 90 days and an insurance product for Uber Pro drivers

Insly is an API-enabled, modular online platform designed from the ground up for MGAs, insurers and brokers

- Carried out a major overhaul of its MGA / insurer solution to allow for greater modularity, self-configurability and an atomic data model to facilitate big data support
- Saw over 100% growth in the broker segment, driven primarily by the localised Polish version

INSTANDA provides leading-edge cloud software for all product lines and all channels

- INSTANDA now has over 50 clients in 13 countries and over 100 people, supporting both P&C and L&H organisations migrate books and deliver a radically improved experience
- Won Aviva, the UK's largest general insurer and leading life and pensions provider, as a client

KASKO allows insurers to design, distribute, manage and scale digital insurance products

- Won twice at the Insurance Shaper of the Year awards and became a Capgemini Qualified Scale-Up
- Grew its team to 38 and helped over 20 partners launch new or digitised insurance products in eight countries

Laka is a 'digital mutual' that provides community-led insurance with a focus on cycling

- Grew its community to over 5,000 insured cyclists and put hundreds of them back on their bike with its community-led insurance model
- Raised $4.7m to allow expansion to continental Europe and other communities, and to pioneer new health & recovery products for cyclists

McKenzie Intelligence Services provides time-critical geospatial intelligence for claims and exposure management and validation

- Tripled its user base and delivered over 30 timely and accurate intelligence reports and dynamic maps, analysing over 90,000sqm of imagery and 25,000 individual locations
- Strengthened its position in the Lloyd's market shared services ecosystem and built a demo with the Future at Lloyd's Next Generation Claims workstream

Neos provides market-leading smart home technology and smart property insurance solutions

- Launched a new business to retail its technology in the UK becoming no.1 best-seller on Amazon
- Expanded B2B presence, launching white-labelled smart property insurance solutions as a service with insurers across Europe and in the US

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

- Expanded its reach from one market to twelve and collected and documented 250m sq ft of construction data
- Continued to expand its team making including hires in computer vision and AI engineering, in addition to opening an office in Toronto, Canada

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

- Raised €60m in additional funding
- Completed partnerships with distribution partners including Check24 and Blau Direkt

Pharm3r is a healthcare analytics platform

- Continued its high double digit growth for the fifth straight year; new clients include Sompo GRS, Marsh USA and two global medical device manufacturers
- Deepened relationships with multiple existing clients and developed new verticals in claims and litigation defence

Qover allows any business to cross-sell digital insurance seamlessly

- Grew customers 6x to over 55,000 policyholders in 8 European countries
- Raised $9m with Alven and Portag3 Ventures

RightIndem provides a front-end digital claims platform to automate the FNOL, decisioning and settlement processes across P&C claims

- Launch of new modular platform with digital intake, advanced decisioning and resolution engine
- Onboarded highly experienced management team including Oliver McGuinness (CEO) and Amanda Blanc (Chair)

RiskGenius trains computers to read insurance policies for humans

- Launched its Emerging Risks technology solution to help insurers evaluate issues like silent cyber and Opioids exposure within a policy portfolio
- Closed its Series B funding round bringing in investors such as Hudson Structured, Hearst Capital, FM Global and Flyover Capital

Shepherd's analytical insight into property performance aids compliance, manages risk and enhances sustainability

- Established relationships with Ecclesiastical, Aviva, Zurich, AXA and QBE
- Made 18th century Kenwood House as connected as the Shard in London, along with its insurer Ecclesiastical



Shift Technology delivers AI-native fraud detection and claims automation solutions for the global insurance industry

- Closed a $60 million Series C funding round led by Bessemer Venture Partners
- Recognised in the NEXT 40 – a group of technology start-ups identified by the French government as the 40 most promising companies in French Tech



Snapsheet provides an international P&C SaaS claims management and automation platform

- Completed development of and launched a full end to end SaaS claims management platform
- Enabled carriers to automate claims from FNOL to coverage confirmation and through to reserving for any claim



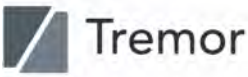
Tractable helps the world recover faster from accidents and disasters

- Scaled its AI solution which has now processed over $1bn of motor claims for the world's top insurers
- Operating with leading insurers across 9 countries, expanded the US presence and established a 10-person office in Tokyo



TradeIX is an award-winning blockchain technology company for trade finance

- Grew to more than 30 financial institutions on the Marco Polo Network
- Piloted the distributed trade finance platform with over 70 leading corporates and financial institutions



Tremor is a programmatic insurance and reinsurance marketplace

- Grew revenue by 300%
- Completed over 10 auctions, pricing over $2bn of risk with participation from over 100 carriers



wefox Group is a digital carrier (ONE) and marketplace (wefox) connecting customers, brokers and insurers

- Raised $235m in total funding
- Launched wefox Italy, Netherlands and Spain and added motor insurance in Germany



Whitespace is a global placement platform which will extend to address the full lifecycle of digital risks

- Went live with its new platform in August 2019; first risk was placed by Price Forbes with AXA XL, MSAmlin, Talbot, Neon and Chaucer as underwriters
- Brought over sixty London market firms onto the platform



yulife combines B2B2C risk products with a gamified wellbeing platform

- Achieved 25% month-on-month revenue growth and welcomed over 100 corporate clients
- Completed £10m Series A fundraise allowing yulife to develop the proposition further



Zego provides flexible commercial motor insurance for businesses and consumers

- Raised $42million in Series B funding, allowing it to more than double headcount to 180 employees and expand into five European countries
- Obtained an insurance licence, becoming the first UK InsurTech to do so, allowing the company to develop innovative products and pricing models



Zeguro offers holistic risk management solutions including cyber insurance and a cybersecurity platform to help assess, mitigate, and manage risk.

- Added compliance features for PCI DSS and SOC2 to its cybersecurity platform including PCI scanning, customisable security policies and targeted training modules
- Built on its growth in the cyber insurance and cybersecurity market, key hires, and new SF office space

6. IMPACT 25 MEMBER PROFILES

MEMBER	PERSONAL LINES	COMMERCIAL & SPECIALTY	LIFE & HEALTH	PAGE NO
AKUR8	⌂	🏢		28
anorak			♡	30
AVANTIA	⌂			32
battleface	⌂			34
BIKMO	⌂			36
bsurance	⌂			38
CyberCube		🏢		40
SUNDHEDS SIKRING			♡	42
DESCARTES		🏢		44
ENERGETIC INSURANCE		🏢		46
Enterprise Bot	⌂	🏢		48
getsafe	⌂		♡	50
Groundspeed		🏢		52
hx		🏢		54
InvestSure			♡	56
konsileo		🏢		58
KOVRR		🏢		60
phinsys	⌂	🏢		62
PLAYER'S HEALTH	⌂			64
Policy Expert	⌂			66
Praedicat	⌂	🏢		68
Prenetics			♡	70
Quealth			♡	72
reask	⌂	🏢		74
socotra	⌂	🏢		76

2020 INSURTECH IMPACT 25 Oxbow Partners

AKUR8

Akur8 creates AI pricing algorithms with transparent and auditable output

The solution is live at prime global insurers and reduced the time taken to build pricing models by a factor of 10

Distribution	Product innovation	**Data & analytics**	Operations

Bitesize profile

Akur8 has developed an AI and machine learning SaaS platform that enables actuaries to build and update pricing models much quicker than traditional tools. It was established by a former member of AXA's R&D team in 2018 and has collaborated with ENS-International Centre for Fundamental Mathematics and Algorithms with funding from the French Ministry of Research and Innovation.

To date, the Akur8 solution is live with several AXA entities, and successful pilots were completed with other Tier-1 entities in 2019. These will convert into recurring SaaS contracts this year. The implementations within AXA have generally decreased the time taken to create and deploy models by a factor of 10. Additionally, some portfolios examined with the Akur8 algorithms have generated new insights leading to price optimisation decisions and corresponding profitability improvements.

Akur8 describes its algorithms as transparent AI. Many AI solutions are 'black box', meaning that they generate outputs that are difficult to interpret and can lead to costly and reputationally damaging errors. Transparency and auditability have therefore been central design principles for the Akur8 solution. All decisions made during the modelling process are automatically tracked, enabling actuaries to explain their decisions. This functionality is particularly important for global (re)insurers who often operate multiple models independently to meet local market regulatory requirements.

> **"Akur8 allows me to quickly and easily design high-performance models almost automatically. I can focus on bringing my business insights to the model thanks to a comprehensive customisation and review."**

Amaury Rault, Senior Pricing Actuary, AXA

Plans for 2020

1. Close Series A
2. Scale the team from 25 to 45
3. Open a US office to service US clients
4. Convert several global Pilot into recurring SaaS contracts

Who should speak to this company?

Head of Pricing / Head of Underwriting / Head of Product / Chief Commercial Officer with an objective to reduce its loss ratio and/or to grow its client base while reducing pricing time-to-market

Company summary

Year founded: 2018
Revenue band: £100k - £1m
Total investment: £8m
Latest round: £6m Series A
Main investors: Not disclosed
Offices: Paris, France
Live in: Belgium, Colombia, France, Italy, Spain
FTEs: 25 (2018: 6)
Key insurance clients / partners: AXA
Key execs: **Samuel Falmagne**, CEO: Former Sales Management roles at Shift Technology & IBM. **Anne-Laure Klein**, COO: Former Strategy Consultant at L.E.K. and Head of Strategy and Digital Transformation roles at Carrefour and Sodexo. **Guillaume Beraud**, Chief Actuary: Former Head of R&D, Lead Data Scientist and Actuarial roles at AXA. **Jean-Marc Leoni**, CTO: 15 years technology experience including 4 years at AXA. **Brune de Linares**, Head of Sales: Sales management roles at Google and IBM

View on Magellan

Company in action

Akur8 automates many pricing-related activities which are usually performed by valuable actuarial resources and are therefore expensive and time consuming. It enables actuaries and cross-functional groups to focus their efforts on price optimisation strategies rather than processing and manipulating data. The platform consolidates all pricing-related data and processes into one solution.



Case study

Client situation: AXA France wanted to accelerate its pricing time-to-market to capitalise on opportunities, improve the accuracy of its pricing risk models, and strengthen the governance and auditability of its pricing process.

Solution: AXA decided to deploy Akur8's P&C personal lines risk module to inject AI and machine learning into the pricing process, replacing the existing solution from a large vendor. This module allowed AXA to automate a significant portion of the process and leverage external data sources. It also enabled AXA to discover new, highly predictive variables while retaining full transparency and control of the new model.

Results: The Akur8 solution accelerated the modelling speed by a factor 10, reducing time-to-market from months to weeks. It also increased the model's accuracy by 10% following the selection of stronger variables and the addition of new variables into the model. AXA France subsequently expanded the use of this module to P&C commercial lines. The solution is currently used by over 50 AXA France staff.

The Oxbow Partners view

We have chosen Akur8 as it demonstrates impact in the pricing function, one of any insurer's most critical capabilities. A strong signal of traction is the fact that it recently replaced an established industry vendor at AXA France.

We believe that Akur8's focus on transparency is also important. As pricing sophistication increases through techniques like machine learning, there is a risk of unintended outcomes. Indeed, we believe that one of the biggest emerging reputational risks for the industry is that 'black box' pricing approaches accidentally discriminate against certain demographic groups. For example, a company may not be deliberately discriminating against a minority group but may be doing so accidentally because of correlated data used as pricing inputs.

Whilst the ethical principles of price discrimination in insurance are yet to be fully defined (gender, for example, was an early decision taken in Europe), we believe process transparency is an imperative for companies so that they can minimise exposure to reputational issues and be prepared for future rules.

2020 INSURTECH IMPACT 25 Oxbow Partners

anorak

Anorak enables financial services companies to offer personalised life insurance advice and product recommendations

The company provided 10,000 regulated and personalised protection recommendations in 2019 and will launch three new distribution partnerships in Q1 2020

Distribution | Product innovation | Data & analytics | Operations

Bitesize profile

Anorak is a tech-led Independent Financial Adviser (IFA) using proprietary algorithms to deliver personalised life insurance, critical illness and income protection advice. It is backed by AXA's Kamet team.

Anorak's recommendation engine uses fully transparent rules-based algorithms. The system generates recommendations based on data provided by customers and third party sources. Its algorithms have also been trained using banking transaction data supplied by AXA Bank (France). The advice is based on suitability factors, and the products that are offered are not necessarily the lowest priced ones on Anorak's panel.

Distribution partners integrate Anorak's technology into their digital customer journeys via APIs. These partners strengthen their overall value propositions and create new revenue opportunities by offering free, independent life insurance advice. Importantly, Anorak is a regulated IFA, meaning that its partners do not need to establish regulated capabilities in-house.

The Anorak platform is also used by some partners on a SaaS basis to automate the often paper-based and time-consuming process of constructing personalised recommendations. For example, London & Country (L&C) is a large UK mortgage broker with c.500 staff. Many clients require life insurance when purchasing a mortgage and L&C wants to increase the penetration of protection sales whilst mitigating conduct risk. Anorak has recently completed a successful proof of concept with the company to analyse the data collected during the mortgage fact-find process and generate personalised life insurance advice automatically.

> **"We partnered with Anorak for FCA-approved advice supported by advanced AI technology, that can automatically identify a customer's changing needs. We're proud to be one of the first users of Anorak."**

Anna Mitchell, Head of Marketplace, Starling Bank

Plans for 2020

1. Secure a tier-1 insurer and a leading online money management platform as partners
2. Roll out to more mortgage brokers
3. Recruiting high calibre data science and engineering.
4. Raise a Series A round to fund growth, enrich its technology platform and recruit

Who should speak to this company?

Insurers, brokers, (neo)banks, mortgage advisers and money management platforms who want to scale their life insurance sales; digital platforms interested in integrating life insurance into their value propositions

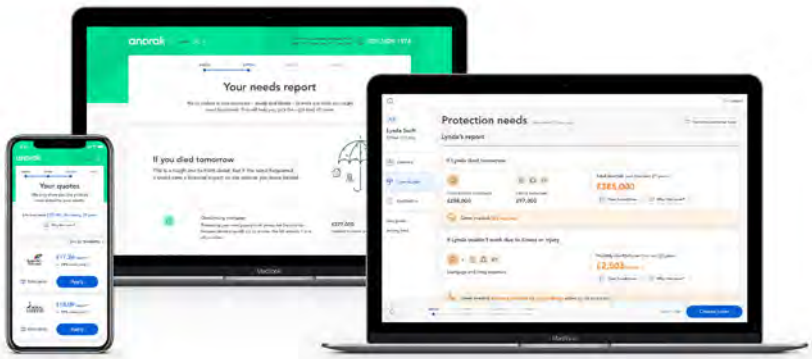
Company summary

Year founded: 2017
Revenue band: £100k - £1m
Total investment: £9m
Latest round: £5m Seed, November 2018
Main investors: Kamet
Offices: London, UK
Live in: UK
FTEs: 22 (2018: 10)
Key insurance clients / partners: London & Country, Nutmeg, Starling Bank
Key execs: **David Vanek**, CEO & Co-Founder: Serial tech entrepreneur; CFO, MADE.com; Investment banker, J.P. Morgan. **Vincent Durnez**, CTO & Co-Founder: 15 years experience building platforms at Prima & Fluo; Chief Architect, AXA Global Direct; CIO, Direct Assurance. **Adam Byford**, Distribution Director: 20+ years enterprise sales experience at Prudential & Capita; MD, Synaptic Software. **Tiina Björk**, Chief Design Officer: 15+ years experience leading digital product and service design at AKQA, Deloitte Digital & Fjord. **Paul Evans**, NED & Advisor: Currently NED at BUPA, Swiss Re Europe & Swiss Re International; Former CEO, AXA UK Group & CEO AXA Global Life, Health & Savings; Former Chairman, ABI

View on Magellan

Company in action

Anorak's platform enables its partners to offer life insurance advice D2C or provide their sales staff with an automated tool to construct personalised advice. Once the recommendation request is triggered, Anorak's algorithms analyse the data and present the three most suitable policies from its panel of over ten tier-1 insurance partners.



Case study

Client situation: Starling Bank is a UK digital challenger bank servicing over one million accounts. It provides a marketplace of financial products. Customers can authorise marketplace companies to access their data and offer personalised products and services. Starling chose Anorak to provide retail life insurance, critical illness and income protection products.

Solution: Customers provide Anorak with 'open banking' consent to access their account and transaction data via an API and receive personalised advice. Customers must request the advice from Anorak; however, in future recommendations could be automatically triggered when customers are experiencing life events often linked to insurance purchases.

Results: Anorak delivered 3,500 personalised life insurance recommendations in Q4 2019. This solution has created a new revenue stream for Starling as it receives a referral fee when customers convert. Significantly, the average age of Starling's customers is 35 suggesting that Anorak is positioned to help many purchase life insurance for the first time.

The Oxbow Partners view

We have selected Anorak as it is one of few Distribution InsurTechs in the life market making headway. It is also a good example of both an 'ecosystem' play and the impact of open banking on insurance. The latter is particularly interesting given that the 'neo-banks' are beginning to gain traction – Monzo, Revolut and N26 have, between them, in excess of 10m customers (although the definition of customer is still somewhat opaque). This will be of interest to insurers who are currently big players in the bancassurance market as they consider where to find future demand and how to serve it.

It is also worth reflecting on the average age of the Starling customer base. Whilst established insurers battle for growth through largely price-driven market-share gains in established segments, Anorak is targeting new customer segments. Established wisdom is that the younger, millennial segment is not a natural buyer of insurance. We have noted in this report that the traction of some InsurTechs in the millennial market suggests that there is a big market to be won here, but that the segment simply has not been 'connecting' with traditional propositions.

