Q1 2021

Quarterly InsurTech Briefing

April 2021

Willis Towers Watson

Willis Re

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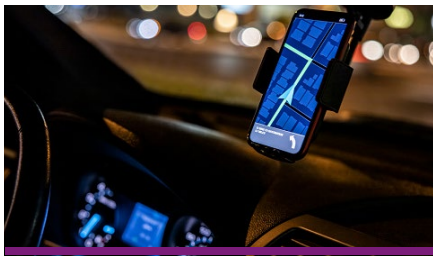
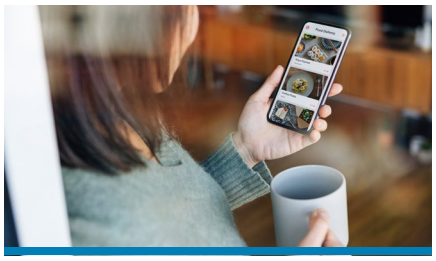
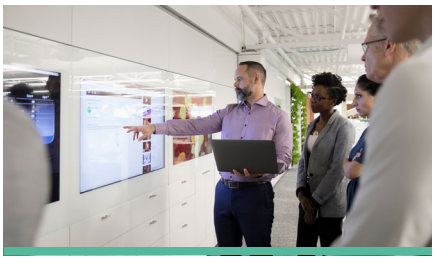
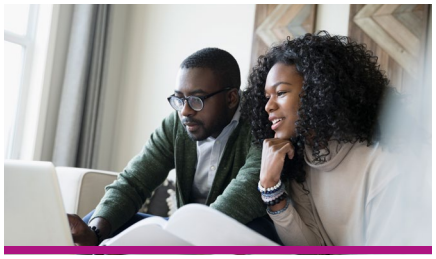
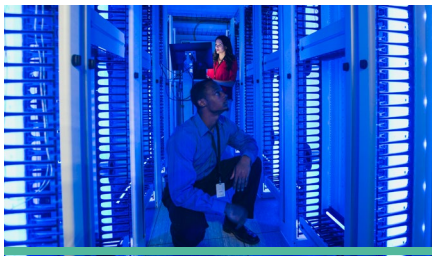
Contents





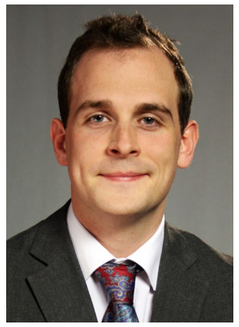






Foreword
The era of acceptance

The era of acceptance



Dr. Andrew Johnston
Global Head of Willis Re InsurTech, Quarterly Briefing Editor

Throughout most of recent human history, the adoption of new technologies and innovative ideas has been as much a question of good societal timing as it has been the availability of said technologies and ideas. Generally speaking, ideas and technologies have to be acceptable to the community of which they will one day be a part if they are to succeed in being inducted (Thomas Edison's hydrogen battery springs to mind). In order to expand the production-possibility frontier, therefore, a society needs to be willing to embrace any such technology that can, at least in part, facilitate this transformation as much as its facilitation relies on the technology being available in the first place. Community-wide acceptance of anything transformative, or at least accelerated evolutionarily, is rarely instantaneous. It requires evidence-driven results and a legitimate period of "bedding in."

In very rare cases, an outside force with such an innovative/technological advantage can be a true "disrupter" and will not require the approval of the incumbent community. But even in those cases, the outsiders in question usually have the support of the state or the consuming class. Why write such a trite observation? Because this issue has probably been the single most important barrier to entry for InsurTechs wanting to be a part of the (re)insurance industry. This is evidenced by the fact that the types of technology that are now making industry headlines are not exactly new, but widespread willingness to engage and adopt is now growing at an unprecedented rate. The past 12 months of InsurTech-related activity has shown us this. True technological "disruption" (i.e., innovation) almost never begins with a single invention; rather, it begins when a community emerges to support it.

COVID-19, more than any other issue, has rapidly accelerated the ice-breaking process that was already well under way in our industry. One of the greatest contributions that InsurTech start-ups, as a whole, have made to our industry is to consistently extol the virtues of technology relative to the (re)insurance industry. Over the past five years, industry press has been inundated with new technologically enabled firms that are looking to work with our industry to support the ready adoption of technology to achieve (for the most part) a common goal: the better matching of risk with capital while improving end consumer experience and lowering operating expenses. COVID-19 has helped this narrative accelerate and demonstrably illustrate the results that are now being achieved at scale. As the ice is being broken, and more trust and confidence is being garnered, the flow of fresh water into our industry is gathering momentum.

Despite this positivity, we are not suggesting that our industry is now accepting any kind of technological initiative. In fact, with the ever-increasing understanding of the role that technology can have, it is becoming clearer which types of initiatives are likely to work and which ones are not. In order for our industry/community to accept InsurTechs, the solutions being offered must make sense (intellectually and commercially) for the community being targeted for adoption. At this particular juncture, the technology is the least interesting part of the discussion. In light of these thoughts, a number of InsurTechs, or at least InsurTech-esque initiatives, will most likely never achieve the grandeur of their aspirations. This is likely because they have misread our industry to the extent that they have mistaken who their target audience ought to be (and, more important, what that audience needs and currently does); as a result, they might may never be accepted by the one community that would need to emerge to support them.

For example, any market-wide placement platform that aspires to have secondary trading capabilities, that is being incubated outside of a deal flow giant and has no long-term view of engaging with such players in the future (while development is still malleable) is unlikely to succeed. Such a simple error is most likely a result of misjudging what individual component parts of our industry do to "make it go around," or at least a naivete that "if it's built, they will come." For those InsurTechs that do correctly judge who their community of acceptance is, however, the past 12 months have provided a fantastic opportunity to make the most of a turning tide: the era of **acceptance and openness.**

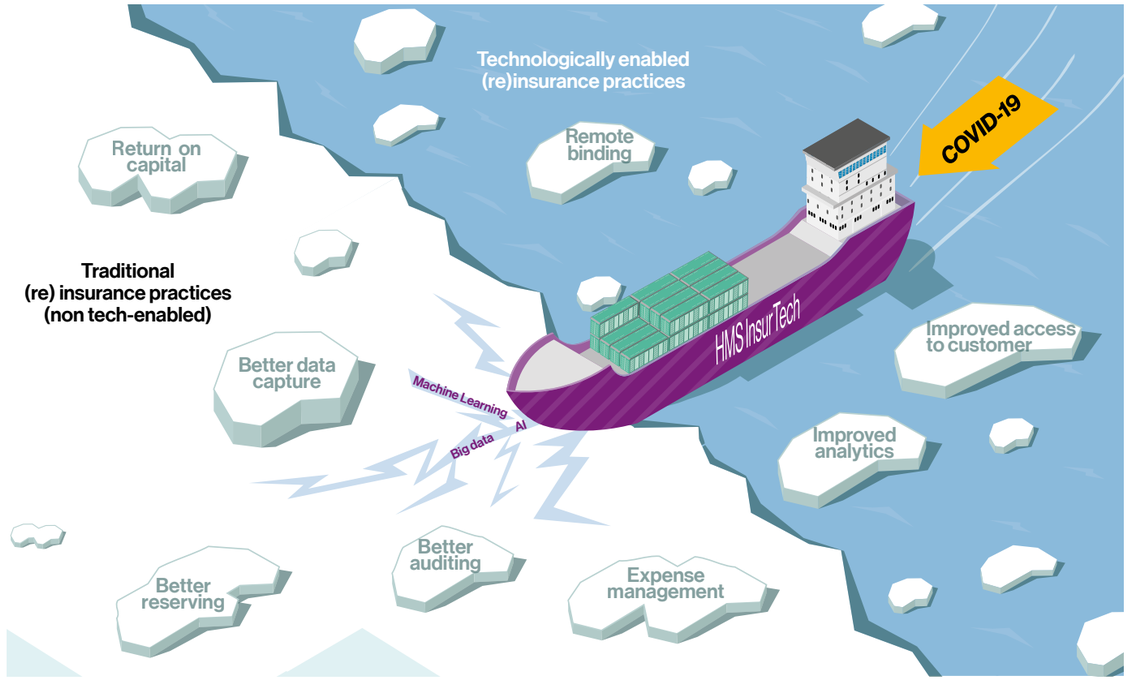
"True technological disruption (i.e., innovation) almost never begins with a single invention; rather, it begins when a community emerges to support it."

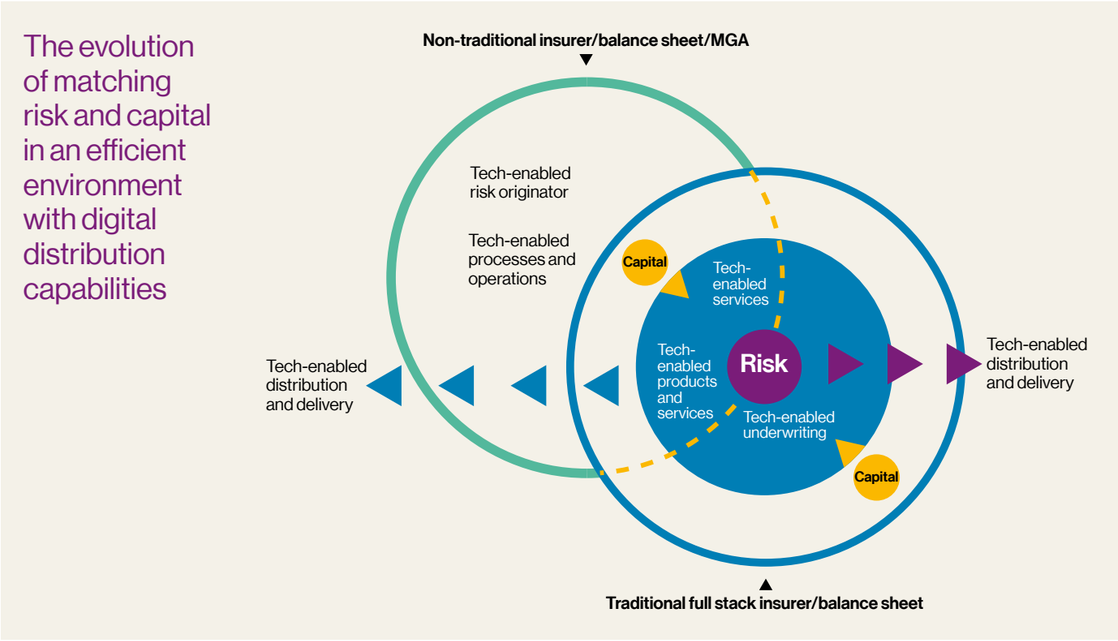
Continued investment into InsurTech

Over the past few years, we have seen a ramping up of investment into InsurTech across the globe. We are often asked, "When will we start to see InsurTech funding decline?" Not too long ago, this question would have been met with an educated guess. That guess was, in part, anchored in the observations taken from other periods of investment-driven technological speculation, relative to the number of great businesses that have been entering our industry that fit the bill for what was traditionally understood to be InsurTech. This was considered against the number of possible winners that our industry might be able to support. Over time, however, it is becoming increasingly clear that any halting of funding into InsurTech is not going to be driven by the act, or lack, of committing capital to firms that identify as InsurTechs but rather a reevaluation of the term itself.

It is fair to say that a significant percentage (i.e., most) of new commercial initiatives in our industry are being supported by some kind of technology; in fact, our industry is becoming increasingly reliant on technology, across the board. At the same time, most new entrants and initiatives into our industry are identifying as InsurTech (for all manner of reasons ranging from its power of speculative returns to simply not wanting to seem out of touch). When putting these two things together, in addition to the natural maturation of those InsurTechs that genuinely are "InsurTech" as we used to define the term, it is quite possible that we will see year-on-year investment into InsurTech continue to grow as the use of the term shrouds what is actually going on — a situation that might have

InsurTechs' unlocking process and operational potential





previously been classed as a traditional investment but is now captured by an increasingly diluted term. That is to say, the term is being adopted more widely by the day, and firms self-identifying as InsurTechs are growing by the day; therefore, any capital raised by such things will be captured as investment into InsurTech. Widening goalposts are redefining what we used to mean by a more specifically defined phenomenon. This investment growth could theoretically continue in perpetuity until such times that the term InsurTech becomes completely irrelevant (because it will go without saying that a business or idea is fueled by technology) and we, collectively as an industry, choose to drop it because it no longer serves any purpose.

As our industry contemplates entering the fifth technological revolution (increased synergy between humans and machines around the foundations of artificial intelligence [AI]) the role of the human, and our judgement as humans, will somewhat perversely become more important. Perhaps it will be this iteration of the next evolution of our industry that ends our current obsession with the term InsurTech. In any event, as what otherwise might be classed as ordinary businesses (but with a technological slant) in a different era continues to attract hundreds of millions of dollars, we will most likely see a continued rise in investment into InsurTech.

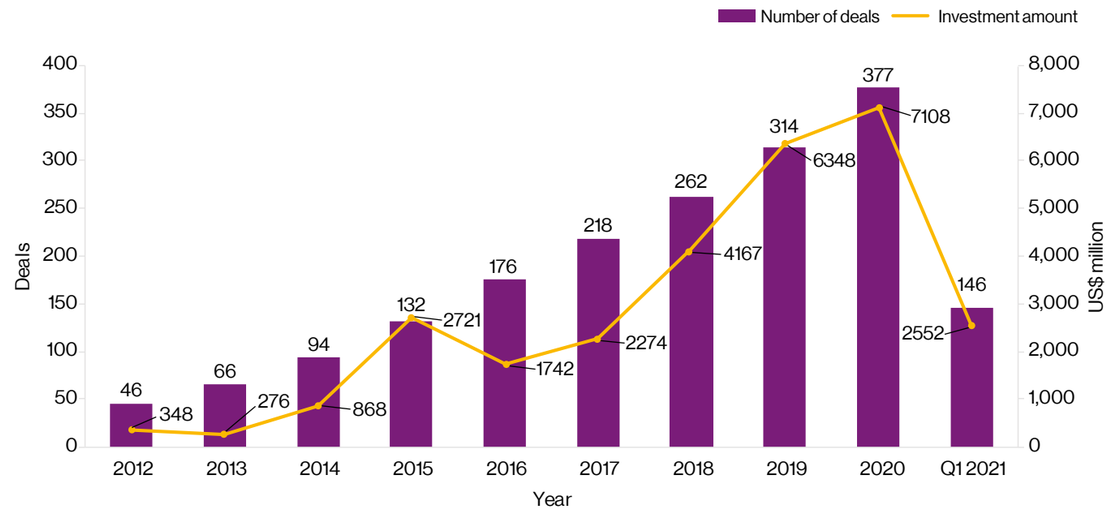
Global InsurTech activity reaches an all-time high, with Q1 2021 being the strongest on record

This quarter, InsurTech funding reached an all-time high raising US$2.55 billion across 146 deals. Specifically, total funding grew by 180% when compared with Q1 2020 after a precipitous drop in funding as fears surrounding the COVID-19 pandemic reached its pinnacle. Compared to Q4 2020, total funding grew by 22% as investment activity steadily bounced back.

Looking beyond dollars invested, the number of deals also grew by 52% from Q1 2020 and 42% from the previous quarter. P&C-focused InsurTechs continue to drive the majority of investment activity, representing 69% of deal share, with L&H representing 31% – a two-percentage-point increase from Q4 2020.

Notably, this quarter saw a record number of mega-rounds. Eight companies represented over US$1.13 billion in funding, or 44% of total funding raised. The increase in deal activity was driven by a more than 12 percentage point increase in early-stage deals compared to Q4 2020, and a ten percentage point increase from Q1 2020. Roughly 60% of this quarter's deals went to early-stage companies.

Figure 1: **Annual InsurTech funding trends including transaction volume and dollar amount, 2012 – 2021**



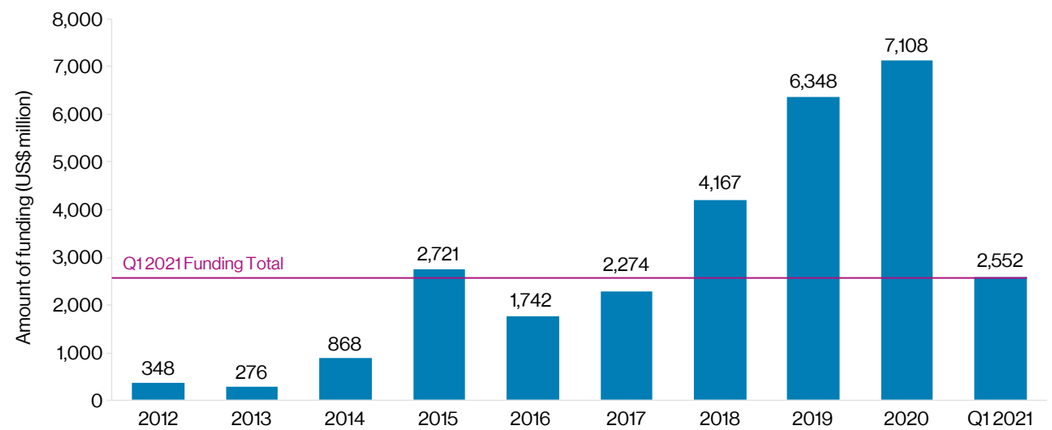
InsurTech's reach becomes increasingly international

The U.S. has been a long-standing InsurTech hub, but we continue to see the growth of InsurTech in new geographies. In 2020, InsurTech from 38 different countries raised investment – in 2016, this number was 29.

This quarter, U.S. InsurTech deal share grew to 48%, up three-percentage-points compared to Q4 2020, but U.S. activity hasn't rebounded to pre-pandemic levels. In Q1 2020, U.S.-based companies represented over 57% of global InsurTech deals – a near nine-percentage-point deficit year-on-year.

The international cohort of InsurTechs has been driving a growing share of activity. Q1 2021 marked the most geographically diverse set of early-stage start-ups in a single quarter, representing 24 countries including Bangladesh, Estonia, Brazil, Nigeria, and U.A.E.

Figure 2: **Annual InsurTech funding totals, 2012 – Q1 2021**



The amount of InsurTech funding in Q1 2021 was larger than the full years of 2016 and 2017. It would also have been larger than 2015 were it not for the two significant Zenefits and Zhong An rounds recorded that year. Q1 2021 is over 50% of the entirety of 2018 as a whole and just over 40% of the size of all of 2019. In summary, Q1 2021 is a seismic investment quarter.

A record number of mega-rounds, earlier on in the funding cycle

The number of mega-rounds (US$100 million plus) represents an all-time record with eight companies driving roughly 44% of this quarter's funding. These companies represent start-ups tackling issues across both P&C as well as L&H, including Next Insurance, Coalition, Zego, Sidecar Health, Pie Insurance, Clarify Health, Corvus Insurance and TypTap.

The top three largest rounds from this quarter went to Next Insurance, a full-stack SMB insurer, Coalition, a commercial cyber insurance and security provider, and, Zego, the usage-based motor insurance built for businesses. While Next Insurance was already valued over US$1 billion, following its most recent US$250 million Series E and its acquisition of Juniper Labs and AP Intego, Next Insurance nearly doubled its valuation to US$4 billion. After the latest funding rounds, Coalition and Zego both have achieved unicorn status with valuations of US$1.75 billion and US$1.1 billion, respectively.

While historically mega-rounds are typical of late-stage companies (Series D and later), this quarter, the majority of companies were raising Series C growth rounds, potentially an indication of expanding funding requirements earlier on in the cycle, of froth in the markets, or both.

(Re)insurers are investing more in technology than the InsurTech data alone reflects

In addition to tracking global InsurTech investment data, we also publish private technology investments by (re)insurers. This data captures all (re)insurer investment into tech-enabled start-ups and includes investment identified as InsurTech and all non InsurTech investment. It is worth noting that the captured equity investments into private companies include those made from a dedicated venture arm or directly from corporate balance sheets from global (re)insurers. It does not capture investments that are made on behalf of (re)insurers by third parties (e.g., Eos Venture Partners or MTech Capital).

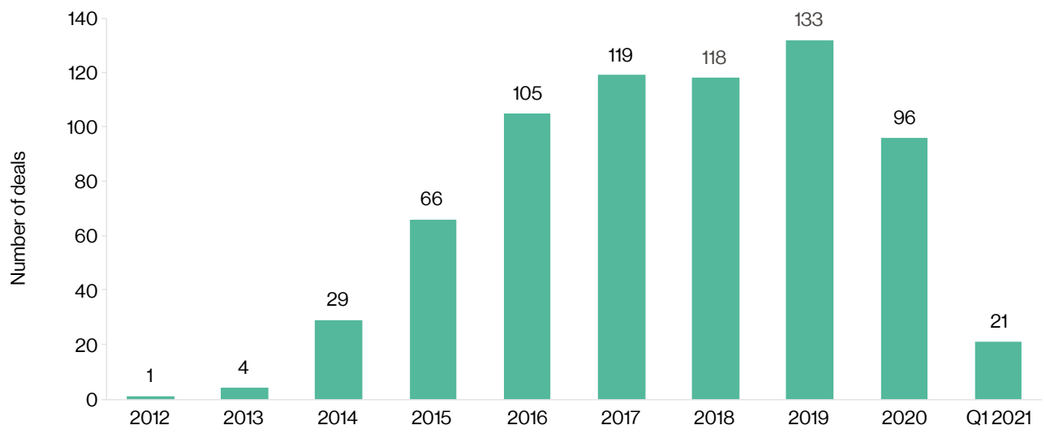
This, of course, immediately begs the questions, what is an InsurTech and what is not from the standpoint of the data? In our datasets, it primarily comes down to how the start-up itself has self-identified: What community is it looking to target? Let's take a parametric company that is looking to limit the loss of crops to weather-related damage. This company could market itself as a claims prevention tool for insurers to leverage or as a tool for farmers/suppliers to manage the supply chain and ensure resilience – simultaneously an InsurTech and an agritech (agriculture tech). How the start-up in question chooses to position itself will be reflected in the received data and determine whether it is captured as an InsurTech or as a broader technology-based investment. As a result, some investments captured in this data could easily be redefined as InsurTechs with a simple re-codifying of the InsurTech's intent.

This data, however, does also give us an interesting insight into some of the longer-term game planning that seems to be taking place. By tracking these investments, we can gain an awareness as to the motivation of (re)insurers, and the role of investment capital in this space outside of the traditional InsurTech arena. Given that, the motivations are invariably the same as those for traditional InsurTech investments: partnerships, access to technology and growth from burgeoning technology firms. We know, for example, that (re)insurers are looking to invest in tech-enabled payment technology; one such signal of this would be AXA and Allianz both invested in Stripe's Series H.

A further example of (re)insurer diversification of investment would be Munich Re's Q4 2020 investment into Span.IO – a company that has created a smart panel that replaces the electrical panel, integrates with different energy resources and allows users to prioritize the areas that should be powered during outages and backup scenarios. Has this investment been made for potential future returns (i.e., purely an investment play)? Or has it been made with the foresight of preventing damage following a power cut (i.e., a claims prevention perspective)? Maybe both?

The data alone cannot definitively identify a (re)insurer's investment strategy, but reviewing this data alongside the broader market and sociocultural trends can lead to informed observations as to the longer-term game plan that a (re)insurer may be pursuing. Needless to say, all of this demonstrates that (re)insurers are making more technology investments than the InsurTech data alone captures. Since 2012 to date, roughly two-thirds of (re) insurance investments fell outside the parameters of InsurTech – indicating that by simply considering the InsurTech-specific investments made by (re)insurers, we are only seeing part of the picture.

Figure 3 : **Number of private (re)insurer investment, 2012 - Q1 2021**



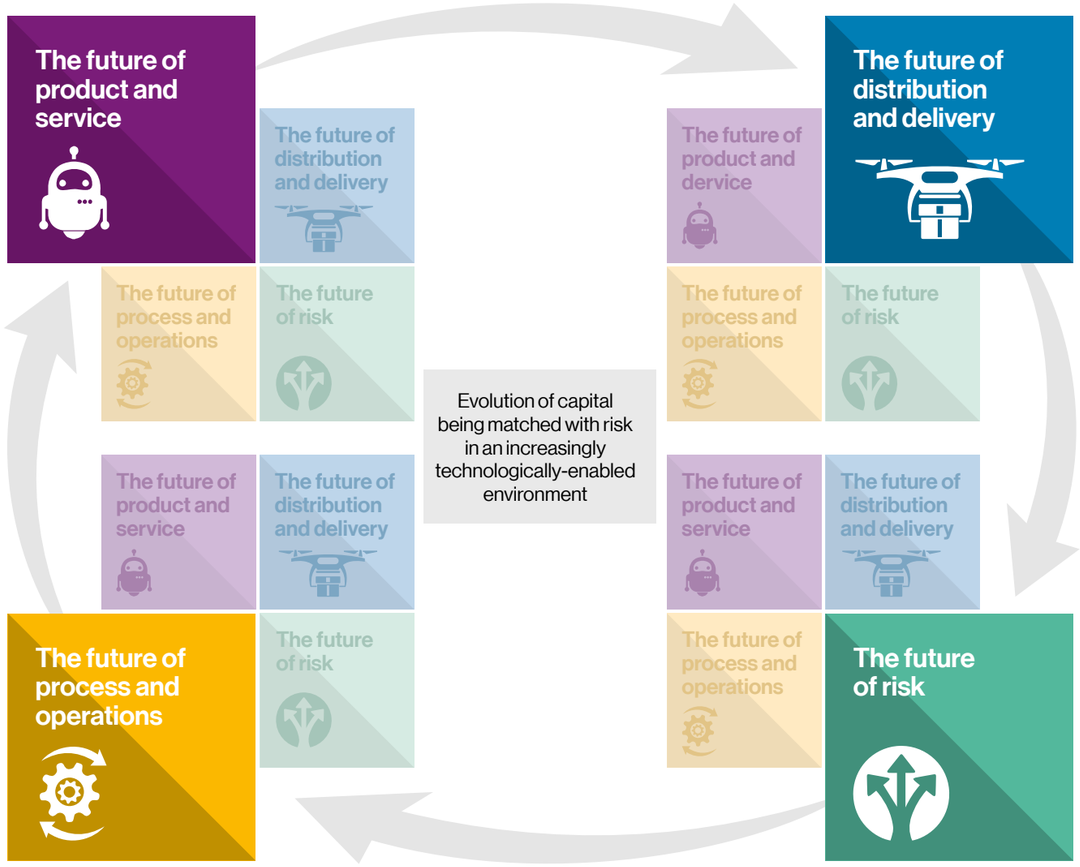
2021 Quarterly InsurTech Briefing series

Looking to the year ahead, there are many encouraging signs of things to come. The learnings from 2020, coupled with the advancement of new technology, and increasingly adopted technologies have begun to lay the foundations for the future of our complex industry. As we ponder the art of the possible in addition to a commitment to the commercially required, this year's Quarterly InsurTech Briefing series will delve into the depths of the future of our industry — taking a longer-term look at the possibility of things to come as technology relates to areas of growth, improvement and defense.

Over the course of this year, we will assess the following themes:

1. The future of product and service
2. The future of distribution and delivery
3. The future of risk
4. The future of process and operations

The future of insurance



Specifically, we are looking to better understand the direction of travel for our industry as it relates the adoption of technology to deliver long-term value to all associated stakeholders (both new and old). Ultimately our industry is predicated on matching well-written risks with the most efficiently acquired and priced capital. Any technological innovation that can facilitate this core premise and enhance the businesses engaged in this pursuit in a more effective way is a welcome addition to our industry. In our 2021 series, we will be investigating these four themes to shed light on the InsurTechs (and incumbent InsurTech initiatives) and the thought leaders in this space who are looking to make this endeavor increasingly attainable.

This quarterly briefing's contents

This Quarterly InsurTech Briefing, the first in the 2021 series, will focus on InsurTechs, InsurTech initiatives and thought leaders focused on the future of product and service. In this particular briefing, we will be featuring the following InsurTechs:

1. Buckle
A U.S. based full-stack insurer that offers financial products and services to rideshare drivers and fleet operators.

2. Sure
A U.S.-based company that provides tools to enable insurance companies and consumer brands to distribute and service any insurance policy.

3. Thimble
A U.S.-based company that provides flexible insurance policies for small businesses owners, freelancers and independent contractors.

4. Zego
A U.K.-based commercial motor insurance provider that provides insurance solutions, from fleet owners to self-employed drivers and riders.

