

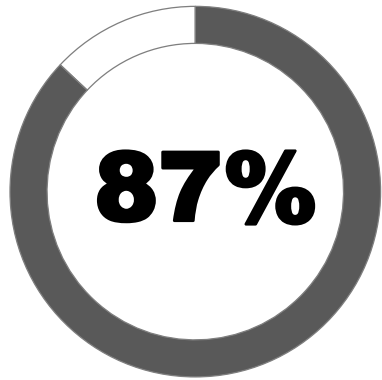
# FINTECH & INSURTECH: INSURANCE INNOVATION



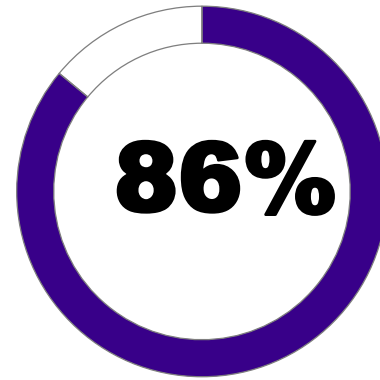
# WHY NOW ?

## REAL DISRUPTION AHEAD

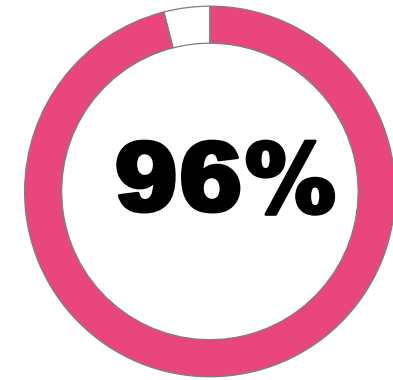
### INSURERS ARE FACING INCREASING PRESSURE TO EVOLVE QUICKLY



... of insurers agree that technology is no longer advancing in a linear fashion, but rather at **an exponential** rate



... of insurers believe they must innovate at an **increasingly rapid** pace simply to retain a competitive edge



... of insurers think that **digital ecosystems** are having an impact on the insurance industry

# WHAT ARE FINTECHS – INSURTECHS ?



## THEY ARE TECHNOLOGY DRIVEN

Insurtech builds on a rapidly expanding set of new technologies, from Big data and Blockchain to IoT and AI, frequently combining several of these.



## THEY ARE BIG BUSINESS

Global FINTECH investment exceeded \$20 Billion in 2016, with INSURTECH growing much faster.



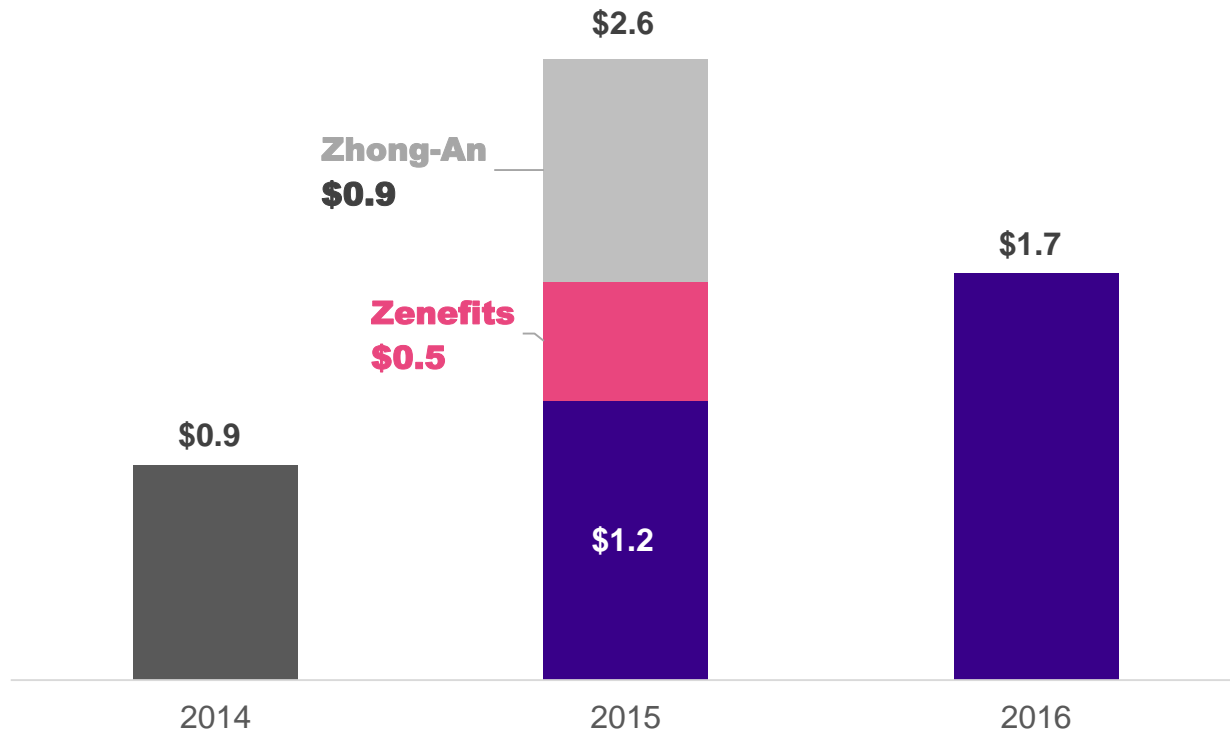
## IT IS A MAJOR OPPORTUNITY FOR INSURERS