2020 INSURTECH IMPACT 25 Oxbow Partners

AVANTIA

Avantia is a UK-based non-standard home insurance MGA

The business is powered by a proprietary data and technology platform that enables it to process large data sets for underwriting and pricing

Distribution | Product innovation | Data & analytics | Operations

Bitesize profile

Avantia is a digital MGA which sells home insurance via price comparison websites and D2C via its HomeProtect brand. Its book is roughly 70% non-standard, meaning that the property has at least one unusual feature like a flat roof or past flooding. The company processes over two million quotes per month.

Avantia has invested heavily in R&D and has built a proprietary risk modelling and retail pricing technology stack ('Cortex'). Data has been accumulated from its ten year trading history. The company applies a data science approach to underwriting and is able to price difficult-to-insure risks: its systems automatically return a price for 98% of quote requests giving it one of the widest automated underwriting footprints in the market. This is achieved by using the same 'stack' for both development and live pricing, which maintains the granularity of the pricing model and allows Avantia to cherry pick amongst risk pools.

Real-time data streaming is a key technology design principle within Cortex. Avantia ingests a growing volume of real-time data and believes it is well placed to capitalise on the huge amounts of data available to the insurance industry via smart homes and IOT technologies.

In 2019, Avantia also launched a premium financing product and took full delegated authority for claims meaning that it now controls the full customer journey from quote to claim and renewal. The retention rate is over 90% by value.

> **"Avantia worked in a highly collaborative way and the platform had a dramatic impact on performance. The speed with which they turned up performance was unprecedented and is a testament to the skill and intelligence of the Avantia team."**

Laurent Matras, Executive Managing Director – Retail, AXA (UK)

Plans for 2020

1. Grow the UK non-standard book by over 20%
2. Develop Cortex to fully predict the entire risk cost for all non-standard customers in real-time
3. Deploy the first phase of Avantia's proprietary product engine in the D2C channel via the Cortex decisioning platform
4. Continue scaling the Cortex platform to reach 70 models

Who should speak to this company?

1. Non-insurance affinity distribution partners
2. Insurance CUOs and CTOs seeking a technology partner to collaborate on mass market opportunities

View on Magellan

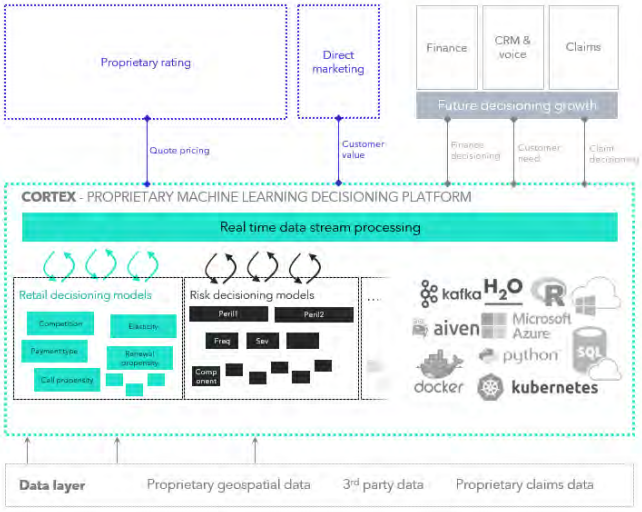
Company summary

Year founded: 2009
Revenue band: More than £20m
Total investment: £57m
Latest round: MBO, 2014
Main investors: ECI Partners
Offices: London, UK
Live in: UK
FTEs: 52 (2018: 40)

Key insurance clients / partners: AXA UK
Key execs: **Mark Eastham**, CEO: Former Commercial Director at Carphone Warehouse, Marks & Spencer. **Dan Huddart**, Chief Technology & Product Officer: Former Head of Development at RSA, BT. **Richard Wilson**, Chief Commercial Officer: Former Head of Commercial at PayPal, eBay

Company in action

Using data streaming technologies, Cortex (Avantia's proprietary machine learning platform) can quickly start learning from new data sets and retrain models when this data reveals stronger predictive abilities. Cortex has been architected to ingest and process data across the entire policy lifecycle and multiple product lines.



Case study

Client situation: Customers with 'non-standard' characteristics struggle to purchase home insurance as most insurers cannot quote them online. These include past flooding, claims history, unusual building materials, businesses operating from home and high-risk jobs.

Solution: Avantia serves the entire UK standard and non-standard market, instantly quoting over 98% of all risks digitally. Many insurers quote 50-65%, whilst Avantia's closest non-standard competitors quote approximately 78% according to independent analyses.

Results: Since launching the new technology platform in 2017, Avantia has increased sales by over 20% annually and reduced its non-standard loss-ratio by 20 points.

The Oxbow Partners view

Avantia is the kind of company that pushes the definition of InsurTech. The company was launched over ten years ago and therefore predates even the term InsurTech. However, we decided to include the company because its data and technology capabilities are truly impressive.

Unlike many MGAs, Avantia places data and technology at the heart of its decision-making processes. Its rigorous separation of risk and retail pricing is an example, and Cortex is market-leading in its capabilities here. As one insurance executive once commented to us, Avantia's systems are "sophisticated" whilst their own company's were merely "complex".

A challenge for Avantia, like the rest of the industry, will likely be competition for data and technology talent. However, despite its lack of mass-market brand, Avantia may enjoy some advantages over incumbents here: there is a vast trove of historic quotes for data scientists to explore – something that is often not the case in larger companies constrained by their legacy technology and trapped data.

2020 INSURTECH IMPACT 25 Oxbow Partners

battleface

battleface provides travel insurance, technology and services to those not served effectively by traditional suppliers

The company has sold over 20,000 policies across 54 countries and established over 50 B2B partnerships

Distribution | Product innovation | Data & analytics | Operations

Bitesize profile

battleface is an MGA and Lloyd's coverholder that designs, distributes and services travel insurance products for individuals and organisations not served effectively by traditional suppliers. Its founders have deep domain experience including medical evacuation and crisis response assistance in complex environments.

The company's API-based technology platform enables it to integrate with insurance and non-insurance distribution partners and is fuelling its growth. For example, battleface has designed a customised travel insurance product for Soliswiss, an organisation of 4,000 Swiss expatriates. This contains coverage for political evacuation and support to arrange this at short notice via battleface's partners. battleface and its partners' experiences of working with NGOs in dangerous areas and conflict zones provides benefits that adventure travellers, for example, require and value.

battleface will shortly launch a partnership with Clements Worldwide, a large international broker serving expatriates and international organisations. It offers a wide range of products in over 170 countries but surprisingly does not offer a customisable travel insurance solution. battleface will integrate it's products into the Clements platform. Clements also chose to work with battleface due its global network of 24/7 emergency, medical and travel assistance coordinators.

> **"Clements Worldwide is excited to team up with Battleface as their flexible technology seamlessly integrates into our global platform. Their extensive travel insurance and service experience makes them a viable partner."**

Tarun Chopra, CEO, Clements Worldwide

Plans for 2020

1. Launch in 10+ countries including the US
2. Launch an adventure travel product to meet demand from B2B2C pipeline opportunities
3. Use the recent seed funding to expand its sales team, pursue its B2B2C distribution opportunities and strengthen its technology platform and capabilities

Who should speak to this company?

Organisations, associations and membership groups seeking a digital travel insurance partner

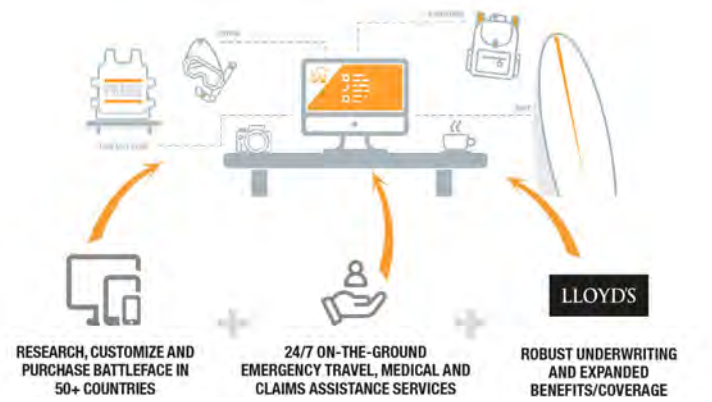
Company summary

Year founded: 2017
Revenue band: £100k - £1m
Total investment: $3.2m
Latest round: $2m Seed, January 2020
Main investors: Greenlight Re, Tangiers Group, Fintech Ventures Fund
Offices: UK, US, Belgium
Live in: 54+ countries and growing
FTEs: (2018: 6)
Key insurance clients / partners: Clements Worldwide, Global Helicopter Service, International Federation of Journalists (IFJ), Malala Foundation, Soliswiss
Key execs: **Sasha Gainullin**, CEO: 20 years' travel insurance experience; CEO, Tangiers Group; VP Operations, AIG Travel Guard. **Paul Simmonds**, Managing Director: 40 years' insurance experience including Berkley Syndicate, Brit & CNA Hardy. **Hugh King**, Business Development: 25 years' insurance experience including Sales Management roles with AXA (UK). **Jay Chapelle**, Head of Digital Marketing: 17 years' travel industry experience including Founder, Malta Surfing Association

View on Magellan

Company in action

battleface's API-based technology stack enables it to seamlessly integrate with B2B2C distribution partners on an own-brand or white-label basis. Its 2020 technology plans include group quotations functionality that will allow groups of 5 or more travellers to customise products. The battleface platform will move beyond a traditional quote and bind digital insurance solution and offer travel related services and benefits. These will include travel itinerary management, travel and medical assistance services, medical referrals based on GPS locations, and travel and security alerts.



Case study

Client situation: The International Federation of Journalists (IFJ) represents 600,000 media professionals in over 140 countries. Off-the-shelf travel insurance products do not meet the needs of its members, especially the growing number of self-employed journalists who often operate uninsured.

Solution: battleface has designed a customisable product to meet the IFJ's complex requirements. It has deployed its technology solution via the IFJ's membership website on a white-label basis. This enables immediate quotation and purchase with speed of enrolment critical for many IFJ members who make travel decisions on-the-go.

Results: This B2B2C partnership is an example of how battleface designs customised products for groups with specific needs and embeds its technology solution into its partners' platforms.

The Oxbow Partners view

We have selected battleface as it is successfully using technology to design and deliver customised travel insurance products in both D2C and B2B2C channels.

Travel insurance is one of the most widely held insurance products as it is often embedded with financial services products such as credit cards. However, it is arguable whether customers are aware of this embedded insurance or even value it considering how many exclusions and limits usually apply to these commoditised products. In effect, this means that many people travel uninsured or underinsured with many organisations finding it complex and expensive to arrange customised travel insurance.

battleface's experienced founders are applying technology throughout the value chain to address these known product limitations. Similar to other Impact 25 Members this year, battleface's traction demonstrates how MGAs with specialist market knowledge are leveraging technology to quickly capture new business opportunities that are currently too niche for many incumbents to pursue.

2020 INSURTECH IMPACT 25 Oxbow Partners

BIKMO

Bikmo is a digital insurance broker for European cyclists and adventure sports enthusiasts

Bikmo doubled their customer base in 2019 with a retention rate of over 85%

Distribution | Product innovation | Data & analytics | Operations

Bitesize profile

Bikmo began life as an online platform for cycling enthusiasts. It pivoted into insurance in 2014.

Bikmo distributes both D2C and B2B2C. It has partnerships with many UK cycle retailers and has access to almost every UK cyclist. For example, it is the exclusive insurance partner for income protection to British Cycling, the UK's national governing body for all forms of cycling from leisure riders to professional cyclists, which has over 160k members. It is also an exclusive partner for Deliveroo in the UK for the same product.

Bikmo's benefits from its technology platform and the cycling ecosystem it has built; its customer retention rate is over 85%.

Bikmo established a new regulated entity in Germany in 2019 allowing it to passport into EU territories. Germany, Austria and Switzerland are the priority and Hiscox, its primary carrier, is supporting its German market entry. Growth has been largely bootstrapped to date, although the company is set to close its first institutional investment in February 2020.

Culture and ethics are central to Bikmo's vision and goals. This was validated in 2019 when it became a certified B Corporation. This designation is awarded after a rigorous vetting process to demonstrate that businesses meet the highest standards of social and environmental performance, transparency and legal accountability to balance profit and purpose.

> **"We're really happy with the insurance services provided by Bikmo. The policies, technology solution and managed customer service is working brilliantly for our fleet of riders in the UK, who we know value the free insurance we're now able to provide in partnership with Bikmo"**
>
> **Patrick Smith**, Global Resilience Leader, Deliveroo

Plans for 2020

1. Double GWP to over £10m
2. Launch the first multi-sport product
3. Grow in the DACH region via partnerships
4. Maintain culture and ethics while recruiting key people to drive growth

Who should speak to this company?

Insurers with global capacity in property, liability, life and health; distribution partners with connections in the wider adventure and lifestyle sports market

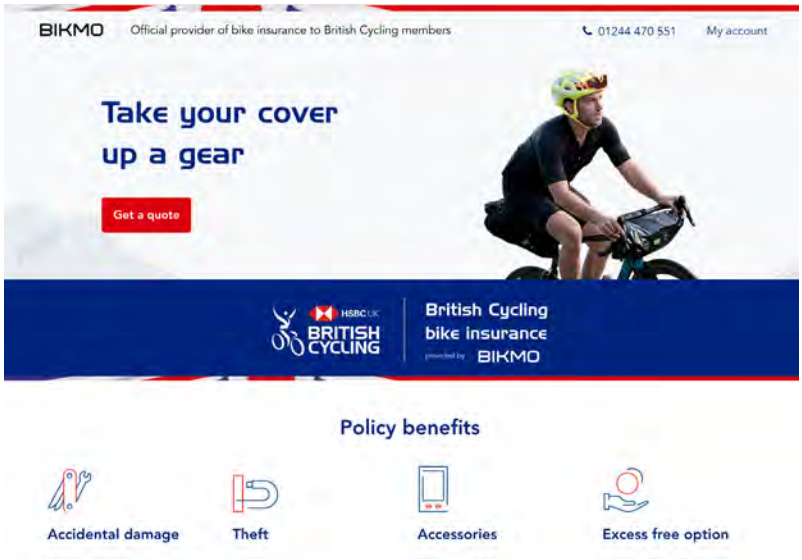
View on Magellan

Company summary

Year founded: 2014
Revenue band: £1m - £5m
Total investment: £0.62m
Latest round: £0.2m, October 2019
Main investors: Private investors
Offices: Chester, UK; Munich, Germany; Innsbruck, Austria
Live in: UK, Germany, Austria, Ireland
FTEs: 21 (2018: 15)

Key insurance clients / partners: Hiscox, ARAG, Great American Insurance, British Cycling, Deliveroo, Brompton
Key execs: **David George**, CEO: Former Nuclear Engineer. **Louise Towers**, CFO: 15+ years experience as FD/CFO in high-growth tech companies. **Rob Grisdale**, Head of Partnerships: Former MD of NextBike UK; Founder Grand Scheme Bike Share

Company in action



Case study

Client situation: NBrompton, the UK's largest-volume bicycle manufacturer and iconic British brand, wanted to enhance its value proposition by enabling customers to purchase a customised insurance policy at point of sale.

Solution: Applying its experiential and data-driven insights, Bikmo identified that Brompton riders have a better claims history than the general population of insured riders. This enabled it to lower prices for Brompton customers by 25%. Bikmo also developed a bespoke digital experience including quote and buy journey for Brompton customers. Bikmo provides a free 14 day insurance policy with every new Brompton sold in the UK and designs 12 month free promotions.

Results: Brompton has been Bikmo's most successful free-to-full policy conversion partner, up to 2x higher than Bikmo's other partnerships. The 12 month free cover leads to a significant increase in sales during promotional periods. This partnership is being repeated in Germany in 2020.

The Oxbow Partners view

Bikmo is a good example of a highly tailored proposition that engages a specific segment. Bikmo's team of cycling enthusiasts understands its customers and partners like no generalist insurer or broker is able to do – thereby reminding the industry of the value of intermediaries.

Bikmo is also ahead of the game on corporate responsibility. Its B Corporation status is becoming increasingly popular in the insurance industry: other holders of the certification are Lemonade and UK digital broker Simply Business. When it comes to engaging communities, broader corporate behaviour is important.

2020 INSURTECH IMPACT 25 Oxbow Partners

bsurance

bsurance enables companies to embed insurance products into their point of sale

The company has sold 20,000 policies across 10 product lines

Distribution	**Product innovation**	Data & analytics	Operations

Bitesize profile

bsurance is an Austria-based MGA and technology company that designs and delivers tailored embedded insurance solutions for its distribution partners. To date it has sold 20,000 policies across 10 products and has a strong pipeline of clients with large customer bases. It closed its Series A in late 2018, which brought on board Austria's market leader, UNIQA.

Products are typically niche; current partners include cashpresso, a payments service, and Playbrush, a smart toothbrush. On average, it takes bsurance six weeks to launch an insurance product from ideation to the first active policy. Its 10 live products can be repurposed for new partners and the product set will grow over time.

The bsurance cloud-based technology stack and business model is end-to-end, meaning that it can service its policyholders without any heavy technology integration or operational effort from its distribution and insurance partners. The proprietary stack contains the functionalities of a core policy administration system: quotation, real-time policy issuance, billing, pre- and post-sales policyholder documentation and claims management.