5. Collective Benefits
A U.K.-based company that designs insurance products and services fit for independent workers.

6. Pikl
A U.K.-based company that provides insurance to the sharing economy, focusing initially on the home-sharing market.

In this quarter's The Art of the Possible, we speak to MTech's Kevin McLoughlin. Kevin gives his perspectives on embedded insurance, the role of technology in insurance and the role of consumer demand.

In this quarter, we are also unveiling a new chapter for the year: Alternative Risk/Alternative Capital. For this particular briefing, we speak to John Butler at Cohen & Company on the role of special purpose acquisition companies (SPACs) in the InsurTech space. We will speak to John about this recent phenomena in our industry, which saw US$90 billion raised in 2020 (Metromile, Clover Health, CCC, Corelogic and Otonomo), and a continuation of attention in 2021 — notably, QOMPLX's recent US$1.4 billion SPAC deal.

This quarter's Thought Leadership comes from Willis Towers Watson's Dr. Magdalena Ramada. Magdalena shares her perspective on the transition to dynamic, modular products.

In this quarter's Transaction Spotlight, we feature Porch's US$100 million acquisition of Homeowners of America, as Porch builds out its InsurTech suite of services.

As ever, we thank you for your continued support.

Introduction
The future of product and service

The future of product and service

This edition of the Quarterly InsurTech Briefing focuses on the future of (re)insurance products and the future of (re)insurance services. Specifically, we will be assessing the various ways in which technology and InsurTech are attempting to foster and drive innovations that ultimately lead to a better outcome for consumers, risk originators and capacity providers.

Much has been made over the past couple of decades that insurance, for many consumers (personal and commercial), is a "grudge purchase." Consumers of insurance hope that they will never need the products (policies) that they are buying and are not always entirely sure how the "make good" (claims and support) process will work in the event of a loss. From the outside looking in, our industry can appear unnecessarily complicated and daunting. While our industry does possess many subtle nuances that require certain processes to be (seemingly) complex, it is certainly fair to say that in many cases (re)insurance products and services can benefit from being rethought and redesigned. This is not just an issue of technology, but the extent to which technology can be leveraged in the evolution of modern-day product design and service rollout is already having a profound effect on certain demographics in certain risk classes in certain geographies.

To our earlier point in the foreword, innovations coming to the fore are as much about acceptance to adopt as they are about availability. In the case of product appetite, however, it has been clear for some time that the general public certainly does have an appetite for innovations to be made (and delivered) to them in the ways in which they are interacting with other financial service sectors. Furthermore, end consumers are increasingly conscious of their behavior (relative to others) and are prepared to give up data on themselves if it leads to a price reduction or at least improved service offering. These things, coupled with greater price transparency, have put increasing pressure on our industry to respond with improved products and services. These deliverables are already coming into our industry at scale — by both incumbents and new entrants alike.

As part of an overall trend in our industry, the technological evolution that we are observing is having a direct impact on the pricing and structure of new risk models that better mirror changing behaviors. In particular, this evolution (and readier adoption of available technology) has facilitated the development of models that cater to the gig economy, micro-time/asset insurance and flexible underwriting process. The latter two models have given birth to high-tech usage-based insurance (UBI), episodic (on-demand) insurance and embedded insurance. This entire evolution has been supported by sensors, devices, big data and immediate communication.

In this briefing, we are going to be looking at the ways in which technology is driving (new) product transformation and service/concierge provision for products for the modern consumer in this first installation of "the future of (re)insurance." In particular, we will be evaluating this transformation through the lens of social disruption and technological innovation, namely:

1. The gig/sharing economy
2. Usage-based insurance
3. Episodic/On-demand insurance
4. Embedded insurance

1. The growing gig/sharing economy

The gig economy as we know it where independent workers perform a multitude of commercial tasks as independent contractors (often using personal assets for commercial outcomes) really began after the global financial crisis of 2007 – 2008. Since that time this professional phenomenon has continued to grow, due in part to technological openness to finding commercial opportunities, but equally to an increased appreciation (for some) of this way of working and the pursuit of finding employment.

In parallel to the growth of the gig economy, the growth of app technology that has made seeking gig employment increasingly easier has grown along with a greater acceptance of companies using gig workers to fulfill temporary opportunities. COVID-19 and its associated effects have put a greater spotlight on this growing sector of the economy. As businesses are looking to reinvent themselves for the modern age, a greater reliance on gig workers has emerged.

The events of the past 12 months have significantly accelerated the use cases for (re)insurance products and concierge services aimed at the gig economy. As technology is allowing our industry to gravitate away from its overreliance on demographic data that is fixed to relatively long periods of inflexible time, real-time data insights (whether through point-of-reference sensors or dialing into readily updated third-party data sources) allow us to create, price and deliver products and concierge services that, in theory at least, should be much better for the modern-day gig worker.

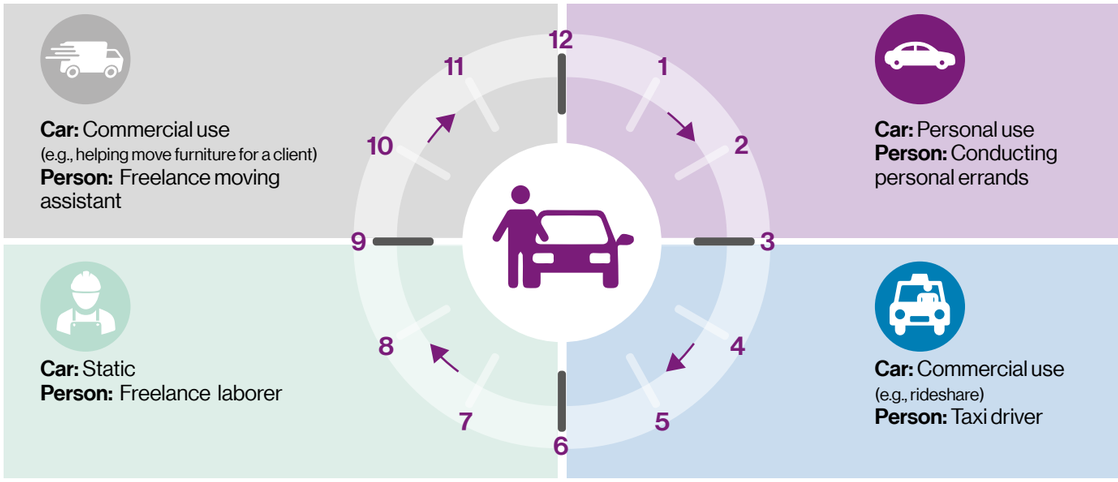
For those who think that the gig economy is still in its relative nascency, it is estimated that in 2020, 40% of all U.S. workers were employed in some shape or form through gig work. The number of hours worked per week averaged from 11 to 30 for each individual, performing tasks such as delivery, taxiing, labor, freelance construction and consultancy. In the U.K., the numbers are much smaller (approximately 5% of the U.K. economy performed gig work in 2020) but continue to grow year on year. By 2023, it is estimated that the global gig economy will be worth some US$455.2 billion. This enormous economy needs, and is going to continue to need, insurance that reflects an increasingly changing work/life medley.

From the incumbent marketplace, appropriate products and services for the gig economy are not yet widely available. This is not for a lack of appetite from the consuming audience or lack of technology to support the evolution of this growing community; this bigger issue seems to be, as mentioned in the foreword, a relatively cautious approach toward migrating underwriting, product design and product wording to be driven (at least in part) by innovative technology, for example, internet-of-things-type sensors. In particular, many incumbents have struggled to come to terms with products for freelancers where each individual risk is not being underwritten in isolation, and therefore a very expensive end product is offered (often with a great deal of overlap). As our industry is becoming increasingly comfortable with the concept of gig work, so has its appreciation of the types of products that need to be unveiled to match consumer expectations. There are notable usage-based products that offer episodic coverages reflecting changing behavior, environment and asset usage.

A number of InsurTechs have managed to carve out a competitive advantage for themselves by being early adopters and champions of these types of insurance models (powered by technology). In fact, many "start-ups" (i.e., not incumbent/InsurTechs) have done a fantastic job of creating flexible products, and product templates, that reflect granular actions that have a tendency to change at a second's notice — with an underlying pricing mechanism that alters to fit a change in circumstance. As the gig economy is driving a labor market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs, these types of innovations are much better suited to match social expectations with commercial reality. With the use of interactive sensors, many InsurTechs are amid perfecting the art of offering more affordable, relevant, personalized, better-suited products (as risk is matched with capital) with the ultimate aim of getting products and concierge services to people when and where they need them the most.

Where incumbents do still undoubtedly have the advantage over their start-up InsurTech cousins as they increasingly look to offer gig-ready products is the relative size of their underwritten portfolios. As insurers (and reinsurers) become comfortable with offering temporal coverage that is essentially a blend of discounted individual risks, the size of their shared pool becomes increasingly important. It is a paradox that (re)insurers face, but the more gig policies they sell, the less risk they are accruing (on an individual basis).

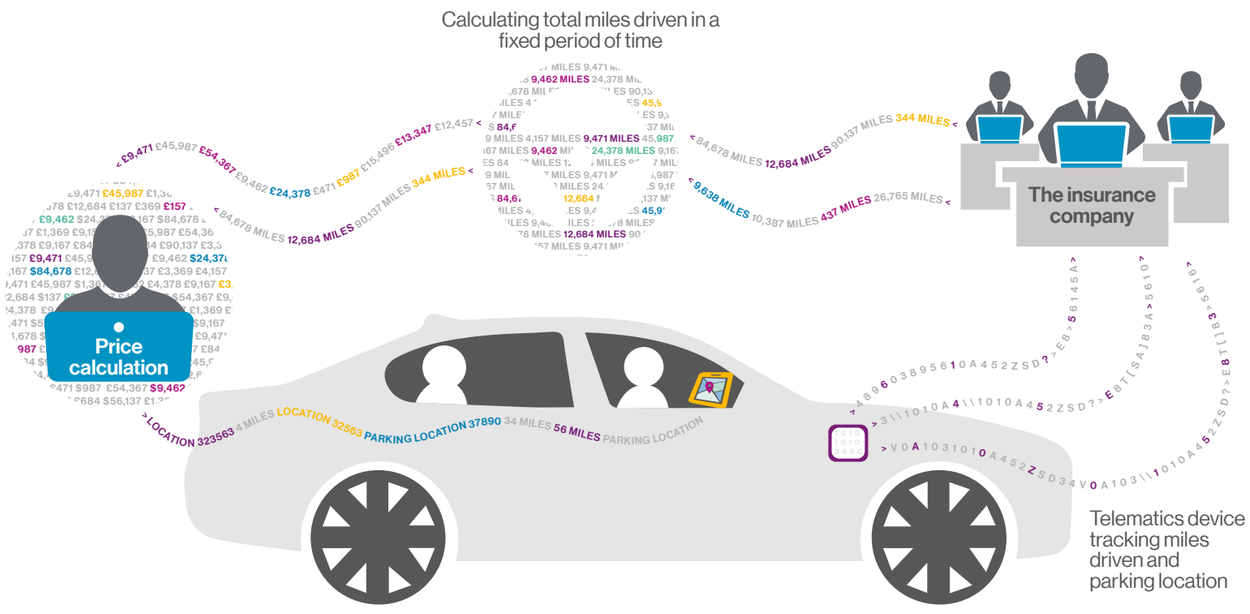
A day in the life of a gig worker: A product needs to reflect these changes in real time.



2. Usage-based insurance

UBI products and services report back to an insurer and an insured how much of something relating to a predefined risk has been done, for example, how many miles a car has been driven in a set period of time. The idea is to reward certain insureds whose behavior performs better (or less) than the average demographic profile that might otherwise be pulled on that person. It also allows (re)insurers a better insight into how certain risks perform in real time. This model of insurance has really been made possible with the advent of affordable, readily commutable telematics and sensors.

Perhaps the UBI model that has had the greatest impact is in the auto/motor space, where auto insurers might otherwise find it challenging to keep customers who drive very little, unless they can embrace on-demand options these individuals find appealing. Insureds essentially pay for actual miles driven rather than pay a fixed fee for a year based on credit score, age, postal address and so on. This UBI model allows (re)insurers to actually support products that reflect the behavior of a driver and incentivize good, low-risk behavior. The perceived benefits of the UBI model are clear; however, changes in underwriting regulations have made UBI and the telematics that are used to achieve it an even more pressing decision.



Credit scores and telematics

In auto insurance underwriting, the use of a credit score to determine premiums has been pervasive since the 1990s. The tool gives an indicator into how fiscally responsible an individual is, and insurers use it to determine the "risk" of a driver and thus likelihood of claims. Its inclusion comes with some controversy. According to its critics, the inclusion of the credit score as a metric to determine premium can adversely affect the most marginalized, and often price-sensitive, consumers. Data from the Federal Reserve Bank goes some way to support this, as its research indicates that the higher the income, the higher the score.

Irrespective of the potential utility of credit scores or the possible bias, U.S. states and regulators have responded to the increased pressure being placed on insurers. The use of credit scores to determine premiums has been banned in California, Hawaii and Massachusetts, with other states introducing certain restrictions on its use. One example is Washington, where the state's insurance commissioner has passed a temporary emergency banning insurers from using credit scores to set premiums for private auto insurance. The aim is to turn this into a three-year ban on its use to protect individuals impacted by COVID-19. . Michigan recently passed a law banning insurers' use of "credit scores" but not credit information or insurance scores.

This market pull has created a void in an insurer's pricing matrix, and with FICO estimating that 95% of all personal lines insurers use such scores to determine premiums, the immensity of this decision could cause huge ripple effects. Some insurers may be confident that the other metrics used to determine premium charged are sufficient and deem it unnecessary to fill the void created by the removal of credit scores. Other insurers might use the market pull to expand their pricing methodology and rethink the inputs they use. With wider consumer connectivity, insurers have potential access to a vast pool of relevant data resources from a driver's mobile phone, to in-car telematic devices, to connected cars. On top of that, 50% of U.S. households with insurance are interested in devices that communicate directly with their insurance company. The demand is there, along with an opportunity for the insurance companies to respond.

This does, however, leave the insurers in the states that ban credit in a somewhat precarious position. Underwriting assumptions are built off of years of claim data and actuarial learnings. For a homogenous consumer population of insurance (that is reasonably predictable), scaling up current assumptions and giving greater weight to other metrics, excluding credit scores, could be a feasible workaround for certain insurers. For insurers insuring a heterogenous population where the risk classes vary drastically, the (increasingly) forced omission of credit scores is set to leave a hole in underwriting metrics.

A possible solution for the underwriting void left by the removal of credit scores is telematics. Telematics have long been marketed as the solution to auto insurance pricing but are rife with difficulties for an incumbent insurer looking to migrate to their adoption and usage (as it relates to underwriting). Looking beyond the cost, insurers face two core problems: (1) an insured's adoption of telematics, and (2) understanding the data and data ownership derived from telematics.

Telematics: Adoption

There are two main types of telematics: on-board diagnostics (OBD) devices, which are external devices that are fitted to the car and monitor driving, and mobile devices such as smartphones. Mobile telematics have become increasingly popular and widespread given their accessibility, but this has not removed the need for OBDs or the discussions around them.

- If the insurer is responsible for the rollout of OBDs to all insureds, there is clearly a huge cost associated. Insurers would need to consider location of insureds; car models (one telematic may not suit every vehicle); local regulations on data collection; and the cost to fix, repair or replace the telematics device, to name but a few.
- If the onus was placed on the insured, it would raise the question on the incentive for the insured to purchase the telematics. What motivational tool would the insurer provide (at an added cost for the insurer)? The insurer would also have to factor in the activities of its competitors. If the competitors are providing the device for free to all insureds, it reemphasizes the incentive point above: Why would the insured stay with one insurer if he or she can leave and get a free device from another insurer? The rise in the use of mobile devices as proxy telematic devices places the onus of ownership on the insured. Though on the face of it, this is simple enough, this does cause challenges: from the straightforward questions — What if the phone breaks? What if the insured forgets it when he or she goes driving? — to the more complex questions around operating systems, applications and data usage to name a few.
- Finally, should the auto manufacturers provide the telematics device? Though this raises the incentive point — Why would the auto insurer want to provide the device, and what would it want in return? — it also begs the question of the insurer's role. Does this leave the insurer to become the balance sheet to support the auto insurer's increased embeddedness with customers? Does it run the risk of the insurer becoming solely a faculty to pay claims?

Telematics: Understanding the data and data ownership

Once the obstacle of who owns the telematics device is surmounted, insurers will need to understand the data received from the telematics device and how they can deploy it to amend their underwriting hypothesis. Without this in-depth insight, the underwriting hypothesis that insurers draw to build their portfolio could be questionable.

Will the telematics data highlight that the underwriting assumptions trusted upon for around 30 years were incorrect? Put simply, was there a greater chasm between the "good" and the "bad" drivers than the insurers originally thought or maybe the opposite? If the former, will the removal of credit scores identify drivers who are in fact "terrible" drivers who the insurers do not wish to insure? By realizing more detailed levels of segmentation through telematics insights, the insurer's portfolio could overly reward safer drivers, with those drivers deemed "bad" increasingly left uninsurable

Arguably even worse, the introduction of telematics could remove the cloak of mystery that insurers have built up, where it is unclear to the driver who is classified as "good" and as "bad" by the insurance company. The increased use of telematics may increase the visibility individual drivers have on their classification; it will become evident into which group they fall and into which group the insurers have placed them, creating opportunity for a mismatch. This could lead to the good drivers pressuring the insurers to offer premiums that match their risk classification, further exacerbating the divide between groups as the cost to the "bad" drivers becomes exorbitant.

This all presupposes that drivers will readily relinquish their data; for drivers, the cost-benefit analysis (the cost being their data) is murky. Is there are a clearly defined perceived benefit for them? Can insurers guarantee a lower cost of insurance with a telematics device? If insurers cannot offer this, which is highly likely they cannot, then the desire for customers to provide data becomes less strong. If this is the case, then insurers are going to struggle to find a suitable, and acceptable, replacement for the credit scores. Insurers are going to have to walk the fine line between behavioral insights and demographic inputs while navigating the minefield that telematic devices has created.

For the insurers, the obstacles realized by the removal of credit scores continue, even once over the hurdles of telematics ownership, the reliance on demographic versus behavioral and ensuring driver buy-in.

Auto manufacturers are beginning to offer insurance directly to the purchasers of their vehicles. While the removal of credit scores is not the reason that this has begun to take place, it has opened a chasm in which auto manufacturers have a realized advantage with the advent of smart cars. As cars become increasingly smart with technology embedded in the very center of their operations, extension to the provision of insurance by auto manufacturers is a clear step to enabling them to offer the purchasers a full user experience. This is a positive shift for insurance as the insurers become part of the seamless customer experience; however, it could leave insurers positioned in the back office with the auto manufacturers handling all frontline customer engagement. Building customer loyalty will become increasingly difficult if contingent on the customer's loyalty to a particular vehicle. Will this truly enable insurers to continue to innovate their product offering or will this leave them at the behest of the auto manufacturers, again as raised above, only acting as the balance sheet to absorb the risk with the innovation placed in the hands of the auto manufacturers?

For auto insurers, although the removal of credit scores has been in the pipeline, the sudden, rather than phased, removal is the problem that insurers will be scrambling to fix it. While the U.S. has been used as an exemplar here, this problem does transcend geographical borders. Canada appears to be taking the lead, with two provinces — Ontario, and Newfoundland and Labrador — banning the use of credit scores for auto insurance; Ontario banned the use in 2005. In the other provinces, steps have been taken to reduce the reliance on credits scores; in Alberta, for example, insurers are prohibited from using a potential insured's credit score if they only want the most basic plan. The same can't be said for other major auto insurance populations, but tides are likely to change with this major push from the U.S. regulators. While the discussion here is on auto, the pressure will likely extend to personal property; 85% of U.S. homeowners insurers use credit-based insurance scores, where allowed, it appears, based on the auto insurance market, positioned for regulatory change. Across this dicussion, it is clear that insurers globally will have to adapt, as there is too much at stake for them not to. Technology is of critical importance to solving for the problems mentioned and the number of InsurTechs looking to help insurers solve this problem is evolving at an unprecendented rate.

3. Episodic/On-demand insurance

As previously mentioned, a rise in the gig economy has led to a demand for products that only come into play when they are needed; many InsurTech companies are increasingly offering products and services that are episodic or on demand. Very similar to usage-based insurance, episodic/on-demand coverage speaks to the uniqueness of individual behavior that performs economically more efficiently than fixed demographic pricing. These models for (re)insurance allow consumers to purchase products that are only put into use when certain behavior or environments are encountered — that is, they do not provide blanket coverage for a year, but perhaps for an hour or per event. Easy access, usually via smartphone, gives customers the ability to turn their coverage on or off with one click, tap or swipe — paying for coverage only when they need it.

Until recently, most technological innovations around episodic and on-demand coverage focused on emerging risk classes (and their related products and services), for example, personal drone insurance and Airbnb-type residential gap coverages. For obvious reasons, it is very difficult to offer episodic coverages for traditional property & casualty (P&C) liabilities such as flood, fire and theft, but we are certainly observing a growing interest in episodic coverages for portable electronics that spend much of their lifetimes in the home but are occasionally taken on the road, for example, smartphones and musical instruments. In general, if an individual owns a single expensive transportable product or engages in "risky" behavior on an infrequent basis, episodic coverages can make a lot of financial sense to the end insured.

4. Embedded insurance

Finally, we come to technologically enabled embedded insurance. It is worth noting that embedded insurance offerings are as much about distribution (which we will visit in a later briefing) as about product and service, but the rationale for raising embedded insurance in this particular briefing is because (re) insurers and InsurTechs alike have already begun designing future products with embedded insurance in mind (especially as it relates to the service offering of specific products). Specifically, embedded insurance means abstracting insurance functionality into technology to enable any third-party product or service provider or developer in any sector to seamlessly integrate innovative insurance solutions into its customer propositions and experiences, either as complementary add-ons to its core offerings or as new native components. Generally speaking, embedded insurance is about creating a series of products, solutions and services that are synergistic to provide the end consumers with everything that they could possibly need to wrap around the asset that they want to protect.

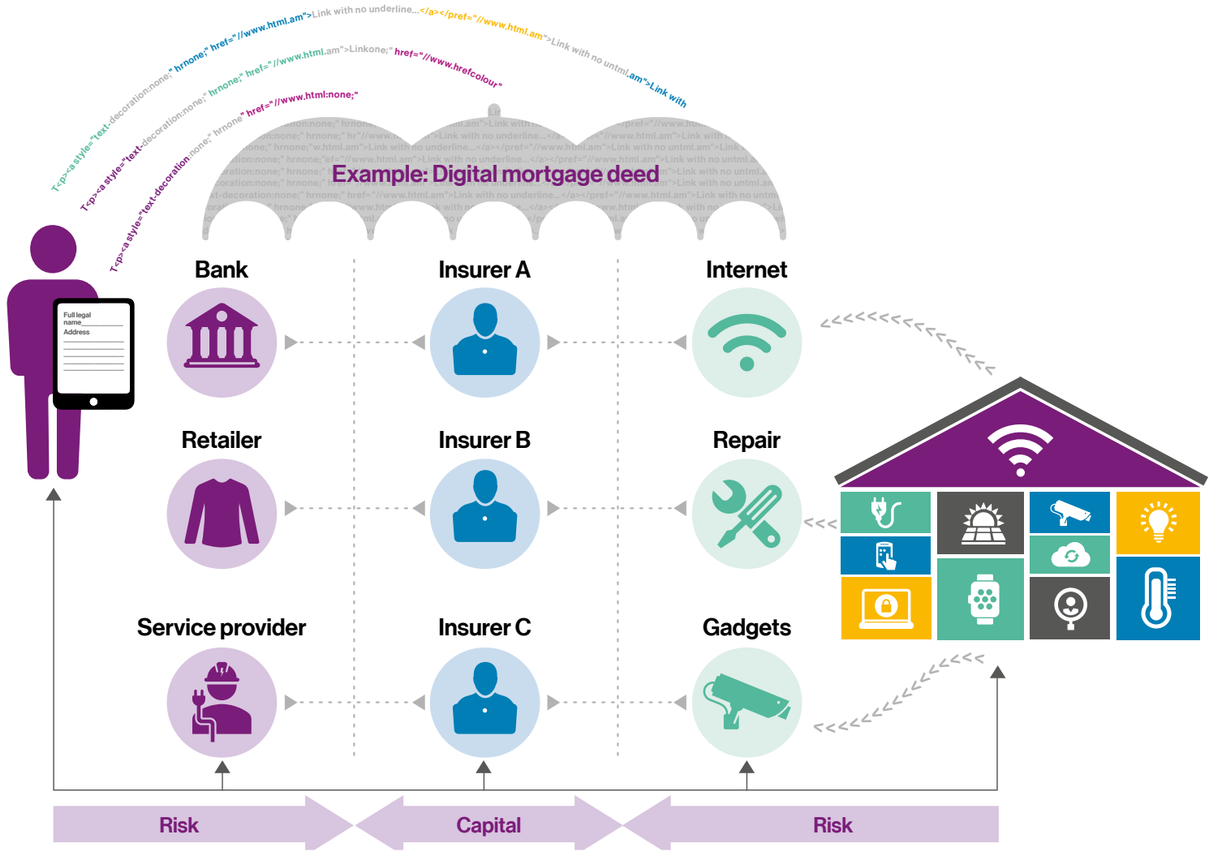
As part of an overall offering, the insurance product can be part of a broader service provision to a would-be insured. For example, a property product for a smart home could be designed to be as much about the ancillary service offerings (that relate to the nature of the smart home) as it is about the underlying insurance product, but the side services are all the while helping to price and support said product. In the case of property product for a smart home, the insurance product itself may well be offered as part of a mortgage from a lender (that has partnered with an insurer). This represents a huge opportunity for property & casualty insurers to reach qualified customers at the precise moment they want to buy tailored coverage.

Transparency (through remote connectivity) and data sharing is making it possible for (re)insurers to partner with third parties that are already themselves pre-populating underwriting questions and consumer credentialization for certain classes of risk. With the advent of digital products being readily available, such relationships can be mutually beneficial for both parties. In recent months, we have seen a number of car manufacturers turn their attention to partnering with digital insurers (or at least purveyors of digital products) to offer point-of-sale modern auto products at the point of a car purchase. Certain manufacturers, notably Tesla, are even looking to become the risk originator themselves and offer a tailored product that truly speaks to the nature of their cars and their desired drivers.

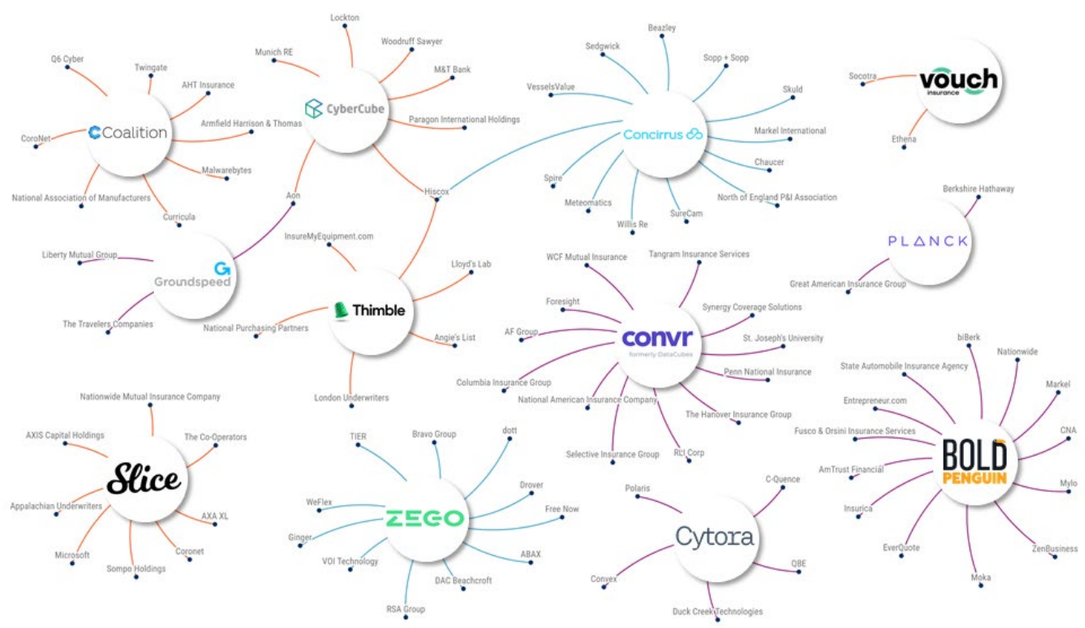
Embedded insurance offers an opportunity not only to InsurTechs and (re)insurers but also to banks, financial institutions, manufacturers, retailers and mortgage providers.