To embrace new approaches and learn at speed to prepare for continuous disruption.

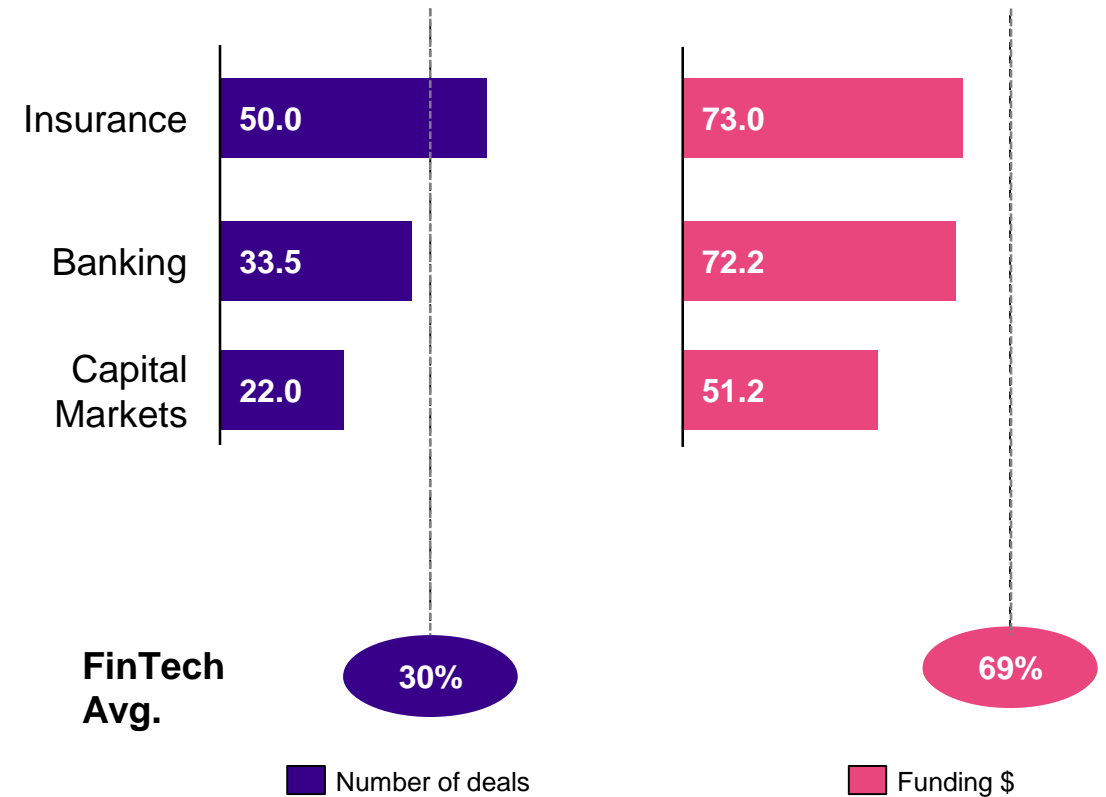


# INSURTECH IS A BIG BUSINESS ITS SIZE AND REACH IS EXPANDING

## GLOBAL INSURTECH INVESTMENT USD \$B



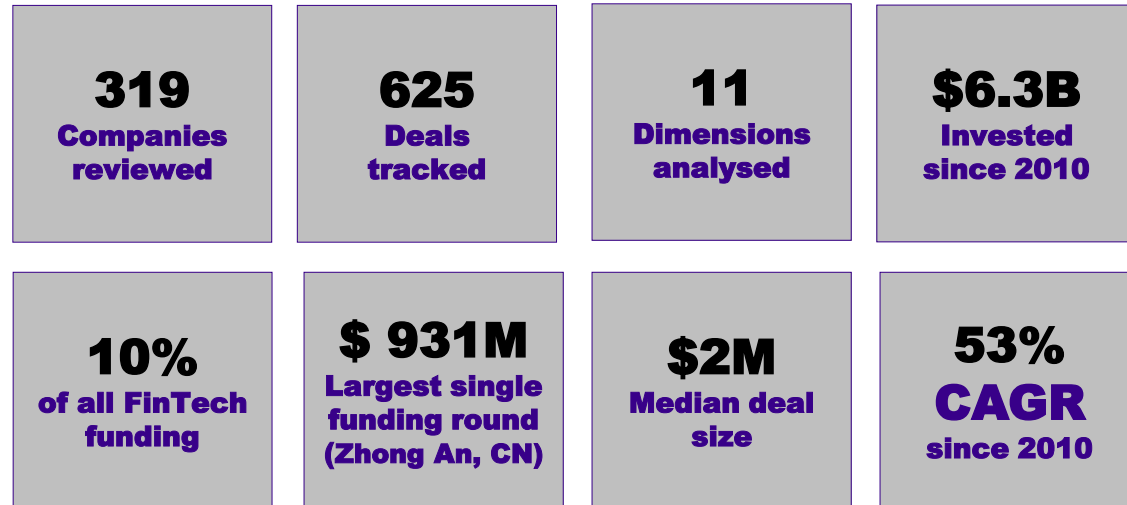
## FINTECH VS INSURTECH GROWTH 2013-2016 CAGR