This solution also presents opportunities for insurers to quickly launch embedded and standard insurance products. Carriers currently working with bsurance include Munich Re, AXA Partners and UNIQA.

> **"Ultimately, we were surprised by how quickly and easily they were able to embed an insurance product into our sales process. We now have two different insurance products thanks to bsurance."**

Paul Varga, CEO, Playbrush

Plans for 2020

1. Process more than 100,000 new policies
2. Be live in five European geographies
3. Deliver a bancassurance solution for its partner to access the new opportunities presented by open banking and consumers' growing familiarity with marketplace solutions
4. Raise a Series B round to grow the team to manage the expected growth

Who should speak to this company?

E-retailers, banks, utilities (energy, water) and mobility (sharing economy) companies that wish to enhance their value propositions with an embedded insurance solution, and insurers that want to digitalise their existing insurance products and customer journeys

Company summary

Year founded: 2017
Revenue band: £100k - £1m
Total investment: £3.9m
Latest round: £3.5m, December 2018
Main investors: UNIQA Ventures, Signa Innovations
Offices: Vienna, Austria
Live in: Austria, Germany
FTEs: 20 (2018: 7)
Key insurance clients / partners: Cashpresso, Playbrush, Refurbed, UNIQA, R+V, Munich Re, AXA Partners, Allianz Partners
Key execs: **Lorenz Graeff**, CEO & Founder: Serial entrepreneur, 20+ years cross-industry digitalisation experience (finance, telco, retail, media). **Hermann Fried**, MD & Chief Insurance Officer: Former Managing Board Member at Wiener Städtische Versicherung (Vienna Insurance Group). **Franz-Xaver Burner**, Chief Sales Officer: Serial entrepreneur; 25+ years sales leadership experience for digital services and IT-products

View on Magellan

Company in action

The bsurance solution is relevant not only for distribution partners to grow their revenue but also for insurance carriers. For these carriers, bsurance is producing new premium pools, which cannot otherwise be accessed easily. These pools are expected to grow as consumers continue to transact more aspects of their lives online.



Case study

Client situation: Playbrush offers gamified technology that encourages children to brush their teeth regularly to prevent expensive dental interventions. It wanted to strengthen its value proposition by embedding dental insurance at point of sale and as part of its subscription model.

Solution: Playbrush partnered with bsurance to develop an innovative embedded insurance product and seamlessly integrated this into its digital customer journey. Policies are generated, offered automatically and issued at point of sale without Playbrush customers incurring an additional cost for the product. Claims are also fully digitalised.

Results: To date, 10,000 policies have been issued with only 5% of Playbrush customers deciding to opt-out of the insurance. A/B testing (with/without the embedded insurance) has demonstrated that the insurance product increases the customer retention rate by almost 10%. Playbrush and bsurance has subsequently developed a second product targeting adults.

The Oxbow Partners view

bsurance has been selected because we see B2B2C insurance platforms that can embed products into a retailer's core value proposition as an important future trend. Some people refer to this as insurance becoming 'invisible'; we have previously written about the attraction of presenting an insurance product as a simple product or service 'guarantee' to customers.

bsurance is an interesting proposition because it can offer not only the technology integration but is also regulated as an intermediary to deliver the product. We have described in this report the resource constraint that most insurance carriers operate under; a proposition that offers access to new premium pools with low operational effort is therefore an attractive partner for many.

However, for many insurers in the central European zone, where digital distribution is still immature and many back-office processes like pricing are relatively unsophisticated given the market structure, might benefit from working with a partner like bsurance simply to enhance their digital trading capabilities. At least one carrier has partnered effectively with bsurance to win an affinity distribution deal in this way.

That said, the current wave of embedded insurance products has largely been niche, high volume and low value products, for example mobile phone or gadget insurance. The challenge for bsurance and its peers will therefore be either to find partners with enough volume to make this economic long-term, or to persuade carriers that it can help them with the digital distribution of higher value products.

2020 INSURTECH IMPACT 25 Oxbow Partners

CyberCube

CyberCube provides analytics to (re)insurers to understand and manage the cyber threat landscape

The company is quickly growing its global footprint and counts Aon, Chubb, CNA, Guy Carpenter, Hiscox and Munich Re amongst its clients

Distribution | Product innovation | **Data & analytics** | Operations

Bitesize profile

CyberCube is a cyber risk analytics company exclusively serving the (re)insurance industry. The company began life as an R&D project within Symantec, a Fortune 500 cybersecurity company, before launching as an independent venture in 2018. It raised $35m via a Series B fundraise last year to enrich its data and analytics platform and build its footprint amongst regional and national clients. It already has partnerships with many global players including Aon, Chubb, CNA, Guy Carpenter, Hiscox and Munich Re.

Cybercube's SaaS platform has been developed using terabytes of enterprise, security and historical loss data including proprietary "inside-the-firewall" data acquired via its exclusive partnership with Symantec. CyberCube's three products deliver risk assessment solutions to insurers, reinsurers and brokers. "Account Manager" supports individual risk underwriting, "Broking Manager" generates insights for cyber risk transfer and "Portfolio Manager" provides forward-looking catastrophe modelling and portfolio management.

CyberCube's team of data scientists, cyber security and intelligence experts, underwriters and actuaries enables the company to keep pace with this dynamically changing risk. Its ability to interrogate and convert cyber-related data into actionable information for the (re)insurance industry was recognised by the World Economic Forum in 2019 when it named CyberCube as a global "Technology Pioneer". The WEF ranks cyberattacks as one of the top 10 global risks on both likelihood and impact axes.

> **"Cyber insurance is a key focus of our innovation strategy. Leveraging the capabilities of CyberCube will help our underwriting and risk modelling teams to better quantify cyber risk and understand potential cyber accumulation scenarios."**
>
> **Stefan Golling**, Chief Underwriter, Munich Re

Plans for 2020

1. Develop its suite of products including the launch of "Broking Manager" to provide deeper insights on cyber risk transfers
2. Grow the team
3. Share thought-leadership material

Who should speak to this company?

Global (re)insurers and brokers seeking a cyber risk analytics partner to complement in-house capabilities

View on Magellan

Company summary

Year founded: 2018
Revenue band: Not disclosed
Total investment: Not disclosed
Latest round: $35m Series B, November 2019
Main investors: Hudson Structured Capital Management, ForgePoint Capital
Offices: San Francisco, US; London, UK; Tallinn, Estonia
Live in: Globally
FTEs: 80 (2018: 18)

Key insurance clients / partners: Aon, Chubb, CNA, Guy Carpenter, Hiscox, Munich Re
Key execs: **Pascal Millaire**, CEO: Former VP & General Manager, Cyber Insurance at Symantec; Engagement Manager at McKinsey. **Ashwin Kashyap**, Head of Product and Analytics & Co-Founder: Former Director of Product Management at Symantec & Senior Product Manager at RMS

Company in action

CyberCube's risk assessment products empower its partner to understand cyber risk exposures from multiple perspectives:

Insurance Brokers: Power advisory services to purchase insurance, estimate potential financial losses from cyberattacks and provide comprehensive reports
Insurers and Reinsurers: Power advisory services to purchase insurance, estimate potential financial losses from cyberattacks and provide comprehensive reports. Underwrite individual risks, model catastrophe scenarios and assess portfolio-level exposures to enhance decision making.



Case study

Client situation: Hiscox has been investing in its in-house cyber expertise and capabilities to understand and describe its accumulation risk; however, it has found it challenging to size and calibrate its exposure as there have been few catastrophe market-wide losses.

Solution: Hiscox announced in January 2020 that it had chosen to partner with CyberCube to access its data, modelling tools and subject matter experts. It will use 'Portfolio Manager' to enable it to stress-test its book of global commercial insurance business against cyber-related catastrophe events such as cloud outages and ransomware attacks.

Results: The value from this partnership is expected to strengthen Hiscox's regular accumulation risk management and exposure measurement activities.

The Oxbow Partners view

CyberCube is one of two cyber companies selected in this year's report. We chose this company because of its rapid traction since being founded only in 2018, signing up dozens of insurer and broker partners including several global brands.

Most (re)insurers see the cyber market as a major new business opportunity, but their enthusiasm to write this business is tempered by their lack of insight, including 'silent cyber' already inherent in their portfolio. This is an area where many market players will be looking externally for support and CyberCube has a good chance of becoming an established solution in this area.

Working with third parties with specialist capabilities and insights is likely to become more common as insurers are unable to maintain the wide range of technical skills and technologies that the 'digital decade' requires in-house. This will require them to rethink how underwriting teams are structured to balance external insights with internal views of risk.

2020 INSURTECH IMPACT 25 Oxbow Partners

DANSK SUNDHEDS SIKRING

Dansk Sundhedssikring is B2B2C health provider

The company – launched in 2012 – will become the leading health insurance provider in Denmark in 2020 with over 300k customers

Distribution | **Product innovation** | **Data & analytics** | **Operations**

Bitesize profile

Dansk Sundhedssikring (DSS) uses data and analysis to provide an innovative proposition to over 250k customers. The company currently trades as a B2B2C MGA; distribution is through brokers, life companies and pension funds, and direct sales to corporates. Following the execution of a partnership with AP Pension in 2020 which will bring another 80k customers, it will become the leading provider of private health insurance in Denmark.

The business differentiates itself from other health insurers by maintaining control over the treatment process (i.e. claims), which is informed by its database of outcomes. That means that the company tells customers what the treatment pathway should be rather than just paying claims. For this reason it calls itself a "health provider" rather than a "health insurer" – and the company has both the lowest claims cost and highest customer satisfaction in the market.

For relatively minor conditions like back pain, DSS provides both a digital advice portal, and employs a team of practitioners like psychologists, physiotherapist and nurses who conduct consultations both face-to-face and remotely. For more serious conditions, the company's data can channel patients to the right treatment and clinician based on analysis that, for example, one practitioner is better than another at a certain treatment.

The business is currently in the process of obtaining regulatory approval to set up its own insurance carrier in Denmark.

> **"IBF has used DSS for more than 3 years. It provides real value to our customers and helps our employees. Any challenges are solved immediately and satisfactorily."**
>
> **Ulla Sørensen**, HR Director, IBF

Plans for 2020

1. Getting its insurance license from the Danish FSA in Q2 insights on cyber risk transfers
2. The business wants to enter the Swedish market in Q3

Who should speak to this company?

Corporates in Scandinavia who have large customer bases and the potential to sell health insurance

View on Magellan

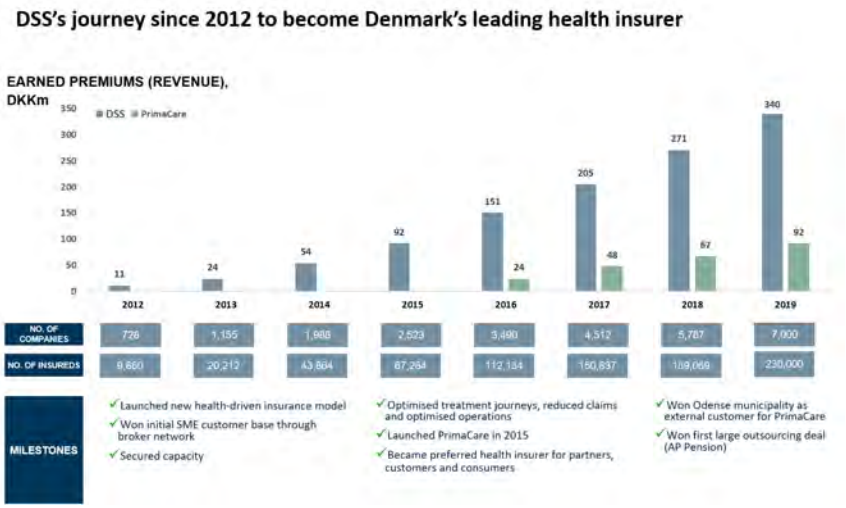
Company summary

Year founded: 2012
Revenue band: More than £20m
Total investment: £66-130m
Latest round: £66-130m (depending on performance, May 2019)
Main investors: AnaCap Financial Partners
Offices: Copenhagen, Denmark
Live in: Denmark and Sweden
FTEs: 129 (2018: 97)

Key insurance clients / partners: AXA, Europäische Reiseversicherung (Munich Re)
Key execs: **Kent Jensen**, CEO: Former CEO at Falck Healthcare. **Allan Møller**, CFO: Former CFO at EG Group and IHI/Bupa International. **Lars Bjerregaard**, CTO: Former IT director in Saxo Bank. **Flemming Bonde Jakobsen**, CCO: Former Partner at Willis Towers Watson

Company in action

Dansk Sundhedssikring has grown dramatically since 2012, reaching nearly £40m (DKK340m) in revenue for its core product in 2019. A further £10m (DKK92m) is provided by its sister company PrimaCare, a network of clinics.



Case study

Client situation: AP Pension is a medium-sized pension fund in Denmark. They wanted to offer health insurance to their customer base but not to build the product themselves.

Solution: DSS will build a health product for AP Pension's customer base. This will provide its proprietary "red flag" concept which identifies customers at greater risk of long term disease. On top of this they will build an advanced predictive model to find ways of mitigating the risk of health-related long-term leave. DSS is the only provider in the market with data and knowledge on this topic.

Results: Dansk Sundshedsikring won the contract with AP Pension and the partnership will go live in 2020. This will bring an expected 80k customers onto their platform.

The Oxbow Partners view

We chose Dansk Sundhedssikring because it will become the market leader for private health insurance in Denmark, with over 300k customers. This means that it will exceed our maximum revenue criterion – but excluding a company for being too successful did not seem reasonable. Indeed, with revenue at over £50m in 2019 – its eighth year of existence – this little-known company is blazing a trail for InsurTechs around the world.

The company is not only an example for InsurTechs but also for carriers. The fact that DSS can both maintain control over the treatment pathway and obtain strongly positive customer feedback is remarkable. Many health insurers advertise on treatment allowances (e.g. eligible hospitals, an annual quota of massages for back pain) in their marketing. This can lead to false incentives – taken up by those who want the treatment but may not need it, and limited for those who have a genuine need. Given the spiralling costs of healthcare, we expect pathway analytics to play an ever-increasing role in insurance – and DSS is well positioned to move into new markets with its new UK-based private equity owners.

2020 INSURTECH IMPACT 25 Oxbow Partners

DESCARTES

Descartes Underwriting builds innovative parametric insurance products for extreme weather events and natural catastrophes

Descartes has underwritten more than 30 products for corporates and governments in its first year of trading

Distribution | **Product innovation** | **Data & analytics** | **Operations**

Bitesize profile

Descartes Underwriting is a France-based MGA offering parametric insurance products. It has underwritten more than 30 customised weather-related products for corporate clients and governments during its first year of trading. It has capacity to underwrite limits of €75m per deal.

An example solution is a drought product for a French agriculture cooperative. Daily satellite surveys inform Descartes about soil moisture and vegetation development, enabling the client to receive compensation within a few days of the trigger being reached.

Descartes distributes its products exclusively via brokers, who it believes have the deepest understanding of their clients and in particular where they have coverage gaps. They then work with brokers and clients to design bespoke coverage using parametric triggers which strengthen transparency, reduce costs (most products do not incur claims handling costs), and rapidly speed up claim pay-outs.

Descartes is continuing to build its in-house data and analytics capabilities, supplemented with an ecosystem of global data partners. It ingests and processes large data sets from a wide variety of sources such as satellites and IoT devices. It then applies AI and machine learning to develop its risk models.

> **"Working with the talented and pioneering team at Descartes allows Generali to provide flexible, bespoke solutions to challenge the conventional thinking around the risk transfer landscape."**

Peter Leslie, Chief Underwriting Officer, Generali Global Corporate & Commercial UK

Plans for 2020

1. Grow monthly underwritten premiums from €1m to €2m
2. Continue delivering superior underwriting results with stronger loss ratios and higher profitability of deals
3. Open hubs to better serve regional brokers and clients
4. Expand parametric insurance coverage from four to five continents with its partners

Who should speak to this company?

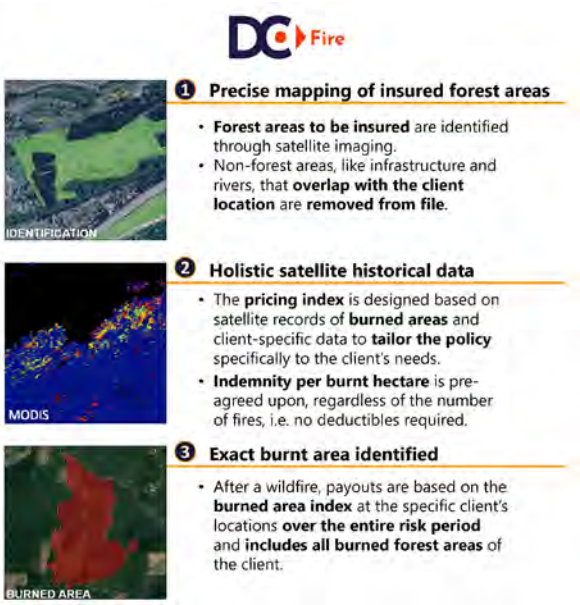
Brokers, (re)insurers, corporate clients and governments

Company summary

Year founded: 2018
Revenue band: £100k - £1m
Total investment: €2m
Latest round: €2m, January 2019
Main investors: BlackFin Capital Partners
Offices: Paris, France
Live in: To date, polices have been underwritten across Western and Central Europe, USA, Australia, Latin America and India
FTEs: 13 (2018: 2)
Key insurance clients / partners: Generali Global Corporate & Commercial, eight top-tier reinsurers and ILS funds
Key execs: **Tanguy Touffut**, CEO & Co-Founder: Former CEO & Founder at AXA Global Parametrics; Oliver Wyman. **Sébastien Piguet**, Head of Underwriting & Co-Founder: Former Head of Agriculture and On-Demand Insurance Products at AXA Global Parametrics; Data Scientist at AXA. **Kevin Dedieu**, Head of R&D & Co-Founder: Underwriter and Product Manager at AXA Global Parametrics; nat cat modeler and actuary at AXA

View on Magellan

Company in action



Case study

Client situation: Many insurers are reluctant to cover hail risk as they struggle to estimate it. This is due to a lack of systemic, unbiased hail reports and high spatial variation of risk. This means that hail-exposed clients find it difficult to cover their hail risk and remain uninsured or underinsured.