Before moving onto the InsurTech case studies in our next section, we also want to draw your attention to the InsurTech partnerships that are developing around the world that speak to the theme of this briefing. While we have mainly focused on the product and service developments that are being transformed by technology as it relates to personal insurance, a very encouraging revolution is also taking place in commercial insurance. Per the diagram map below, a number of InsurTechs are supporting the incumbent landscape by assisting with data capture, analytics, underwriting tools, product templates, service support, consumer engagement and claim handling. While many more incumbents will undoubtedly look to areas like the gig economy, episodic and UBI insurance models to further expand their offering to a broadening market, the right partnership(s) with InsurTechs can be an excellent first, second and third stepping stone as they look to build out their own offering. Increasingly we are seeing incumbent (re)insurers looking to license and partner with technology providers rather than develop everything in-house, and these types of partnerships as illustrated below are a fantastic endorsement of that.

As evolving risks seek out capital, our industry should look to make the most of the technological advantage that InsurTech is offering. Insurance products should live and breathe as they respond to changes that align with social disruption and economic efficiency. Similarly, the service provision that embeds these products should be tailored to individual products and individual insureds. At a portfolio level, (re)insurers can make the most of the fundamental premise of insurance — a shared pool of risk that supports itself through effective underwriting and data management. The technology that is available to us is more than capable of helping our industry to achieve this goal. Now is the time to embrace it.



Insurtech partnerships are key in commercial underwriting innovation
Select commercial underwriting partnerships, 2019 — 2020



Source: cbinsights.com

Some noteworthy InsurTech partnerships, deals and funding from Q1 2021:

1. Next Insurance raises US$250 million

Next Insurance, an insurance provider for small businesses, now has a valuation of US$4 billion. The round had participation from Battery Ventures, capitalG, FinTLV, Founders Circle Capital, G Squared, Group 11 and Zeev Ventures.

2. TypTap raises US$100 million to expand across the U.S.

TypTap, a Florida-based writer of private market homeowners and flood insurance, has attracted US$100 million investment from investment firm Centerbridge Partners. The company plans to use the money to expand nationally.

3. Pie Insurance raises US$127 million

A provider of workers compensation insurance to small businesses, Pie Insurance's Series C round had participation from Greycroft, SVB Capital, Elefund, Allianz X, Moxley Holdings, Acrew Capital, Sirius Point and other undisclosed investors.

4. Koffie Labs, a trucking InsurTech, raises US$4.5 million

Koffie Labs, a trucking and transportation InsurTech, has raised US$4.5 million in a Seed round. The round had participation from Anthemis Group, Lerer Hippeau, 2048 Ventures, Plug and Play Ventures and C2 Ventures.

5. Majesco expands Majesco EcoExchange Marketplace

Majesco, a leader of cloud insurance platform software for insurance business transformation, has expanded with two new partnerships and apps in the Majesco EcoExchange, a curated live, plug-n-play ecosystem and service hub of the Majesco Digital1st Insurance platform.

6. Arity partners with Ford for usage-based insurance offerings

Mobility data and analytics company Arity has partnered with Ford Motor Company to allow any participating insurer to offer secure UBI programs to eligible owners of connected Ford and Lincoln vehicles.

7. Swiss Re's iptiQ has partnered with IKEA to launch home insurance

Swiss Re's iptiQ and IKEA have launched HEMSÄKER, a home insurance offering that provides easily accessible protection at an affordable price.

8. InsurTech Circulo raises US$50 million

Circulo is a U.S.-based company that is aiming to build a next-generation Medicaid insurance company. The round had participation from Drive Capital, General Catalyst, Oak HC/FT and SVB Capital.

9. Coterie raises US$11.5 million in a Series A round

Coterie is a U.S.-based company that simplifies small business insurance. Its Series A round had participation from Intact Ventures, Alpha Edison, Lackawanna Insurance Group, RPM Ventures, Allos Ventures and several others.

10. Kingstone Insurance partners with Flyreel to offer contactless home inspections

Kingstone Insurance, a U.S. regional P&C insurance company, has formed a strategic partnership with Flyreel, an AI platform for property insurance, to help customers manage risk and prevent loss through AI-assisted inspections.

11. Skyward Specialty Insurance Group partners with Snapsheet

Skyward Specialty Insurance Group, a U.S. specialty P&C company, has partnered with Snapsheet Appraisal Services to deliver best-in-class claim management technology to customers.

12. Chubb launches BLINK by Chubb

BLINK by Chubb® is a new brand that is focused on delivering easy, effortless and affordable insurance products for digitally savvy consumers. The first Blink product, available now in 25 U.S. states, is personal cyber protection.

13. Beam, a provider of dental coverage for corporate employees, raises US$80 million

Beam's Series E round had participation from Mercato Partners, Georgian Partners, Drive Capital, Nationwide Ventures and Breakout Capital. It takes the company's total funding to US$168 million.

14. Irish InsurTech Blink partners with Allianz Partners

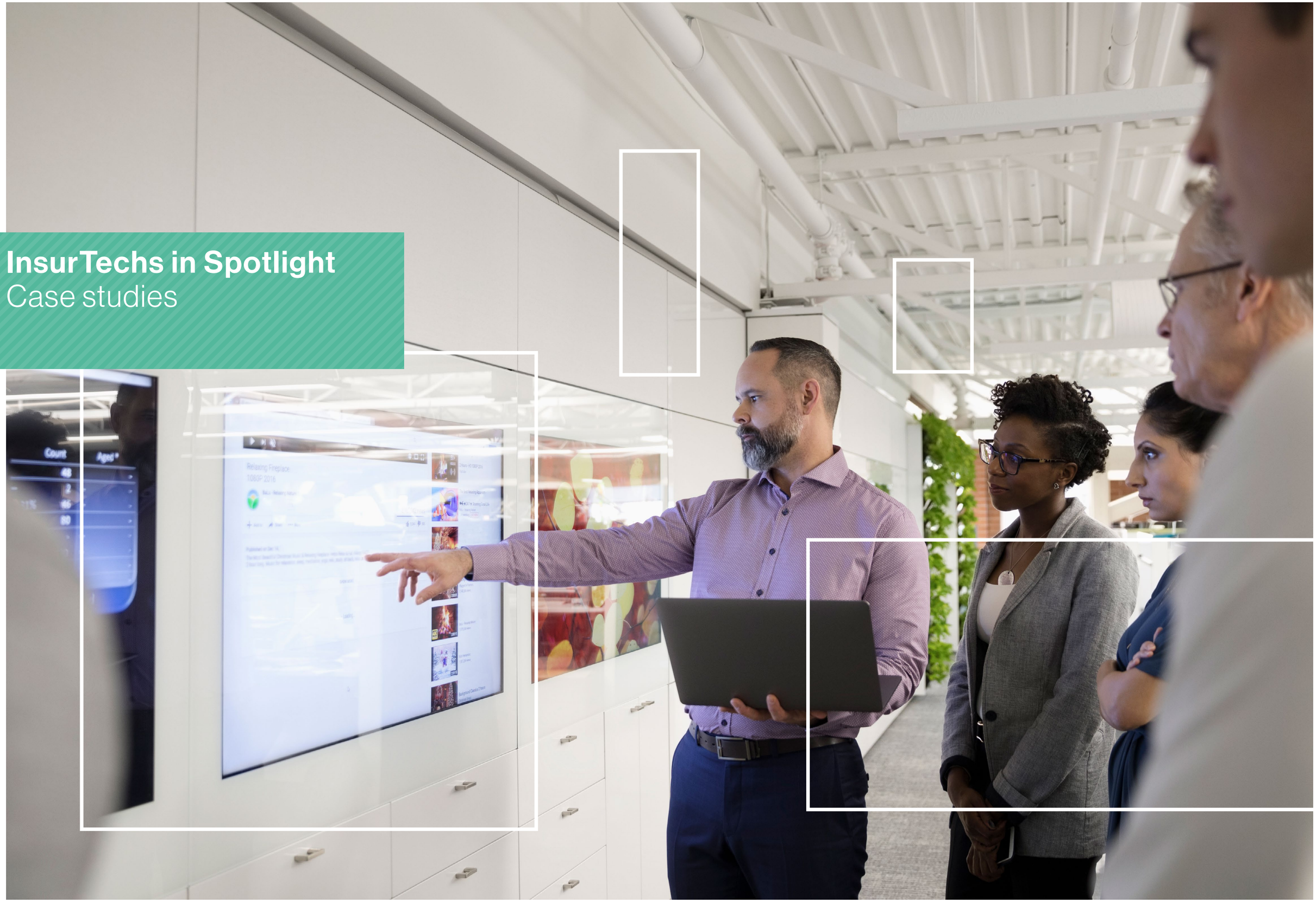
The partnership will provide flight disruption cover to Allianz Partners and affinity policyholders through the Allianz Assistance brand, extending Allianz Assistance support to U.K. policyholders wherever they are traveling worldwide.

15. Swiss Re is to reinsure InsurTech Surround

Surround provides insurance focused on property and liability risks for young urban professionals. The company raised a US$2.6 million Seed round in Q1 2021.

A snapshot of some global InsurTechs operating in the future of product and services space:

InsurTechs in Spotlight
Case studies

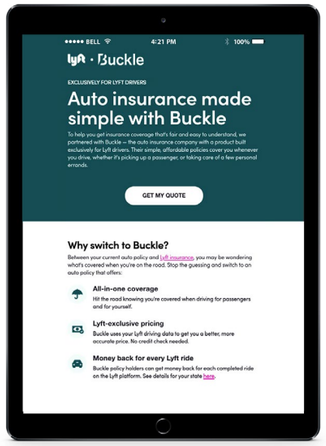


InsurTechs in Spotlight: Buckle

Buckle is a full-stack insurance and credit platform that partners with Transportation Network Companies (TNCs) to provide financial products and services to support the gig economy, made up of 55 million Americans and growing. 2020 was a major growth year for Buckle, as the gig economy and demand for digital financial services exploded.

Through its program management strategy, working with its TNC and reinsurance partners, Buckle divides the US$15 billion gig-economy insurance market into different segments of drivers and fleet operators. Buckle's current gig economy programs include its signature hybrid auto product, taxi, limo and non-standard auto (NSA). The general theme of all these programs is that they help supply drivers and vehicles to various TNCs (such as Uber, Lyft, Doordash and GoPuff), forego the current credit score methodology heavily used by traditional financial institutions, and are powered by Buckle's technology and data throughout the insurance and credit value chains.

Through its program management strategy and Digital Carriers™ infrastructure, Buckle has built out a portfolio of reinsurance partners to support its various programs, including MunichRe, SwissRe, MS Amlin, Dorinco, CorinthianRe, Topsail and ICW. This high-quota-share program management structure enables Buckle to reduce statutory cost of capital drastically across both the program and portfolio level.



In 2020, Buckle launched its signature hybrid auto insurance program in a distribution partnership with Lyft, validating its value proposition to both Lyft and its insured members. Lyft is now paying Buckle drivers more than non-Buckle drivers, which is game changing for the gig economy. Powered by Buckle's GenV platform, Buckle is rolling out to various U.S. states in 2021 and scaling this unique program.

Through its acquisitions of the Gateway Insurance Company and other admitted carriers into its Digital Carriers™ platform, Buckle is now supporting Uber and Lyft black car programs by writing taxi and limo policies across most of the U.S.through its partnership with Anchor Group Management Inc. (AGMI).

Buckle and many state insurance regulators and legislators agree that credit score is highly problematic for the tens of millions of gig workers who are overwhelmingly sub-prime and often hail from African-American, Hispanic and other systemically disadvantaged minorities. Instead, Buckle leverages many available data sources to develop a deep understanding of its members that allows it to offer them and their TNC partners more attractive financial products and services than otherwise available in the market.

Status	Personal policy	Rideshare policy	Buckle policy
Offline	Full coverage ✓	No coverage ✓	Full coverage ✓
Online, waiting for a passenger	No coverage ✗	Some coverage –	Full coverage ✓
Online, driving to a passenger	No coverage ✗	Some coverage –	Full coverage ✓
Online, driving with passenger	No coverage ✗	Some coverage –	Full coverage ✓

"We are adding like-minded MGA [managing general agent] partners focused on better controlling their business, reducing operational costs and increasing efficiencies through our Digital Carriers™ platform."

James Camerino, Head of Strategic Partnerships, Buckle

InsurTechs in Spotlight: Sure

Sure powers digital insurance programs for the world's most recognized brands and carriers. Its enterprise SaaS infrastructure and cohesive ecosystem of application programming interfaces (APIs) enable new insurance program launches and modernization in one place. The Sure Platform accelerates digital transformation and embedded insurance distribution resulting in the industry's most innovative insurance programs.

Founded in 2015, the company is headquartered in Santa Monica, California.

Sure Platform features

Sure's enterprise software-as-a-service (SaaS) platform and APIs accelerate digital transformation and maximize embedded insurance distribution. Its technology powers each phase of the insurance lifecycle including:

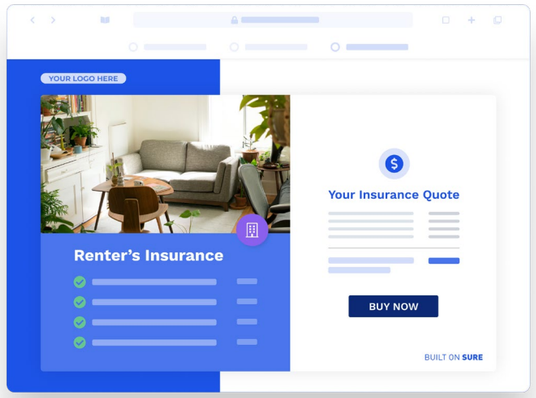
- **Distribution:** Power meaningful direct-to-consumer experiences using Sure's robust core infrastructure and APIs.
- **Policy:** Manage every step of policy servicing — from quotes to renewals — for streamlined operations and enhanced efficiency.
- **Claims:** Create an enhanced customer experience with an efficient claims process from notice of loss to settlement.
- **Agent:** Equip agents with modern technology that streamlines the day-to-day sales process and enhances the customer experience.
- **API:** Build atop a SaaS infrastructure strong enough to stand on its own and flexible enough to support existing enterprise architecture in the cloud or on-premises.

Examples: Insurance products and Sure

Sure has worked with consumer-centric brands to simplify the complexities of digital insurance by embedding insurance into their financial service offerings.

Two examples of brands that have built custom insurance programs on the Sure Platform are Common, the leading residential brand that designs and manages multifamily apartments, and Carvana, a U.S.-based used car retailer:

- **Common:** Common signed an exclusive contract with Sure to build customer-friendly digital experiences that enable tenants across the U.S. to purchase renters insurance at the time of lease signing. Common and Sure are simplifying the rental process for tenants, enabling them to choose coverage limits that meet their needs as customers, while also ensuring the coverage adheres to Common's insurance requirement. Since integrating with Sure's renters insurance API, 67% of new Common tenants have purchased renters insurance during onboarding, proving the value of a one-stop-shop user experience.
- **Carvana:** When purchasing a vehicle on Carvana, a certificate of insurance must be presented post-purchase and pre-delivery. To extend the customer engagement and to streamline the purchase process, Sure worked with Carvana to configure a custom insurance platform that enabled the customer to purchase an auto policy online, at the same time as purchasing the vehicle.



"Sure is on a mission to improve all aspects of insurance. Our partnerships with global brands and insurance carriers accelerates the evolution of customer-friendly digital experiences."

Wayne Slavin, Co-Founder and CEO, Sure

InsurTechs in Spotlight: Thimble

Founded in New York in 2015, Thimble provides instant, flexible insurance policies that are built for running a small business in today's unpredictable landscape. Coverage can be purchased via rolling monthly subscription or on demand for as little as one hour at a time. Small business owners, freelancers, independent contractors and other professionals across more than 200 categories can take advantage of Thimble's policies, which help them succeed on their own terms.

Types of coverage

- **General liability insurance**, covering bodily injury, property damage, and personal and advertising injury
- **Professional liability insurance**, covering claims of errors and negligence related to professional work
- **Errors + omissions business insurance,** covering actual or alleged negligence, legal defense costs, and claims and damages
- **Business equipment protection**, covering damages to both the insured's own equipment and property in the insured's care
- **Drone insurance**, which provides geolocation-based policies up to US$10 million

Outpacing legacy insurers

Thimble has streamlined the business insurance application process down to three simple questions. Coverage can be scaled, paused or canceled from a mobile device without penalty. Additionally, by making insurance more accessible than ever before, Thimble is helping small businesses "go pro," effectively unlocking jobs that were previously inaccessible due to lack of a certificate of insurance. Today, Thimble's application programming interface is used by major small business marketplaces, such as Angi, enabling professionals to receive access to coverage easily.

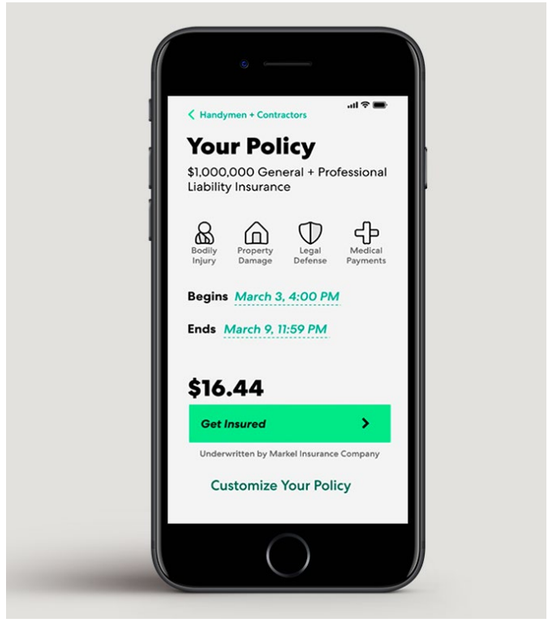
"The future of insurance is all about being there for the customer, particularly during times of uncertainty. Now more than ever, there's an incredible need for more flexible insurance solutions among businesses owners as they look to recover and rebuild in a post-COVID world — it's partially why we've seen Thimble's demand skyrocket during the pandemic. The time has come for new age products like ours that allow people to buy only what they need and help businesses succeed on their own terms."

Jay Bregman, CEO & co-founder of Thimble.

Customer satisfaction

Thimble's adaptable and efficient coverage has proven successful: 75% of customers have never had business insurance before, and 30% switched from traditional annual insurance plans. Thimble has maintained an average of 5 stars on major review platforms and a net promoter score of 82.

Additionally, an incredible 40% of Thimble customers founded their companies in 2020, underscoring the value of flexible insurance to the modern business owner.



InsurTechs in Spotlight: Zego

Founded in 2016 in London, Zego is a commercial motor insurance provider that powers opportunities for businesses, from entire fleets of vehicles to self-employed drivers and riders. It combines best-in-class technology with sophisticated data sources to offer insurance products that save businesses time and money.

About Zego

Since its inception, Zego has believed that traditional insurance no longer suits businesses that use vehicles to earn money. Zego's products represent a solution to this problem for businesses based across the U.K. and Europe.

The U.K.-founded company offers a range of cover options, from minute-by-minute to annual policies, and utilizes highly advanced technology to harness multiple data sets so it can understand risk better than the rest of the market. This superior understanding means Zego can provide the best-value insurance to its customers.

To date, Zego has provided more than 17 million insurance policies and covered more than 200,000 vehicles in five countries, partnering with some of the leaders in the rapidly evolving mobility space. At the moment, the company operates in the U.K., Ireland, France, Portugal and Spain but has further geographical expansion in its sights. In 2019, Zego also became the first U.K. InsurTech to secure its own insurance license, allowing the company to build and sell its own policies.

"In the five years since we launched, our flexible insurance model has powered opportunities for hundreds of thousands of businesses across Europe. There is a clear shift taking place in the way that people are using vehicles, and because of this, the traditional, rigid model of insurance is no longer fit for purpose. We founded Zego to offer a fairer and more effective solution for customers, and we are very excited to begin expanding this offering on a global scale."

Sten Saar, CEO, Zego

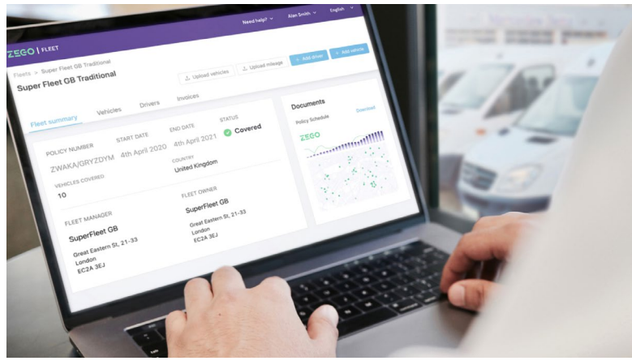
Harnessing data to provide best-value insurance

Zego combines best-in-class technology with sophisticated layers of data to revolutionize the way commercial motor insurance is priced. With its own market-leading telematics technology, recently bolstered by the acquisition of telematics firm Drivit, the company prices its products using real-time driver behavior data as a factor, as well as more traditional factors such as age and vehicle type, and data shared through its technical integrations. This all amounts to a vastly superior understanding of risk, which in turn means that Zego can provide best-value insurance to its customers.

Zego: The U.K.'s first InsurTech unicorn

In March 2021, Zego raised a US$150 million Series C round. The round took the company's valuation to US$1.1 billion and gave Zego the coveted title of the first U.K.-based InsurTech to become a unicorn. The round was led by DST Global, with participation from Balderton Capital, General Catalyst, Taavet Hinrikus, Target Global and LocalGlobe.

Zego plan to use the funding to rapidly expand across Europe and further afield. It will also increase the size of its workforce and continue to invest in technology.



InsurTechs in Spotlight: Collective Benefits

U.K.-based Collective Benefits is a leading insurance and benefits platform for independent workers. The company's unique set of products is designed to cover life's many twists and turns to expand the safety net for independent workers. Having launched only last year, Collective Benefits has built a robust, all-in-one insurance and benefits platform, with Lloyd's Coverholder Status. The company has already expanded across Europe and has partnered with leading on-demand businesses — such as TaskRabbit, Stuart and Wolt (to name a few) — to provide independent workers with much-needed protections.

Insurance built for independent work

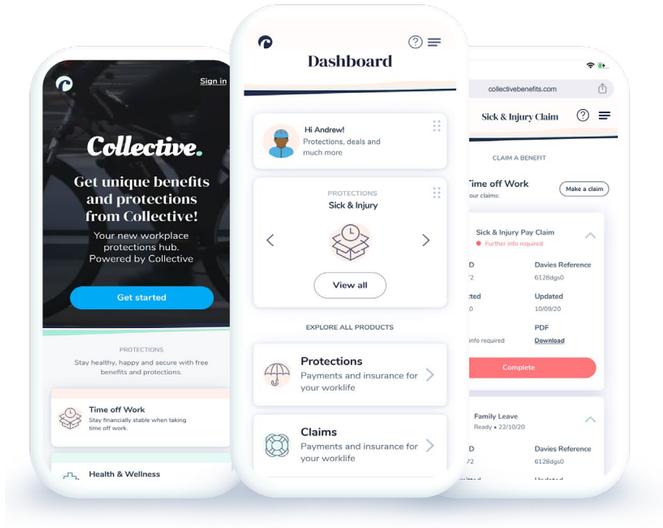
Designed exclusively for independent workers, Collective Benefits' insurance and benefits platform brings together a wide range of financial protections built specifically for their needs. From sick and injury pay, to family and compassionate leave, to robbery recovery and helmet replacement, the company has reimagined insurance to provide a much-needed safety net.

Personalized, practical and portable

Collective Benefits' insurance and benefits are fully flexible, with insurance available by the mile, by the job, by the hour, by the shift, or 24/7. Collective Benefits' partners can easily build a bespoke program of protections to fit specific needs and budget, so partners only pay for what they want. Workers can also choose to upgrade or purchase additional benefits at a far lower price than they could get independently, so they can get the precise protections they need and carry them seamlessly between platforms.

An unbeatable user experience

Collective Benefits' platform is bank-grade safe and brings independent workers' insurance and benefits together, all in one place. It's accessible on demand and on the go, all at the click of a button. Insurance is purchased and claimed through a wholly digital experience, without any underwriting questions or proof of earnings required. That means no long forms or piles of paperwork allowing workers to get key protections (and peace of mind) in under 30 seconds and make a claim within minutes.



"Right now, independent workers face a fragile financial existence; 96% have no income protection, and most have less than £200 in savings. I founded Collective Benefits to close this protections gap and get independent workers the safety net they need. At Collective, we're enabling companies with the right intentions to provide the right protections, helping on-demand platforms to protect, reward and engage their people, all at the same time. I'm incredibly proud of what we've built, the rapid growth and results we've already achieved with our partners and the difference we're making together for independent workers."

Anthony Beilin, CEO and Co-Founder, Collective Benefits

InsurTechs in Spotlight: Pikl

The company works collaboratively with the insurance market and sharing economy companies to mitigate the risk of under insurance and works actively with policyholders to understand how they share their assets and help them to prevent and stem financial loss. Pikl is looking to expand into the shared mobility market in 2021.

About Pikl's products

Pikl's products are available through traditional insurance channels, as well as through sharing economy markets, and automatically integrate into sharing platforms. The products have flexible usage arrangements ranging from one day to a full year, with active risk management services in place to prevent and stem claims.

Pikl's products

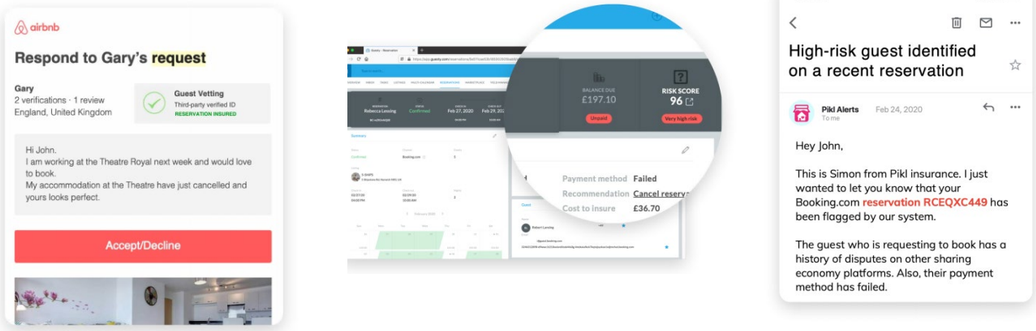
- **Standard insurance** — for individuals and businesses. A range of standard insurance products supported by large insurers that are not invalidated by home sharing and work alongside Pikl's top-up and portfolio insurance.
- **Top-up insurance** — for individuals. Covers short-term commercial usage such as home sharing and works alongside existing insurance policies.
- **Portfolio insurance** — for platforms and portfolios. Covers listings on a booking platform or the portfolio of a property manager under a single stand-alone policy.

Claims

Pikl is developing a range of active risk management services to mitigate claim risk at a platform level by analyzing each booking using a dynamic API that analyzes the risk of each and every sharing economy transaction. This risk score allows Pikl to alert the property manager and owner via a property management system (PMS) partner to bookings Pikl believes are high risk, to potentially prevent them going ahead or increase price based on the risk score of each reservation. The system automatically identifies bad risk via email for hosts with smaller portfolios who don't use a PMS.

Pikl also has its own technology suite to stem the severity of claims. Pikl's Tech Hub allows the company to integrate into a range of IOT-enabled detection devices, such as ambient noise detection monitors and leak detection devices, many of which are already installed into home-sharing properties and feed data via Pikl's integrations with PMS platforms. If at any point the device detects unusual activity, such as high levels of noise or excess moisture, Pikl is immediately notified. In turn, this triggers Pikl to contact the managers or guests and alert them to the potential problem.