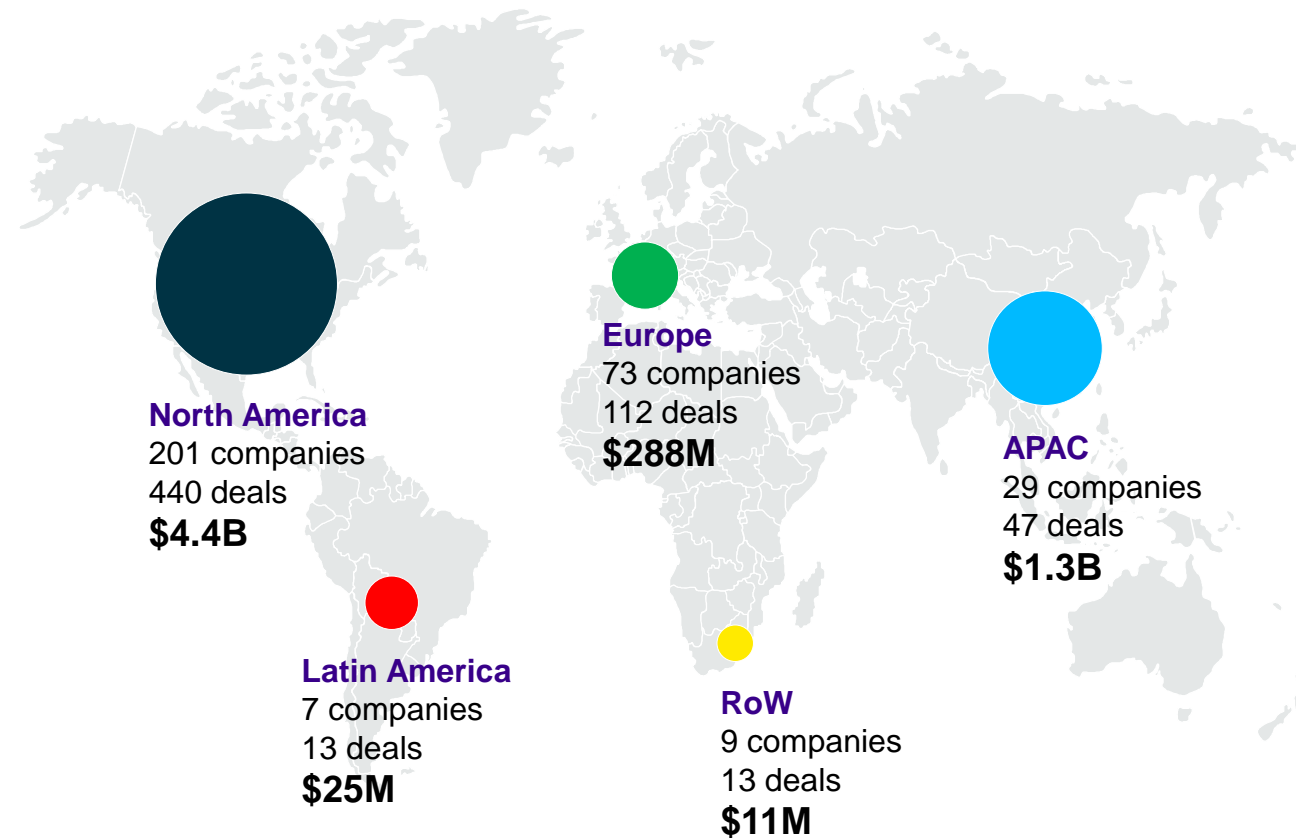
Figures exclude M&As and IPOs

# INSURTECH IS A BIG BUSINESS BUT TO DATE PRIMARILY FOCUSED ON N.A. AND ASIA

## Key insurTech metrics 2010-2016



## Geographic Split 2010-2016



## Top 10 InsurTechs By funding \$ to date



Collective Health

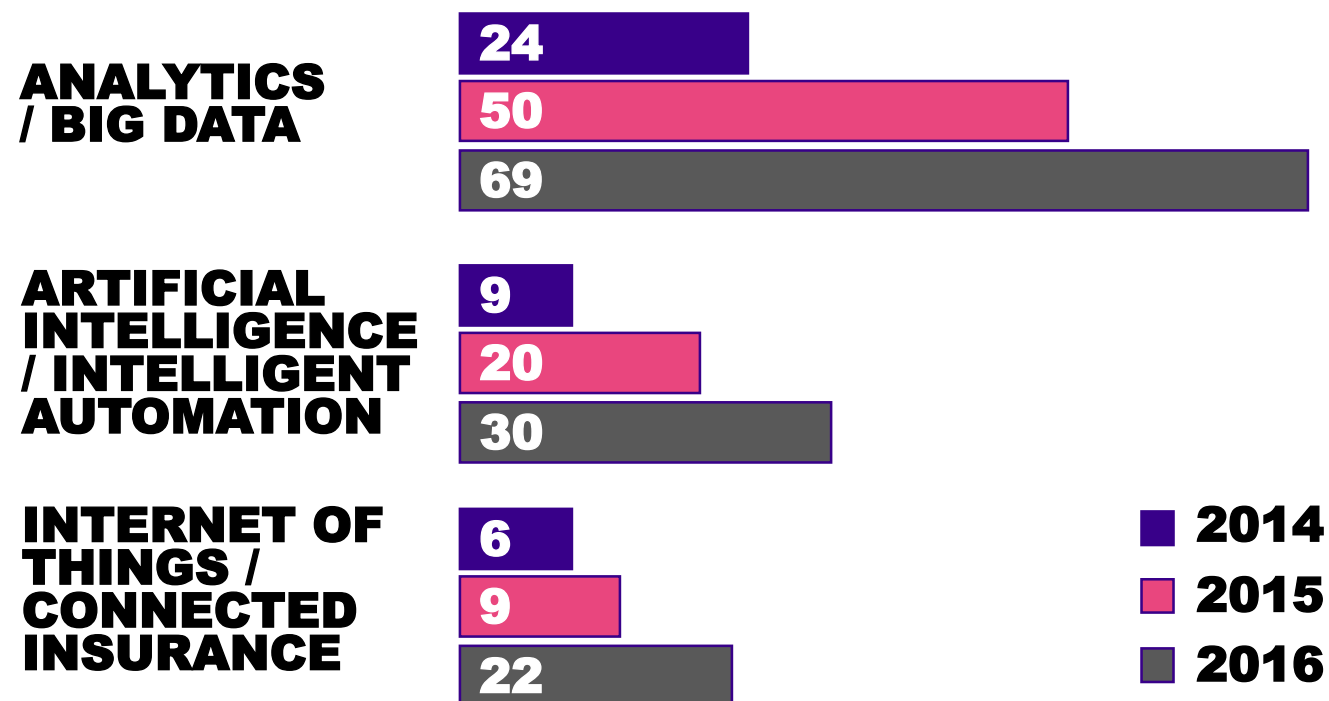
PlanSource

# IT IS TECHNOLOGY DRIVEN ANALYTICS/BIG DATA, AI/AUTOMATION AND IOT ARE LEADING THE WAY

## THESE 3 TECHNOLOGIES INCREASINGLY COMBINED ARE BECOMING PERVASIVE

- The number of InsurTech deals related to start-ups focused on Analytics/Big Data, Artificial Intelligence/Automation and IoT **roughly tripled** between 2014 and 2016.
- This trio of technologies collectively accounted for 56 percent of the total number of deals that took place in 2016 – and approximately **70 percent of the total value** invested.