Solution: Descartes models hail risk by analysing historic climate model data and satellite imagery to map hailstorm frequencies. An algorithm using trusted historical hail reports is subsequently applied to calibrate the hail maps produced. Local weather stations measure the hail event characteristics. Payouts are instantly triggered using on-site reports obtained from trusted third parties.

Results: Hail policies are designed for each client. They are customised to ensure that the policies meet client needs and that they are both affordable and competitive. Transparency is ensured by avoiding any ambiguities regarding the policy wording and by agreeing well in advance on the payment index between all parties.

The Oxbow Partners view

Insurers view parametric solutions as new business opportunities; however, many cannot deliver at the speed needed to underwrite these opportunities and the specialist market knowledge possessed by many MGAs. We selected Descartes Underwriting as its team, all previously senior executives with AXA Global Parametrics, are making real headway.

Oxbow Partners is bullish on parametrics. It provides greater transparency and certainty to all parties to an insurance contract and can address protection gaps in traditional indemnity products, e.g. deductibles and excluded perils. It will also play a critical part in addressing underinsurance in emerging nations, disaster risk financing and providing resilience in the face of nat cat losses that are likely to increase due to climate change, economic growth and demographic density.

The team's distinctive experience, its external investors, panel of underwriting partners and first year traction all suggest that Descartes will deliver its impressive plans for 2020 onwards. Its primary challenge will be building a team of experienced modelers and data scientists to strengthen its in-house data scientist team and technology to create a sustainable USP.

2020 INSURTECH IMPACT 25 Oxbow Partners

ENERGETIC INSURANCE

Energetic Insurance has developed a first-of-its-kind credit insurance product for the renewable energy sector

The proposition helps increase access to capital for commercial renewable energy projects by covering payment default risk on long-term energy contracts

Distribution	**Product innovation**	Data & analytics	Operations

Bitesize profile

Energetic Insurance is a Managing General Underwriter ('MGU') focused on the renewable energy sector. Its initial product is a first-of-its-kind credit insurance policy covering payment default risk on commercial solar energy projects.

The idea for Energetic was born during the co-founders' experiences of working in the renewable energy sector. Large corporations with public credit ratings can access project finance relatively easily whilst smaller businesses (especially those without a public credit rating) and municipalities have found it very challenging. Energetic's product addresses this problem by covering the payment default risk on long-term power purchase agreements. The policy term can be up to 10 years with a minimum solar project value of $500,000.

SCOR Global P&C is providing capacity to Energetic and thus gives financiers comfort that obligations will be met. Energetic has developed a data-driven approach to underwriting and pricing this risk by analysing correlated data sets.

Energetic has raised $4.4m in funding from both venture funds and multiple grant awards from US state and federal sources including $800k from the US Department of Energy, Solar Energy Technologies Office ('SETO').

> "EneRate Credit Cover is the solution we have been waiting for that can unlock our ability to gain comfort with the predictability of cashflows on the smaller commercial solar deals. Along with experienced developers like CalCom, the tool kit is complete such that we can now increase our solar lending focus in the small and medium business segment."

Jordan Blanchard, Head of Energy and Infrastructure Lending, Live Oak Bank

Plans for 2020

1. Scale core product across US market with a view towards international expansion
2. Introduce adjacent products to address risks in large-scale corporate energy procurement

Who should speak to this company?

Solar project developers, debt lenders and equity investors

View on Magellan

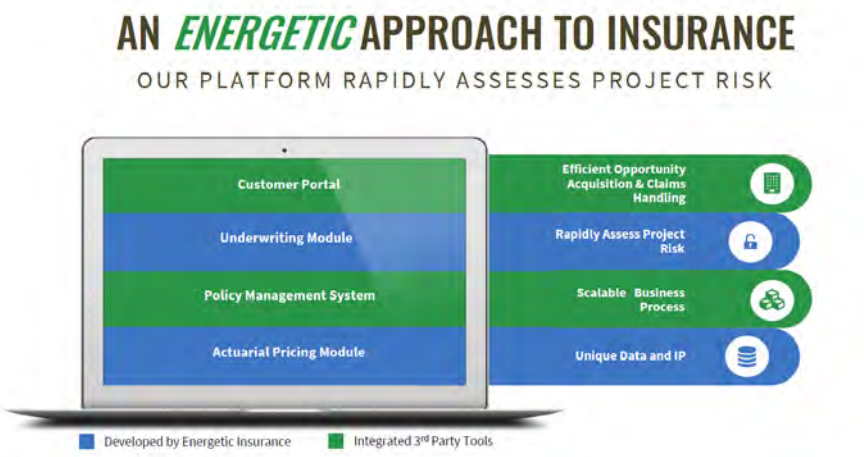
Company summary

Year founded: 2016
Revenue band: £100k - £1m
Total investment: $4.4m
Latest round: $2.7m, April 2019
Main investors: Powerhouse Ventures, Congruent Ventures, Clocktower Technology Ventures, Clean Energy Venture Group
Offices: Boston, US
Live in: US

FTEs: 7 (2019: 5)
Key insurance clients / partners: SCOR Global P&C
Key execs: **James Bowen**, Co-Founder: Lawyer, former solar project developer/ financier and experienced entrepreneur. **Jeff McAulay**, Co-Founder: Energy engineer with history of technology, product and software development

Company in action

Energetic Insurance's commercial hypothesis is that electricity is one of the 'stickiest' expenses that firms incur. This means that revenue generated by solar energy projects (Energetic's policyholders) is also 'sticky', mitigating the payment default risk. The company is continuously collecting and analysing public and proprietary data sets to test and monitor this hypothesis.



Case study

Client situation: CalCom is an experienced solar project developer. They installed a solar project on a large outlet mall that wanted to install solar panels using long term debt financing, but the mall owner didn't have a public credit rating.

Solution: Energetic applied its underwriting and actuarial technology to underwrite the solar project looking at both the business credit risk and the unique electricity market environment at the property. This enabled Energetic to calculate a different probability of default and loss given default than a regular credit analysis.

Results: The project developer spent six unsuccessful months searching for a debt lender willing to lend to this outlet mall. Using the EneRate Credit Cover, the transaction could be financed and closed within a few weeks.

The Oxbow Partners view

We chose this business because it demonstrates how InsurTech can be the missing link between risk and risk capital. The business model is too niche and perhaps too technical for most insurers to develop it themselves, but the business case is attractive for a startup and its capacity providers.

Looking at it another way, Energetic Insurance is one of several companies pushing the historic limits of insurability. Our favourite insurance joke is that underwriters love a new product so long as they can see five years of claims history. In the absence of such data, InsurTechs are having to study exposure to derive hypotheses about future insurance loss experience. Another example of an InsurTech doing this is Impact 25 2018 Member Flock, which has built an exposure and risk pricing model for drone insurance. The prize for these companies is clear; for Energetic there are no competing insurance products and few alternatives to debt for project sponsors.

We are not surprised to hear that its pipeline of stand-alone solar projects and portfolios of existing and planned solar projects looks very promising.

2020 INSURTECH IMPACT 25 Oxbow Partners

Enterprise Bot

Enterprise Bot provides multilingual chatbots

The company provides off-the-shelf AI-powered solutions that improve customer service and deliver operational efficiencies

Distribution	Product innovation	Data & analytics	**Operations**

Bitesize profile

Enterprise Bot creates AI-powered multilingual chat-, email- and voice-bots that automate customer interactions and deliver productivity improvements. The company is based in Switzerland with a technology unit in India. Unusually for a startup, Enterprise Bot is already profitable and has grown without significant external investment.

The three co-founders launched Enterprise Bot in 2016 via Startupbootcamp London after previously establishing a B2C AI chatbot for messenger apps in India. The technology from this startup has been repurposed and the business model refocused to B2B.

To date, Enterprise Bot has deployed its chatbot with insurers in Switzerland and France, ecommerce companies in the Netherlands and Switzerland, and a UK rail company. The benefits have included improved productivity (e.g. decreased throughput times) and improved Net Promoter Scores (e.g. 24/7 customer service for standard issues).

Enterprise Bot's solutions uses a variety of tools including Machine Learning, NLP and Sentiment Analysis. It also integrates with Robotic process automation systems like UI Path. These capabilities coupled with industry specific datasets, a fully trained solution capable of automating process rather than just answering FAQ's, enterprise grade security and agility make Enterprise Bot different from competitors and allows them to go live with production use cases in under 3 months.

> **"Enterprise Bot deployed a complete on-premise solution in just 3 months for us. Their platform is fast, simple and delivered over 40% of automation within the first month of go live."**
>
> **Martin Frick**, COO, Generali Switzerland

Plans for 2020

1. R&D on existing solutions to expand functionality, introduce no-code integration capabilities and reduce the off-the-shelf implementation times
2. Increase recurring revenue per client via known opportunities to broaden the application
3. Win new business in Germany, the Netherlands and the UK
4. Hire product development, project management and sales staff in Europe and India

Who should speak to this company?

COOs / Heads of Operations / Heads of Customer Service with objectives to improve productivity

View on Magellan

Company summary

Year founded: 2017
Revenue band: £1m - £5m
Total investment: £390k
Latest round: £280k, September 2018
Main investors: SICTIC, GoBeyond, Startupbootcamp
Offices: Zug, Switzerland; Bengaluru, India
Live in: France, Netherlands, Portugal Switzerland, UK

FTEs: 40 (2018: 16)
Key insurance clients / partners: Generali and SWICA
Key execs: **Pranay Jain**, CEO & Co-Founder: Former CEO at Mike Messenger. **Ravina Mutha**, COO, CMO & Co-Founder: Entrepreneur. **Sandeep Jayasankar**, CTO & Co-Founder: Technologist and AI enthusiast, Experience in Wipro, Webseer and ePoise

Company in action

Enterprise Bot enables clients to add a new digital interaction tool to instantly answer customer queries across a variety of communication platforms such as emails, messenger apps, contact forms, smart devices and virtual assistants. Enterprise Bot is available 24/7, multilingual, and quick at identifying and proactively addressing trending or recurring issues.



Case study

Client situation: Generali Switzerland receives emails in several languages. Manual email triage was time-consuming and relatively expensive considering that qualified staff were simply redirecting emails. Generali wanted to explore how chatbots could be used to automate the flow of emails to the correct departments, thereby delivering productivity improvements and freeing up staff to address complex issues.

Solution: Enterprise Bot designed an on-premise email bot integration with Outlook servers. The solution triages emails in German and French, analyses email content via AI and generates a sentiment analysis of it, and automatically forwards it to the correct department.

Results: Within three months of beginning the implementation, over 85% of emails were classified and triaged accurately. There has been a 40% reduction in L1 support for email triaging and it takes 1-2 seconds for emails to reach the correct department 24/7. This project's success led to a similar project with Generali France.

The Oxbow Partners view

There is a competitive market for chatbots, but Enterprise Bot stands out. It has quickly delivered tangible results across industries and geographies and its success with Generali Switzerland opened the door to Generali France. Its Indian technology unit enables it to invest in R&D at relatively low cost and allows it to recruit experienced technology staff – a recurring challenge we have heard throughout our Impact 25 research.

Many insurers operate customer service units that are difficult to scale without the recruitment of human staff. Some insurers have outsourced and offshored these units with varying results; the trend for the 2020s will surely be re-shoring through the use of smart data solutions. Enterprise Bot is therefore well positioned.

However, the challenge is likely to be management attention. Another recurring theme we hear in the market is the fact that corporate resources are stretched; any project must be high impact to be worthwhile. Enterprise Bot will therefore need to find enough high-volume use cases which – crucially – can be automated to ensure that they are on management's priority list.

2020 INSURTECH IMPACT 25 Oxbow Partners

getsafe

Getsafe allows European millennials to purchase and manage insurance on their smartphones

The company has sold over 100,000 policies to 80,000 customers with a median age of 26

Distribution | Product innovation | Data & analytics | Operations

Bitesize profile

Getsafe is a German D2C personal lines MGA targeting the millennial market (20 to 35 years of age). The company offers six product lines (bike, home contents, dental, legal, personal liability and travel) and has partnered with Munich Re and a panel of five tier-1 insurers as capacity providers. It launched a home contents product in the UK in January with support from Hiscox. More products are planned.

The company has generated significant traction, selling over 100,000 policies to 80,000 customers with 50,000 new policies added in 2019. The median age of these customers is 26 and more than 75% are purchasing insurance for the first time. Getsafe plans to develop its proposition to become an insurance "companion" as its customers experience life events related to buying insurance (e.g. buying a house or having a child). Life insurance and pension savings products are planned for 2020 and 2021.

Getsafe began life as a digital insurance broker offering a digital wallet for customers to manage their policies in one place. However, the team quickly discovered that it would be impossible to digitise the entire customer experience (CX) with a dependency on insurers' legacy technologies and processes. Today, Getsafe operates a proprietary smartphone app backed by a core policy administration and claims platform. AI is applied throughout the CX from quote to claim. The platform collects a large amount of data which allows Getsafe to deepen its understanding of customers, their needs and behaviours, and fine tune its product design and CX.

"Getsafe's app provides the simplest and most flexible access to affordable insurance products, especially for young people – a clientele that has remained hard to reach for the insurance industry."

Christian Nagel, Managing Partner, Earlybird

Plans for 2020

1. Drive sales of its UK home contents product and launch more products in the UK
2. Expand into Austria, France and possibly Spain
3. Launch a life insurance product that will eventually be available across Europe
4. Continue R&D to enrich its digital platform
5. Recruit talent to fuel its rapid growth

Who should speak to this company?

(Re)insurers to support its expansion into new products and geographies, and VCs

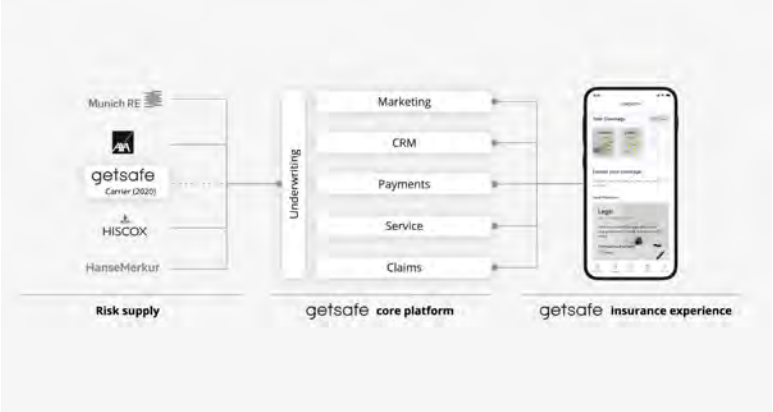
View on Magellan

Company summary

Year founded: 2015
Revenue band: £1m - £5m
Total investment: £20m
Latest round: £13m Series A, June 2019
Main investors: Earlybird, CommerzVentures, BtoV, GFC, Partech, Capnamic
Offices: Heidelberg, Germany; London, UK
Live in: Germany, UK
FTEs: 80 (2018: 35)
Key insurance clients / partners: Munich Re, Hiscox
Key execs: **Christian Wiens**, CEO & Co-Founder: MSc, Mechanical & Process Engineering. **Marius Blaesing**, CTO & Co-Founder: MSc, Physics. **Alexander Grimm**, COO: Former Strategy Consultant. **Daniel Treiber**, CFO: Former Investment Banker. **Dr. Lydia Prexl**, PR Lead: Experienced PR professional.

Company in action

Getsafe is building a technology stack and operating model that will enable it to become a "full stack" carrier. For example, Getsafe's customers can submit claims 24/7 via its chatbot. Proprietary algorithms are applied to customer data to automatically settle claims and detect possible fraud. Behavioural science is also applied to this process by requiring customers to sign a "Fairness Agreement".



Case study

Client situation: Digital-native millennial and younger generations expect digital customer journeys that are intuitive to use and products that can be customised frequently to adapt to their changing needs. They want insurance that is simple to understand, transparent and fair.

Solution: Customers can obtain coverage via the Getsafe app in under three minutes. The monthly membership subscription can be customised in real time, for example new products can be added or the home contents coverage widened to include a customer's partner when they start living together. The subscription can be cancelled at any time.

Results: According to its internal research, Getsafe has a greater millennial market share for its product range than established carriers, and its app usage rates are four times higher than direct digital competitors. The Getsafe app is rated 4.8 out of 5 on the Apple App and Google Play Stores from over 1,200 reviews, a very high score for any sector.

The Oxbow Partners view

We have selected Getsafe as an example of the small number of Distribution InsurTechs with strong momentum. It is also interesting to note its ambitions to become a "full stack" carrier. It shares this ambition with a number of other Impact 25 Members and we believe this is an emerging trend for the next decade.

Getsafe's traction with millennials positions it well for the future. First, Getsafe is able to access a historically underinsured segment – arguably demonstrating that these customers value insurance but don't 'connect' with traditional propositions. This will be interesting for established carriers looking for future growth. Second, this market will grow massively in the next decade; Getsafe calculates that around 1bn policies will be purchased by European millennials in the next ten years. Again, Getsafe is well positioned for growth.