Pikl's services to help stop claims



"The lines between how people use assets for work or personal use are changing, and this is being driven by the growth in digital platforms. At Pikl our goal is to collaborate with users from within their digital ecosystem to provide valuable services in mitigating risk together with flexible insurance protection."

Louise Birritteri, CEO and Founder, Pikl

The Art of the Possible

Kevin McLoughlin,
MTech Capital

The Art of the Possible: Kevin McLoughlin, MTech Capital

Kevin McLoughlin
Partner and Co-Founder of MTech Capital

Kevin McLoughlin is partner and co-founder of MTech Capital. MTech Capital is an InsurTech-focused venture capital fund investing in technology companies across North America and Europe. The investors in MTech Capital funds are insurance carriers or brokers.

Prior to founding MTech, Kevin spent 22 years in insurance investment banking, most recently as the global head of insurance investment banking at Bank of America Merrill Lynch, and prior to that as global head of insurance banking at Citigroup. He also spent seven years as an executive at AIG. Kevin maintains senior-level relationships across the insurance industry globally, having advised many of the largest companies during his banking career. He serves as a board member or observer on MTech Capital portfolio companies Akur8, Corvus, CyberCube and Insurify. He is based in London.

1. Kevin, great to have you with us today. Can you please tell our readers about yourself and MTech?

MTech Capital is a multistage venture capital fund focused exclusively on InsurTech. We invest in technology-driven businesses with the potential to transform one or more parts of the insurance value chain. Our areas of focus include adjacent industries such as wealth and asset management, employee benefits and digital health. The limited partners (LPs) in our fund are large insurance groups, and we connect the companies we meet with — and invest in — to our ecosystem of limited partners and our wider network within the industry. We invest across North America and Europe from our offices in Santa Monica [California] and London.

We have been investing since 2018 and have invested in around 15 InsurTech companies to date. We have found that our proposition resonates with entrepreneurs who value the expertise and access that a sector-focused fund can bring to their business.

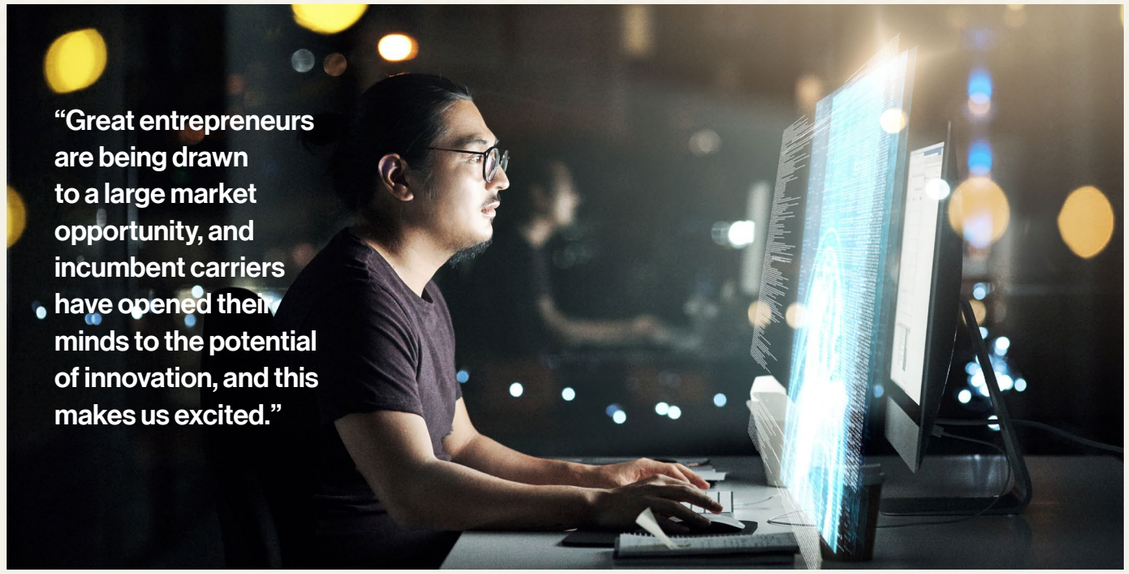
2. Why has MTech focused its attention on the world of InsurTech?

As an investment banker covering the insurance industry, I could see that insurance was going to be transformed by digital technology the way fintech changed banking a decade earlier — and that it was going to be strategically important for insurance companies to gain visibility on technological innovation. Meanwhile my co-founder, Brian, who happens to be my brother, had been a fintech investor for 15 years as a partner at Upfront Ventures and also saw InsurTech emerging as a new vertical. The initial idea for the firm started in 2017 when we got together for the holidays. The fact that we are now the fourth generation in our family to work in insurance made the idea of an InsurTech fund all the more natural.

Today, there are new types of insurance companies being built from the ground up with modern technology that have the potential to become large enduring businesses. Meanwhile, incumbent carriers are re-platforming to take advantage of the benefits of cloud technology, advanced data analytics and process automation, and are looking to start-ups to deliver the tools required. Great entrepreneurs are being drawn to a large market opportunity, and incumbent carriers have opened their minds to the potential of innovation, and this makes us excited.

Within InsurTech, we are particularly drawn to businesses looking to improve what we call the "plumbing of insurance." We like to back entrepreneurs that are solving difficult challenges for the industry. Some companies are doing this by selling software to incumbents, while others have decided to build the brokers and insurers of the future; we invest in all of them. In each case, we look for great entrepreneurs solving a hard and important industry problem that we believe has the potential to become a big business one day.

Some examples of this include Bold Penguin, an MTech Capital portfolio company that was recently acquired by American Family Insurance. Bold Penguin set out to improve the placing of small business insurance for brokers, carriers and insureds. The company built deep, proprietary technology and integrations to help brokers effectively match a small business risk to the right carrier, and the positive response from the industry was palpable. Their recent acquisition was validation of the hard work the company had put in to build something unique.



Another example is our investment in French software-as-a-service (SaaS) company Akur8. The Akur8 team has built a cloud-based actuarial modeling platform that uses advanced data analytics to accelerate the process of building insurance underwriting and pricing models. There is enormous potential for the application of superior data analytics in the insurance industry, but the actuarial tool kit hasn't kept up with technology progress elsewhere.

3. What are the commercial objectives of MTech? And what kind of relationship do you have with the LP funds?

We are an independent venture fund and assess investment opportunities based on financial returns. We will review 600-plus companies a year and make five to six investments — roughly 1%. However, many of the 99% of companies we choose not to invest in are good companies and may still be of great interest to our limited partners as potential customers.

We have regular calls with key executives at each LP where we discuss companies we have met and how they might help improve their operations. Where there is interest, we make the introduction. As well as bringing innovation to our LPs, this helps us to understand where the real pain points exist for the industry and allows us to better identify areas where we believe there will be significant market demand.

We also have initiatives to connect subject matter experts working at our LPs with start-ups looking for advice and guidance. There is an enormous wealth of expertise within the insurance industry, and we help our portfolio companies take advantage of this. Two recent examples: An MGA [managing general agent] in our portfolio wanted to bring their own claims in-house for the first time and needed some guidance on where to start. We introduced them to a claims expert who helped them build the right team and processes to tackle it. Another portfolio company was looking at international expansion and needed to understand how to adapt their software product for a new market. We found them a mentor to answer their questions, which helped shaped their strategy. In addition, he was so impressed with the product, they are exploring a commercial pilot.

We also find senior insurance executives welcome the chance to share their knowledge; hence, we set up a mentorship program to make deep insurance experience available to our portfolio companies. Interestingly we have found the mentors in the program often bring a greater appreciation for technology and potential to transform operating practices back to their own companies.

4. Much of your portfolio is focused on embedded insurance and the general evolution of insurance products and services; can you please explain to our readers why you think this is a good space to focus in on?

We have made several investments in embedded insurance, which we see as the opportunity to deliver insurance to a customer while they are doing something else.

MTech Capital portfolio company Corvus announced a US$100 million Series C financing round in March 2021, led by new investor Insight Partners with follow-on participation from all existing institutional investors. Corvus is a leading provider of cyber insurance in the small-to-midsize businesses (SMB) commercial lines space. The company distributes through brokers and uses proprietary data and AI analytics to predict and prevent claims.

Corvus has seen tremendous growth over the past year, reaching US$120 million in annual premium run-rate in January 2021, up 250% year-over-year. At the same time, as an MGA, the company is highly focused on generating attractive, stable underwriting results. MTech believe Corvus is fast-becoming the leading provider of cyber commercial insurance with a proposition that clearly has traction with SMBs and brokers. The US$100 million of new capital will give Corvus valuable strategic flexibility.

The embedded model works particularly well in more commodity lines of business where there are high levels of automated underwriting and the ability to quote and bind digitally. We also look for a data advantage: If a consumer is buying a product, we want to take all of the information they've already provided during the purchase flow and seamlessly offer a bindable insurance quote using this data.

There are two examples of this in our portfolio:

- DealerPolicy is a digital agency offering the ability to buy auto and home insurance when a customer is purchasing a new vehicle from a dealer. The company integrates into the car financing workflow to collect key information on the vehicle and the applicant and uses this to seamlessly generate a comparison-shopping experience for their new car.
- Matic offers a comparable proposition within mortgage servicing and origination channels. When a consumer calls in or goes online to pay their mortgage, Matic's technology can often offer potential savings on their home insurance without a consumer even requesting a quote. Matic uses both the property and insurance details held by the mortgage company to generate bindable quotes from the best consumer brands in insurance.

We find the embedded model attractive because we think it leverages data in one transaction to provide a better experience for the customer at a lower acquisition cost for the insurer. Most people don't want to spend time thinking about insurance. The deep ecosystem integrations achieved by companies like DealerPolicy and Matic make it fast, simple and cheap for the consumer while also delivering highly attractive unit economics, especially when the alternative might be pouring money into Facebook ads or Google AdWords.

We believe there are further opportunities to deploy a similar model in other ecosystems. We are excited about the potential application of the embedded model in other lines of insurance: Small commercial, extended warranty/product insurance and even simple term life products could work well.

5. To what extent do you think technology is driving the evolution of this process?

Two key technologies underpin embedded insurance businesses and make them possible today, when they weren't 10-plus years ago: (1) software-as-a-service architecture, and (2) the availability of third-party application programming interfaces (APIs). These businesses offer a great customer experience by extracting the information from a system of record (e.g., a car dealer financing platform or mortgage administration platform) and using this to generate a quote from a carrier — which might be available from a direct API portal or third-party rating engine. Without these adjacent building blocks, these companies could not exist.

Beyond technological evolution, the other key driver for embedded insurance is simple consumer demand. Mainstream e-commerce has set an exceptional bar for digital purchasing experiences, and other industries must "up their game" in response.

6. Do you see insurance products being designed and underwritten during the embedded process, or do you see companies using embedded insurance to distribute existing insurance products more effectively?

To date many of the more successful businesses in this category have offered a multiproduct, comparative shopping experience. Furthermore, we are increasingly seeing entrepreneurs address this as a "product manufacturer" (i.e., delivering their own product as an MGA or full-stack carrier).

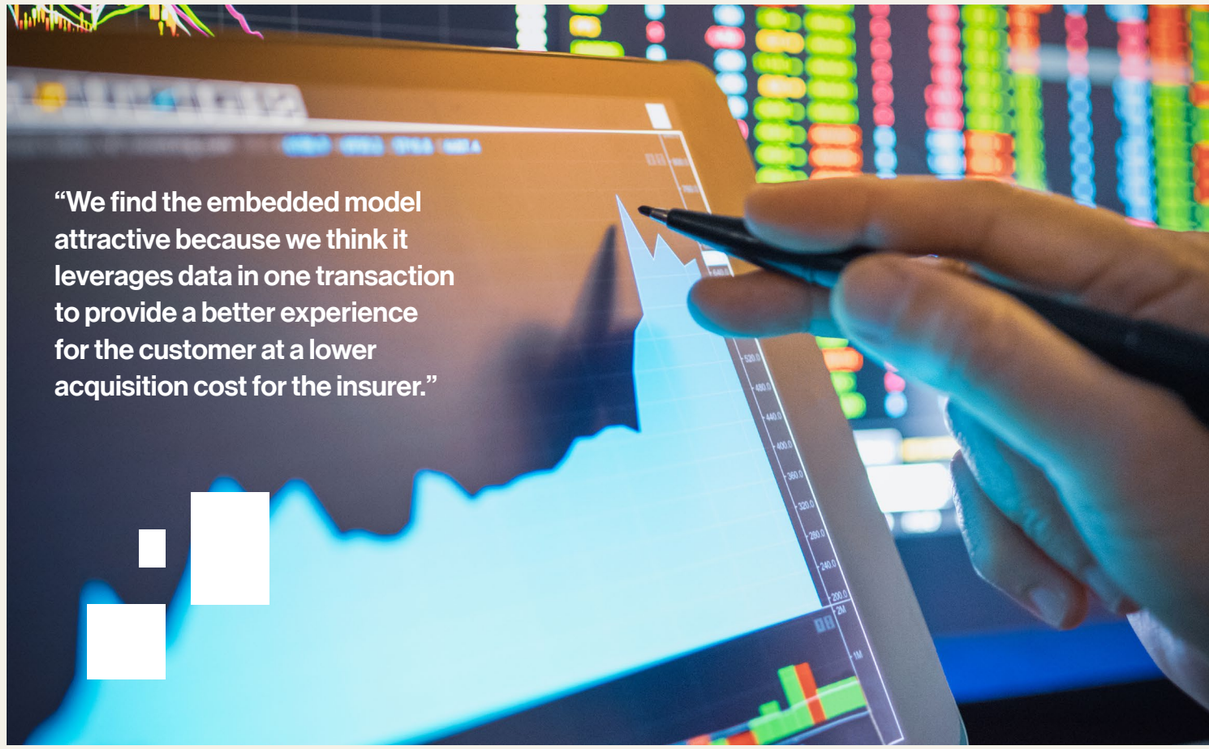
In these instances, the simplicity and convenience offered by a single underwriter can outweigh the potential price benefits a consumer gets from shopping around. This can work well at both ends of the spectrum of price and complexity.

For simple, low-value "item insurance" or product warranties, there is limited price differentiation and users are unlikely to shop around. The superior economics and product control that an MGA can bring make this an attractive category for product manufacturers, much like the "buy now, pay later" platforms that only offer one financing rate.

Conversely, for more complex products — like life insurance — some companies have had success by bringing the simplicity and speed of a single product to what would otherwise be an overly complex multi-carrier process. If it is too hard to go out and get quotes from five carriers, an MGA may only need to offer a good price, not necessarily the lowest price, to win a sale.

7. Finally, what advice would you give an InsurTech looking to break into/add value to our industry?

Some entrepreneurs clearly believe incumbent insurers will go the way of Blockbuster. We often hear people say, "XYZ insurance company has been around for over 100 years and has antiquated technology stacks that preclude them from doing what we do." On the contrary, successful insurers have often survived and prospered for this long by adapting to and overcoming new risks — be they technological or otherwise. Most of them are even generating significant profits! Incumbent insurers have brand, distribution, capital and know-how. Together these provide significant advantages. Most entrepreneurs we meet have an appreciation for the expertise within the insurance industry and are looking to build on what is already there. Underestimate the incumbents at your peril.



Alternative Risk/ Alternative Capital

John Butler, Cohen & Company

Alternative Risk/Alternative Capital: John Butler, Cohen & Company

John Butler
Head of Cohen & Company's U.S. Insurance Asset Management Platform and Global ILS Program

John Butler is head of Cohen & Company's U.S. Insurance Asset Management Platform and Global ILS Program. Additionally, Mr. Butler serves as president and chief executive officer of Cohen & Company's series of special purpose acquisition companies (SPACs) formed for the purpose of effecting a business combination with a primary focus in the insurance, reinsurance or insurance-related services sectors. Insurance Acquisition Corp. and INSU Acquisition Corp. II have both successfully combined with target companies, and INSU Acquisition Corp. III is currently actively seeking a combination.

1. John, great to have you with us. Would you please tell us a bit about yourself?

I work as the head of the U.S. insurance investment practice of Cohen & Company, which includes managing private debt funds which provide debt capital to small and mid-sized insurers in North America and Bermuda, as well as working on other opportunities for our investors within the insurance sector, such as insurance-linked securities (ILS) and equity investments. I am also the CEO and lead of our INSU series of insurance-focused SPACs.

Prior to joining Cohen & Company, I had a career in the reinsurance industry spanning over 20 years. For the first half of my career, I worked as a traditional reinsurance underwriter and reinsurance company executive. Eight years ago, I moved over into the asset management side of the business, first of all focusing on ILS and then more broadly in investments in the balance sheets of insurance companies and insurance enterprises.

2. What is Cohen & Company's primary business?

We are a financial services company specializing in the fixed income markets and, more recently, in SPAC markets. We were founded in 1999 as an investment firm focused on small cap banking institutions but have grown to provide an expanding range of capital markets and asset management services.

Our business segments are capital markets, asset management and principal investing. Our capital markets business segment consists of fixed income sales, trading and matched book repo financing as well as new issue placements in corporate and securitized products and advisory services, operating primarily through our subsidiaries, J.V.B. Financial Group, LLC in the U.S. and Cohen & Company Financial (Europe) Limited in Europe. Our asset management business segment manages assets through investment vehicles, such as collateralized debt obligations (CDOs), managed accounts, joint ventures and investment funds (collectively, investment vehicles).

We have been actively involved in investing in the banking and insurance sector since 2002, principally as a manager of private debt products. From 2002 to date, we've probably been the largest and most consistent provider of debt capital transactions to insurers whose requirements are too small to be serviced in the public markets.

We look at both the North American and European markets, and from 2002 until now we have deployed over US$4.3 billion across 211 different companies. We have extensive experience of investing in the insurance field.

> "You, as an InsurTech, do not want to be experiencing growth pains in the face of the public market. This destroys a reputation for the long term."

3. How long has Cohen & Company been looking at technology for investment purposes/ opportunities?

Our chairman, Daniel Cohen, has been focusing on financial technology businesses for several decades in large part through his various roles at The Bancorp. Bancorp specializes in offering financial processing and banking services to financial technology and e-commerce-related businesses and was one of the first banks to specialize in this area.

Daniel, who had had a highly successful career in the U.S. banking industry, began to focus on the reemergence of SPAC vehicles after the global financial crisis in 2015. Since 2015, he has been one of the most influential and consistent figureheads in our industry to redevelop SPACs as alternative vehicles to IPOs [initial public offerings], improving alignment between sponsors, public investors and target entities, and to clearly focus on quality transactions with strong post-combination stock price performance. Daniel and other team members from Cohen & Company have been the driving force behind both the FinTech Acquisition Corp. and INSU SPAC series. The FinTech Acquisition Corp. SPAC series, a separate business that Daniel co-founded, has been bringing companies to the public markets in the fintech arena via SPAC combinations. Daniel has always considered InsurTech within the broad definition of fintech. From our perspective, InsurTechs broadly lagged behind fintechs in terms of their overall development and ability to go public more regularly. However, in recent years Cohen & Company has gradually increased its investment focus into InsurTech as the market matured.

4. Specifically regarding InsurTech, for how long has this evolving technology world (as it relates to [re]insurance) been of interest to you and Cohen & Company?

Prior to the INSU SPAC series, we had been observing the development of the InsurTech market firstly as an adjunct to the fintech market but also as an investor into more traditional insurance companies' balance sheets over that time. During that time, we continued to observe and track the ways in which technology was able to improve the quality of risk management, risk analysis and customer acquisition, and evolve the insurance product. For us, there has always been an interest in seeing and promoting best practices in the (re)insurance industry. Anything that improves the underwriting decision-making process, or the claims handling journey (as examples of things that look to improve the overall efficacy of the [re]insurance market) have been of interest to us for a long time.

I would say that specifically it has only really been the last two to three years that we have felt like there have been a sufficient number of companies of a developed scale in the InsurTech market to bring along a SPAC series (to even consider those companies going public). Prior to that, we had interest in certain InsurTechs to the extent that they represented venture-type opportunities for us, but it is only really in very recent years that we have seen the sufficient development of certain InsurTech enterprises and interest from the right investors that has moved our own relationship with InsurTechs along.

5. It is fair to say that the InsurTech world, and related interested parties, have gone a little bit SPAC crazed. For our readers not familiar with the term and the function of SPACs, would you be kind enough to shed some light on this space? And why have SPACs suddenly gained such attention in the InsurTech sphere?

A SPAC is essentially a vehicle that allows for an alternative route to a public listing (compared to a traditional IPO). As sponsors of SPACs, our role is to establish a vehicle and then raise capital into that vehicle via an IPO at a point when that company has no subject business. We, as a sponsor, identify a sector (in this case, the [re]insurance sector) where we believe there to be attractive targets to be brought public. IPO investors will then back our expertise both as executors of SPACs and also as knowledgeable experts in the insurance markets, to use the IPO capital to effect a merger between the SPAC vehicle and an established private company.

Once the initial IPO has taken place, the public investor capital is held in trust, and then the role of the sponsor over a limited time period (typically 18 – 24 months) is to use that capital to effect a combination between the public SPAC vehicle and a private operating company whereby the SPAC will acquire the operating company (therefore the SPAC effectively becomes the public holding company of the previously privately owned firm). For the acquired company, it means they go through a capital transaction where they receive a capital injection to their balance sheet or provides them with the opportunity to buy out existing shareholders (or a combination of the two) using the capital that is in the trust and they become a public company via that route. The advantage for the original IPO shareholders is that they now become holders of what they hope will become an attractive new enterprise coming into the public markets, which will show strong stock price appreciation. To be clear, however, it is still a route to the public market.

Specifically, regarding their relevance to InsurTech, SPACs have had a few cycles in their lifetime, and it is really post 2015 that SPACs emerged in their current form. Their potential advantage (over an IPO) for InsurTechs can be threefold:

- As an opportunity to raise greater volumes of capital as part of the transaction compared to a normal IPO, because alongside the SPAC capital additional PIPE (private investment in public equity) capital can also be raised prior to the completion of the transaction, meaning that a firm might, for instance, be able to go public one capital round earlier than normal, or deleverage more significantly, (but that doesn't mean that you should contemplate a SPAC combination instead of your Series A round!).

- Because a SPAC follows SEC [Securities and Exchange Commission] merger rules (as opposed to IPO rules) there is the opportunity in the earlier stages of a SPAC combination to wall cross institutional investors to discuss the company and "test the waters," before the transaction becomes known publicly. As the private company is being acquired (and therefore going public), it gives a greater opportunity for you, the InsurTech, to discuss your business and get to know your potential public investors. If those meetings are met with a cold, unenthusiastic audience, you as the business can withdraw from a confidential process and the broader market is none the wiser. There is therefore no tarnish of a failed IPO. If the conversations go well, you will have garnered a great deal of knowledge as to the level of support for your company going public (and related public valuation of your company). This creates a much more stable condition for a better outcome than, say, an IPO.
- InsurTechs have a higher probability of success if they are working with a sponsorship group that has deep SPAC expertise and market relationships with the core focused institutional investors within their sector. The value of the right sponsor is of paramount importance in the security and experience of transaction closing and ensuring the best possible conditions for business's stock price performance over the medium term, driven by bringing along the correct mix of knowledgeable and committed institutional investors. The art of being a really great SPAC sponsor is in managing the closing of the transaction and bringing in the right blend of investors to create this outcome (often called de-SPAC-ing).

This three-pronged advantage is probably the major driver behind the current booming SPAC trend, which is also creating an interest from InsurTechs looking at SPACs (and vice versa). Market volatility in early 2020 driven by the impact of COVID-19 led bankers and companies to reflect on SPACs' ability to offer a potentially much more predictable (or at least stable) outcome for all interested parties at a time where predictable public investment behavior was not guaranteed. We observed this firsthand: The volatility of the market led to a number of companies that had considered the IPO route actually moving over to the SPAC route to mitigate against some of that volatility and uncertainty. As this pipeline grew, the number of SPAC vehicles subsequently increased, and we have observed a self-fulfilling cycle: The more interest there is, the more bankers start talking about SPACs, the more roles there are for potential sponsors to enter the market, and the result has been a substantial uptick in SPAC IPOs and a subsequent uptick in company combinations.

6. How do you see SPACs evolving over time?

The current popularity of SPAC vehicles has done much to raise their profile and understanding across industry sectors, including InsurTech. Even as the number of IPOs increases again, we see SPACs continuing to offer an attractive alternative route to the public markets long into the future. Even if the number of SPAC launches reduces over time, there will always remain a role for well-managed SPAC vehicles, and it is likely the volume of SPAC activity will remain at an elevated level compared to pre-2020 levels now that the construct is much better known in the general financial markets. We continue to find a strong pipeline of attractive and appropriate private companies for SPAC combinations. However, we have also observed an increasing number of cases where transactions are being proposed with InsurTech companies, and others, not yet at the appropriate stage of their development to be facing the public (yet). This certainly should be avoided by SPAC sponsor groups and potential target companies if they are really focused on long-term success and value appreciation.

There is a place and space in the world for experienced and responsible SPAC sponsors to bring forward appropriate and good quality companies, and that will continue, long into the future as long as the right type of InsurTech is being targeted. We are already pleased to be observing a "flight to quality" by well-considered bankers and potential target companies towards the most experienced and knowledgeable SPAC sponsors. We will certainly remain consistent in our approach for the long term, as will the other experienced sponsors who have the knowledge and expertise to find the right target company and have the ability to bring together the appropriate combination of investors. In conjunction with this, however, is the expectation we have that inexperienced sponsors who do not yet understand that the investment combination at the back end is much more complicated than the IPO raise at the front end and that the target companies really have to be of a very good quality and be public-facing ready are going to struggle. Those inexperienced sponsors will probably disappear over time. Our presumption is therefore that likely over time there will be fewer SPACs than there are today. At the same time for those that remain, there will still be good InsurTech targets and good quality SPACs, and successful combinations will prevail.

7. Can you please give us some examples where Cohen & Company has directly been involved in InsurTech SPACs?

The headline transaction that we have participated in recently with the INSU series is Metromile – the San Francisco-based provider of pay-per-mile auto insurance. They are a decade old, and we really like the enterprise they have been building. We appreciated their keen focus on underwriting results and their desire to manage loss ratios whilst still showing rapid growth. They use technology in a fantastic way and provide their consumers with a product and service that befits their behavior as low mileage drivers, which is more than half of U.S. drivers. As they grow nationwide within the U.S., they should be able to do that on the strength of already strong underwriting results. As COVID-19 has restricted miles driven for a lot of people, this only strengthens that value of their insurance proposition. Moving forward, we believe their value proposition becomes even more mainstream, as employers and workers adopt new hybrid models of work and drivers everywhere embrace customized insurance based on their own driving, not everyone else's. We're also a fan of their burgeoning Enterprise unit, which licenses their technology worldwide. This cloud-based SaaS business was launched just a couple of years ago, and they are already working with several leading insurers to automate claims for faster resolution, reduce losses and fraud, and unlock employee productivity.

8. The broader topic of this particular briefing is the evolution of the insurance product as it relates to the future of risk. What do you see as being the major drivers in evolving insurance products (and services) as they relate to technological innovation?

There are three things that come to mind:

1. There will be a continued use of technology to improve insurance products and services (in its broadest sense). This also extends to the underwriting process, the analytical process and the decision-making process.
2. I think there will be a continued growth in direct-to-consumer offerings, particularly in the U.S. I think there will be an expansion in embedded insurance offerings, especially through the retail and banking networks. This will include both personal lines and commercial lines products. In commercial, this will extend to SME [small and midsize enterprise] type products. The speed at which this is happening in the U.S. is tantamount to a revolution as it looks to catch up to the offerings and services already available in Europe for more than a decade.
3. Insurance companies are still inefficient when it comes to the day-to-day processing of business, and I think we will see technology increasingly improve efficiencies for insurers.

9. Do you think that InsurTech has changed the face of (re)insurance as we know/knew it forever?

I think that InsurTech is a part of the evolution of the business. In some cases it has sped things up, but it has not necessarily created something from new. InsurTech does not represent a cliff-edge change for our industry. If I think about my own career, the improvement in analytics and tools used to make decisions and manage risk has improved dramatically, even in areas that are still seen as relatively "traditional," like reinsurance. There have been changes in reserving and portfolio management that no one really gives the market credit for, but the improvements that have been made in the past 20 years are really quite remarkable.