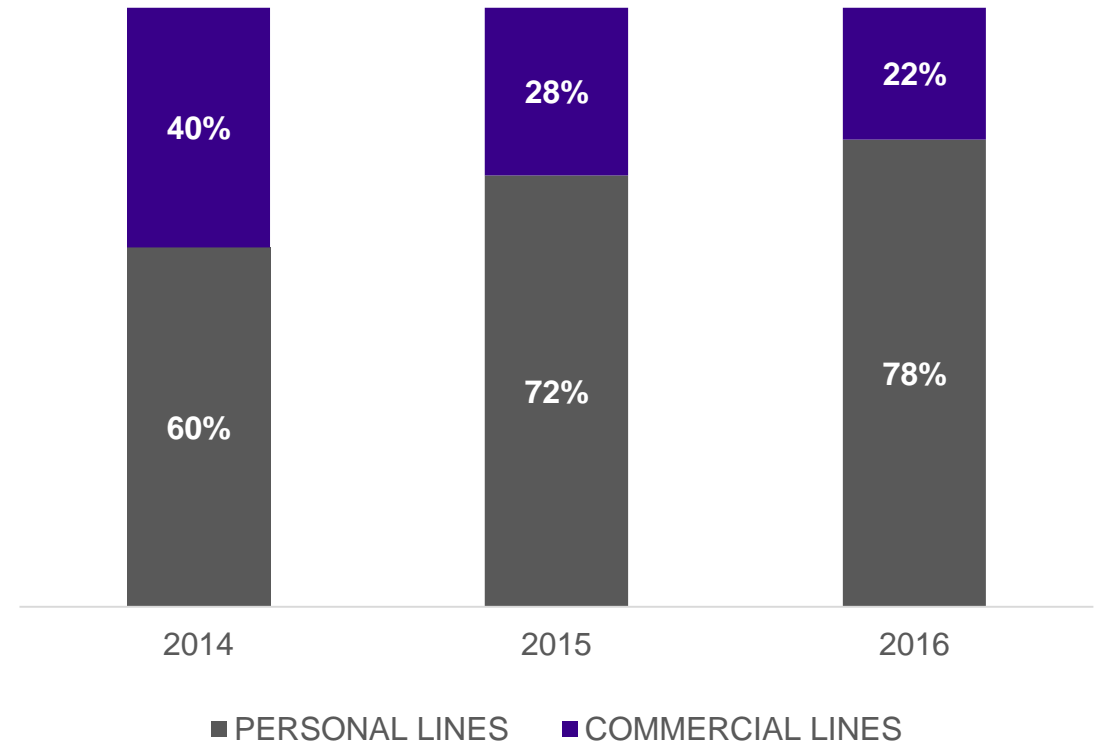
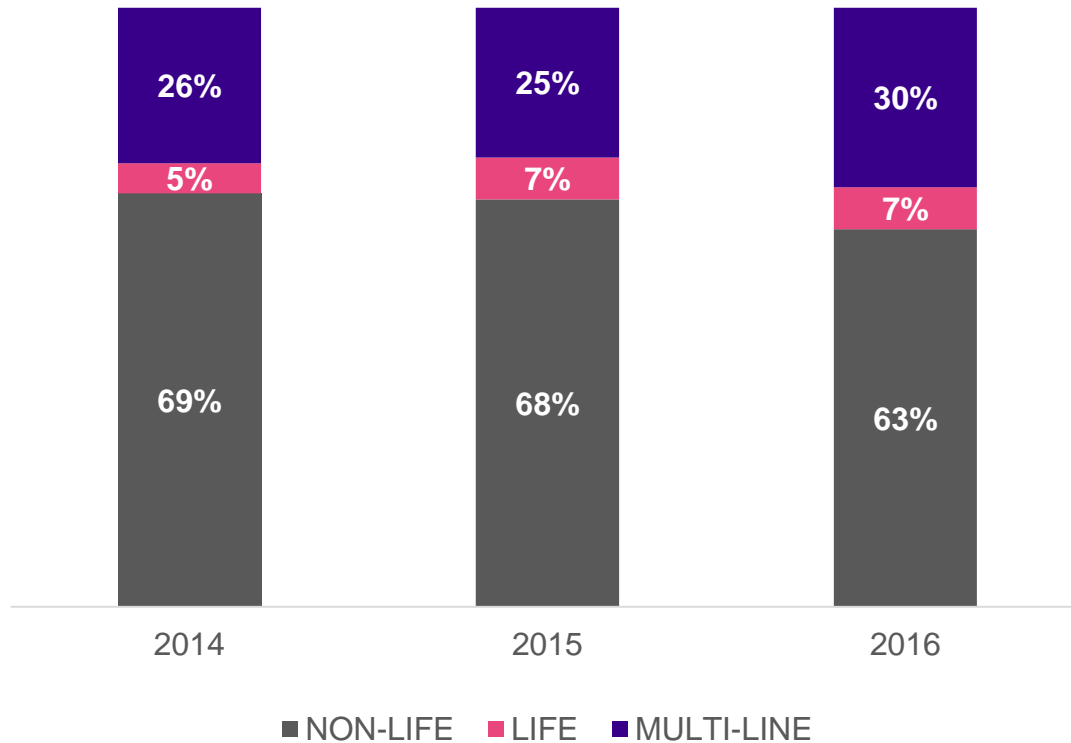
## NUMBER OF INSURTECH DEALS BY TYPE OF TECHNOLOGY



# INSURTECHS ARE PRIMARILY TARGETING P&C PERSONAL LINES

**NUMBER OF INSURTECH DEALS SEGMENTED BY TYPE OF INSURANCE BUSINESS**

**NUMBER OF INSURTECH DEALS SEGMENTED BY TYPE OF INSURANCE CUSTOMER**



# INSURTECH SPANS THE WHOLE VALUE CHAIN

PRODUCT DEVELOPMENT

ACQUISITION (PROSPECTING, SALES, MARKETING)