2020 INSURTECH IMPACT 25 Oxbow Partners

Groundspeed

Groundspeed Analytics is a data science company

The company has quickly grown to over 100 staff since it was founded in 2016 and counts Aon as one of its clients

Distribution	Product innovation	**Data & analytics**	Operations

Bitesize profile

Groundspeed helps insurers, MGAs and brokers generate insight from semi-structured and unstructured data files such as claims history, exposure schedules and policy documents. Its technology reads, annotates and enriches data from these unstructured sources and presents users with actionable information.

Groundspeed has designed and delivered a wide range of use cases using its Adaptive Data Pipeline platform. For example, Aon partnered with Groundspeed to harvest 170 million data points from thousands of insurance documents using optical character recognition, computer vision, machine learning and natural language processing. The output was structured and exported to Aon's central analytics repository. Aon deepened its understanding of client risks, created new risk transfer solutions, and supported clients to expand coverage and reduce premiums.

Its technology also enables commercial carriers to deliver a frictionless underwriting process by automatically capturing submission data for clearance, triage, rating and data completion. These frictionless underwriting, and e-broking solutions have improved accuracy, reduced submission throughout time, reduced underwriting costs, and enabled underwriters to focus on new business and client retention activities.

Groundspeed's Series B fundraise has enabled it to convert bespoke client projects into a systematic and repeatable operational infrastructure that is leading to multi-year SaaS contracts. The company has been largely US focused to date, but the problems it is addressing are common across all geographies and business lines.

> **"Groundspeed's AI capabilities will optimise productivity for both our underwriters and our agent and broker partners. We are pleased to be working with the Groundspeed team."**
>
> **Bill Devine**, Senior Vice President, Business Insurance, Travelers

Plans for 2020

1. Continue expanding in the US and globally
2. Build the product capabilities to further enable e-broking and frictionless underwriting for all commercial P&C lines and processes

Who should speak to this company?

Executives prioritising the streamlining of underwriting and broking operations

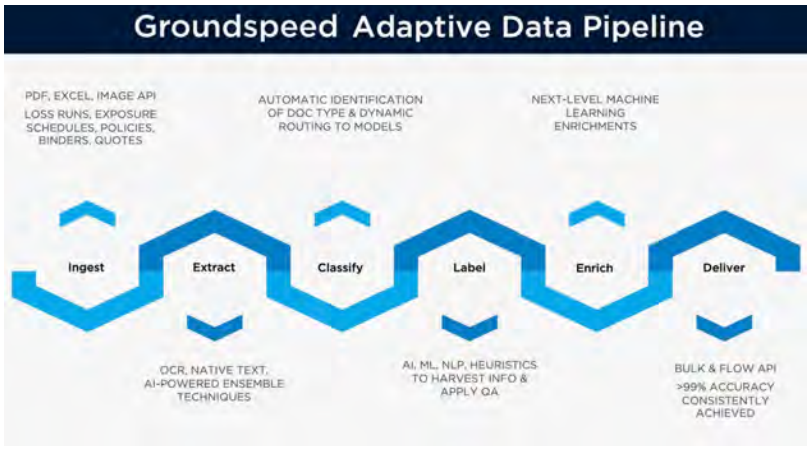
Company summary

Year founded: 2016
Revenue band: £5m - £10m
Total investment: $32m
Latest round: $30m (July 2018)
Main investors: Oak HC/FT
Offices: Michigan & Georgia, US
Live in: US
FTEs: 107 (2018: 59)
Key insurance clients / partners: Aon, Travelers, USI Insurance Services
Key execs: **Andrew Robinson**, Co-CEO: Former President Specialty Insurance at The Hanover Insurance Group; MD Global Insurance at PwC. **Jeff Mason**, Co-CEO & Founder: Serial InsurTech founder; 14 years experience at Chelsea Rhone. **Sally Sinden Williams**, Chief Customer Officer: Former Global VP PMO at Crawford & Co; VP Hartford & Zurich. **Tom Wimberly**, Chief Commercial Officer: Former Chief Innovation Officer at Venti; VP Product at Aon eSolutions

View on Magellan

Company in action

Groundspeed's technology can be applied to numerous unstructured data challenges. For example, an insurance carrier automated loss and exposure data capture for its new business and renewal quoting processes. The carrier saved $1.5m by eliminating 54 offshore resources. This also generated underwriting improvements of $3.4m p.a.



Case study

Client situation: USI Insurance Services is a large insurance broker with over 7,000 staff. It targeted two prospective commercial clients who were using a competing broker. Client data was trapped in almost 1,000 documents such as claims history and documentation, exposure schedules and policy documentation, making it hard to present alternative solutions.

Solution: USI used Groundspeed's technology to generate a comprehensive view of the prospect's risk transfer solution and delivered over 200,000 data points from documents spanning 72 locations, 300 policies, 10 different carriers, and almost $200m in total incurred losses. This included ground-up loss costs, exposure basis, policy limits and sub-limits, deductibles and retentions.

Results: USI applied Groundspeed's analytics to construct a risk transfer alternative that improved coverages and saved the clients over $2m. This was a win-win as USI earned more than $2m in new business revenue from this transaction.

The Oxbow Partners view

Groundspeed describes its work as "the rocket fuel for many data and analytics opportunities." It is a bold statement, but Groundspeed backed up this claim during the Impact 25 research by sharing several more use cases not presented in this profile.

Aon is Groundspeed's largest client and has been an important catalyst for growth. It is notable that Aon has publicly promoted its collaboration with Groundspeed. Travelers expects to emulate this success with Groundspeed in 2020 by using AI to streamline its commercial P&C new business and renewals processes.

Many data and analytics InsurTechs face challenges converting one-off Proofs of Concepts and projects into recurring engagements. This occurs when insurers and brokers attempt to use the knowledge gained during these projects to build in-house solutions. However, we see many (re)insurers struggling with this approach due to the scarcity of data scientists. These resources are more likely to join technology companies such as Groundspeed as they provide greater learning opportunities across multiple clients.

2020 INSURTECH IMPACT 25 Oxbow Partners

hx has developed a platform for insurers to build and deploy web-hosted pricing models

The company has signed three contracts in its first year of operation, including for London Market startup Convex

Distribution | Product innovation | **Data & analytics** | Operations

Bitesize profile

hyperexponential – hx – is a technology company that has developed a cloud-based actuarial pricing platform. reNew, the name of the platform, allows actuaries to build models using 'modern' languages such as Python, React and JSON and to access and incorporate a huge array of internal and external services and data sets. The business's objective is to replace the legacy systems and spreadsheets currently used by pricing teams, and to become a company's primary method of collecting and interpreting pricing data.

The concept is based on the founders' collective 26 years of actuarial pricing experience and a deep understanding of the unique requirements of P&C speciality lines.

hx has won three contracts since its first product release in October 2018. hx attributes its success to its 'API-first' approach which has allowed it to integrate relatively easily with legacy systems. The standard set-up time for reNew is six hours, after which actuaries can start building models.

hx is carrying significant momentum from its participation in the 2019 Lloyd's Lab accelerator programme with Proofs of Concept ('POCs') with five potential clients, mostly large Managing Agents at Lloyd's and London Market carriers. The Lloyd's programme enabled the company to collaborate on development of best practice pricing approaches for speciality lines and strengthen its integration capabilities for third party data sets.

> **"hx are a dynamic and agile company whose leadership have strong domain knowledge of both specialty insurance and technology. Working with them is enabling us to quickly facilitate better underwriting decisions."**
>
> **Sarah Brooks**, Portfolio Optimisation, Convex

Plans for 2020

1. Target a minimum of 5 additional enterprise sales with combined annual recurring revenue in excess of £2m
2. Close Series A and use these funds to develop its solution and grow the team from 13 to 20+; hx is seeking intelligent capital from (re)insurers who will also implement the hx solution

Who should speak to this company?

P&C speciality (re)insurers in the Lloyd's and London Market, and their investment/venture entities

Company summary

Year founded: 2017
Revenue band: £1m - £5m
Total investment: Less than £1m
Latest round: Seed, April 2018
Main investors: Tokio Marine Kiln
Offices: London, UK
Live in: UK
FTEs: 13 (2018: 6)
Key insurance clients / partners: Convex, Greenlight Re, Tokio Marine Kiln
Key execs: **Amrit Santhirasenan**, CEO & Co-Founder: Former Head of Pricing & Analytics at TMK; Actuary at Catlin; Qualified Actuary; BSc, Computer Science. **Michael Johnson**, CPO & Co-Founder: Former Analytics Manager at TMK; Actuary at Catlin; Qualified Actuary; BInfSc, Mathematics & Computer Science. **Richard Gunn**, COO: Former COO & Independent Strategy Consultant, EMEA Region; Strategy Consultant at Deloitte, Accenture. **Reeken Patel**, NED: Group CFO at TMK

View on Magellan

Company in action

Build: Actuaries require less than six hours of training before they begin building models unaided.
Deploy: reNew fully automates the model deployment to the cloud-hosted solution
Use: Underwriters can access and use the model anywhere on any type of device
Refine: reNew supports an iterative process between actuaries and underwriters to promote effective pricing.



Case study

Client situation: Convex is a new international specialty (re)insurer that launched in 2019. It needed to rapidly develop a scalable pricing model ecosystem from a standing start.

Solution: Convex chose hx to build a sophisticated modelling framework. hx's Python-based rating algorithm engine and a customised set of user-friendly UI components enabled Convex to design, build and deploy actuarial pricing models in weeks rather than months across multiple speciality lines.

Results: This short development time has saved Convex considerable cost and allowed it to start delivering models to its underwriters several months ahead of market standards.

The Oxbow Partners view

hx is one of two actuarial pricing solutions selected for the Impact 25. It is interesting that actuarial tools have arguably received limited attention since the first waves of InsurTech hit the industry in c.2015; whilst there are many data and analytics businesses, they are generally helping supply or process data rather than build models. It is impressive – and perhaps a signal of unfulfilled demand for innovative solutions here – that hx has had such rapid traction, and the company certainly dispels the myth of the 18-month sales-cycle for enterprise insurance solutions.

Unsurprising is that hx's main 'competitor' is existing spreadsheets. Spreadsheets create many operational risk challenges for insurers but have survived for decades, particularly in the specialty market, due to their flexibility, relative low cost and users' familiarity. We expect to see a more rapid shift to cloud solutions in the next few years as more and more companies integrate new data sources into their pricing – and thus exceed the capabilities of a spreadsheet. The $87m valuation of Rulebook, another SaaS pricing tool, when it exited from Moore Stephens Consulting to Verisk in 2018 perhaps confirms this hypothesis.

2020 INSURTECH IMPACT 25 Oxbow Partners

InvestSure

InvestSure's platform enables a parametric insurance product that protects investors against losses

The 5-FTE company has sold 10,000 policies in South Africa and now plans to expand internationally

Distribution | **Product innovation** | **Data & analytics** | **Operations**

Bitesize profile

InvestSure has built a technology and analytics platform that enables a parametric insurance product that protects investors in listed equities against sudden and severe losses caused by allegations of management fraud and dishonesty. Claims are triggered by two events: alleged or actual fraud and a 10% share price fall. The premium is low enough for the product to be economic for investors (0.6% of the value protected in South Africa).

InvestSure is currently live in South Africa, where it has partnered with Compass Insurance as the carrier. InvestSure's first distribution partner, EasyEquities, has embedded the product into its online customer journey.

Over 10,000 policies have been sold since launch in May 2018. This traction has enabled InvestSure to fine-tune its proposition. The average claim settlement time is less than a minute from when policyholders sell their shares.

The seed for InvestSure was sown during a global innovation competition developed by Hannover Re. Hannover Re's Executive Board provided InvestSure with seed capital after incubating the idea in its African operations. InvestSure's co-founders have subsequently raised external capital to fund its growth.

"InvestSure is one of the most digitalised insurance businesses, with claims being paid in record time. The product and processes have been thoroughly tested in South Africa, and InvestSure is now looking to expand internationally."

Achim Klennert, CEO, Hannover Reinsurance Group Africa

Plans for 2020

1. Raise capital through a global seed round
2. Obtain regulatory approval in new geographies
3. Participate in The Hartford InsurTech Hub Accelerator after sourcing an investment trading platform partner for its US entry

Who should speak to this company?

Online investment trading platforms operating in Europe and North America; insurers with an appetite for providing capacity to support expansion

Company summary

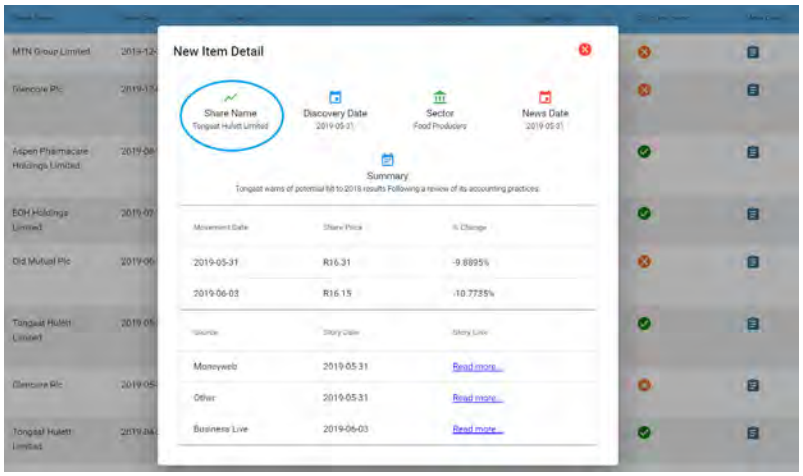
Year founded: 2017
Revenue band: Less than £100k
Total investment: £500k
Latest round: £500k, March 2019
Main investors: Lireas Holdings, 4Di Capital, Compass Insurance
Offices: : Johannesburg, South Africa
Live in: South Africa
FTEs: 5 (2018: 4)
Key insurance clients / partners: Compass Insurance (South Africa)

Key execs: **Shane Curran**, CEO: Qualified Chartered Account at PwC; BCom Accounting & Finance. **Mbulelo Mpofana**, COO: Serial entrepreneur; Actuarial Analyst at AIG; BSc Actuarial Science. **Iggy Nkwinika**, CTO: 14 years IT experience including Solutions Architect at Hannover Re Africa; BSc Computer Science. **Achim Klennert**, Chairman: CEO at Hannover Reinsurance Group Africa

View on Magellan

Company in action

Tongaat Hulett is a South African listed agriculture and agri-processing business that identified accounting issues in early 2019. Media reports alleged accounting fraud of several billion Rand causing a sharp fall in the share price. The Johannesburg Stock Exchange subsequently suspended trading when shares were trading at R13.21.All InvestSure clients were able to exit at an effective R27.00 per share.



Case study

Client situation: Management fraud is an extremely difficult risk for investors to assess and manage. Allegations of fraud often cause sudden, severe and often sustained losses to innocent investors.

Solution: InvestSure has developed a first-of-its-kind parametric insurance product that indemnifies investors for losses caused by allegations of management fraud and dishonesty. InvestSure integrates its technology with online investment trading platform partners via APIs. These integrations allow investors to purchase and manage these insurance products directly on the trading platforms.

Results: InvestSure currently covers 121 companies on the Johannesburg Stock Exchange, 95% of the local market. It has paid claims on 12 separate events since launch after assessing over 30 events.

The Oxbow Partners view

InvestSure's does not meet our minimum revenue requirement, but we chose to include the business because we like the market-creating innovation. The company is bringing a new form of protection to the retail market, and it will take time to educate regulators, insurers, investment platforms and retail investors.

InvestSure has also managed to execute its proof of concept with a lean operating model; counterintuitively, many InsurTechs employ dozens if not hundreds of staff even as they preach technology-driven efficiency. The parametric nature of the product helps given that claims are determined algorithmically.

There are related product opportunities. Targeting professional investors and other asset classes are obvious examples. We wonder whether there is also a play in the D&O liability market, where underwriting is still largely judgement-based for larger companies.

2020 INSURTECH IMPACT 25 Oxbow Partners

konsileo
PROTECT YOUR BUSINESS. PROPERLY.

Konsileo is a technology-driven broker focused on the UK SME market

The company made a big step in 2019, increasing clients from 200 to 1,400 and annualised GWP from £0.5m to over £4m

Distribution | Product innovation | Data & analytics | Operations

Bitesize profile

Konsileo is a UK commercial insurance broker that uses technology to deliver a better client proposition. The company's system is a proprietary platform, originally designed to power a decentralised franchise-like model. The business has 'pivoted' a little over the last few years and now trades as a broker in its own right, with a nationwide network of Risk Advisers. This pivot to broking business appears to be paying off as the team has grown in 2019 to 36 and GWP has exceeded £3m.

The technology platform uses publicly available data to populate client fact finds in advance of initial and renewal meetings. This enables advisers to minimise the administrative aspects of these meetings and focus on clients' risk management and insurance needs. The platform also uses robotic process automation to eliminate low-value manual tasks.

The company's RISKUBE® module allows clients to access every piece of information and documentation regarding their insurance coverage. The technology roadmap includes the development of a knowledge database that will contain customised 'predict and prevent' information and tools to help clients proactively manage their risks.

The platform is also being used by Clear Insurance Management, a large independent broker writing £150m GWP. Konsileo has no intention to become a broking system provider but has agreed a few partnerships to 'stress test' the system, whilst also giving partners access to its advanced system.