What InsurTech has done is cast a new light on the industry. As an example, direct-to-consumer sales and servicing is not new; we have had it in the U.K. for decades, but InsurTech is breathing new life into this model and making it available to a far broader range of consumers across many geographies. The market will continue to develop, and I think we are catching up with the banks. What many commentators often forget is there is value in insurance's more steady approach (as an industry). We are a highly regulated industry with very strong obligations to our policyholders and shareholders that we must meet. The prudence of the market thwarts the types of cliff-edge changes that many claim to be observing. We will, however, always promote continuous improvement, and that is accelerating over time.

10. And lastly, if you were to give some advice to a new tech-enabled entrant (InsurTech) coming into our industry, what would it be?

Specifically regarding the SPAC world, avoid the noise and temptation to look to this route to go public too quickly; it will cause long-term problems for your business. It is incumbent on the market of InsurTechs (both the investors and the management of InsurTech groups) to be very focused on their businesses and not be dazzled by the multitude people who are knocking on your door today, waving large checks at you. Think very hard about what you think the value of your company is, think very hard about what is being promised to you, think very hard about whether or not your company is at the right stage of its life cycle to go public. Can you really produce smooth growth and hit your targets predictably for the next quarters? Or do you need more time to develop first? If so, don't be tempted to rush; sponsors like us will be here to help you at the right time. There are few things more damaging than taking a company public too early. You, as an InsurTech, do not want to be experiencing growth pains in the face of the public market. This can destroy a reputation for the long term.

More broadly, pick your market carefully both in terms of line of business and geography where you might have the biggest impact. Look for areas where there has been less innovation and encroachment of technology thus far (and therefore have less competition). Be careful about the types of infrastructure you build, and work closely with your banker or advisor to thoroughly map out the types of private and public capital you might want to attract over time as your enterprise develops. If you are a risk originating business, consider how you structure your balance sheet and look to make the most of the available capital and market sentiment. Finally, think mid to long term; we have a cyclical business, and the temptation for quick short-term capital can be all too appealing for many. Have confidence in your long-term business plan and be confident in the availability of knowledgeable investors that will be there at the right time to help you achieve optimal success. We do not always need to bring unicorns to market. We need to bring sensible long-term businesses to market.

Thought Leadership

Dr. Magdalena Ramada

Thought Leadership: The age of dynamic insurance products

This quarter Dr. Magdalena Ramada shares her expert perspective on the transition to dynamic, modular products and the process of optimization from an underwriting, pricing and product design perspective.

Dr. Magdalena Ramada
Senior Director,
Insurance Consulting and Technology's EMEA InsurTech Innovation Leader, Willis Towers Watson

When asked the question, "What is an insurance product?" most people will refer to the insurance policy, while many actuaries will see the product as the technical specifications that define the core attributes of how that policy works. Lawyers will refer to policy wordings, and customers will probably include post-sale stages (e.g., an app to submit claims, the services received during the life of a policy).

The actual definition of a product, including an insurance product, should consider the product from a full customer journey perspective, including both pre-sale stages and post-sale stages. There are two reasons for doing this. First, this increases customer centricity and looks at a policy from a customer experience perspective and not from an insurer's perspective. Second, this enables identification of levers in each stage of the customer journey that can be used to increase the insurance product's persuasiveness and stickiness, as well as its profitability and customer satisfaction. In other words, insurance products cannot be considered in a policy-only approach, as many drivers of profitability, conversion, retention and customer satisfaction are dependent on the customer journey.

Indeed, when one looks at insurance products as the full customer journey, stage-specific key performance indicators (KPIs) can be identified and measured, as well as their impact on both the top and bottom lines and their dependence on each insurance function across the value chain. It also allows us to understand that the product's performance depends on all players involved in that customer journey and quantify the impact and relevance of different players, including distribution and service providers.

"Insurance products cannot be considered in a policy-only approach, as many drivers of profitability, conversion, retention and customer satisfaction are dependent on the customer journey."

Adding an additional layer of complexity, one can think of insurance products as a modularized customer journey, where the product components — modules, covers, extra services — can be assessed individually, in each customer journey stage, as well as in their cross-interactions. This then allows an individual product to be treated as a portfolio of attributes and components that can be optimized.

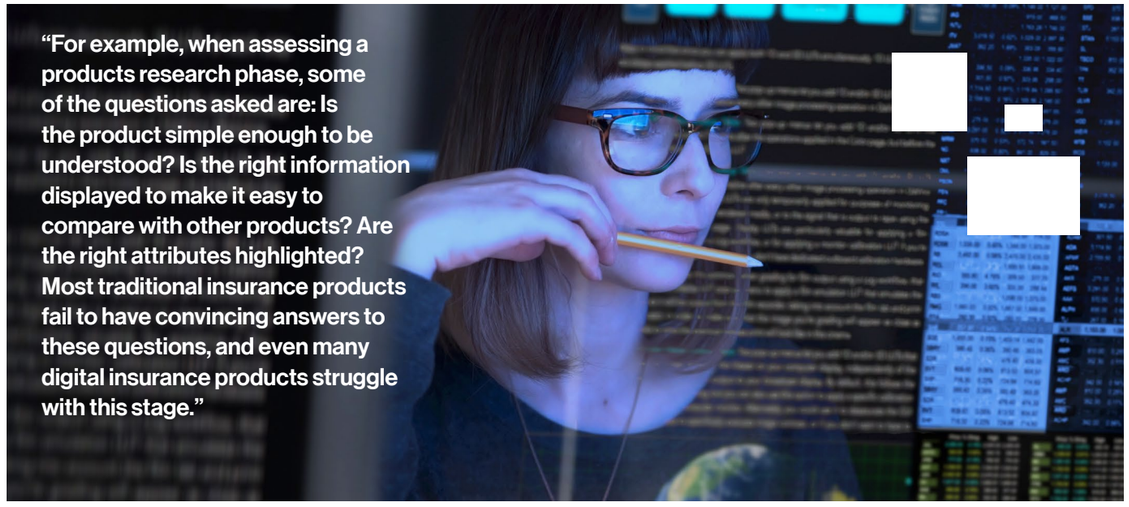
So, how are insurers transitioning to dynamic, modular products that can be optimized not only from an underwriting and pricing perspective but also from a product design perspective? What is needed for these types of products?

Leveraging the full customer journey

An insurance product's customer journey can be structured around several stages. Some are pre-sale stages (discovering and researching the product); others happen around the actual purchasing process, and the last three stages are post sale, in which the attributes of the product are usually neglected.

Customer journey stages can be assessed from a customer experience, efficiency, cost and performance perspective and can be benchmarked individually to identify quick wins to increase a product's market performance. Most companies focus on performance KPIs that are sales related, but customer journeys can actually be adapted and adjusted also to impact risk profiles and portfolio exposure.

For example, when assessing a product's research phase, some of the questions asked are: Is the product simple enough to be understood? Is the right information displayed to make it easy to compare with other products? Are the right attributes highlighted? Most traditional insurance products fail to have convincing answers to these questions, and even many digital insurance products



struggle with this stage. That is the reason why certain markets have a whole industry of players only focusing on this specific stage: aggregators and comparison sites.

In certain countries, such as the U.S. or Germany, having a dynamic modular home insurance product enables better channel management and hence the ability to change the product design dynamically and become more competitive against other products on a dimension that goes beyond price. In countries such as Brazil, where 87.7% of home insurance uses product lining and customers are used to having a limited choice of options that are prepackaged, a dynamic modular product approach can optimize package composition for each customer segment to increase conversion rates or profitability. Indeed, best practice in each customer journey stage is product, market and channel dependent, so that having a consistent framework to assess and compare them is key both to benchmark against other players and to measure the impact of any intervention.

Assessing both the technical and digital sophistication dimensions of a product

The design of a product and its ability to outperform other products in the market can be assessed along two different dimensions: (1) a technical sophistication dimension, which assesses the degree of technical sophistication of core technical functions (pricing, product, claims and underwriting); and (2) a digital sophistication dimension, which assesses the extent to which a product is digitally enabled. Both dimensions should have an impact on an insurer's approach to dynamic product design and modularity.

By crossing those two dimensions, a product typology can be derived to assess in each market what type of product is prevalent, what a minimum viable product should look like in that market, what products from front-runners exist in the market and what attributes distinguish them.

Linking product design to capabilities

Designing a product requires a clear mapping between product requirements and attributes as well as processes, technical capabilities and technology functionality. A customer-centric approach with a dynamic product that can adapt to customer data in its design requires real-time product design optimization capabilities that most policy administration systems lack. Usage-based insurance and adaptive products require technical skills for pricing that are specific to that type of product. Internet of things or wearable connected products with a continuous data dependency require data processing infrastructure that is fundamentally different from products with static and less data enriched pricing or underwriting processes. A dynamic underwriting approach that adapts a product's design to risk profiles requires real-time decision capabilities and automation levels that are fundamentally different from those needed for a static underwriting approach.

Clear product-level requirements that can be transformed into actionable road maps are key to the last three stages of product development — its successful development, launch and scale — and required in any iterative product-building approach.

Enabling productization and an experiment-and-scale approach

Many insurers that invest in product innovation struggle with post-testing phases and lack the ability to adjust and scale a product after launch. One of the key drivers of implementation drawbacks is the lack of a clear understanding of which capabilities are critical to certain products, which ones need to be evolved over time, and whether they are required or not in a certain market.

Companies such as Google, Facebook or Amazon conduct thousands of experiments each year to iterate and adapt their products. In an area as experimental as dynamic product design optimization, the ability to do A/B testing in a cheap, quick and scalable way can be a key competitive advantage.

In addition, this capability generates component-specific data assets, which will vary over time depending on the offering of other players in the market and of exogenous factors — environmental cues customers are faced with. For example, during 2020, microinsurance modules that were COVID-19 related (e.g., daily allowances for quarantine days after a positive test) became an important differentiator in Italian home insurance as well as small and midsize enterprise (SME) insurance products. While that specific insurance product was available as a stand-alone across the market and designed almost as a commodity by the regulator, it drove conversion and sales in products that had it as an additional module to bundle with other products. Similarly, during lockdown and in general during 2020 for term life insurance, such modules as home assistance and partial disability became more relevant for certain segments (e.g., people living alone) given the heightened perception of isolation and lack of support networks among young people living on their own.

It is interesting to note that for certain products that have historically been modular by nature and highly reactive to the insureds data (e.g., commercial insurance or health insurance) but have traditionally been offered in very intermediated channels (e.g., brokers and agents), product design optimization shouldn't be a strange notion; however, it currently lives in a highly human-dependent and low- to no-data-dependent world, where customization is based on expert knowledge and human-based decisions instead of on a data-based, advanced analytics-enabled approach.

Assess market readiness

In certain markets, customers are used to having to choose across modules and having a build-your-own product approach (e.g., Hausratsversicherung [home contents] products in Germany), while in others, customers prefer a single product offering (e.g., homeowners in the U.S.) or three pre-packaged options (e.g., home insurance in Brazil or Spain). Does that mean that in the latter cases having the ability to deploy dynamic and data-reactive products

"In an area as experimental as dynamic product design optimization, the ability to do A/B testing in a cheap, quick and scalable way can be a key competitive advantage."

at the point of sale is less necessary? No. On the contrary, those are the markets where modularity is a more powerful tool for product design powered by advanced analytics. The modularity of a product can indeed be very high and still reach the customer as a single product with no room for customization.

While the social innovation dimension — "Is society ready for this?" — is key for an innovative approach to become a game changer, so is the political (i.e., regulatory) dimension. There are still many jurisdictions in which having products that change in design — components, coverage, limits — is not allowed, as individual products have to be filed and sold as filed. The question remains open whether filing for individual components — whenever risk-bearing — is the solution to that in these types of jurisdictions. Certain regulators, such as the Colombian regulator, have shown openness to understand new business models around product design — for instance, around the launch of WeSura's hybrid product. Sandboxes in the U.K., Brazil and Singapore have also displayed tolerance for experimental product design. Still, in most cases, the ability to offer non-risk-bearing components is possible without restrictions, can generate significant competitive advantages and can increase a product's overall profitability significantly.

Some of the most interesting modules or add-ons out there can be found, for example, at Germany's AdmiralDirekt — owned by Itzehoer Versicherungen — which offers a "green certificate" add-on that guarantees that part of your insurance premium goes to green initiatives, that capital is invested in an environmentally friendly way and that an additional 2,000 euros are spent in case of an accident with full loss to dispose of the car in an environmentally friendly way. This add-on is offered via a partnership with start-up Bessergruen.

What is the end result?

The beginning of a product modularization journey enables flexible products that support tailored and customized products as well as differentiated product offerings in the market. This also generates better alignment between products and customer segmentation. Many companies already have the ability to do this both for life and non-life products.

An additional benefit of this approach is that it can leverage modularity across markets and countries – sharing component development and technology costs across markets or business units – and enable bundled offerings across asset classes. A clear example of this are home or technology assistance offerings that can be now found in motor products. Furthermore, a modular product can support a pay-as-you-go approach or a product that can be up-scaled or down-scaled depending on the customer's needs or life stage. This is, for example, the strategy behind Ladder and DeadHappy's life insurance product.

At the end of that product modular sophistication journey is a modular product that can self-adapt to customer data, at the point of sale or even during the lifetime of the policy. So, initially, the decomposition of a product into its components allows customers to select the elements of coverage that are right for them. This grants the customer the flexibility/agility to make changes, but in a posterior iteration of that product – data and advanced analytics based – it is an algorithm that finds that better product fit. This works either to improve personalization or to, for example, better fit the carrier's risk appetite. The latter examples – of a product that self-adapts to customer data and/or risk profile – are not widespread and at an experimental stage, with some European insurers currently even experimenting with this in their personal lines, with an approach in which a customer tells the insurer the price he or she is willing to pay for insurance (and some preference trade-offs) and then the product structure is optimized at the point of sale. When product design can be adjusted for various risk profiles, underwriting footprints can be expanded and underserved markets can be reached.

The design and deployment of modular products that allow for a decomposition of coverages needs technology capabilities that some front-runner insurers already have. While many can bring modular prices to market, the most-used market practice is to have fixed pricing for non-risk-bearing modules and not to gather module-specific behavior data.

While I firmly believe that this is the future – and some multinational insurers have already started experimenting with this idea – lots of thinking is still required to understand what the implications of this approach can be in personal lines; whether it will be sustainable; how to avoid discrimination; and what the right balance is between personalized products, risk mutualization and insurance's solidarity principles. As of today, though, we know that it can deliver significant first mover advantages and that certain business lines, like motor, will be looking at this as the next battleground to take advanced analytics after pricing, underwriting and claims. Be it as it may, I'm truly looking forward to the age of dynamic insurance products, as I believe that they will be key to non-standard markets and the underserved.

Transaction Spotlight

Porch acquires HOA

Transaction Spotlight

In March 2021, Porch, a leading vertical software company reinventing the home services industry, announced the acquisition of Homeowners of America Insurance (HOA), a managing general agent and insurance carrier hybrid, positioning Porch as one of the largest InsurTech companies in the nation built on proprietary consumer demand and home data.

About Porch

Porch provides software and services to more than 11,000 home services companies, such as home inspectors, moving companies, real estate agencies, utility companies and warranty companies. These service providers and network professionals have access to the Porch proprietary data on potential customers, ensuring they are able to offer the most effective service to their consumers — through leverage of the end-to-end data pipeline created by the various touchpoints and extensive collection methodologies in the Porch ecosystem. Porch is additionally able to drive value at the company level, acting as a data pipeline to such partners as utility companies, warranty companies and even insurance carriers.

Through these relationships, its multiple brands and technology platform, Porch provides a Moving Concierge experience, saving consumers time and allowing them to make more informed decisions on critical services, including insurance, moving, security, TV/internet, home repair and improvement, and more. Porch is a technology company first and has deployed an innovative data-driven model to the home services industry:

1. Collect

Porch is the largest software provider for the home inspection industry with 28% of all U.S. home inspections being managed through the Porch system. Porch also provides software to other types of companies, such as movers, roofing contractors and more. Home inspectors, moving companies and other home services professionals are offered free enterprise resource planning/customer relationship management software in exchange for introducing their consumers to Porch to help make the move easy. In addition to getting early and customer acquisition cost (CAC)-free access to a massive portion of U.S. homebuyers, Porch has deep and unique insights about a vast portion of residential homes across the country.

2. Engage

Once Porch has identified the needs of a customer, Porch is able to leverage the customer and home profile Porch has built to engage on the customer's specific and targeted needs — an accurate, bespoke moving concierge service to customers. Porch is uniquely able to help homeowners save time and make more informed decisions on key items during the moving process, such as choosing homeowners insurance; booking movers; and setting up internet, TV and utilities.

The early access to homebuyers and unique property data has offered Porch the opportunity to create its InsurTech business with the ability to meet and provide insurance to customers when they need it. Porch significantly reduces CAC through its unique access to demand and a streamlined underwriting and binding process. With its insights on properties, Porch will be able to more effectively determine risk and pricing. In total, the Porch platform turns the low-margin and high-risk insurance industry into a more effective product for the customer, and a more profitable and high-growth business unit.

3. Scale

Once engaged, Porch continues to provide customer value through the entire homeownership life cycle utilizing the broad spectrum of services under the Porch brand, from inspection, to moving, to remodeling and nearly everything in between. For example, imagine if any consumer could access Homeowners of America and Porch's co-branded handyman services for their home for US$39 per visit to help make maintenance easy, such as gutter or dryer vent cleaning.

Porch case study

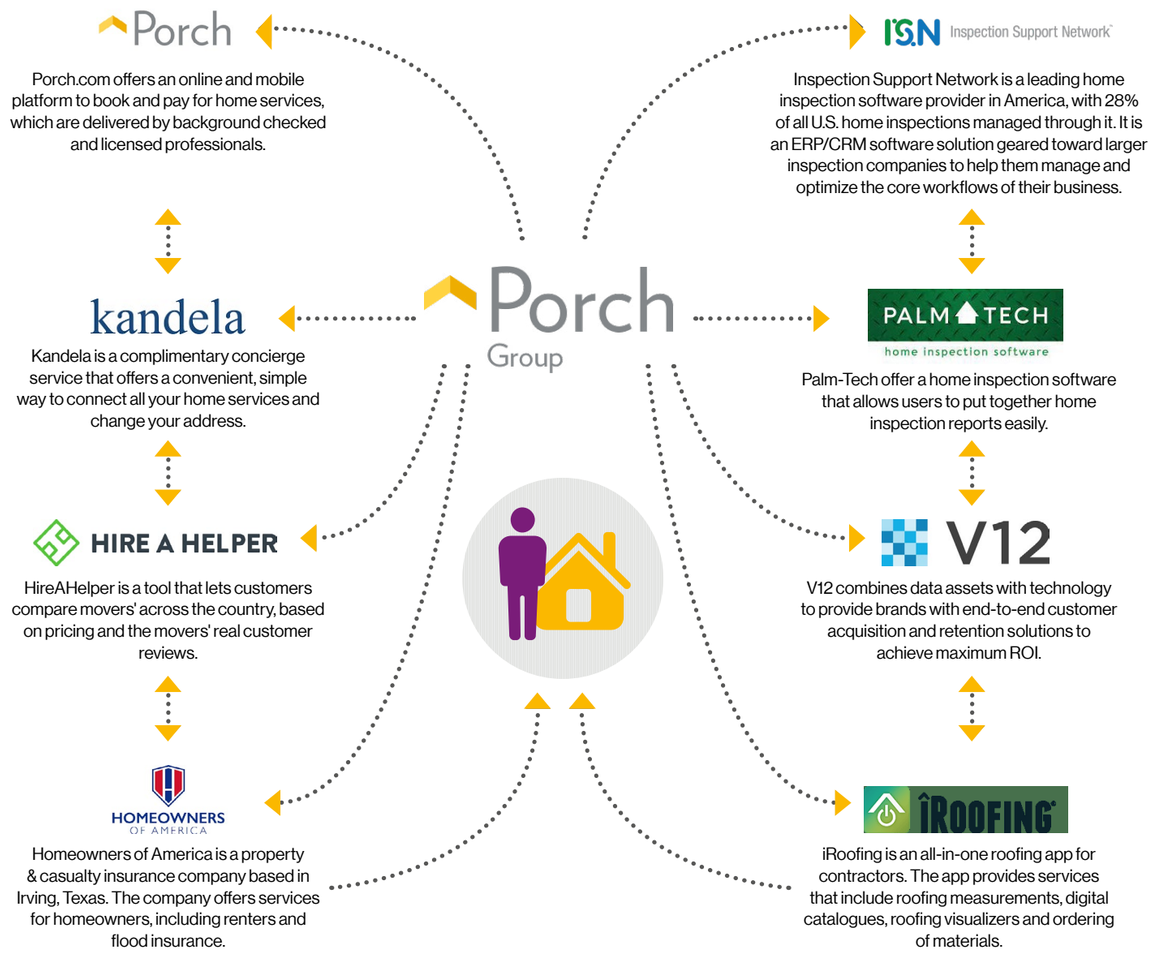
Kim is a single mother of three and works 50 hours a week. She sold her house during the pandemic in only six days, bought a new home and needed immediate assistance in securing home insurance. Her Porch Concierge leveraged the Porch ecosystem of services and provided a connection to Porch's insurance agency. Kim and her agent worked through her needs, secured her a home insurance policy and bundled her auto insurance to help her save on the package.

The value of the Porch service is the data pipeline to provide bespoke solutions to the spectrum of needs for homeowners. The Porch Concierge remained in contact with Kim through the process and beyond. Following the insurance connection, the Porch Concierge assisted Kim with utilities and the additional services she needed to make her new house a home for her and her children.

Acquisition

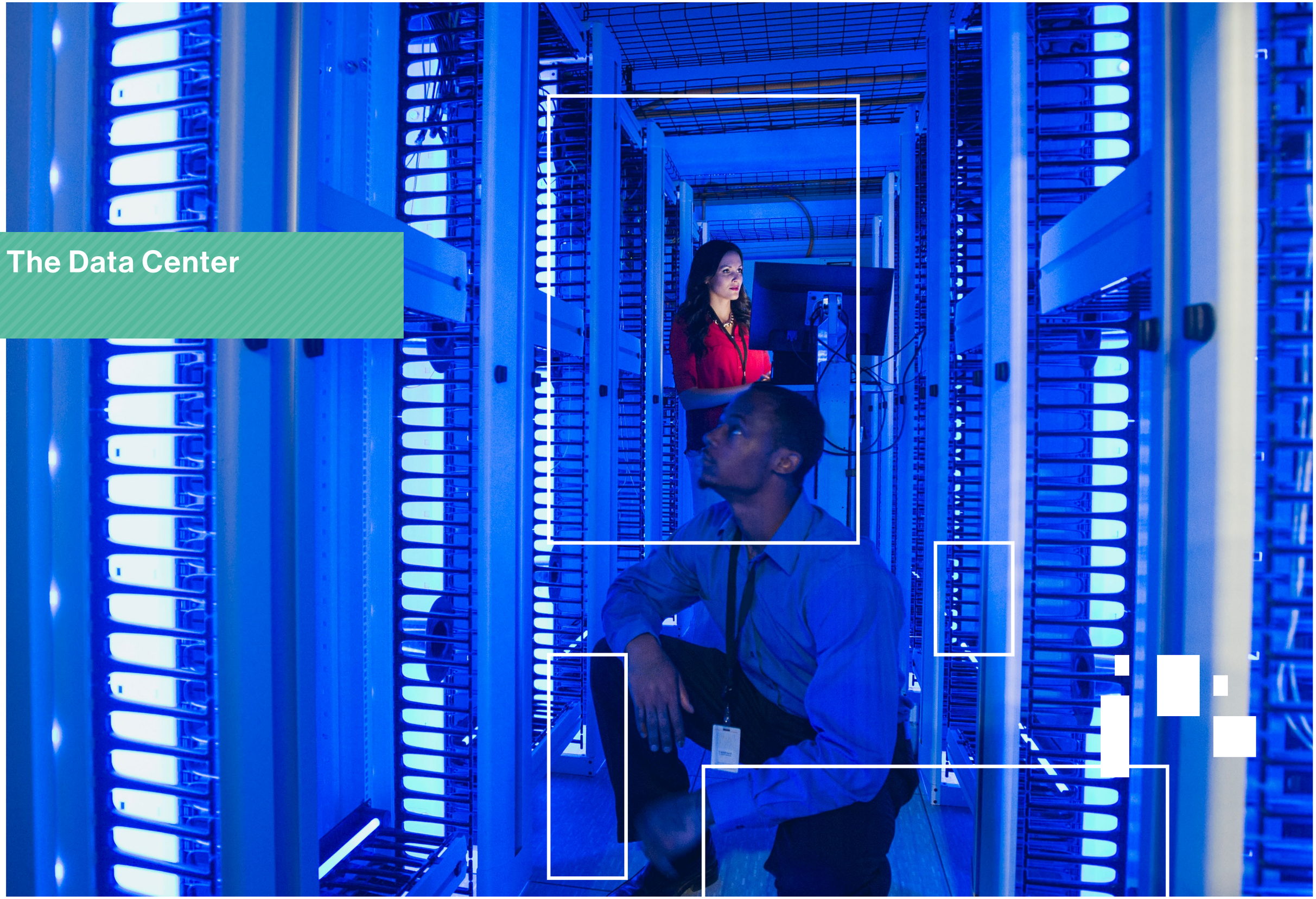
In March, Porch acquired HOA for US$100 million. With this acquisition, Porch seeks to augment and amplify its current home insurance offering, as well as increase the scope and scale of its total home services catalogue. HOA currently operates in six states and is licensed in 31, positioning Porch for a national expansion campaign. Porch will continue to leverage the current HOA independent agent distribution channels, offering an enhanced insurance product and an expanded opportunity to agents and consumers through the Porch vertical technology systems and data.

Porch remains a lean technology company, focusing on adding value through strategic M&A and its expert and comprehensive data collection and operationalization. Its model presents a unique opportunity to generate scalable growth and long-term, high ROI customers, especially in highly impacted industries such as InsurTech, where margins are low and risk is high. Porch's innovative use of data and technology is changing the landscape of the industry, disrupting the antiquated and inefficient models, and ultimately creating better value and experiences for the consumer.



Porch has built an ecosystem of embedded synchronistic services that benefit the customer. By purchasing HOA, Porch has added the final piece – the insurer.

The Data Center



Global InsurTech activity reaches an all-time high, with Q1 2021 being the strongest on record.

In Q1 2021, InsurTech companies raised US$2.55 billion across 146 deals — increases of 22% and 42%, respectively, from Q4 2020. Q1 2021 recorded the highest number of funding and deals since we started recording.

Q1 2021 recorded eight mega-rounds (investment rounds of more than US$100 million), up two from Q4 2020. These companies were Next Insurance (US$250 million), Coalition (US$175 million), Zego (US$150 million), Sidecar Health (US$125 million), Pie Insurance (US$118 million), Clarify Health (US$115 million), TypTap (US$100 million) and Corvus Insurance Agency (US$100 million). In Q1 2021, mega-rounds were responsible for 44% of total funding, down by six-percentage-points from Q4 2020.

Q1 2021 overview

- This quarter, U.S. InsurTech deal share grew to 48%, up three percentage points compared with Q4 2020, but U.S. activity hasn't rebounded with pre-pandemic levels. In Q1 2020, U.S.-based companies represented over 57% of global InsurTech deals, representing a nine-percentage-point deficit year on year.
- Q1 2021 matched Q3 2020 as having the most geographically diverse start-ups in a single quarter, with 26 countries represented. At the early stage, Q1 2021 was the most geographically diverse in a single quarter, with 24 countries, countries represented including Bangladesh, Estonia, Brazil, Nigeria and U.A.E.
- The Angel investment into Bangladesh-based Arogga was Bangladesh's first recorded InsurTech investment since we started recording. New Zealand-based Quashed raised a US$0.43 million Seed Venture Capital round, the second recorded InsurTech investment into a New Zealand-based company.
- The share of early-stage deals increased to 60%, up from 47% in Q4 2020. Mid-stage deals were responsible for 13% of funding, a significant drop from Q4 2020 where 29% of recorded deals were mid-stage; 12% of deals were later-stage deals, up one percentage point from Q4 2020. These later-stage deals accounted for 37% of funding.
- The eight mega-rounds were almost exclusively U.S. companies: Seven deals were U.S.-based companies, and the remaining deal went to U.K.-based Zego.