SHOPPING, QUOTING, BINDING / POLICY ISSUANCE

SERVICING, CUSTOMER ENGAGEMENT & ANALYTICS

CLAIMS

Lemonade



Slice

Metromile



INSTANDA

EMBROKER

policygenius



policygenius

Goji



Goji



Metromile



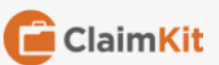
nextinsurance



concord



censio  
smart sensing



Shift Technology

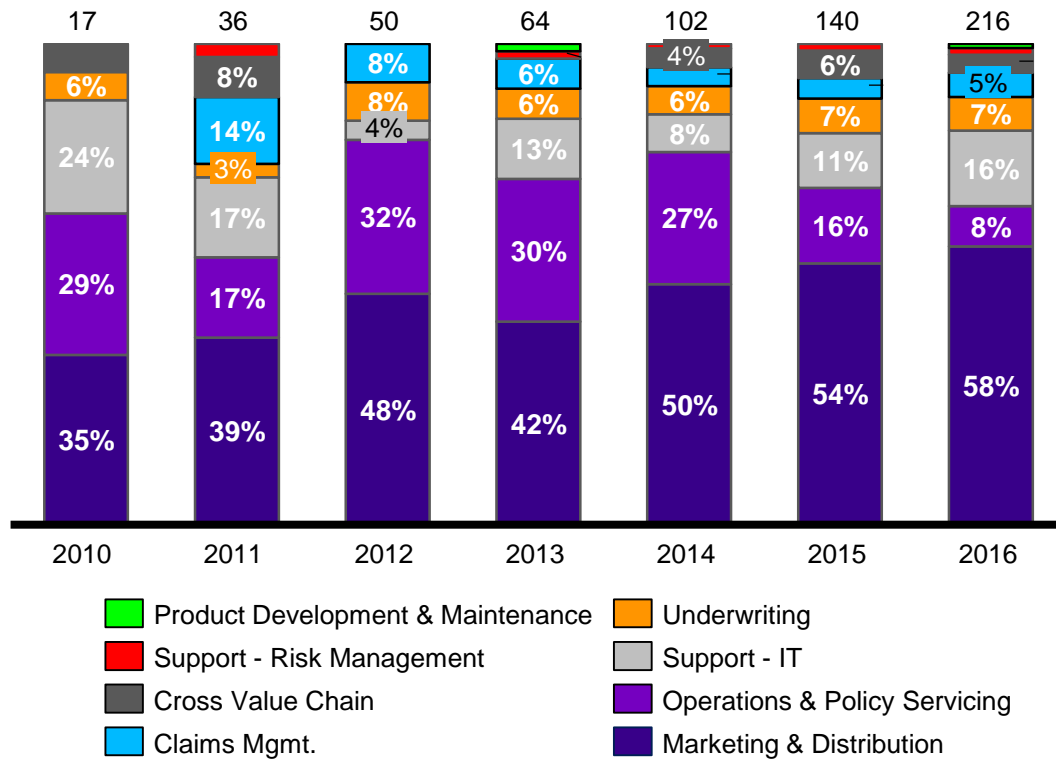




# BUT MARKETING & DISTRIBUTION AND POLICY SERVICING SOLUTIONS ACCOUNT FOR MOST DEALS AND FUNDING VOLUME

## VALUE CHAIN BREAKDOWN

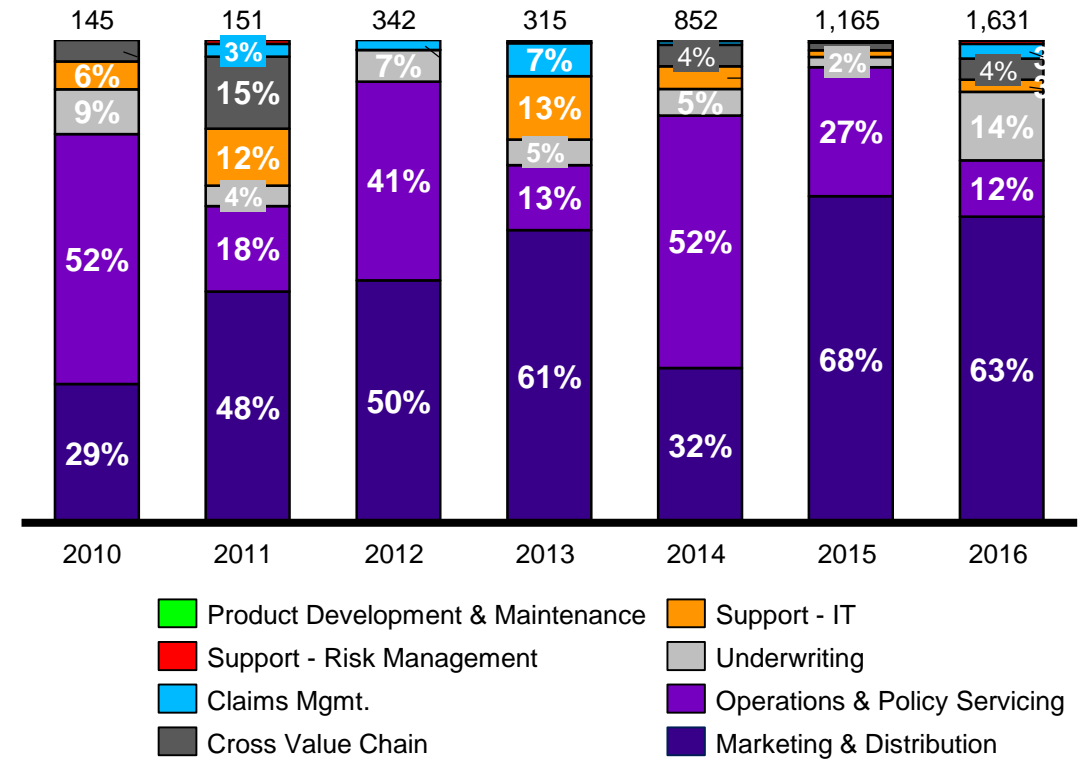
Number of deals



Figures exclude M&As and IPOs  
Classifications are updated as new information becomes available

## VALUE CHAIN BREAKDOWN

Funding \$M