> **"Konsileo's technology vision, blending data with advice, represents the future of mid-market broking. In addition, their approach is rigorous, professional and straightforward."**

Howard Lickens, CEO, Clear Insurance Management Ltd.

Plans for 2020

1. Convert its pipeline of over £20m GWP that its advisers placed before joining Konsileo
2. Increase the pace of adviser recruitment and accelerate their onboarding;
3. Continue R&D into the use of AI to automate broking processes such as compliance and diary management and explore AI use cases on client recommendations

Who should speak to this company?

Mid-sized businesses seeking trusted Risk Advisers with the ability to apply their deep domain risk management expertise to support them to understand and manage their unique risks

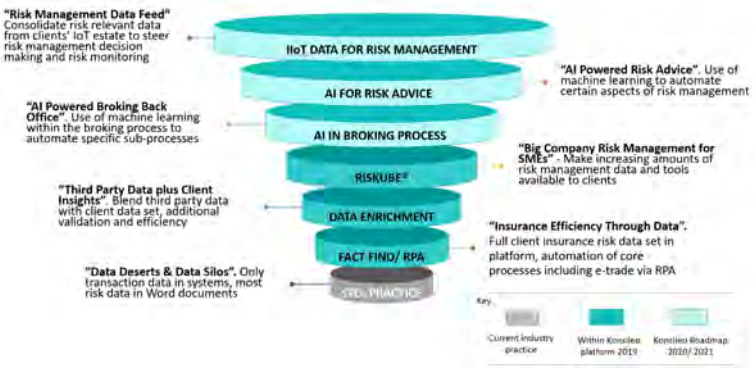
Company summary

Year founded: 2015
Revenue band: £100k - £1m
Total investment: £3.5m
Latest round: £2.5m, May 2019
Main investors: Committed Capital
Offices: Various, London, UK
Live in: UK
FTEs: 36 (2018: 20)
Key insurance clients / partners: Various for placement
Key execs: **John Warburton**, CEO & Co-Founder: Previously Director for Digital in Allianz SE Munich, Board member for Allianz UK Commercial business, Accenture & Aviva. MBA & Chartered Insurance Broker. **Peter Henderson**, CTO & Co- Founder: Web pioneer who built the first BA and BBC websites; ran own software company; CTO, Big White Wall; MA(Cantab). **Ben Halfacre**, CFO: Previously hedge fund manager/analyst at Cazenove and CQS; MA(Oxon). **Kieron Burrows**, Head of Insurance: Previously at Aon, Marsh, Towergate and Lloyd's

View on Magellan

Company in action

Konsileo has a clear technology roadmap that will continue using data and technology to enable its Risk Advisers strengthen the customised service they provide to their clients.



Case study

Client situation: Broking firms have failed to use data and technology to innovate their client propositions sufficiently. Many of the legacy broking platforms still require advisers to key in excessive amounts of data, impacting their ability to provide a customised and value-adding service.

Solution: Konsileo has created a virtualised broking organisation with up to 60% efficiency savings for many of its advisers. The platform enables advisers to design and deliver a data-led risk advice and management experience for their clients. The platform also provides insurers with a deeper understanding of their clients' risk exposures and the proactive steps clients regularly take to identify, assess, control and review these risks.

Results: Konsileo has attracted 25 Risk Advisers to date, increased its clients from 200 to 1,400 over the past twelve months,. It placed £800k of premium in Q3 2019 v. £140k a year earlier.

The Oxbow Partners view

We have been tracking Konsileo for some time as we liked its original 'franchise' broking model. Although the company has now repositioned to be a broker, the thinking still holds true: build a technology platform with robust processes that both enable brokers to be more effective (and therefore happier) than in their old organisations, and ensure compliance with regulatory requirements. We are happy to see the signs of impact in 2019.

The strategy is robust in our view. Most UK broking businesses remain technology laggards, relying on the large 'software houses' to trade. These systems do not, on the whole, give them much control over proposition or execution. We agree with the company's counterintuitive thesis that the B2B opportunity is unlikely to be attractive. Whilst there is clearly a requirement for these brokers to digitise, there are strong network effects that favour the established platforms. For example, insurers have invested in building products there, new recruits are likely to be familiar with them, and the major consolidators are all using them. It could destroy value to move away from them.

Instead, the opportunity for Konsileo could be to build initial volume and then to become the tech-enabled consolidator – not dissimilar to 2018 Impact 25 Member wefox. The prize is significant – tech-driven broker Simply Business was acquired for 50x EBITDA by Travelers in 2017.

2020 INSURTECH IMPACT 25 Oxbow Partners

KOVRR Predictive Cyber Risk Modeling

Kovrr enables insurers to understand, quantify and manage cyber risk

The exposure management solution was used by (re)insurers to analyse close to one million organisations in 2019

Distribution | Product innovation | **Data & analytics** | Operations

Bitesize profile

Kovrr has developed a cyber risk analytics platform for (re)insurers based on the founders' experience in cyber security and intelligence. The company raised a £4.25m seed round in 2019 which will enable it to scale its client portfolio following successful implementations in Israel, Asia, Europe and the US.

The company's platform calculates financial exposures to cyber events. Loss simulations are generated using a catalogue of more than 100,000 events which vary from cloud provider outages in specific territories to massive, distributed global ransomware attacks.

The platform can be integrated into several parts of the value chain including modelling, underwriting, portfolio management, aggregation exposure calculation and accumulation management. For example, one of Kovrr's clients has increased its cyber business by 52% over the past two years following the integration of its analytics into the underwriting process. The analysis of the insured risks has reduced from days to minutes and pre-bind interactions have decreased by 90%.

Kovrr's platform also continuously harvests global cyber data related to specific organisations and cyber events. This enables Kovrr to accurately map business assets, enterprise networks, service providers and in-use technologies regardless of the organisations' industries, size and location.

> **"With Kovrr we're able to better manage our silent cyber risk exposures and more precisely define our risk appetite for affirmative cyber risk."**
>
> **Hetul Patel**, Group Chief Actuary, Asia Capital Re

Plans for 2020

1. Triple its client portfolio
2. Continue R&D into its platform by adding new proprietary datasets and replacing assumptions with data
3. Expand its network of distribution partners

Who should speak to this company?

(Re)insurers seeking a cyber modelling, exposure management and accumulation management partner to help quantify and manage affirmative and silent cyber risks

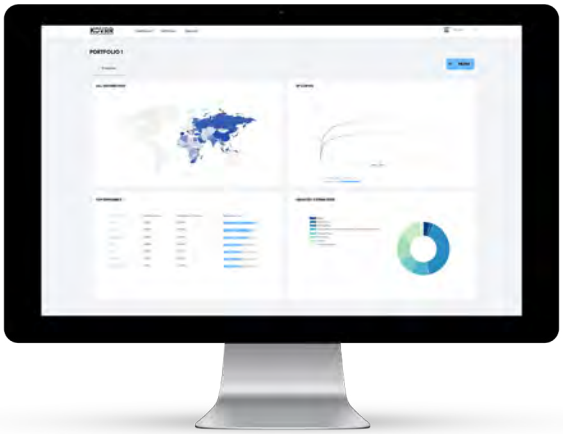
Company summary

Year founded: 2017
Revenue band: £1m - £5m
Total investment: £4.25m
Latest round: £4.25m Seed, September 2019
Main investors: StageOne Ventures, Mundi Ventures, InnoCells (Banco Sabadell's VC unit)
Offices: Tel Aviv, Israel; London, UK; Philadelphia, US
Live in: Israel, Asia, US, Europe
FTEs: 21 (2018: 8)
Key insurance clients / partners: Amtrust Financial, Sapiens
Key execs: **Yakir Golan**, CEO & Co-Founder: 15 years product management & business development experience. **Avi Bashan**, CTO: 15 years cyber security research and development experience. **Shalom Bublil**, CPO - Chief Product Officer & Co-Founder: 10 years cyber threat intelligence and modelling experience. **Dr. Marco Lo Giudice**, Head of Pricing Models Development: 14 years catastrophe modelling, aggregation & pricing experience with Atrium, Renaissance Re, Tokio Millennium Re & Willis Re. **Kurt Jackson**, VP Sales North America: 20+ years sales & business development insurance technology experience.

View on Magellan

Company in action

Kovrr's insights are used to apply loss simulations to (re)insurers' portfolios to pinpoint the exposure to specific cyber threats and calculate aggregate exposures. The results of these simulations are also summarised in a Yearly Loss Table (YLT) and Exceedance Probability Curves.



Case study

Client situation: A reinsurer wanted to quantify the silent cyber exposure in its P&C portfolio. It had no tools or processes to perform a quantitative assessment. Product lines included aviation, credit, D&O, engineering, marine, offshore energy, professional indemnity and property.

Solution: Kovrr applied its proprietary probabilistic model and AI technology to run loss simulations for this client to predict the probability and severity of events including catastrophe scenarios.

Results: Kovrr's solution estimated the reinsurer's silent cyber exposure at 136% higher than previously forecast. The reinsurer has developed a structured process that provides visibility into its silent cyber exposure on a quarterly basis or more frequently if necessary. This also allows the reinsurer to share its perspectives on these risks during the negotiation of retrocession agreements and meet board and regulatory compliance requirements.

The Oxbow Partners view

Kovrr is one of two cyber companies selected in this year's report. The company has made impressive progress since launch in 2017 reflecting both the rapidly evolving cyber market and the strength of its management team.

Regulators, ratings agencies and investors are requesting ever more information on companies' approach to cyber exposures and how it impacts both cyber and other products ("silent cyber"). We believe that most companies will outsource cyber risk assessment for the foreseeable future given the specialist and complex capabilities required. This means that Kovrr is well positioned.

2020 INSURTECH IMPACT 25 Oxbow Partners

phinsys

Phinsys automates insurers' finance functions

The company serves 15 clients across 4 countries including Starr, Lloyd's syndicate Apollo, ILS manager Nephila and run-off specialist Enstar

Distribution	Product innovation	Data & analytics	**Operations**

Bitesize profile

Phinsys began life in 2010 designing and building custom finance solutions for the insurance industry. It retained the IP from its first clients and developed a modular platform to automate financial management and accounting, regulatory and statutory reporting, and analytical processes.

Typically, 80% of any implementation is out-of-the-box, with configuration generally restricted to client-specific accounting rules and calculations such as earnings and reserving. The products improve productivity, reduce costs and enable finance and actuarial resources to focus on value-add work.

The company has grown primarily via word-of-mouth and has only engaged in two competitive RFPs, winning both. Over 85% of revenue is generated from its products with the other 15% coming from related consultancy. In 2019 the company participated in the Lloyd's Lab (cohort 3) and the Future at Lloyd's Blueprint project has created R&D and new business opportunities.

To date, Phinsys has been UK and Lloyd's focused, but successful deployments with Bermudan and US insurers and ILS funds suggests wider international potential.

> **"Reducing the cost of doing business at Lloyd's was a key driver in choosing Phinsys as our finance technology partner. By streamlining our finance back office operations, we can minimise our expense ratio and accelerate our regulatory reporting."**
>
> **Adam Beatty**, MD, Nephila Syndicate Management

Plans for 2020

1. Expand its offering in the US and continue growing in Bermuda
2. Recruit high-calibre staff with domain expertise
3. Convert pipeline opportunities from its participation in the Lloyd's Lab
4. Contribute to Future at Lloyd's initiatives

Who should speak to this company?

CFOs seeking streamlined finance operations and a single finance data model and automated processes to accelerate multi-jurisdictional financial close activities

Company summary

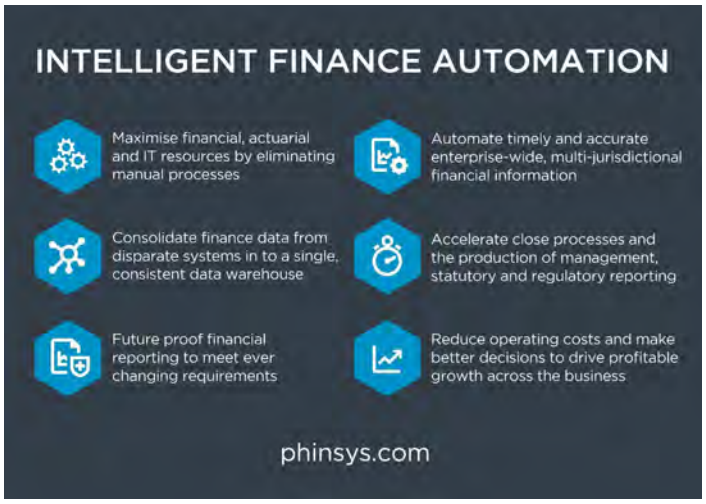
Year founded: 2010
Revenue band: £1m - £5m
Total investment: £Nil
Latest round: N/A
Main investors: Management
Offices: London, UK; New York, US; Hamilton, Bermuda
Live in: Australia, Bermuda, Europe, UK, US
FTEs: 35 (2018:25)
Key insurance clients / partners: Apollo, Ascot (Bermuda & UK), Atrium, CNA Hardy, Dual, Enstar (Bermuda, UK & US), HDI (Australia & UK), MS Amlin, Nephila, Pillar Capital (Bermuda), Starr, WRB

Key execs: **Richard Tyler**, CEO: Former Finance roles at ACE European Group & Chubb. **Stuart Conibear**, CCO: Former Enterprise Sales & Consulting roles at Accenture, Duck Creek & NIIT. **William Moore**, CFO: Former COO & CFO at Credit Suisse Emerging Markets. **Neil Greenacre**, Delivery Director: Former Head of Delivery at Moore Stephens Consulting & NIIT

View on Magellan

Company in action

Phinsys has deployed its products with clients such as Apollo, Enstar, Nephila and Starr in the UK, Bermuda, US and with ILS funds to deliver the following benefits:



Case study

Client situation: An insurer had inconsistent finance data which required staff to collect, process and review data manually before generating regulatory and statutory returns. There was an over-reliance on spreadsheets and dated customer-built solutions which required regular reconciliation exercises.

Solution: The insurer migrated all data sources into a single finance data warehouse which enabled it to implement streamlined financial close processes for its finance and actuarial functions. The off-the-shelf solution was customised slightly and configured to produce consolidated group, entity, statutory and regulatory reporting including PRA, Lloyd's, US/UK GAAP and Solvency II Pillar 3.

Results: The solution has improved efficiency and allowed finance and actuarial staff to work on value-added activities. The gains reduced manual processing by 90%, time spent on Lloyd's returns by over 500 hours and the financial close from 10 days to 3. Tellingly, this successful UK implementation subsequently opened doors with multiple multi-national clients.

The Oxbow Partners view

We have selected Phinsys as an example of niche software that is allowing insurers to move away from spreadsheets to tailored solutions with the ability to improve business efficiency and effectiveness. It is notable that Phinsys has won almost every contract for which they have bid over the past 10 years via word-of-mouth.

We expect to see an accelerating shift from spreadsheets to cloud solutions in the next few years as more and more niche technology vendors emerge. The $87m valuation of Rulebook, a cloud-based solution that replaces pricing spreadsheets, when it exited from Moore Stephens Consulting to Verisk in 2018 perhaps confirms this hypothesis. The finance department is an area where software can have a huge impact given the proliferation of reporting requirements, and their increasing complexity.

2020 INSURTECH IMPACT 25 Oxbow Partners

PLAYER'S HEALTH

Player's Health uses digital tools to help sports organisations manage their risks

The company has over 500,000 athletes, 17,000 teams and 600 organisations on its platform

Distribution | Product innovation | Data & analytics | Operations

Bitesize profile

Player's Health is a risk services company and insurance broker which provides amateur athletics and sports organisations with a suite of digital products and services. Its offering is designed to promote the amateur athlete's health and safety and reduce the organisation's overall risk. The company has been building significant traction in the USA and Canada over the last 12 months.

Insurers have been reducing capacity for this niche market, applying exclusions and increasing premiums following recent high-profile events such as concussion and sexual abuse lawsuits. The Player's Health solution provides organisations with the tools and awareness to reduce the frequency of preventable losses and significantly drive down the severity of losses. The platform provides them with best practices and digital solutions to monitor and ensure that the right actions are taken for return-to-play and abuse events.

Player's Heath has seen a rapid increase in the number of athletes, teams and organisations using the platform over the past year with a significant growth plan underway for 2020 following its recent Series A. The company is signing up nationwide associations such as US Club Soccer that is providing it with opportunities to sign up its amateur member clubs throughout the US. The Platform's Electronic Medical Record module has captured a database of over 25,000 athlete injury reports that is expected to yield significant value to its clients and insurance carriers.

> **"We believe Player's Health is a revolutionary tool in helping parents, coaches and clubs keep our players safe!"**

Kevin Payne, CEO, US Club Soccer

Plans for 2020

1. Deliver $4m risk management and insurance revenue
2. Grow the platform from 500,000 to 3 million athletes; Player's Health has observed that organisations who initially use the platform for risk management purposes convert to insurance clients later
3. Increase the engagement of youth sports' parents on the platform

Who should speak to this company?