L&H start-ups continue to prosper against the strength of P&C-focused companies.

- Life & health (L&H) InsurTechs represented 27% of total deals this quarter, matching the percentage of Q4 2020. This fits the pattern of 2020, where L&H InsurTechs were responsible for between 24% and 29% of the total numbers of deals.
- Property & casualty (P&C) deals continue to receive the majority of InsurTech funding, and P&C deals account for 69% of available funding. L&H InsurTechs received 31%, down two percentage points from Q4 2020.
- Of the eight mega-rounds, 25% were L&H companies — down 25 percentage points from Q4 2020. L&H start-ups were responsible for 21% of the mega-rounds' funding, down 17 percentage points from Q4.
- 31% of all L&H funding in Q1 2021 was at the late stage, down 11 percentage points from Q4 2020. For P&C investments, 40% were at the late stage, up three percentage points from Q4. For L&H funding, 52% was recording at the mid-stage and 15% at early stage. For P&C, 39% of funding was at the mid-stage and 15% at the early stage.

Distribution-focused companies dominate in dollar terms

- Business to business (B2B) start-ups secured 49% of the deals in Q1 2021 — a three-percentage-point increase from Q4 2020. Distribution-focused start-ups received 48% of deals, with direct insurers responsible for the remaining 3%.
- In funding amount terms, insurers were responsible for 10% of funding, a 17-percentage-point drop from Q4 2020. B2B companies were responsible for 26%, a two-percentage-point drop from Q4; distribution-focused start-ups were responsible for 64% of funding, an 18 percentage point increase from the previous quarter.
- For P&C investments in Q1 2021, 49% of deals were to B2B-focused companies, 4% went to insurers and 47% went to distribution-focused companies. Compared with Q4 2020, this marks a four-percentage-point drop in B2B deals, a one-percentage-point drop in deals to insurers and a six-percentage-point increase in the number of deals to distribution-focused companies.
- For L&H deals in Q1 2021, 46% of deals were to B2B-focused companies, 3% went to insurers and 51% went to distribution-focused companies. From Q4 2020, this marks a 21-percentage-point increase in B2B deals, a four-percentage-point drop in deals to insurers and a 17-percentage-point decrease in deals to distribution-focused companies.

Q1 2021 recorded 18 deals over US$40 million, smashing the previous high of 12 recorded last quarter.

- 72% of the US$40-million-plus deals were recorded in the U.S. – a three-percentage-point drop from Q4 2020. The remaining deals were evenly spread across China, Germany, India, Israel and the U.K. The 18 deals accounted for 70% of the quarter's total funding, a two-percentage-point increase from Q4.

The largest deal of the quarter was a US$250 million Series E-II investment into Next Insurance by Battery Ventures, capitalG, FinTLV, Founders Circle Capital, G Squared, Group 11 and Zeev Ventures. Next Insurance is a small business insurance company that provides customized policies for all small business needs through a technology-first approach. Next Insurance has now raised US$881 million.

The subsequent largest investment rounds were:

- A US$175 million Series D investment in Coalition, an insurance and risk management company that provides insurance coverage, free cybersecurity tools and expert claims response to help small and medium businesses identify and assess risk, prevent attacks and losses before they occur, and recover when all else fails. The round had participation from General Atlantic, Index Ventures and Undisclosed Investors. Coalition has now raised US$315 million.
- A US$150 million Series C investment in Zego, a provider of pay-as-you-go insurance for drivers and riders working for sharing economy companies who only pay, via an app or top-up card, for cover for the hours they work. The round had participation from Balderton Capital, DST Global, General Catalyst, LocalGlobe, Taavet Hinrikus and Target Global. The company has now raised US$202 million.
- A US$125 million Series C investment in Sidecar Health, a provider of personalized and affordable health insurance for members. The round had participation from Bond, Cathay Innovation, Drive Capital, GreatPoint Ventures, Menlo Ventures and Tiger Global Management .The company has now raised US$163 million.

Strategic tech investments by (re)insurers increase by two percentage points from Q4 2020.

- U.S.-based technology investment rises slightly this quarter, receiving 52% of deals, up five percentage points from Q4 2020 but not reaching the dominance of Q3 2020, where U.S.-based technology companies received 72% of the investment.
- China, France and Hong Kong each recorded two strategic tech investments by (re)insurers. Australia, Canada, the Netherlands and Singapore all recorded one strategic tech investment by (re) insurers.

Q1 2021 saw 26 (re)insurer partnerships, matching Q4 2020.

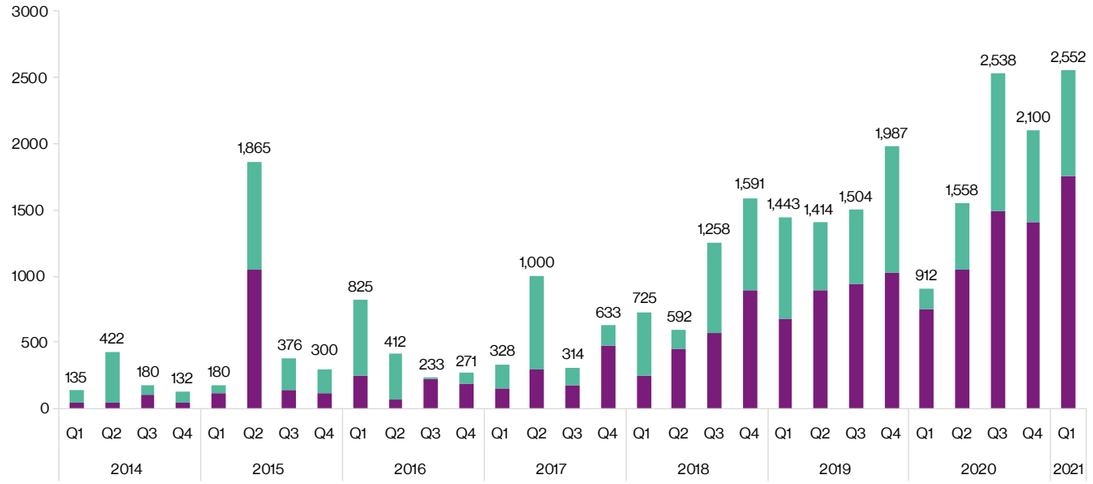
Select partnerships include:

- The Hartford is using Tractable, an AI claims solution, to analyze auto damage within its auto insurance claims operations in the U.S. This will accelerate how quickly claims can be processed for its customers.
- Convex has partnered with Praedicat, a risk analytics company specializing in emerging liability risks, to help identify, underwrite and manage complex casualty risks.
- AXIS Insurance has partnered with Elpha Secure to provide cybersecurity software for small businesses.

The Data Center

InsurTech by the numbers

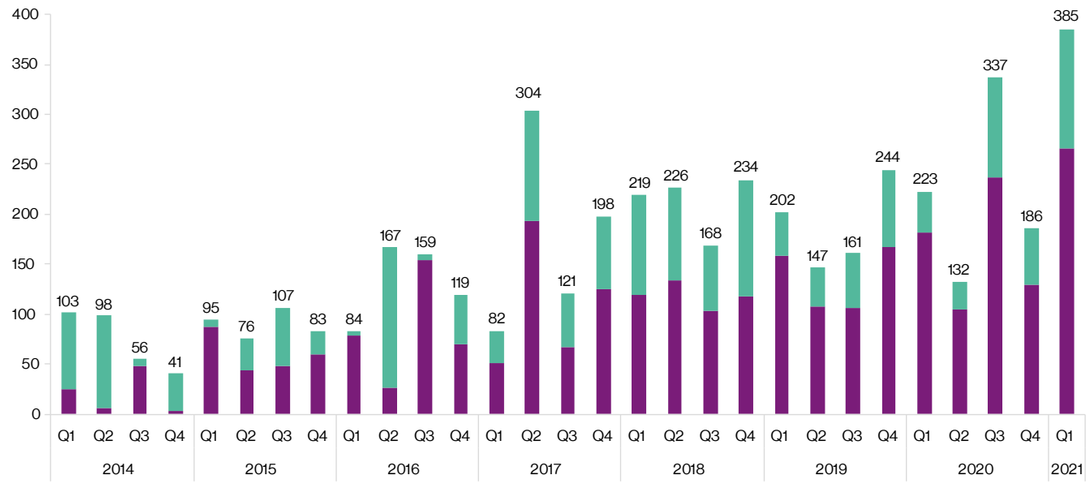
Quarterly InsurTech funding volume – all stages



Deal count

P&C	10	7	16	8	17	13	16	21	44	18	33	29	26	37	29	45	44	47	40	41	58	49	52	40	72	54	74	75	107
L&H	9	15	14	15	11	19	15	20	16	17	6	13	17	32	21	11	24	26	17	23	29	20	31	35	24	20	30	28	39

Quarterly InsurTech funding volume – early stage

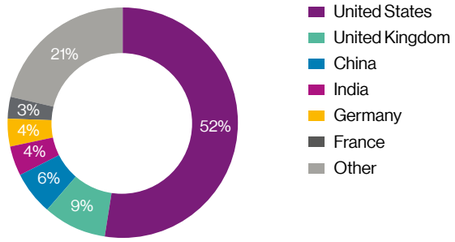


Deal count

P&C	5	3	10	6	13	7	9	16	35	9	25	21	18	25	21	25	32	31	22	25	36	27	35	20	35	25	42	34	69
L&H	6	8	11	8	5	9	11	16	6	10	3	10	11	20	13	7	15	20	11	15	20	12	19	16	14	6	17	14	18

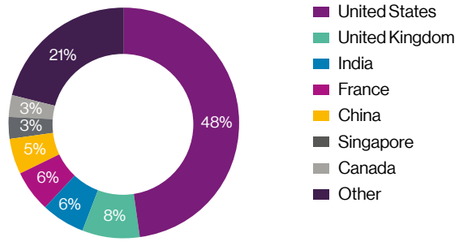
Quarterly InsurTech transactions by target country

2012 – Q1 2021



2012 – Q1 2021 Transactions: 1,831

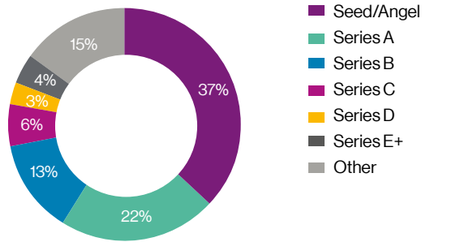
Q1 2021



Q1 2021 Transactions: 146

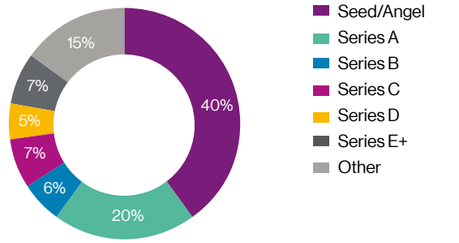
Quarterly InsurTech transactions by investment stage

2012 – Q1 2021



2012 – Q1 2021 Transactions: 1,831

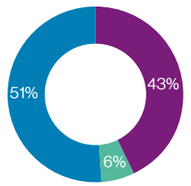
Q1 2021



Q1 2021 Transactions: 146

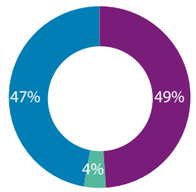
P&C InsurTech transactions by subsector

2012 – Q1 2021



2012 – Q1 2021
P&C Transactions: 1,172

Q1 2021

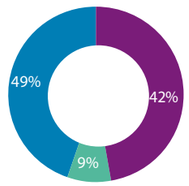


Q1 2021
P&C Transactions: 107

Carrier B2B Distribution

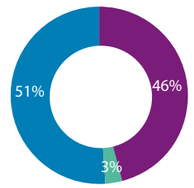
L&H InsurTech transactions by subsector

2012 – Q1 2021



2012 – Q1 2021
L&H Transactions: 659

Q1 2021



Q1 2021
L&H Transactions: 39

Carrier B2B Distribution

The Data Center

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
1/6/2021	ThingCo	4	4	▪ BGL Group	▪ ThingCo is an InsurTech company, focused on developing next generation telematics built on the latest technology.
1/7/2021	Apollo Insurance	10.61	11.37	▪ Drew Green ▪ Gravitas Securities ▪ Kim Kaplan ▪ Matias Marquez ▪ Tim Gamble	▪ Apollo Insurance offers an online insurance marketplace that enables brokers to serve small businesses by providing 24/7 access to digital insurance.
1/7/2021	Vesttoo	–	–	▪ Axon Partners Group ▪ Guy Ben-Artzi ▪ IBM Alpha Zone ▪ Longevitytech.fund ▪ REDDS Capital ▪ Undisclosed Angel Investors ▪ Yariv Gilat	▪ Vesttoo is a risk-hedging and alternative reinsurance platform for the Longevity Risk Market. Vesttoo focuses on one of the industry's most acute issues, working closely with insurers, reinsurers and pension providers to manage their longevity risk using the capital markets, providing the capital and risk management they need while reducing risk to policyholders.
1/8/2021	Groundspeed Analytics	–	32	▪ Insight Partners ▪ ManchesterStory Group ▪ Michigan Angel Fund ▪ Oak HC/FT Partners ▪ Tappan Hill Venture	▪ Groundspeed Analytics uses machine learning for commercial insurance data automation, to help brokers and carriers improve financial performance. The Groundspeed platform automatically turns loss runs, exposure documents and policy files into actionable information, empowering users to identify profitable pools of risk and drive better financial outcomes.
1/11/2021	Clark	83.82	127.62	▪ Axel Springer ▪ Axel Springer Digital Ventures ▪ Coparion ▪ FinLeap ▪ German Media Pool ▪ IONIQ Group ▪ Kulczyk Investments ▪ Manta Ray ▪ Portag3 Ventures ▪ ProSiebenSat.1 Accelerator ▪ SevenVentures ▪ TA Ventures ▪ Target Global ▪ Tencent Holdings ▪ Tenderloin Ventures ▪ Undisclosed Angel Investors ▪ White Star Capital ▪ Yabeo Capital	▪ Clark allows users to assess their insurance status through an app (iOS and Android) or website. Based on algorithms, the robo-advisor provides analysis on the customers' insurance situation and automatically proposes optimization opportunities by searching for tariffs from more than 160 insurance companies. On request, experts are available to assist customers with specific questions.
1/11/2021	Arbol	7	9.19	▪ Mubadala Capital ▪ Undisclosed Investors	▪ Arbol connects weather-exposed businesses with risk capital providers utilizing blockchain. Smart contracts use public weather data to provide automated, local weather insurance for weather-exposed businesses across agriculture and energy.
1/11/2021	Humn.ai	–	–	▪ Marbruck Investments ▪ Plug and Play Accelerator ▪ Shell Ventures	▪ Humn.ai is an InsurTech start-up that develops by-the-moment risk-adjusted insurance pricing for highly utilized vehicles such as rideshare fleets.
1/13/2021	Loop Insurance	3.25	3.25	▪ Backstage Capital ▪ Blue Fog Capital ▪ Concrete Rose Capital ▪ Craig Lewis ▪ Fontinalis Partners ▪ Freestyle Capital ▪ Gerard Adams ▪ Joshua Dorkin ▪ Kristen Dickey ▪ Songe LaRon ▪ Steve Schlafman ▪ Uprising Capital	▪ Loop Insurance uses real-time data and AI to develop a car insurance price without asking questions about income, credit score, occupation or level of education.
1/13/2021	NousAssurons	1.22	1.22	▪ Undisclosed Investors	▪ NousAssurons helps users find insurance quotes through an online network of brokers.
1/13/2021	ForMotiv	1	1.7	▪ DreamIt Ventures ▪ Plug and Play Accelerator ▪ Plug and Play Ventures ▪ Undisclosed Angel Investors ▪ Undisclosed Investors	▪ ForMotiv is an end-to-end platform for reducing online risk and improving customer experience that measures end-user behavioral biometrics in real time to detect future outcomes like fraud, delinquency, profitability and abandonment as users engage with digital applications.

Note: Blue font denotes current round investors.

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
1/13/2021	Paydrive	–	6	▪ Carl Johan Thorsell ▪ Gjensidige Bank ▪ Magnus Mandersson ▪ Markus Näsholm ▪ NFT Ventures ▪ Patrik Hannell ▪ Pelle Törnberg ▪ Undisclosed Investors	▪ Paydrive allows customers to install a box in their cars that keeps track of their driving style, including the time of day they drive, what speed and in what conditions, which allows them to adjust their premiums accordingly.
1/14/2021	Besafe Rate	0.59	0.59	▪ CDP Venture Capital SGR ▪ LVenture Group ▪ Undisclosed Angel Investors ▪ Urban Tech WorkLab	▪ Besafe Rate offers an insurance policy for hotels and consumers that protects against cancellations, damages and unforeseen medical expenses. The company helps hotels mitigate loss by increasing prepaid collections.
1/15/2021	Digit Insurance	18	207.49	▪ A91 Partners ▪ Anushka Sharma ▪ Cornerstone ▪ Faering Capital ▪ Fairfax Financial Holdings ▪ TVS Capital ▪ Undisclosed Investors ▪ Virat Kohli	▪ Digit Insurance is a tech-driven insurance start-up based in Bengaluru, India. The company seeks to build simple and transparent solutions, focusing on car, travel, mobile, jewelry and bicycle insurance.
1/15/2021	Super	3.6	5.91	▪ 500 Startups ▪ ALL Venture Partners ▪ Undisclosed Investors	▪ Super provides insurance solutions for natural disasters, life and health insurance, to the underserved populations in Latin America.
1/15/2021	Datafolio	2.66	2.66	▪ Undisclosed Angel Investors ▪ Valerio Caracciolo	▪ Datafolio develops a platform that provides risk prevention and protection solutions, to be integrated into the applications of non-insurance partners charged in real time according to risk exposure.
1/15/2021	BerrySafe	–	–	▪ G2 Momentum Capital	▪ Berrysafe is a Mexican insurance marketplace connecting consumers with independent insurance providers.
1/19/2021	Lovys	20.64	24.46	▪ Google Startup Growth Lab ▪ Heartcore Capital ▪ MAIF Avenir ▪ NewAlpha ▪ Plug and Play Accelerator ▪ Portugal Ventures ▪ RAISE Ventures ▪ Techstars	▪ Lovys is an aggregated monthly subscription service for all of a user's insurance needs.
1/19/2021	Leocare	18.21	20.8	▪ Bpifrance ▪ Daphni ▪ Didier Valet ▪ Felix Capital ▪ Hugues Le Bret ▪ Jacques Verlingue ▪ platform58 ▪ Undisclosed Angel Investors ▪ Ventech	▪ Leocare provides automobile and housing insurance with "tailor-made" experience that is 100% mobile, on demand and without commitment.
1/20/2021	Nayms	2.05	2.17	▪ Coinbase Ventures ▪ Maven 11 Capital ▪ NadiFin ▪ Undisclosed Angel Investors ▪ XBTO Ventures	▪ Nayms offers a smart contract platform for the placement, trade, reporting and settlement of insurance risk.
1/21/2021	GloveBox	0.09	3.24	▪ Heffernan Insurance Brokers ▪ Mercato Partners ▪ Plug and Play Accelerator ▪ Undisclosed Investors	▪ GloveBox is a centralized mobile and web application allowing insurance policyholders to access their policy documents, pay a bill, initiate a claim and so much more regardless of which carrier their policies are written with. The company strives to enhance the customer experience for the insurance client while reducing service costs and increasing overhead for both agencies and carriers.
1/21/2021	Raxel Telematics	0.04	0.04	▪ Alchemist Accelerator ▪ Phystech Ventures	▪ Raxel Telematics is a telematics service provider for automotive insurers and logistics and transportation companies in CEE and SEA. The company's IoT platform and mobile telematics engine contains technology that records data points and algorithms to analyze mobility data.

Note: Blue font denotes current round investors.

The Data Center

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
1/22/2021	Pawlicy Advisor	6.5	7.6	▪ Defy Partners ▪ Entrepreneurs Roundtable Accelerator ▪ Rho Capital Partners ▪ Slow Ventures	▪ Pawlicy Advisor is a pet insurance broker that connects pet owners with an ideal plan by analyzing options on the market and each pet's breed-specific health risks.
1/22/2021	Hiro	2.05	2.05	▪ Seedrs	▪ Hrio provides insurance on how people take care of their homes.
1/24/2021	Insured Finance	–	–	▪ Moonrock Capital ▪ Vendetta Capital	▪ Insured Finance is a P2P insurance marketplace. Market participants can request or provide coverage on a wide variety of cryptocurrency assets.
1/25/2021	Pula	6	9.1	▪ Accion ▪ Choiseul Africa Capital ▪ Digital Financial Service Lab ▪ Flourish Ventures ▪ Mastercard Foundation ▪ Mercy Corps ▪ Mulago Foundation ▪ Omidyar Network ▪ TLcom Capital ▪ Undisclosed Investors ▪ Women's World Banking	▪ Pula is an insurance intermediary that implements data-driven agricultural insurance. Farmers are able to safeguard their crops and invest in their farms through financial tools that take advantage of mobile technology.
1/25/2021	Insly	1.58	5.84	▪ Baris Aksoy ▪ Black Pearls VC ▪ Clemens Dietrich ▪ Concentric ▪ Gerd Weissenboeck ▪ Indrek Kasela ▪ London Co-Investment Fund ▪ National Centre for Research and Development ▪ Peter Schmid ▪ Startupbootcamp FinTech ▪ UK Future Fund ▪ Uniqa Ventures	▪ Insly provides a SaaS-based solution for insurance brokers and agents to manage clients, policies, objects and payments. The platform also offers a sales workflow for both the client as well as the salesperson. The company provides cloud-based insurance software for agents and brokers.
1/27/2021	gettgo	6.7	6.7	▪ Muang Thai	▪ gettgo operates as a comparison shopping site for insurance products and services.
1/27/2021	Joshu	3.7	3.7	▪ Blumberg Capital ▪ Correlation Ventures ▪ Engineering Capital ▪ Innovation Endeavors ▪ Sure Ventures	▪ Joshu helps insurance carriers and MGAs launch online distribution channels quickly and independently.
1/27/2021	Jetty	–	40.5	▪ BoxGroup ▪ Farmers Insurance Group ▪ Graph Ventures ▪ Khosla Ventures ▪ LeFrak ▪ MetaProp ▪ Red Swan Ventures ▪ Ribbit Capital ▪ Social Capital ▪ Solon Mack Capital ▪ SV Angel ▪ Valar Ventures	▪ Jetty is a financial services company that designs products and solutions that help people reach goals faster by removing obstacles and risks. Currently, Jetty focuses on solving the problem of renting a home with updated finance and insurance products that solve major headaches for consumers and landlords. Offered in combination or a la carte and accessible over any digital device, Jetty products are widely available across the United States.
1/28/2021	INZMO	3.76	5.52	▪ 500 Accelerator ▪ Change Ventures ▪ Helvetia Venture Fund ▪ Uniqa Ventures	▪ INZMO allows for customers to get hassle-free insurance on their mobile phone. The app enables people to purchase everyday insurance products in just a few seconds.
1/29/2021	Crea Assicurazioni	2.39	2.39	▪ CDP Venture Capital SGR ▪ Digital Magics ▪ Metrica Ventures ▪ Roberto Montandon ▪ Velocity Technology Fund	▪ Crea Assicurazioni provides a platform to help issue insurance policies.
2/1/2021	Gerald	0.13	0.13	▪ InsurTech NY ▪ INV Fintech ▪ Y Combinator	▪ Gerald is building a credit/financial data bureau for the insurance industry by aggregating and transforming insurance payments data into insights.

Note: Blue font denotes current round investors.

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
2/1/2021	Tint	0.13	0.13	▪ Webb Investment Network ▪ Y Combinator	▪ Tint is an AI-empowered insurance platform that provides tools required to launch, manage and optimize insurance programs. It is based in San Francisco, California.
2/2/2021	DealerPolicy	30	81.5	▪ 3L ▪ Hudson Structured Capital Management ▪ InsurTech NY ▪ MTech Capital ▪ Paycheck Protection Program ▪ Undisclosed Investors	▪ DealerPolicy enables car-buying customers the opportunity to purchase insurance by connecting them with licensed insurance agents while at the dealership or after they arrive home with their car. The company delivers these benefits through a combination of partnerships with car dealers, a growing insurance carrier network and access to licensed agents.
2/2/2021	TrustLayer	6.6	6.8	▪ Abstract Ventures ▪ BoxGroup ▪ BrokerTech Ventures ▪ Graham Company ▪ Heffernan Insurance Brokers ▪ Holmes Murphy ▪ InsurTech NY ▪ M3 ▪ NFP Ventures ▪ Precursor Ventures ▪ Propel Venture Partners ▪ Undisclosed Investors	▪ TrustLayer helps companies collect, verify and manage certificates of insurance to increase compliance and decrease risk. The TrustLayer platform makes certificate management workflows more efficient and secure by using blockchain technology to track documents between companies.
2/3/2021	LeaseLock	52	63.7	▪ American Family Ventures ▪ Clocktower Technology Ventures ▪ Hivers & Strivers ▪ Liberty Mutual Strategic Ventures ▪ Luma Launch ▪ Moderne Ventures ▪ Mucker Capital ▪ MuckerLab ▪ Paycheck Protection Program ▪ Softbank Ventures Asia ▪ Strata Equity ▪ Tech Coast Angels ▪ Vertex Ventures ▪ Veteran Ventures Capital ▪ Westerly Winds ▪ Wildcat Venture Partners	▪ LeaseLock is a rent guarantor that helps tenants sign leases without need for a co-signer.
2/3/2021	Eusoh	1.3	5.3	▪ InsurTech Gateway ▪ Moderne Passport ▪ Sure Ventures ▪ Undisclosed Angel Investors ▪ Undisclosed Investors	▪ Eusoh eliminates the need for costly premiums. It allows for transparency, affordability and happier customers while providing full financial protection. Instead of a premium, members pay a small subscription fee and contribute to verified expenses only if and when they happen. Eusoh's pilot in the veterinary market has provided on average -70% in savings to its users.
2/3/2021	Surer	0.1	0.1	▪ Antler	▪ Surer is a cloud-based, web platform with technology that helps all parties in the general insurance industry automate processes and drive network collaborations, enabling them to provide better service and support to clients.
2/3/2021	Seek Now	–	–	▪ Susquehanna Growth Equity	▪ Seek Now is an inspection platform and services provider to the property & casualty insurance industry.
2/4/2021	Hi Marley	25	41.8	▪ Bain Capital Ventures ▪ Brewer Lane Ventures ▪ Emergence Capital Partners ▪ Greenspring Associates ▪ True Ventures ▪ Underscore.VC ▪ Undisclosed Investors	▪ Hi Marley offers an intelligent conversation platform specifically designed for the insurance industry. The Marley platform enables insurance companies to communicate with their customers through messaging and deliver a fast and easy customer experience. It's built for insurance, with industry-specific artificial intelligence and functionality. The platform has flexible APIs and requires zero integration to get started.

Note: Blue font denotes current round investors.

The Data Center

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
2/4/2021	Coterie Applications	11.5	22.26	▪ Allos Ventures ▪ Alpha Edison ▪ Greenlight Re Innovations ▪ Intact Ventures ▪ Intercept Ventures ▪ Lackawanna Insurance ▪ RPM Ventures ▪ The Hartford ▪ Undisclosed Investors	▪ Coterie offers API-based commercial insurance that aims to make buying, changing and renewing insurance easy.
2/4/2021	PasarPolis	5	67	▪ Alpha JWC Ventures ▪ BEENEXT ▪ East Ventures ▪ Go-Ventures ▪ Gojek ▪ International Finance Corporation ▪ Intudo Ventures ▪ LeapFrog Investments ▪ SBI Investment ▪ Tokopedia ▪ Traveloka ▪ Xiaomi	▪ PasarPolis is a comparison shopping site for insurance products.
2/4/2021	Project Nomi	0.06	0.06	▪ Entrepreneur First	▪ Project Nomi offers a platform where users can receive insurance risk analysis and pricing financials directly from insurance companies.
2/9/2021	Allganize	10	14.42	▪ Atinum Investment ▪ Bass Investment ▪ Fast Investment ▪ Global Brain Corporation ▪ Hartford InsurTech Hub ▪ KDDI Open Innovation Fund ▪ Laguna Investment ▪ Plug and Play Accelerator ▪ SparkLabs Ventures ▪ Stonebridge Capital ▪ Sumitomo Mitsui Banking Corporation	▪ Allganize provides natural language understanding API and a conversational artificial intelligence agent to enterprises, allowing clients to securely search, discover and organize company documents across various platforms such as Google Drive, Confluence, Jira, Slack, Zendesk and more.
2/9/2021	Ushur	5	42	▪ 8VC ▪ Aflac Corporate Ventures ▪ Iron Pillar ▪ Plug and Play Accelerator ▪ Plug and Play Ventures ▪ Third Point Ventures	▪ Ushur is a service engagement platform that digitally transforms enterprise workflows by automating back-end processes and customer conversations. It is designed for high-contact industries such as insurance, logistics and financial services.
2/9/2021	Grupo Delta	2.35	2.35	▪ Randon Ventures	▪ Grupo Delta is a national reference in technology and services for the insurance and transport segment. It began as a start-up dedicated to the vehicle assistance platform, adding overtime tracking features and systems for large fleets.
2/10/2021	Briza	8	11.15	▪ 500 Accelerator ▪ 500 Startups ▪ Alon Neches ▪ Investment Group of Santa Barbara ▪ Leaders Fund ▪ Louis Beryl ▪ Mike McDerment ▪ Sharon Ludlow ▪ Sid Sankaran	▪ Briza provides an insurance-as-a-service API that enables instant quoting, binding and issuance of commercial insurance policies.
2/10/2021	Nsure	2.9	4.2	▪ Reliance Global Group ▪ Undisclosed Investors	▪ Nsure is a licensed online insurance agency that uses a proprietary algorithm and data analytics to recommend the right amount of coverage to consumers.

Note: Blue font denotes current round investors.

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
2/10/2021	Marble	2.5	2.5	▪ Fintech Ventures Fund ▪ HU Investments ▪ IA Capital Group ▪ MS&AD Ventures ▪ Reciprocal Ventures ▪ The Takoma Group	▪ Marble is a rewards program for home, car and other personal insurance products.
2/10/2021	Vesttoo	–	–	▪ Axon Partners Group ▪ Guy Ben-Artzi ▪ IBM Alpha Zone ▪ Longevitytech.fund ▪ Plug and Play Ventures ▪ REDDS Capital ▪ Undisclosed Angel Investors ▪ Yariv Gilat	▪ Vesttoo is a risk-hedging and alternative reinsurance platform for the Longevity Risk Market. Vesttoo focuses on one of the industry's most acute issues, working closely with insurers, reinsurers and pension providers to manage their longevity risk using the capital markets, providing the capital and risk management they need while reducing risk to policyholders.
2/11/2021	Northmill Bank	30.1	30.1	▪ Coeli Sverige ▪ M2 Asset Management	▪ Northmill is a Swedish fintech company that develops straightforward and secure financial services for everyone. The company offers savings, credits, payments and insurance services.
2/11/2021	Roambee	18	42	▪ Reefknot Investments	▪ Roambee's sensor logistics platform uses IoT sensors to collect data, artificial intelligence (AI) to deliver insights and foresights, and robotic process automation (RPA) to automate operations within the enterprise.
2/16/2021	Nexus Mutual	2.7	2.7	▪ 1confirmation ▪ Blockchain Capital ▪ Collider Ventures ▪ Dialectic ▪ Version One Ventures	▪ Nexus Mutual uses the power of blockchain technology and Ethereum to allow people from all over the world to share insurance risk together without the need for an insurance company.
2/16/2021	Particeep	2.42	5.02	▪ AXA Venture Partners ▪ Banque Wormser Freres ▪ Bpifrance ▪ JMYX Holding ▪ Sopra Steria ▪ Total Developpement Regional ▪ Truffle Capital	▪ Particeep offers banks, insurance companies, management companies and their distributors solutions to market their products online and simplify their API exposure to third-party distributors.
2/16/2021	Boleron	0.61	0.61	▪ Eleven Ventures ▪ New Vision 3 ▪ Visa Innovation Program	▪ Boleron offers a mobile platform for insurance of different types.
2/16/2021	Virtual I Technologies	0.25	0.7	▪ Falcon Network ▪ FinTech Hive Accelerator ▪ Multicultural Innovation Lab	▪ Virtual I Technologies is an InsurTech risk assessment company that enables insurance carriers to remotely see and assess any risk using its proprietary technology.
2/17/2021	InsurePay	5	5	▪ FINTOP Capital	▪ InsurePay provides any insurance carrier with the ability to immediately offer a Pay-As-You-Go workers compensation solution.
2/17/2021	QBTech	–	15.36	▪ BlueRun Ventures ▪ RGAx ▪ South China Venture Capital ▪ TechCrunch Shenzhen ▪ Woying Capital	▪ QBTech develops an insurance robot that provides smart customer service, smart sales, smart voice chat, smart underwriting and more.
2/18/2021	Insurely	3	3.38	▪ Elias Jacobson ▪ Emanuel Lipschutz ▪ Luminar Ventures ▪ Mikael Karlsson ▪ Robert Chirico Willstedt ▪ Undisclosed Angel Investors	▪ Insurely is a Swedish digital insurance platform on a mission to make insurance easier to understand and manage.
2/18/2021	PAKT	–	–	▪ Financial Venture Studio	▪ PAKT is an infrastructure service that allows sites to embed bespoke insurance products across the web.

Note: Blue font denotes current round investors.

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
2/19/2021	Accern	4.2	22.09	▪ 26 Ventures ▪ Affinity Investment Group ▪ Allianz Life Ventures ▪ Belmont Capital ▪ Cane Investment Partners ▪ Fusion Fund ▪ Gurtin Ventures ▪ Mighty Capital ▪ Moshe Neuman ▪ OnRamp Insurance Accelerator ▪ Paycheck Protection Program ▪ Plug and Play Accelerator ▪ Plug and Play Fintech Accelerator ▪ Plug and Play Ventures ▪ Rostra Capital ▪ TMT Investments ▪ Undisclosed Angel Investors ▪ Undisclosed Investors ▪ Vectr Ventures ▪ Viaduct Ventures ▪ VYL	▪ Accern is a platform that helps institutional investors detect corporate or economic events before mainstream media channels. The company provides insights by monitoring news sites, blogs, social networks and more to curate relevant financial content.
2/21/2021	Earnix	75	98.5	▪ Formula Ventures ▪ Insight Partners ▪ Israel Growth Partners ▪ Jerusalem Venture Partners ▪ Plenus Venture Lending ▪ Vintage Investment Partners ▪ Vintage Partners	▪ Earnix is a provider of predictive analytics solutions for the financial services industry.
2/22/2021	Gofido	0.84	0.84	▪ Undisclosed Investors	▪ Gofido is an InsurTech company allowing customers to customize their own insurance plan to fit their needs.
2/22/2021	MyPolicy	–	–	▪ Inflexion Private Equity ▪ Zurich	▪ MyPolicy provides broking, product design, pricing and monitoring of telematics motor insurance policies for first-time drivers and other niches in the U.K.
2/23/2021	Salty	15	31.25	▪ Paycheck Protection Program ▪ Undisclosed Investors	▪ Salty offers auto insurance and employee benefits. With their service, insurance is embedded into things that are bought by consumers, thereby making insurance an inherent part of the transaction.
2/23/2021	Koffie	4.5	4.5	▪ 2048 Ventures ▪ Anthemis ▪ C2 Ventures ▪ Lerer Hippeau Ventures ▪ Lloyd's Lab ▪ NYU Future Labs ▪ Plug and Play Accelerator ▪ Plug and Play Ventures	▪ Koffie is an insurance company purpose-built for the autonomous vehicle era. The company uses modern technology to deliver instant policies based on advanced safety and autonomous technology.
2/25/2021	Aclaimant	0.05	28.69	▪ Aspen Capital Group ▪ BrokerTech Ventures ▪ EBSCO Capital ▪ KEC Ventures ▪ Mercury Fund ▪ Moderne Passport ▪ Next Coast Ventures ▪ Paycheck Protection Program ▪ Royal Street Ventures ▪ RRE Ventures ▪ Undisclosed Investors	▪ Aclaimant develops a platform to engage the employee, employer and insurance carrier in making workplace incidents an equal responsibility.
2/25/2021	Aureus Analytics	0.05	4	▪ Alpine Meridian ▪ Arihant Patni ▪ Arun Venkatachalam ▪ BrokerTech Ventures ▪ Connecticut Innovations ▪ Hartford InsurTech Hub ▪ Microsoft ScaleUp ▪ Multi-Act ▪ Plug and Play Accelerator ▪ Rajan Anandan ▪ Steven Sule ▪ Undisclosed Investors	▪ Aureus Analytics is a customer intelligence and experience company that enables insurers and banks to deliver superior customer experiences to create greater customer retention, loyalty and value. The company does this by leveraging analytics and machine learning technologies and delivering insights at the point of decision.

Note: Blue font denotes current round investors.

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
2/25/2021	Layr	0.05	5.05	▪ BrokerTech Ventures ▪ Flyover Capital ▪ Lloyd's ▪ Lloyd's Lab ▪ Maschmeyer Group Ventures ▪ Sandbox Insurtech Ventures	▪ Layr enables companies to get the layer of protection they need to succeed and pay for it monthly with a credit card. Layr's online insurance management portal automates many of the tasks traditionally handled by an agent like generating certificates of insurance, initiating claims and more.
2/25/2021	Malum Terminus Technologies	0.05	0.05	▪ BrokerTech Ventures	▪ Malum Terminus Technologies develops IntelliSee. which is a powerful risk mitigation platform that uses artificial intelligence developed for the U.S. Department of Defense to identify threats to human safety.
2/25/2021	Propeller	0.05	0.05	▪ BrokerTech Ventures	▪ Propeller is an InsurTech company that operates as a virtual agent or MGA, currently focused on the surety bond market. The company utilizes a proprietary surety platform with the ability to instantly underwrite and issue surety bonds, creating efficiencies for all members of the value chain (carriers, agents, customers and obligees).
2/25/2021	Relativity6	0.05	1.24	▪ BrokerTech Ventures ▪ Global Insurance Accelerator ▪ MassChallenge ▪ OnRamp Insurance Accelerator ▪ Plug and Play Ventures ▪ Salesforce Accelerate ▪ Undisclosed Investors	▪ Relativity6 is an analytics company that uses artificial intelligence to help insurance organizations retain customers.
2/25/2021	Socialeads	0.05	2.63	▪ BrightStar Wisconsin ▪ BrokerTech Ventures ▪ Cameron Ventures ▪ Cream City Venture Capital ▪ Northwestern Mutual ▪ Northwestern Mutual Future Ventures ▪ Plug and Play Accelerator ▪ Plug and Play Ventures ▪ Rock River Capital ▪ Undisclosed Investors ▪ Winnebago Capital Partners	▪ Socialeads develops an AI platform that helps financial services companies and their advisors to automatically know the size, depth and value of their professional and personal social networks.
2/26/2021	TypTap	100	100	▪ Centerbridge Partners	▪ TypTap is an insurance provider that offers homeowners and flood insurance.
3/1/2021	Yuanbao Technology	80	30	▪ Baika Venture Capital ▪ Hillhouse Capital Management ▪ KunYuan Asset ▪ Qiming Venture Partners ▪ Raymond ▪ Tianjin Qingyan Lushi Investment Management ▪ TusStar ▪ Zhongguancun Development Group	▪ Yuanbao Technology provides internet security products and solutions for insurance companies.
3/1/2021	Socotra	12.86	47.06	▪ 8VC ▪ Brewer Lane Ventures ▪ MS&AD Ventures ▪ Nationwide Ventures ▪ Portag3 Ventures ▪ Undisclosed Angel Investors ▪ Undisclosed Investors ▪ USAA Ventures	▪ Socotra is a cloud-based, productized insurance core platform that enables carriers to easily and efficiently manage complex interactions throughout the life cycle of policies, whether single line, single state or multi-line, multi-country. The platform supports underwriting, policy administration, claims, billing, reporting and more.
3/2/2021	Veruna	6	12.25	▪ EMC Insurance Group ▪ Keystone Insurers Group ▪ Paycheck Protection Program ▪ Undisclosed Investors	▪ Veruna offers agency management software and consulting services for insurance agencies.
3/3/2021	Acheel	34.57	34.57	▪ NJJ ▪ Portag3 Ventures ▪ Serena Capital	▪ Acheel is an insurance technology company.
3/3/2021	Ratesdotca	–	51	▪ Bank of Montreal ▪ Kanetix ▪ Ontario Teachers' Pension Plan ▪ TD Bank Group	▪ Ratesdotca is an online source for Canadians who shop for insurance and money products. Its sites compare the most insurance providers in Canada today.

Note: Blue font denotes current round investors.

The Data Center

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
3/4/2021	Hepster	10	10	▪ Element Ventures ▪ GPS Ventures ▪ MBMV ▪ Plug and Play Accelerator ▪ Seventure Partners	▪ Hepster is developing digital products and markets for insurance businesses and consumers.
3/4/2021	Symbo Insurance	9.4	9.4	▪ AJ Capital & Investments ▪ CreditEase Fintech Investment Fund ▪ FinTech Innovation Lab ▪ Insignia Ventures Partners ▪ Integra Partners ▪ Think Investments ▪ Wayra	▪ Symbo is an InsurTech business serving the industry across products, distribution and operations. Symbo also owns the RECONNECT by Symbo reinsurance platform, a digital platform serving various participants in the reinsurance industry.
3/4/2021	Unslashed Finance	2	2	▪ Bitscale Capital ▪ Lemniscap VC ▪ P2P Capital ▪ Undisclosed Angel Investors	▪ Unslashed Finance provides insurance and smart contracts for crypto assets.
3/4/2021	Quashed	0.43	0.43	▪ Icehouse Ventures	▪ Quashed operates as a mobile platform for users to manage insurance expenses.
3/4/2021	Helvengo	–	–	▪ Cornelius Boersch ▪ Hypoport ▪ Seed X Liechtenstein	▪ Helvengo provides insurance services for SMEs and entrepreneurs.
3/5/2021	InsurGrid	1.3	1.3	▪ Engineering Capital ▪ Hustle Fund ▪ Sahil Lavingia ▪ Trevor Kienzle ▪ Vess Capital	▪ InsurGrid develops software for insurance agents to help serve existing clients and secure new ones.
3/9/2021	Zego	150	201.55	▪ Balderton Capital ▪ Blossom Capital ▪ DST Global ▪ General Catalyst ▪ LocalGlobe ▪ Taavet Hinrikus ▪ Target Global ▪ Tech Nation Fintech ▪ Tom Stafford ▪ Undisclosed Angel Investors	▪ Zego provides pay-as-you-go insurance for drivers and riders working for sharing economy companies, including Deliveroo, UberEATS, Jinn and Amazon who only pay, via an app or top-up card, for cover for the hours they work.
3/9/2021	Wrapbook	27	30.6	▪ Andreessen Horowitz ▪ Equal Ventures ▪ Michael Ovitz ▪ Steve Sarowitz ▪ Uncork Capital ▪ WndrCo	▪ Wrapbook is an app for project-based insurance, onboarding, timecards and payroll especially for production management. Users can onboard their workforce, calculate wages, process payroll and handle insurance in one app.
3/9/2021	Turtlemint	16	77	▪ American Family Ventures ▪ Blume Ventures ▪ Dream Incubator ▪ GGV Capital ▪ Jungle Ventures ▪ MassMutual Ventures ▪ Nexus Venture Partners ▪ Sequoia Capital India ▪ SIG Capital ▪ Trifecta Capital	▪ Turtlemint is an online insurance seller that offers motorcycle insurance from various providers, allowing users to compare different plans.
3/9/2021	Riskcovry	5	5	▪ Better Capital ▪ Bharat Inclusion Initiative ▪ DMI Sparkle Fund ▪ Omidyar Network India ▪ Pentathlon Ventures ▪ Varanium Capital	▪ Riskcovry is an omnichannel "insurance-in-a-box" for consumer businesses that enables any insurance product to integrate across any customer engagement channel, seamlessly. As an enterprise product company with a B2B2C model, it enables customers with a SaaS and API-first platform, which optimizes all end-consumer touchpoints of insurance.

Note: Blue font denotes current round investors.

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
3/10/2021	Corvus Insurance Agency	100	146	▪ .406 Ventures ▪ Bain Capital Ventures ▪ Hudson Structured Capital Management ▪ Insight Partners ▪ Obvious Ventures ▪ Telstra Ventures	▪ Corvus Insurance Agency provides software solutions. The company offers insurance software applications for commercial insurance brokers and buyers.
3/10/2021	Bomapp	–	16.97	▪ AssetPlus Investment Management ▪ DS Asset Management ▪ Hana Capital ▪ Hana Life ▪ Hana Ventures ▪ Hyundai Marine & Fire Insurance ▪ ICB ▪ Ideabridge Partners ▪ KB Investment ▪ KB Securities ▪ Korea Credit Guarantee Fund ▪ LOTTE Accelerator ▪ PIA Investment Management ▪ SJ Investment Partners ▪ The Square & Company	▪ Bomapp is a platform that lets users compare and sign up for various types of insurance with ease, and comes with other features, including direct help from agents and emergency call outs. Users can monitor their insurance policies, compare insurance products and receive personalized product recommendations. The app also provides insurance planners' personal profile and career information to allow customers to choose their own planner.
3/12/2021	GloveBox	3	3.24	▪ Heffernan Insurance Brokers ▪ Mercato Partners ▪ Plug and Play Accelerator ▪ Undisclosed Investors	▪ GloveBox is a centralized mobile and web application allowing insurance policyholders to access their policy documents, pay a bill, initiate a claim and so much more regardless of which carrier their policies are written with. The company strives to enhance the customer experience for the insurance client while reducing service costs and increasing overhead for boh agencies and carriers.
3/15/2021	PolicyBazaar	75	633.78	▪ ABG Capital ▪ Bay Capital ▪ Chiratae Ventures ▪ Cyrus Poonawalla Group ▪ Falcon Edge Capital ▪ IIFL Wealth Management ▪ Info Edge ▪ Intel Capital ▪ Inventus Capital Partners ▪ MakeSense Technologies ▪ PremjiInvest ▪ Ribbit Capital ▪ SoftBank Group ▪ Steadview Capital ▪ Tencent Holdings ▪ Tiger Global Management ▪ True North ▪ Undisclosed Investors ▪ Wellington Management ▪ White Oak Commercial	▪ PolicyBazaar helps users compare financial products like life and general insurance, loans and credit cards. To enable easy and sensible comparison, the company has partnered with financial institutions disbursing loans and selling insurance in India. PolicyBazaar helps get free insurance quotes, and users can compare plans based on multiple features.
3/16/2021	Bimaplan	0.5	0.63	▪ 2AM Ventures ▪ Abhishek Rungta ▪ Anupam Mittal ▪ Dream Incubator ▪ FinSight Ventures ▪ Jitendra Gupta ▪ Kunal Shah ▪ Nimesh Kampani ▪ Nisarg Shah ▪ Pallav Nadhani ▪ Rajesh Sawhney ▪ Ramakant Sharma ▪ Ritesh Malik ▪ Roshan Abbas ▪ Shanti Mohan ▪ Titan Capital ▪ Y Combinator ▪ Yash Jain	▪ Bimaplan is a mobile platform that helps users secure affordable insurance plans.

Note: Blue font denotes current round investors.

The Data Center

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
3/17/2021	Coalition	175	315	▪ Deep Nishar ▪ Felicis Ventures ▪ General Atlantic ▪ Greenoaks Capital Management ▪ Greyhound Capital ▪ Hillhouse Capital Management ▪ Index Ventures ▪ Ribbit Capital ▪ Sam Altman ▪ Undisclosed Investors ▪ Valor Equity Partners ▪ VY Capital	▪ Coalition is an insurance and risk management company that provides insurance coverage, free cybersecurity tools and expert claims response to help small and medium businesses identify and assess risk, prevent attacks and losses before they occur, and recover when all else fails.
3/18/2021	ClearRisk	0.24	3.74	▪ BDC Venture Capital ▪ Business Development Bank of Canada ▪ First Angel Network ▪ Government of Newfoundland and Labrador ▪ GrowthWorks ▪ Royal Bank of Canada ▪ Undisclosed Investors	▪ ClearRisk provides web-based risk management solutions for the insurance industry and small to medium-size enterprises.
3/18/2021	Haibao Technology	–	–	▪ Cherubic Ventures	▪ Haibao Technology is committed to promoting the development and innovation of internet service models in the insurance industry.
3/19/2021	SureClaim	0.04	0.04	▪ Astarc Ventures ▪ Financial Inclusion Lab ▪ Gemba Capital ▪ Undisclosed Investors	▪ SureClaim is an online platform for insurance claims. The company provides a digital site that allows users to either prepare self-claim insurance applications or get personalized claim assistance from advisors. Its objective is to simplify the documentation process related to insurance claims and to inform its users about rights, policy and coverage.
3/22/2021	Percayso Inform	0.6	0.6	▪ Seedrs	▪ Percayso Inform provides data intelligence and enrichment solutions for insurance insurers and brokers.
3/23/2021	Surround Insurance	2.6	2.6	▪ MassChallenge ▪ Plug and Play Accelerator ▪ Plug and Play Ventures ▪ Undisclosed Venture Investors	▪ Surround provides insurance products to serve the urban professionals.
3/23/2021	Bimaplan	0.13	0.63	▪ 2AM Ventures ▪ Abhishek Rungta ▪ Anupam Mittal ▪ Dream Incubator ▪ FinSight Ventures ▪ Jitendra Gupta ▪ Kunal Shah ▪ Nimesh Kampani ▪ Nisarg Shah ▪ Pallav Nadhani ▪ Rajesh Sawhney ▪ Ramakant Sharma ▪ Ritesh Malik ▪ Roshan Abbas ▪ Shanti Mohan ▪ Titan Capital ▪ Y Combinator ▪ Yash Jain	▪ Bimaplan is a mobile platform that helps users secure affordable insurance plans.

Note: Blue font denotes current round investors.

Q1 2021 InsurTech transactions – P&C

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
3/24/2021	Fixico	5.91	16.71	▪ Autotech Ventures ▪ Finch Capital ▪ Laurens Groenendijk ▪ Mundi Ventures ▪ Orange Growth Capital ▪ Plug and Play Accelerator ▪ Undisclosed Angel Investors	▪ Fixico is an end-to-end digital platform that provides white-label solutions for insurance, fleet and rental companies, connects repair shops with consumers and helps consumers select suitable car repair offers.
3/25/2021	Pie Insurance	118	306	▪ Acrew Capital ▪ Allianz X ▪ Aspect Ventures ▪ Elefund ▪ Gallatin Point Capital ▪ Greycroft ▪ Moxley Holdings ▪ Sirius International Insurance Group ▪ SiriusPoint ▪ SVB Capital ▪ Undisclosed Investors	▪ Pie Insurance provides insurance directly to small businesses and also partners with local, regional, and national insurance agencies to provide coverage to their clients.
3/25/2021	Snapsheet	30	116	▪ Commerce Ventures ▪ F-Prime Capital ▪ G2T3V ▪ IA Capital Group ▪ Intact Ventures ▪ Liberty Mutual Strategic Ventures ▪ Lightbank ▪ Montage Ventures ▪ Nationwide Ventures ▪ OCA Ventures ▪ Paycheck Protection Program ▪ Ping An Global Voyager Fund ▪ Pivot Investment Partners ▪ Plug and Play Accelerator ▪ Pritzker Group Venture Capital ▪ Rev1 Ventures ▪ Sedgwick ▪ State Auto Labs ▪ Tola Capital ▪ Undisclosed Investors ▪ USAA Ventures	▪ Snapsheet develops a cloud-based technology platform that facilitates customer engagement and intelligent workflows. Snapsheet builds software to adapt to workflows, operational needs and systems environments.
3/25/2021	Trava	3.5	3.5	▪ High Alpha ▪ M25 ▪ TDF Ventures	▪ Trava is an integrated cyber risk management and insurance platform.
3/26/2021	Nimbla	–	–	▪ Barclays Accelerator ▪ Financial Conduct Authority ▪ Greenlight Capital Re ▪ Simmons & Simmons	▪ Nimbla provides micro-insurance that protects small business and caters to the unbundling of financial services.
3/31/2021	Next Insurance	250	881	▪ American Express Ventures ▪ Battery Ventures ▪ capitalG ▪ FinTLV ▪ Founders Circle Capital ▪ G Squared ▪ Group 11 ▪ Markel ▪ Munich RE ▪ Munich Re Ventures ▪ Nationwide Ventures ▪ Redpoint Ventures ▪ Ribbit Capital ▪ TLV Partners ▪ Zeev Ventures	▪ Next Insurance is a small business insurance company. Next Insurance provides customized policies for all small business needs through a technology-first approach.

Note: Blue font denotes current round investors.

The Data Center

Q1 2021 InsurTech transactions – L&H

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
1/4/2021	SafetyWing	8	12	▪ byFounders ▪ Creandum ▪ CreditEase Fintech Investment Fund ▪ DG Ventures ▪ The Nordic Web Ventures ▪ Y Combinator	▪ SafetyWing is insurance for digital nomads. It is building a global safety net tailored to the needs of online freelancers and entrepreneurs. Users compare competitors for coverage, choose a start date and get coverage for up to 30 days every three months.
1/12/2021	Employee Navigator	34	34	▪ JMI Equity	▪ Employee Navigator provides HR and compliance software. The company offers services to insurance brokers, insurance carriers and all sizes of companies. It is based in Bethesda, Maryland.
1/13/2021	Nayya	11	13.8	▪ Cameron Ventures ▪ Entrepreneurs Roundtable Accelerator ▪ Felicis Ventures ▪ Guardian Life Insurance Company of America ▪ Guardian Strategic Ventures ▪ Social Leverage ▪ Soma Capital ▪ Undisclosed Angel Investors ▪ Unum Group	▪ Nayya helps employers find the right health insurance coverage plan for their employees, using data to increase transparency and provide cost-saving insights and information around the doctor network nearby.
1/13/2021	DeadHappy	2.73	11.18	▪ Channel 4 Ventures ▪ e.ventures ▪ Octopus Ventures ▪ Seedrs ▪ Venture Founders	▪ DeadHappy is an InsurTech company that aims to remove the taboo surrounding death by offering more flexible life insurance policies.
1/13/2021	Arogga	–	–	▪ Falcon Network	▪ Arogga is a health care platform that connects users with pharmacies, doctors, insurance and labs.
1/14/2021	Healthcare Fraud Shield	50	50	▪ Charlesbank Capital Partners	▪ Healthcare Fraud Shield offers fraud, waste and abuse (FWA) solutions to health care insurance payers. It is based in Chesterfield, Missouri.
1/14/2021	Lumiata	14	48.69	▪ AllegisNL ▪ Alumni Ventures Group ▪ Defy Partners ▪ Intel Capital ▪ Khosla Ventures ▪ Paycheck Protection Program ▪ Plug and Play Accelerator ▪ Sandbox Industries ▪ The Blue Venture Fund ▪ Undisclosed Investors	▪ Lumiata, formerly MEDgle, applies medical science to patient data in order to optimize every health care interaction. The company delivers predictive analytics that help hospital networks and insurance carriers provide higher quality care to more patients in less time.
1/25/2021	Xiaobangtouzi	–	28.36	▪ BlueRun Ventures ▪ DST Global ▪ Lingfeng Capital ▪ Reinsurance Group of America ▪ Sequoia Capital China ▪ Tencent Holdings	▪ Xiaobangtouzi is a wealth management consulting service provider for families, whose offerings include insurance planning and investment management.
1/26/2021	Sidecar Health	125	163	▪ Anne Wojciciki ▪ Bond ▪ Cathay Innovation ▪ Comcast Ventures ▪ Drive Capital ▪ GreatPoint Ventures ▪ Kauffman Fellows ▪ Menlo Ventures ▪ Morpheus Ventures ▪ Tiger Global Management	▪ Sidecar Health provides personalized and affordable health insurance for members. Members can see any provider, and costs are transparent.

Note: Blue font denotes current round investors.