State-wide sports organisations, sports team and sports registration providers; insurers who want to increase their capacity in specialty SME markets

Company summary

Year founded: 2014
Revenue band: £1m - £5m
Total investment: $6.5m
Latest round: $4m Series A, June 2019
Main investors: Eos Venture Partners, Will Ventures, Sean Sweeney (former CEO, Philadelphia Insurance Companies), John Chippindale (CMO, HUB), Michael George (former CEO, Trisura)
Offices: Minneapolis, US; Toronto, Canada
Live in: US, Canada
FTEs: 19 (2018: 8)

Key insurance clients / partners: Athletic Therapy Institute, BFL Canada, Football Canada, USA Rugby, USI Insurance Services, US Club Soccer, PT Solutions
Key execs: **Tyrre Burks**, CEO & Co-Founder: Former Professional Sports Player. **Neil Mitchell**, President of Risk Services and Insurance Solutions & Co-Founder: 30 years insurance experience including as MD at Marsh Canada. **Chris Pesigan**, COO: Experienced Finance and Accounting Professional; EY; CPA

View on Magellan

Company in action

Cover: Insurance quote and bind
Rehab: Injury reporting and management
Tourney Care: Tournament risk management and on-demand trainers from its ecosystem partners
Assessment: Obtain an organisation's health and safety score, and methods of improving it
Clear: Comprehensive background check services from its ecosystem partners
Protect: Abuse and misconduct reporting that is private, anonymous and easy to use



Case study

Client situation: Sports organisations are finding it ever more difficult to obtain insurance. Carriers are increasing premiums substantially, operating stricter underwriting guidelines and applying exclusions. Concussion and sexual abuse exclusions are common in North America following recent high-profile events. A Player's Health client required support when the organisation's insurance provider applied these exclusions at renewal.

Solution: The Player's Health platform contains management software and a library of best-practice templates. The company helped the client design a 90 day programme to introduce policies and procedures, and training and monitoring activities.

Results: The insurer has agreed to extend general liability coverage and emphasised that it will remove this coverage if the organisation does not ensure that these procedures and the associated monitoring are maintained via the Player's Health platform. This Q4 2019 case study demonstrates how different elements of the Player's Health platform have enabled this sport organisation to obtain the required insurance.

The Oxbow Partners view

We have chosen Player's Health as it has created a risk-led ecosystem where insurance is a natural follow-on sale. It is also a good example of how 'super-gatekeepers' are a relevant phenomenon in niches, not just for the mass market. In other words, the future of distribution is not just about AWS and Facebook, but will continue to be fragmented with new players like Player's Health controlling access to certain segments. The landscape will remain difficult to navigate for carriers, even in the digital age.

The 2020 challenge for Player's Health will therefore be to establish itself as that dominant player in its niche. The seed investment from senior insurance executives and 2019's Series A will provide runway to do this.

We expect clients to be 'sticky' as the switching costs to alternative providers are likely to be high for amateur sports organisations. This is particularly true if the platform and the insurance are embedded.

2020 INSURTECH IMPACT 25 Oxbow Partners

Policy Expert

Policy Expert is a digital MGA for home and motor insurance

The company has 700,000 live policies and expects to hit the one million mark within the next 18 months

Distribution | Product innovation | Data & analytics | Operations

Bitesize profile

Policy Expert distributes home and motor products D2C and via price comparison websites (PCWs) in the UK. The business was set up as a virtual insurer 10 years ago by founders of digital SME MGA Simply Business, which exited to Travelers for a 50x EBITDA multiple in 2017. It has expanded to become an MGA with full control of the value chain and today manages 600,000 home and 100,000 motor policies with pet insurance on its roadmap.

The company has developed a proprietary, product-agnostic technology platform. This has been architected to ingest external data for underwriting and pricing activities. The platform also powers the company's data and analytics capabilities, enabling it to price business at rates that attract and retain customers, and to identify and manage fraudulent claims. The company has also invested significantly to enrich the customer journey across the policy lifecycle including pricing, sales, servicing, renewals and claims; its customer retention rate of 84% significantly exceeds the market average.

Policy Expert bought Sure Thing!, a UK motor insurance broker last year. This acquisition is part of the company's long-term strategy to diversify its product portfolio and apply the benefits of its data-driven philosophy to other P&C lines. A new analytics team has been built in Sure Thing! to bring in Policy Expert's data analytics and testing techniques. This has already started to generate results across underwriting margins, loss ratio and customer retention rates.

> **"We commend Policy Expert for the exceptional work they do in the continual evolution of their data-focused approach and our close technical collaboration."**

Mark Greening, Director of Partner Development, GoCompare

Plans for 2020

1. Maintain its annual growth rate of 25% and hit one million live policies without compromising customer service
2. Rebrand Sure Thing! and fine-tune its motor proposition by leveraging technology, data and analytics
3. Continue R&D into its proprietary technology

Who should speak to this company?

Investors with "intelligent capital" who can support the company's international expansion

Company summary

Year founded: 2010
Revenue band: More than £20m
Total investment: £23m
Latest round: £23m, 2014
Main investors: Primary Group Limited
Offices: London, Milton Keynes, Motherwell, Tonbridge
Live in: UK
FTEs: 484 (2018: 350)
Key insurance clients / partners: Willis Towers Watson, Lexis Nexis, QIC

Key execs: **Tony Deacon**, CEO & Co-Founder: Former CEO & Co-Founder, Simply Business; Senior roles at AON, JLT & Perkins Slade. **Adam Powell**, COO & Co-Founder: Former Head of New Markets, Simply Business; Analyst at XL Capital. **Paul Gildersleeves**, CFO: Former Deputy Finance Director & Head of Corporate Development, Brit Insurance; Investment Banking at HSBC. **David Prior**, CUO: Former Head of Schemes Business, Aviva UK

View on Magellan

Company in action

Policy Expert's platform and processes are continuously updated based on customer feedback and multi-variant testing. The company also operates a call centre for customers who wish to pursue a hybrid customer journey. Policy Expert proactively analyses these interactions with a view to automating them.



Case study

Client situation: The UK home insurance market is dominated by incumbents burdened by legacy technology and processes. This results in disjointed customer journeys and sub-optimal customer outcomes.

Solution: Policy Expert has redesigned the traditional insurance experience to offer clear and transparent policies, fair pricing and attentive service – underpinned by its control of the policy life cycle. Its purpose-built data environment generates deep and actionable insights into assessing risks, pricing business and managing claims.

Results: Policy Expert is a top-15 UK home insurance provider and one of the fastest growing UK home insurance providers according to independent 2019 research. Its customer retention rate of 84% demonstrates that Policy Expert prices both new and existing business competitively. The company scores highly on consumer review websites. For example, over 28,000 reviews on "Review Centre" rank Policy Expert 4.6/5 with almost 96% users stating that they would recommend it to others.

The Oxbow Partners view

Policy Expert is the largest company we have selected across several metrics such as revenue, policy count and FTEs. Its inclusion shows the potential of technology-driven businesses even in mature distribution environments – and how far there is to go for even the more successful of the recent cohort of InsurTechs. It is also interesting to note that the company focused on just one product line until recently, which is in contrast to many of the more recently launched businesses which, we observe, move into new products quite early.

Policy Expert's recent move into motor insurance is however interesting and will rigorously test the company's end-to-end capabilities given the UK's highly competitive distribution environment.

It will be interesting to see what path the company takes for its international expansion. Insurance distribution in the UK is unique given the dominance of PCWs and other countries have a more benign pricing environment. The point to watch is how Policy Expert deploys its assets in these markets and the impact it can have against more traditional channels and propositions.

2020 INSURTECH IMPACT 25 Oxbow Partners

Praedicat

Praedicat allows users to identify, model and mitigate known and emerging casualty liability risks

The company helps (re)insurers identify and avoid the 'next asbestos

Distribution	Product innovation	**Data & analytics**	Operations

Bitesize profile

Praedicat is a risk analytics company for casualty (re)insurers. It helps clients to identify, model and manage known and emerging liability risks. Praedicat believes that clients can use insight from its technology to underwrite new premium pools profitably.

Praedicat was spun out of the RAND Corporation. The objective was to identify methods to predict the 'next asbestos' and provide modelling and technology solutions for (re)insurers. Asbestos was the most expensive mass tort and largest insurance industry event in US history; according to S&P and AM Best, asbestos losses to the US P&C industry have hit $100bn. Fear of a similar 'Black Swan' event had led to (re)insurers tending to exclude emerging exposures even when there was no evidence of disproportionate future claims.

Praedicat uses machine learning and natural language processing to mine global peer-reviewed scientific literature and identify agents or perils with the potential to become major loss events. Its models use this data to probabilistically quantify loss potential at agent, industry and company level. The Praedicat solution currently stores data on over 60,000 companies.

For example, electromagnetic field (EMF) risk has been viewed as a potential issue leading to a very tight underwriting approach. An insurer engaged Praedicat to assess this risk through an analysis of the published scientific literature. The analysis refuted the hypothesis that EMF causes brain tumours, allowing the insurer to broaden underwriting appetite on its telecoms product, generating significant new business premium without detriment to the loss ratio.

> **"Excess casualty underwriters struggle with information overload every day. Praedicat's analytics provide greater risk transparency, so we can be informed risk-takers, protecting our balance sheet without unduly restricting our risk appetite."**

Shannon Totten, Excess Casualty Practice Leader, Sompo International

Plans for 2020

1. Build on Praedicat's successful 2019 participation in the Lloyd's Lab accelerator
2. Develop other 'Named Peril' products to help close the growing casualty protection gap
3. Continue R&D into its analytics platform
4. Expand its client base of large non-insurance organisations

Who should speak to this company?

General liability (re)insurers that want to understand, manage, build and transfer profitable portfolios containing latent liability risks; Global corporates that want to better understand their risk exposures

Company summary

Year founded: 2012
Revenue band: £1m - £5m
Total investment: £16.72m
Latest round: £6.08m, May 2019
Main investors: RAND Corporation, RMS
Offices: LA & New York, US; London, UK
Live in: US, UK, Denmark, Germany, Switzerland
FTEs: 43 (2018: 38)
Key insurance clients / partners: Allianz Global Corporate & Specialty (AGCS), Swiss Re, Sampo International Holdings Ltd, AIG
Key execs: **Dr Robert Reville**, CEO & Co-Founder: 20+ years in the (re)insurance and public policy areas including Senior Economist at the RAND Corporation working on liability catastrophe R&D. **Lisa Gallagher**, CFO & Co-Founder: 15+ years in insurance risk management with a focus on liability catastrophe risk. **Dr Dave Loughran**, SVP Product, Chief Economist & Co-Founder: 20+ years in modelling demographic, labour market, insurance and legal systems. **Melissa Boudreau**, SVP Modelling: 30+ years experience building mathematical models and commercial software for insurance applications

View on Magellan

Company in action

The Praedicat solution can be used to identify and quantify emerging latent liability risks. Users can set appropriate risk appetites, and monitor and manage risks. Underwriters can use the insight to intelligently transfer risks as profitable and accretive business. This graphic is a typical screen that an underwriter might see when evaluating a portfolio or risk.



Case study

Client situation: Significant glyphosate, opioid and talc litigation awards concerned a global insurer. The company did not know its exposure to these risks, lacked the know how to begin exploring them and did not have a systematic process to identify, quantify and manage such latent liability risks.

Solution: Praedicat quantified the latent liability risk in the insurer's existing portfolio. Appropriate risk appetites were calculated that subsequently informed the insurer's liability underwriting and risk aggregation strategy. Praedicat also worked with the insurer's Emerging Risk function to curate existing 'watch-lists' and develop a systematic process to monitor and manage emerging risks using global peer-reviewed scientific literature as a basis.

Results: Understanding its latent liability risk in greater detail has allowed this insurer to proactively manage its exposure within the newly created risk appetites. Underwriters also assess these 'new' risks and consider the need for clash cover at the point of underwriting.

The Oxbow Partners view

Casualty is a class that will be in focus in the 2020s. Stephen Catlin, CEO of Convex, recently warned of a $100-200bn reserving deficiency in casualty lines, driven by deteriorating pricing and increased claims cost. We believe that this issue will create analytical tailwinds which will benefit Praedicat.

Furthermore, catastrophe modelling is well established in the property space (Praedicat's investor RMS being the market leader) and it is not surprising to see R&D investment now turning to the casualty side of the house. RMS's main competitor AIR (owned by Verisk) has also recently made an investment in this area.

There is, therefore, no doubt that Praedicat is working in a high impact area. If their analysis is correct, they have the potential to have a multi-billion pound market impact. However, herein also lies the challenge; no predictive analysis can be absolutely correct and the company's ask is that insurers base some fundamental and big-ticket capital allocation decisions on their product. The challenge will be to build a solid track record, both inside insurance and in other industries.

2020 INSURTECH IMPACT 25 Oxbow Partners

Prenetics™
Health. Reimagined.

Prenetics offers genetic testing services that enable insurers to personalise their health and wellness propositions

The company has quickly built a portfolio of 12 global insurance clients since expanding into the sector

Distribution | Product innovation | Data & analytics | Operations

Bitesize profile

Prenetics is a genetic testing and digital health services company headquartered in Hong Kong with backing from Ping An and Alibaba. It expanded into Europe and widened its range of solutions with its 2018 acquisition of DNAfit, a UK- based direct-to-consumer genetic testing company. To date, Prenetics has processed 300,000 DNA samples globally.

Prenetics helps its insurer partners strengthen their value propositions by providing genetic tests and digital health services as riders to existing life and health products. Some insurers offer these services for an additional premium whereas others, for example Generali Indonesia, offer the solution to its premium clients as an incentive to upgrade from other products. Other carriers using Prenetics are Swiss Life Global Solutions who following a detailed pilot with its employees got Prenetics as a wellness partner for their global customers. Irish Life Health, Ireland's largest life and health insurer, which launched Wellness DNA in Q1 2020. Prenetics has a strong pipeline of similar projects in mature insurance markets.

The company also provides a platform to allow carriers to ingest and analyse other health-related data, such as that collected by fitness trackers and wearables. By combining this data with genetic information, the company can present policyholders with an explanation of their unique genetic profiles and provides actionable wellness information. Prenetics test results are not used for underwriting or claims purposes.

Prenetics is integrated into its partners' proposition through a white-labelled solution.

"Equipped with genetic information, we show members how to make positive lifestyle changes that lead to better health, fitness and quality of life. The Prenetics partnership has been great throughout."

Brian O'Gilvie, Senior Manager,
International Population Health Marketing, Aetna International

Plans for 2020

1. Leverage existing insurer relationships to expand into more geographies
2. Launch several projects that have been in development during 2019
3. Convert pipeline opportunities; Prenetics is witnessing a growing appetite for its solutions

Who should speak to this company?

Life and health insurers seeking opportunities to implement a digital health and wellness solution

Company summary

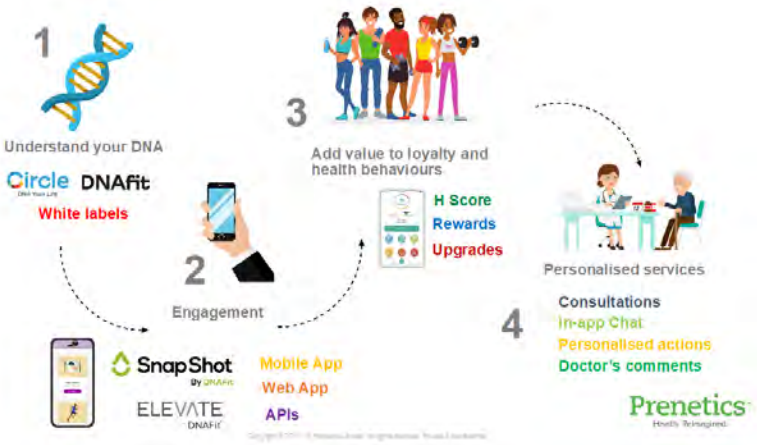
Year founded: 2007
Revenue band: More than £10m
Total investment: £40m
Latest round: £30m, October 2017
Main investors: Ping An Ventures, Alibaba Entrepreneurs Fund, Beyond Ventures
Offices: UK, Hong Kong, Malaysia, Philippines, Singapore, South Africa, Thailand, Vietnam
Live in: UK, Europe, Indonesia & Globally via Aetna
FTEs: 150
Key insurance clients / partners: Aetna International, AIA Group, Bupa, FWD, Generali Indonesia, HSBC, Prudential, Swiss Life

Key execs: **Danny Yeung**, CEO & Co-Founder: Serial Entrepreneur including CEO & Co-Founder with Groupon East Asia. **Avi Lasarow**, CEO Prenetics International & CEO, DNAfit: 18 years biotech experience; MD, DNA Bioscience. **Dr. Lawrence Tzang**, Chief Scientific Officer & Co-Founder: 17 years biotech experience; PhD, Genetics. **Dr. Senthil Sundaram**, Chief Clinical Officer: 20 years clinical research experience; MD, Nuclear Medicine. **Lara Varjabedian**, VP Business Development: 10 years global experience with Generali Employee Benefits

View on Magellan

Company in action

Prenetics offers a wide range of digital products and services across four pillars:



Case study

Client situation: Aetna International is one of the largest private medical insurance providers. It wanted to explore the opportunities to strengthen and differentiate its health and wellness value proposition. It only wanted to offer genetic tests examining genetic variants associated with diet, fitness, sleep and stress. Aetna International explicitly does not use genetic information as part of its underwriting or pricing processes.

Solution: Prenetics was chosen following a clinical evaluation of its products and services, and adherence to the strictest data privacy and protection standards. Aetna International DNA requires a saliva sample to produce personalised information that explains the relationship between a policyholder's genes and their diet, fitness, sleep and nutrition. Follow-on support such as consultations with qualified dietitians and sports scientists is available from both Prenetics and follow-up is provided by Aetna Care.

Results: This service has been positively received by Aetna International's clients since launching in Q2 2019. Recognising the complexity of genetics, initial feedback has centred on the quantity and quality of post-test support.

The Oxbow Partners view

Prenetics has been selected as it is widely viewed as one of the most innovative biotech company delivering genetic- and digital- related products and services to insurers. During our research for this report it was consistently the first genetics company name mentioned.