Q1 2021 InsurTech transactions – L&H

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
1/27/2021	Player's Health	–	6.26	▪ Drummond Road Capital ▪ Eos Venture Partners ▪ Greenlight Re Innovations ▪ RPM Ventures ▪ SAIL Capital Partners ▪ Techstars ▪ Undisclosed Investors ▪ Will Ventures	▪ Player's Health is a platform to manage the health and wellness of entire sports organizations. It provides athletic organizations with the essential medical information and injury reporting via its mobile application to manage the health and care of young athletes.
2/5/2021	Eden Health	60	99	▪ 645 Ventures ▪ Amigos Health ▪ Aspect Ventures ▪ Brand Foundry Ventures Company ▪ Company Ventures ▪ Convene ▪ Flare Capital Partners ▪ Flex Capital ▪ Greycroft ▪ Insight Partners ▪ Max Ventures ▪ Piper Sandler ▪ PJC ▪ Stone Point Capital ▪ Undisclosed Investors	▪ Eden Health combines private primary care, telemedicine and personalized insurance navigation in a mobile app.
2/9/2021	Gentem	10	3.9	▪ 500 Accelerator ▪ 500 Startups ▪ CoFound Partners ▪ Great Oaks Venture Capital ▪ Hustle Fund ▪ Rocketship.vc ▪ Social Starts ▪ Susa Ventures ▪ Undisclosed Investors ▪ Village Global ▪ Vulcan Capital	▪ Gentem offers instant claims reimbursements for physicians.
2/11/2021	Alice	33.3	49.3	▪ Canary VC ▪ Endeavor ▪ Kaszek Ventures ▪ Maya Capital ▪ ThornTree Capital Partners	▪ Alice develops a B2C integrated health insurance application.
2/11/2021	Emerging Therapy Solutions	1	10.28	▪ Telegraph Hill Partners ▪ Undisclosed Investors	▪ Emerging Therapy Solutions provides analytical software tools and outsourced services to insurance providers and other payers to manage expensive cell and gene therapies.
2/12/2021	Talem Health Analytics	2.3	2.42	▪ Build Ventures ▪ Hartford InsurTech Hub ▪ Holt Fintech Accelerator ▪ Innovacorp ▪ Innovacorp Accelerate Program ▪ Spark Innovation Challenge ▪ Volta Labs	▪ Talem Health Analytics offers a secure cloud-based platform built for insurance and health care professionals regarding insights on bodily injury claims cost.
2/12/2021	Santexpat	0.91	0.91	▪ Accurafy4 ▪ Undisclosed Investors	▪ Santexpat offers an online platform to compare health insurance for expatriates.
2/18/2021	AppMan	4.6	4.6	▪ Casmatt ▪ Krungsri Finnovate ▪ KTBST ▪ POEMS Ventures ▪ RISE ▪ Siam Alpha Equity	▪ AppMan was founded to help organizations create high-quality mobile apps for their businesses. The company is specialized in developing mobile apps for sales process and BYOD projects for insurance clients. Its platform products allow insurers to digitally mobilize their sales agents and transform paper-based ways of working into straight-through, efficient and automated process, appropriately for companies aiming to succeed in the digital era.
2/19/2021	KindHealth	4	4	▪ Undisclosed Investors	▪ KindHealth is a recommendation engine that matches consumers with a health insurance plan based on their unique needs.

Note: Blue font denotes current round investors.

The Data Center

Q1 2021 InsurTech transactions – L&H

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
2/22/2021	Employment Hero	34.8	59.4	▪ AirTree Ventures ▪ AMP New Ventures ▪ OneVentures ▪ Salesforce Ventures ▪ SEEK	▪ Employment Hero makes online human resources software for companies. The software combines functions like payroll, employee benefits and retirement, employment contracts, accounting and more on a single web app.
2/26/2021	Circulo	50	50	▪ Drive Capital ▪ General Catalyst ▪ Oak HC/FT Partners ▪ SVB Capital	▪ Circulo operates as an internet-based Medicaid insurance company.
2/26/2021	Ribbon Health	3.5	13.87	▪ Andreessen Horowitz ▪ BoxGroup ▪ Dorm Room Fund ▪ Eric Roza ▪ Great Oaks Venture Capital ▪ Nat Turner ▪ Rough Draft Ventures ▪ SV Angel ▪ The Graduate Syndicate ▪ Undisclosed Investors ▪ Vivek Garipalli ▪ Y Combinator	▪ Ribbon Health is a data platform for health care enterprises powered by machine learning. The company provides accurate data on doctors, their accepted insurance plans, and cost and quality of care. Its data is used to power health care products across the entire ecosystem, including referral management, care advocacy, provider directories, network design and much more.
3/1/2021	MySofie	1.3	1.98	▪ Bpifrance ▪ CPMS ▪ Digital Insure ▪ Region Nouvelle-Aquitaine ▪ Unitec	▪ MySofie is a mobile personal assistant that aggregates health services and allows for the management of health insurance contracts.
3/2/2021	Beam Dental	80	168.63	▪ Breakout Capital ▪ Drive Capital ▪ Georgian Partners ▪ Kentucky Seed Capital Fund ▪ Kleiner Perkins Caufield & Byers ▪ Lewis & Clark Ventures ▪ Mercato Partners ▪ Nationwide Ventures ▪ Queen City Angels ▪ Rock Health ▪ Undisclosed Investors ▪ Yearling Fund	▪ Beam Dental offers employers, individuals and families dental insurance coverage pricing according to how often members brush their teeth.
3/2/2021	Health Gorilla	15	25.2	▪ Aflac Corporate Ventures ▪ Data Collective ▪ Epsilon Health Investors ▪ Harris Barton ▪ IA Capital Group ▪ Nationwide Ventures ▪ Orfin Ventures ▪ Paycheck Protection Program ▪ PIK.vc ▪ True Ventures ▪ Venture Investment Associates	▪ Health Gorilla is a secure interoperability solution that enables the entire health care ecosystem's patients, payers, providers, digital health solutions and labs to share health data and aggregate each patient's entire clinical history in one place. Headquartered in Silicon Valley, Health Gorilla works with health care organizations, helping them gather the clinical data they need to deliver the most appropriate care for their patients.
3/2/2021	Stoovo	2.25	2.4	▪ 500 Accelerator ▪ Plug and Play Ventures ▪ The Social Entrepreneurs' Fund ▪ Watertower Ventures	▪ Stoovo is a central platform that focuses on the financial wellbeing of gig workers. Stoovo uses AI to optimize and stabilize income and partnerships that increase exposure to income opportunities and products, such as health insurance, mortgage products and tax assistance.
3/4/2021	Decisely	3.5	63.5	▪ EPIC Insurance Brokers & Consultants ▪ Oak Hill Capital Partners ▪ Sightway Capital ▪ Two Sigma	▪ Decisely provides small businesses in the U.S. with an automated technology platform to manage benefits insurance and human resources in a compliant and cost-effective way.

Note: Blue font denotes current round investors.

Q1 2021 InsurTech transactions – L&H

Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
3/8/2021	AgentSync	25	36.1	▪ Caffeinated Capital ▪ Craft Ventures ▪ Elad Gil ▪ Harry Stebbings ▪ Marc Benioff ▪ Max Levchin ▪ Nine Four Ventures ▪ Operator Collective ▪ Undisclosed Angel Investors	▪ AgentSync is a salesforce app for carriers and agencies that automates licensing and compliance.
3/9/2021	Shuming Data	–	–	▪ For Future Capital ▪ Lake Capital	▪ Shuming Data is an artificial intelligence algorithm company with insurance and big health user behavior prediction and commercialization as its core business.
3/11/2021	Pendella	0.13	1.28	▪ eBenX ▪ RGAx ▪ Undisclosed Investors	▪ Pendella provides small business health insurance. The company's advisors create programs for employers and employees that both protect business and reward employees.
3/12/2021	Ouch!	0.36	0.36	▪ Temokin ▪ Vynn Capital	▪ Ouch! is a mobile app that helps users manage their insurance policies.
3/15/2021	Fucunbao	11	11	▪ Eight Roads Ventures ▪ Qiming Venture Partners	▪ Fucunbao is a mutual aid and health insurance platform focusing on primary market.
3/16/2021	Clarify Health	115	240	▪ Concord Health Partners ▪ HighBar Partners ▪ Hummer Winblad Venture Partners ▪ Insight Partners ▪ KKR ▪ Rivas Capital ▪ Sigmas Group ▪ Spark Capital ▪ Undisclosed Investors	▪ Clarify Health is working to collect every record of rendered health care in the United States for the purpose of providing more granular and precise analytics to health care organizations, spanning from providers to payers and life sciences. Clarify's software solutions are fueled by a patient-level data set and incorporate clinical, claim, prescription, lab and socio-behavioral determinants of health data. Its analytics platform is powered by a technology stack inspired by those used in banking and logistics and provides doctors and insurers greater visibility into cost, quality, referrals, utilization and member risk. The company is also helping life sciences organizations analyze and integrate rich data to determine the optimal sites and designs for clinical trials as well as accelerate clinical development timelines.
3/17/2021	Xiaoyusan Insurance	–	14	▪ Albatross Venture ▪ Gopher Asset Management ▪ Matrix Partners China ▪ Sequoia Capital China ▪ Tianshili Capital ▪ Undisclosed Investors	▪ Xiaoyusan Insurance uses big data to partner up with professional Chinese insurance companies. The company offers an online outlet selling insurances platform specially designed for certain groups of people. It aims at becoming the leading platform for offering insurance discounts, so as to help the clients avoid frequent insurance problems such as difficulty in finding suitable insurance, high cost for insurance, lack of transparency in the purchasing process and more.
3/18/2021	Gravie	28	73.6	▪ Aberdare Ventures ▪ AXA Venture Partners ▪ FirstMark Capital ▪ GE Ventures ▪ Paycheck Protection Program ▪ Revelation Partners ▪ Securian Ventures ▪ Split Rock Partners ▪ Undisclosed Investors	▪ Gravie is committed to creating insurance independence by bringing smart solutions that help consumers and employers maximize the new insurance marketplace. Gravie takes the administrative work away from employers and helps consumers select and buy insurance coverage, providing ongoing customer support, trouble-shooting with health plans, analysis of health care spending and management of all health care affairs on one customized platform.
3/19/2021	CMT Solutions	10	20.04	▪ Inova Personalized Health Accelerator ▪ Lytical Ventures ▪ Mercury Fund ▪ Paycheck Protection Program ▪ Undisclosed Investors	▪ CMT Solutions partners with labs to optimize and automate prior authorization workflows. The CMT Solutions web-based platform provides a hub-service model that determines when a PA is required, conducts patient eligibility checks and delivers electronic PAs for physicians. The platform also provides insurance verification, documentation gathering, PA submission and deductible management functions.
3/23/2021	BeWell Digital	0.13	0.13	▪ Y Combinator	▪ BeWell Digital is building an insurance regulatory compliance operating system for India's hospitals, labs, clinics and pharmacies.

Note: Blue font denotes current round investors.

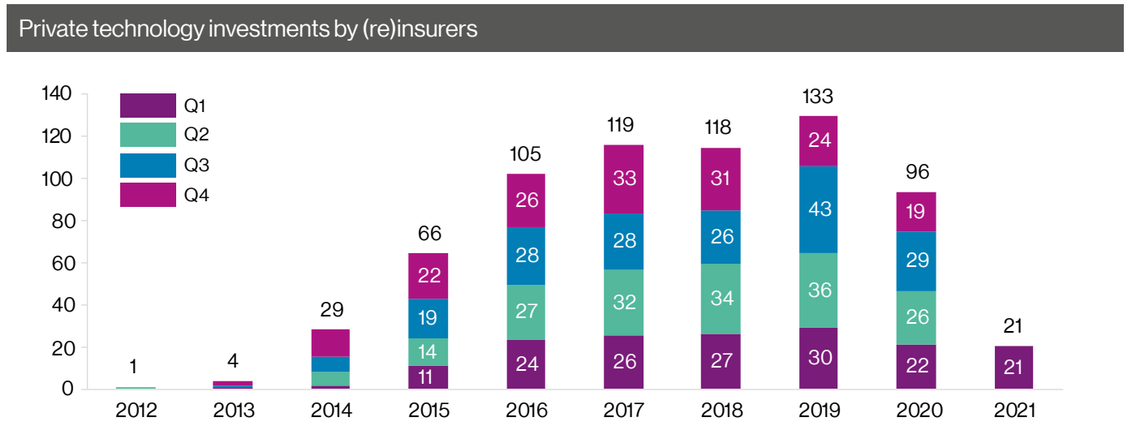
The Data Center

Q1 2021 InsurTech transactions – L&H

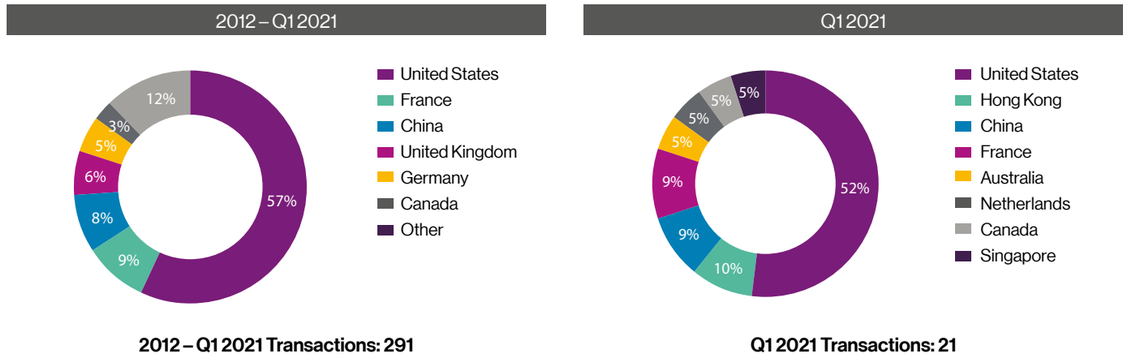
Date	Company	Funding (US$M) Round	Funding (US$M) Total	Investor(s)	Description
3/25/2021	Ease	41	68.6	▪ Centana Growth Partners ▪ Compound ▪ Deep Fork Capital ▪ Freestyle Capital ▪ Propel Venture Partners ▪ Spectrum Equity ▪ Transmedia Capital ▪ Upside Partnership	▪ Ease has developed a platform meant to help small and medium-sized businesses with HR and benefits enrollment and administration.
3/29/2021	Lumary	17	18.4	▪ Equity Venture Partners ▪ OneVentures ▪ Salesforce ▪ South Australian Venture Capital Fund	▪ Lumary develops software to manage workflow between providers, clients and others in the National Disability Insurance Scheme.
3/30/2021	Curacel	0.45	0.49	▪ Atlantica Ventures ▪ Consonance Capital ▪ Consonance Investment Managers ▪ Dubai100 ▪ Facebook Accelerator ▪ Forbes Digital Startup Accelerator ▪ Google for Startups Accelerator ▪ Kepple Africa Ventures ▪ Startupbootcamp AfriTech ▪ Undisclosed Angel Investors	▪ Curacel works with African insurers to reduce fraudulent payouts and increase the efficiency of their claims processes. The company's solution has applicability per the company in health, auto and travel insurance.

Note: Blue font denotes current round investors.

Private technology investments by (re)insurers

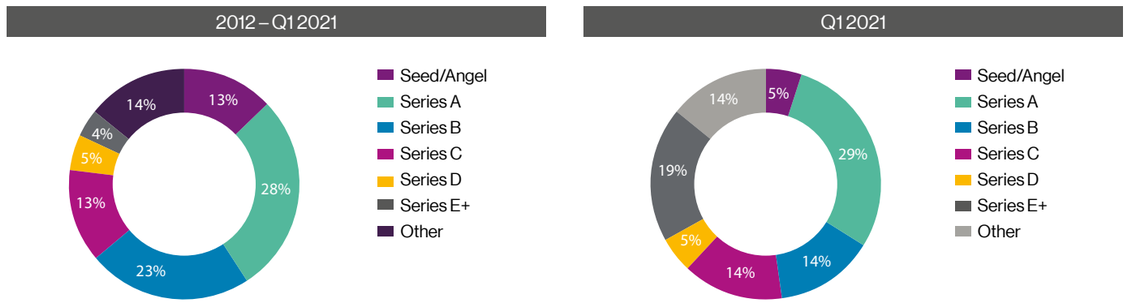


Private technology investments by (re)insurers by target country



2012 – Q1 2021 Transactions: 291 **Q1 2021 Transactions: 21**

Private technology investments by (re)insurers by investment stage



2012 – Q1 2021 Transactions: 291 **Q1 2021 Transactions: 21**

Data Center

Private technology investments by (re)insurers

Date	Company	Funding (US$M) Round	Funding (US$M) Total	(Re)insurer investor(s)	Description
1/5/2021	Valera Health	3.8	7.2	▪ AXA Venture Partners	▪ Valera Health is a behavioral health company that leverages data analytics and smartphone technology to improve behavioral health care delivery.
1/11/2021	AxonIQ	7.29	7.29	▪ AXA Venture Partners	▪ AxonIQ offers a software platform, services and education to expedite the software development of large-scale event-driven systems based on Microservices architecture. Its tools and methods enable companies to design, build and deploy future-proof applications.
1/12/2021	Microsec	3.2	3.23	▪ MassMutual Ventures	▪ MicroSec is developing enterprise-grade security frameworks (such as firewalls) for IoT sensor networks. The solution relies on low bandwidth and computationally efficient algorithms, which is suitable for the low-powered sensor nodes.
1/19/2021	Lovys	20.64	24.46	▪ MAIF Avenir	▪ Lovys is an aggregated monthly subscription service for all of a user's insurance needs.
1/25/2021	Goalsetter	3.9	4.15	▪ Northwestern Mutual Future Ventures	▪ Goalsetter is a saving platform for children. It features automatic transfers for specific goals, such as college funds.
11/5/2020	Lynk	24	29	▪ MassMutual Ventures	▪ Lynk is a business advice platform dedicated to connecting people to the right experts for advice, insights and knowledge.
1/27/2021	LeaseLock	52	63.7	▪ American Family Ventures ▪ Liberty Mutual Strategic Venture	▪ LeaseLock is a rent guarantor that helps tenants sign leases without need for a co-signer.
2/3/2021	Guangzhou Futures Exchange	–	32.45	▪ Ping An Insurance	▪ Guangzhou Futures Exchange is an exchange based in Guangzhou, China.
2/7/2021	InDebted	6.5	19.99	▪ MassMutual Ventures	▪ InDebted is a debt recovery agency that provides software aimed at small to medium business customers that is already operational in the Australian market and boasts the recovery of millions of dollars for thousands of businesses.
2/8/2021	Purpose Financial	42.2	42.2	▪ Allianz X	▪ Purpose Financial creates a platform for asset management, wealth management and SMB banking technology.
2/10/2021	QBTech	–	15.36	▪ RGAx	▪ QBTech develops an insurance robot that provides smart customer service, smart sales, smart voice chat, smart underwriting and more.
2/22/2021	BlocPower	8	74.98	▪ American Family Ventures	▪ BlocPower connects investors to energy-efficient projects in financially underserved communities through its online platform Smart Cities.

Private technology investments by (re)insurers

Date	Company	Funding (US$M) Round	Funding (US$M) Total	(Re)insurer investor(s)	Description
3/8/2021	WeLab	75	656	▪ Allianz X	▪ WeLab is a fintech company in Asia with a digital bank in Hong Kong – WeLab Bank. The company uses risk management technology to analyze unstructured mobile big data to provide consumer financing solutions for the individual.
3/8/2021	NYDIG	200	255	▪ MassMutual ▪ New York Life Insurance Company	▪ NYDIG offers a full suite of institutional-grade digital asset prime brokerage, execution and custody services.
3/14/2021	Stripe	600	2550	▪ Allianz X ▪ AXA	▪ Stripe is an online-based, payment processing platform that gives online merchants the ability to securely accept credit card payments through the use of custom-built forms.
3/18/2021	Golem.ai	5.96	7.46	▪ MAIF Avenir	▪ Golem.ai allows developers to produce interfaces using natural language. It analyzes non-standard formulated text and executes functions in a program or in a digital context consisting of several elements.
3/18/2021	Security Scorecard	180	290.9	▪ AXA Venture Partners	▪ SecurityScorecard is an information security company focusing on third-party management and IT risk management. SecurityScorecard provides a platform designed to rate cybersecurity postures of corporate entities through the scored analysis of cyber threat intelligence signals.
3/18/2021	Gravie	28	73.62	▪ AXA Venture Partners	▪ Gravie is committed to creating insurance independence by bringing smart solutions that help consumers and employers maximize the new insurance marketplace.
3/25/2021	Snapsheet	30	116.35	▪ Liberty Mutual Strategic Ventures ▪ Nationwide Ventures ▪ Ping An Global Voyager Fund	▪ Snapsheet develops a cloud-based technology platform that facilitates customer engagement and intelligent workflows. Snapsheet builds software to adapt to workflows, operational needs, and systems environments.
3/25/2021	Pie Insurance	118	306	▪ Allianz X	▪ Pie Insurance provides insurance directly to small businesses and also partners with local, regional and national insurance agencies to provide coverage to their clients.
3/25/2021	Idelic	20	31.78	▪ AXA Venture Partners	▪ Idelic is a safety and operations focused software provider born from the trucking industry. Idelic Safety Suite, its flagship product, allows safety managers and their teams to automate compliance processes; integrate all of their systems; and gain insight and analytics on their drivers, terminals and overall operations.

Data Center

Q1 2021 strategic (re)insurer partnerships

Date	Company	(Re)insurer investor(s)	Description
1/11/2021	Bold Penguin	▪ AmTrust	▪ AmTrust has expanded its in-app binding capabilities on the Bold Penguin Terminal; this expands its partnership first established in Q2 2020. The company will leverage Bold Penguin's newly launched Terminal and Software Development Kit (SDK) products built to power faster and more accurate quoting in the small commercial insurance market for small business owners, agents and brokers.
1/12/2021	HOVER, CoreLogic	▪ Amica Insurance	▪ HOVER, the technology company that transforms smartphone photos of any property into a valuable data set for insurance professionals, has announced a strategic partnership with Amica Mutual Insurance. HOVER's data integration through the CoreLogic Digital Hub Alliance will allow Amica to decrease cycle times, transforming what has historically been an extensive process to a more efficient, streamlined operation, which can be done in just a few days.
1/14/2021	Bold Penguin	▪ American Family	▪ Bold Penguin, an InsurTech that enables the buying and selling of commercial insurance faster and easier, has been acquired by American Family Insurance, one of its early investors.
1/14/2021	expert.ai	▪ Howden Groups' HX	▪ HX, the data and analytics division of Howden Group, has partnered with expert.ai to augment its data analytics services. expert.ai's underwriting is aligned with HX's aim to help insurers, reinsurers, corporates and brokers maximize their resources through its data insights.
1/19/2021	Revolut	▪ Chubb	▪ Chubb has partnered with Revolut, a financial technology company delivering digital banking services.The partnership program provides a wide range of coverage for Revolut's customers, including purchase protection, refund protection and ticket cancellation, where a Revolut account is used.
1/22/2021	Flock	▪ Sompo	▪ Sompo International Holdings has announced a long-term partnership with Flock, a U.K,-based InsurTech that offers insurance solutions to commercial drone operators. The partnership will increase the availability of critical insurance for emerging use-cases in the commercial drone industry.
1/25/2021	Sapientus	▪ Pacific Life Re	▪ Life reinsurer Pacific Life Re is partnering with data analytics firm Sapientus to enhance the efficiency and effectiveness of its insurance solutions for the Chinese market.
1/26/2021	N26	▪ Allianz	▪ N26 and Allianz have expanded their insurance coverage for N26 You and N26 Metal customers to include epidemic and pandemic related claims.
1/28/2021	Tractable	▪ The Hartford	▪ The Hartford is using Tractable, an AI claims solution, to analyze auto damage within its auto insurance claims operations in the U.S. This will accelerate how quickly claims can be processed for its customers.
1/29/2021	Walmart	▪ Nationwide	▪ Nationwide and Walmart have partnered to help families with pets save time and money when filling their pet prescription medications at any of Walmart's 4,700 pharmacies across the country.
1/31/2021	Foxquilt	▪ Munich Re's Digital Partners	▪ Foxquilt has partnered with Munich Re's Digital Partners. Through the collaboration, Foxquilt will operate as a full-service insurance provider and co-creator of new, end-to-end insurance products and programs for small businesses.
2/3/2021	Praedicat	▪ Convex	▪ Convex has partnered with Praedicat, a risk analytics company specializing in emerging liability risks, to help identify, underwrite and manage complex casualty risks.
2/8/2021	Bestow	▪ Lemonade	▪ Bestow, a full-stack life insurance company, has partnered with Lemonade, to deliver life insurance. The solution, powered by Bestow's Protect API, means that Lemonade customers can apply for instant, affordable life insurance in as little as five minutes online — all within Lemonade's website and apps.
2/9/2021	Brite	▪ Zego	▪ Irish mobility start-up Brite has partnered with London-based mobility insurance provider Zego to expand its fleet offering of e-mopeds, e-scooters and e-bikes across Ireland.The partnership between Brite and Zego means that users of Brite's fleet of e-vehicles will be automatically insured.

Q1 2021 strategic (re)insurer partnerships

Date	Company	(Re)insurer investor(s)	Description
2/24/2021	Unqork	▪ Marsh	▪ (Re)insurance broker Marsh has partnered with software firm Unqork on a new digital platform designed to streamline insurance placement and policy management services in the U.S.
3/2/2021	Google Cloud	▪ Allianz, Munich Re	▪ Google Cloud, Allianz Global Corporate and Specialty (AGCS), and Munich Re have partnered to make cyber insurance more accessible and embed it into cloud services. The companies are launching the Risk Protection Program that aims to cut cloud security risks and offer cyber insurance designed for Google Cloud customers.
3/3/2021	AP Intego	▪ Next Insurance	▪ Next Insurance has signed a definitive agreement to acquire AP Intego, a digital insurance agency providing a suite of small commercial insurance products to some of the largest small business software ecosystems in the U.S., including Intuit, Gusto, Square and Toast.
3/8/2021	CDL	▪ Willis Towers Watson	▪ Willis Towers Watson announced that CDL, a specialist technology provider, has joined Willis Towers Watson's Radar Live Collaboration program.
3/9/2021	Nayms & Realm	▪ Aon	▪ Aon has partnered with crypocurrency InsurTech firm Nayms and Bermudian specialist insurer Realm to launch a new blockchain-enabled crypto pilot.
3/12/2021	Ancileo	▪ AXA	▪ AXA Partners and Ancileo have renewed their partnership to further bolster their position in the travel insurance market post-pandemic.
3/15/2021	Elpha Secure	▪ Axis Insurance	▪ AXIS Insurance has partnered with Elpha Secure to provide cybersecurity software for small businesses.
3/15/2021	YAS Digital	▪ Generali	▪ Generali has partnered with YAS Digital on Hong Kong's first passenger microinsurance solution.
3/17/2021	Amazon Business Prime	▪ Next Insurance	▪ Next Insurance has partnered with Amazon Business to provide eligible members the opportunity to access customized small business insurance. This partnership will allow Business Prime members to easily obtain a quote from Next Insurance and quickly purchase general liability, professional liability, workers compensation, commercial auto, and tools and equipment insurance coverage.
3/19/2021	Zesty.ai	▪ Cincinnati Insurance	▪ Zesty.ai, a climate risk analytics firm, has announced that The Cincinnati Insurance Company has integrated its predictive wildfire risk analytics solution, Z-FIRE, across the carrier's personal lines property portfolio.
3/23/2021	Huckleberry	▪ Berkshire Hathaway	▪ Huckleberry, an InsurTech company that offers a variety of insurance to small businesses, has announced a partnership with Berkshire Hathaway GUARD.
3/30/2021	Reliance Global Group	▪ Travelers, Nationwide	▪ Reliance Global Group, an InsurTech focused on combining advanced technologies with the personalized experience of a traditional insurance agency, has announced that its subsidiary, Fortman Insurance Services LLC, has been approved to offer Travelers and Nationwide insurance products nationally through the company's 5MinuteInsure.com platform. Reliance plans to initially focus on home and auto insurance, with the goal to add additional coverages.

Quarterly InsurTech Briefing

Additional information

The *Quarterly InsurTech Briefing* is a collaboration between Willis Re, Willis Towers Watson's Insurance Consulting and Technology, and CB Insights. Production is led by following the individuals. For more information, or to discuss the results of this report, please direct inquiries to InsurTech@willistowerswatson.com.

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