Many insurers have been circling genetics over the past few years but have been reluctant to move due to regulatory constraints associated with building a business model here, and the reputational risk of even being perceived to be using genetic data in the underwriting or claims process. However, the growth in health and wellness technology and related engagement platforms is opening up the opportunity for insurers to begin offering limited genetic-related services to policyholders.

Indeed, we see opportunities for insurers to deliver on their ambition to move from 'payer to partner' here. For example, genetic tests could be offered to existing policyholders when they present with illnesses that have a strong genetic element, leading to rapid and tailored treatments.

2020 INSURTECH IMPACT 25 Oxbow Partners

Quealth

Quealth is a digital wellness and engagement platform

The white-label platform has signed up over 50 organisations and 7,000 active users

Distribution | **Product innovation** | **Data & analytics** | **Operations**

Bitesize profile

Quealth (Qualified User Engagement and Lifetime Health) is a SaaS digital wellness and engagement platform. It is available on a white-label basis to insurers and employers. The refreshed platform, launched in Q3 2019, has quickly signed up over 50 organisations and has more than 7,000 active users.

According to the World Health Organisation, c.40 million people die globally each year from the five largest noncommunicable diseases: type 2 diabetes, cancer, cardiovascular disease, lung disease and dementia. 24 million of these deaths and many more non-fatal illnesses are preventable through simple lifestyle choices. These evidence-based interventions guide Quealth's behavioural change actions that encourage users to make positive lifestyle decisions.

RGAX, the lead corporate investor, has started presenting the refreshed platform to its life and health clients. Insurers that have implemented Quealth report a wide range of benefits: strengthened customer relationships via powerful, actionable and personalised information; increased retention rates; improved up-selling and cross-selling opportunities; and more product development ideas. The platform also enables insurers to integrate the information supplied by users into underwriting and claims processes.

Quealth is clinically validated and it has been developed with leading universities.

"We're excited by the potential of Quealth's wellness platform to drive engagement with life insurance consumers. This helps consumers understand and improve their wellness status, while simultaneously providing life insurers with valuable data insights."

Jonathan Hughes, Managing Director, RGAX EMEA

Plans for 2020

1. Deliver new user functionality and insurer/employer configurability capabilities
2. Convert several pipeline opportunities in North America and the UK with support from RGAX
3. Support its employer-focused distribution partners to continue winning new business

Who should speak to this company?

Life and health insurers seeking opportunities to quickly implement a digital wellness and engagement solution

Company summary

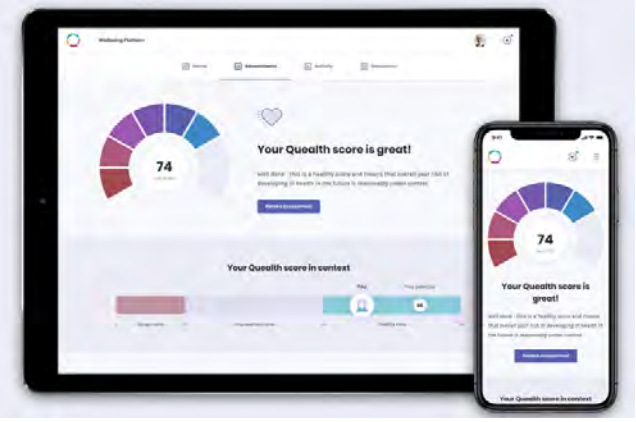
Year founded: Relaunched 2019 following company restructure
Revenue band: £100k - £1m
Total investment: £4m
Latest round: £3m, September 2016
Main investors: RGAX
Offices: London, UK
Live in: Globally; largest markets: US and UK
FTEs: 20
Key insurance clients / partners: RGAX, Aviva UK, L&G
Key execs: **Andrew Reynolds**, CEO

International: 20 years health, wellness and fitness experience including founding a digital wellness company. **Dave Moreau**, CEO UK & Strategic Partnerships Director: Serial Entrepreneur. **Kelly Sallows-Cole**, Sales Director: 20 years of Sales and Account Director experience at Health and Wellness companies. **Paul Nash**, Head of Clinical Governance & Clinical Product Lead: 30 years in clinically-led roles within healthcare and health insurance

View on Magellan

Company in action

The Quealth Score is a clinically validated health risk assessment. Users self-assess their physical, mental and financial wellbeing and set goals. The platform motivates them to make and maintain targeted behaviour changes with personalised content and notifications. Quealth can receive data from users' smart phones and fitness trackers.



Case study

Client situation: Aviva UK wanted to leverage digital health technology to strengthen its health insurance proposition and increase customer retention rates. It partnered with Quealth to develop the Aviva branded MyHealthCounts programme – an integration of the Quealth and Aviva insurance platforms.

Solution: MyHealthCounts is an online health questionnaire and programme that supports policyholders' understanding of how lifestyle choices such as diet and exercise can affect their health. The platform calculates a Quealth Score for policyholders reflecting 27 interdependent risk factors, which is connected to a sliding scale premium discount at renewal. Aviva does not use this data for underwriting or claims purposes.

Results: MyHealthCounts has been a commercial success for Aviva, strengthening policyholder relationships and increasing retention rates. Annual lapse rates pre-MyHealthCounts stood at 21%, decreasing to 9% post-implementation. Aviva calculated that this reduction generated a commercial benefit of £2.1m.

The Oxbow Partners view

The relaunched Quealth platform is at an earlier stage than many of the selected Impact 25 companies but it swiftly generated traction with employers during 2019. The support from RGAX will pour rocket fuel on its ambitions with insurers. The challenge for Quealth will be meeting demand while continuing to enrich its platform further with clinically validated information.

We see several reasons that technology-led businesses will gain traction in the life and health insurance sector in the 2020s. First, publicly funded healthcare systems are facing increasing pressure leading to growth in the overall PMI market; second, employer-sponsored digital wellness and engagement platforms are quickly becoming a standard part of many employee benefit programmes; and third, growth in wearables and fitness trackers is leading to greater proposition opportunities.

These platforms provide a unique opportunity for insurers to regularly engage with their policyholders with valuable and actionable information.

2020 INSURTECH IMPACT 25 Oxbow Partners

reask is a nat cat risk modelling company currently focused on tropical cyclones

reask's solutions enable carriers to understand their exposure to nat cat risk and use this information to manage and develop their portfolio

Distribution	Product innovation	**Data & analytics**	Operations

Bitesize profile

reask's founding team has deep domain expertise in nat cat modelling and high-performance computing. Their hypothesis is that there are limitations in many existing models that can be strengthened with pattern recognition and simulation techniques from the field of machine learning.

reask has initially focused on tropical cyclones ('TCs') and used Australia's two largest research supercomputers at the National Computational Infrastructure and the Pawsey Supercomputing Centre to build its high-resolution model. This used data from close to 200 TCs across six global basins and required two million CPU hours of processing to generate 50TB of 1km resolution gridded atmospheric data.

This analysis sits behind InCyc, reask's proprietary data and analytics platform. The company has quickly built an impressive portfolio of global projects. InCyc has facilitated real-time hedging of securitised insurance risk for Twelve Capital; developed a probabilistic hazard model for a disaster risk financing project in an emerging market for JBA Risk Management; assess potential parametric products in underserved markets; validated AXA's internal models to provide greater transparency to the insurer's regulator.

> **"We partnered with reask to access their outstanding analytic capabilities, combining vast climate data and innovative machine learning techniques. Their valuable and consumable metrics delivered insight and confidence to both our strategy, and our investors."**
>
> **Dr. Jamie Rodney**, Director, ILS Analytics, Twelve Capital

Plans for 2020

1. Find capital to support expansion into other atmospheric and oceanic perils such as drought, wildfire, rainfall and storm surge
2. Expand the operational and client management teams, operationalise its tropical cyclone products and services, and strengthen its technology platform

Who should speak to this company?

P&C insurers, reinsurers, intermediaries, securitised insurance funds and disaster risk financing sponsors and participants

View on Magellan

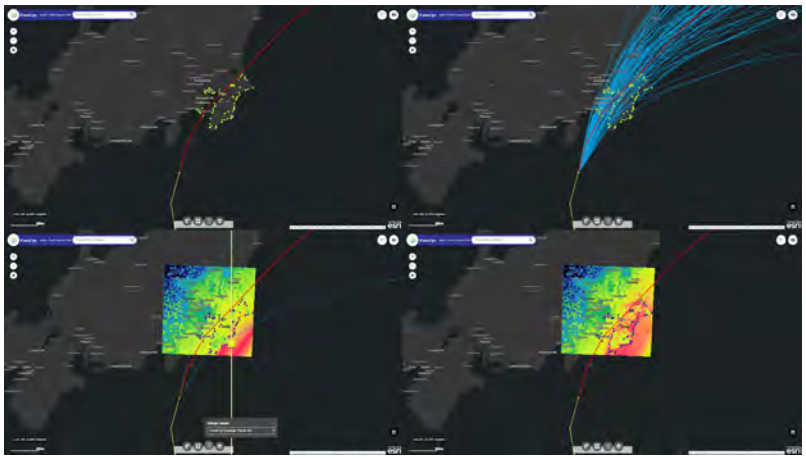
Company summary

Year founded: 2018
Revenue band: £100k - £1m
Total investment: £Nil
Latest round: N/A
Main investors: Founders
Offices: Sydney Australia, UK
Live in: France, UK, Switzerland
FTEs: 4 (2018:2)

Key insurance clients / partners: AXA Group, JBA Risk Management (UK, Singapore), Twelve Capital (Zurich)
Key execs: **Dr. Thomas Loridan**, CEO: Ex RMS, London; Risk Frontiers, Sydney. **Nic Hannah**, CTO: Ex software engineer at NOAA, Princeton; CSIRO, Melbourne. **Nick Hassam**, CCO: Ex Willis Re, Sydney; Talbot Underwriting, London

Company in action

ForeCyc, reask's climate-conditioned probabilistic event response tool, was used to assess the likelihood that Typhoon Faxai's could hit Tokyo in September 2019. Its probabilistic track model applied machine learning based on historical climatology, samples from reask's historical climate data repository, and forecast conditions to build a distribution of potential future scenarios



Case study

Client situation: Twelve Capital manages $4bn of insurance assets including ILS. The ILS fund did not have relevant, predictive climate analytics to help manage its hurricane-exposed portfolio and investment strategy.

Solution: reask partnered with Twelve Capital to develop a machine learning solution for a pre- and in-season hurricane forecasting service. reask delivered monthly briefings during the 2019 North Atlantic hurricane season based on climate-aware metrics describing the frequency, severity and spatial distribution of hurricane risk.

Results: Twelve Capital implemented reask's metrics as part of its portfolio management and risk hedging strategy and communicated this approach to its investors. Twelve Capital and reask will continue this relationship for the 2020 TC season.

The Oxbow Partners view

We selected reask – a relatively early stage company – because of its highly experienced team, rapid progress and proposition. The nat cat exposure modelling market is dominated by two players; insurers and brokers would welcome more competition.

A positive feature of the market is that large (re)insurers regularly license several risk models to get different opinions on scenarios. This has allowed reask to get some clients quickly and will allow them to fine-tune their proposition further.

The challenge is that there are significant switching costs from the major model providers. These systems are embedded deeply into (re)insurers' systems and processes. Also, whilst there are obvious systemic risks from insurers all using the same risk models, it is also true that there are strategic risks from being contrarian in the market. reask will need to find a way to compete against the incumbent providers.

One opportunity might be to focus on emerging countries and disaster relief efforts. The incumbent modelling companies focus on the areas where nat cat exposed insured values are concentrated – North America and to an extent, Europe.

2020 INSURTECH IMPACT 25 Oxbow Partners

socotra

Socotra platform enables insurers to rapidly develop and deploy innovative products

Socotra has generated significant business momentum in the last year, steadily growing its client list which now includes tier-1 customers AXA, Nationwide, IAG and Mutual of Omaha

Distribution | **Product innovation** | **Data & analytics** | **Operations**

Bitesize profile

Socotra is a San Francisco head-quartered technology company offering a core platform that helps global insurers to increase their speed to market, lower production costs and easily integrate with external systems. The platform supports the entire policy lifecycle: policy administration, underwriting, claims, billing and reporting. It is line-of-business agnostic and supports a wide range of P&C and life products in Australia, Germany, the UK and the US. It recently opened its first international office in Australia.

Socotra's solution is 'cloud-native' meaning that all clients are always on the same software version and every piece of functionality is available to every client. Additionally, the company publishes its features, configuration and developer guides on its public website. This documentation explains the platform's capabilities, allows clients to quickly and inexpensively specify their system requirements and provides developers with the framework to integrate third party apps. Socotra also offers prospective clients a 30 day evaluation license enabling them to test the system in advance of committing to a long-term contract.

The company's portfolio is centred on digital-first products. For example, AXA chose Socotra to develop and distribute its 'vehicle interruption cover' for UK Uber drivers. AXA configured the product and integrated it with Uber's driver platform using open APIs without any Socotra customisation. Vouch Insurance, a high-profile client after raising $69m in 2019, has chosen Socotra to power its products for entrepreneurs – this project has only taken five months from conception to production.

> **"We're excited to work with a forward-thinking company like Socotra, which is enabling Nationwide to create an insurance platform as innovative as Spire to better serve the next generation of consumers."**
>
> **Scott Sanchez**, Chief Innovation Officer, Nationwide

Plans for 2020

1. Deepen relationships with existing Fortune 500 clients
2. Continue to enrich its product features to attract and support mature clients
3. Complete large migration projects into its platform
4. Accelerate its recruitment activities without compromising the high bar it sets for talent

Who should speak to this company?

Any insurer with a vision to modernise its technology stack to accelerate product innovation, reduce production costs and increase performance

Company summary

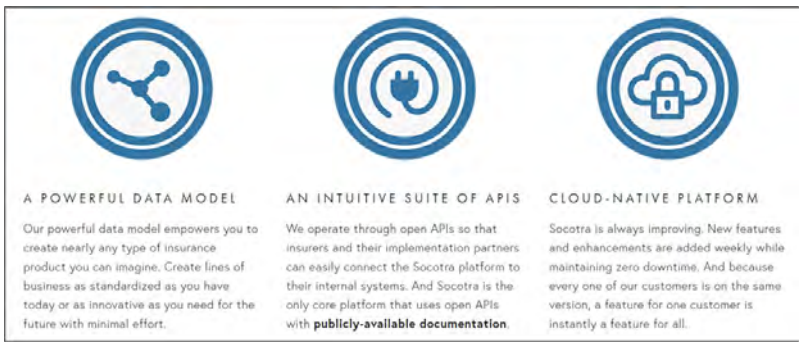
Year founded: 2014
Revenue band: Not disclosed
Total investment: $33m
Latest round: $15.2m, January 2020
Main investors: Brewer Lane Ventures, 8VC, Nationwide, MS&AD, Founders Fund, Greenoaks Capital, SciFi VC, SV Angel, Tuesday Capital, Vulcan Capital
Offices: San Francisco, US; Sydney, Australia
Live in: UK, US, Australia
FTEs: 35 (2018: 17)
Key insurance clients / partners: AXA (UK), IAG (AU), Mutual of Omaha (USA), Nationwide (USA), RGA (USA), Vouch (USA)

Key execs: **Dan Woods**, CEO: Led Partnerships at Palantir and IT investing at Formation 8; MS Computer Science, Stanford. **Matt Hamilton**, Director of Product: Led product management teams at Guidewire; BA Computer Science, UCSD; MBA, Stanford. **Ekine Akuiyibo**, VP Business Development & Deployments: Large-scale machine learning experience at Oracle; PhD Electrical Engineering, Stanford. **Harsh Shah**, Director of Marketing: Global Marketing & Partnership roles at Google; BA Communications, UCLA

View on Magellan

Company in action

Socotra publishes detailed documentation on its website allowing clients and their partners to rapidly develop and integrate solutions across the platform's core modules: policy administration, underwriting, claims, billing and reporting.



Case study

Client situation: Nationwide, a Fortune 100 insurer, is designing a digital-first suite of products, services and user experiences to target the next generation of consumers. It wanted to locate a core platform to power its vision with speed-to-market and cost-efficiency as its key selection criteria.

Solution: Nationwide chose to partner with Socotra to build Spire, its new digital insurance platform, across the entire policy life cycle from quote to claim. Auto insurance was the first product deployed on Spire: a customer can purchase their policy via a mobile device by simply scanning their driving license and answering four questions. The entire process takes less than a minute and does not require the customer to engage with an agent.

Results: Nationwide launched this auto insurance product in Q4 2019. The project to develop and deploy Spire has only taken nine months and cost significantly less than other similar projects at Nationwide. Spire will now provide the engine for Nationwide to launch more digital-first products and it is notable that Nationwide has been an investor in Socotra since 2018.

The Oxbow Partners view

We have been monitoring Socotra's progress over the past few years. 2019 has been a transformational year following several product launches with tier-1 insurers.

Our tech-focused colleagues like Socotra's technical architecture – not just their use of APIs but their approach to the overall software build. Socotra have put in place a development framework that understands insurance but gives users the flexibility to configure their products and processes. For example, the data model understands the relationship between policy, cover, risk, peril, endorsement, etc., but does not restrict how to define these. This contrasts to many other systems which predetermine many of the fields that are associated with a policy, for example car registration for a motor policy, whilst leaving others as free text. The benefit is that insurers have greater flexibility to innovate with the products they offer whilst still building a structured data set.

Socotra announced its Series B round in January 2020 and we expect more positive news this year.


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