Figures exclude M&As and IPOs  
2015 excludes Zhong An and Zenefits deals  
Classifications are updated as new information becomes available

# INSURERS VIEW INSURTECH STARTUPS MORE AS AN OPPORTUNITY THAN A THREAT

## INSURERS ARE SEEKING TO COLLABORATE MORE CLOSELY WITH TECHNOLOGY STARTUPS

- **44% of insurers** across the world intend to pursue digital initiatives with start-ups from the insurance industry over the next two years.
- **31% plan to work** with start-ups from outside the industry.
- However only **14% of the InsurTech deals** taking place during 2016 featured an insurer or its strategic venture arm

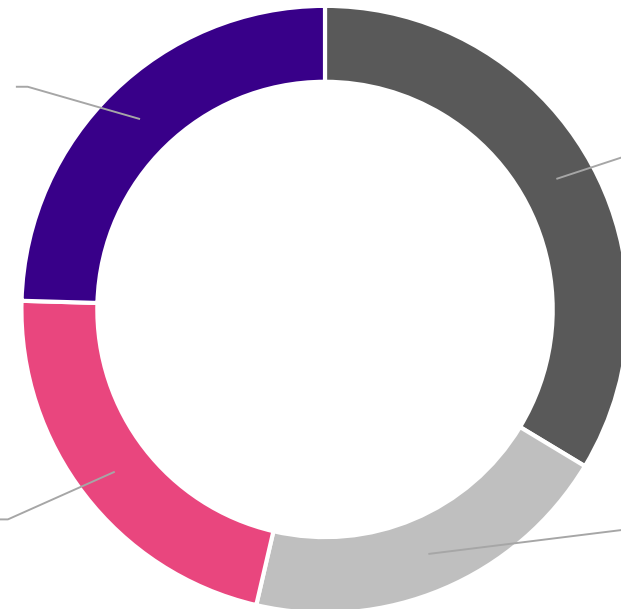
## ENTITIES VIEWED BY INSURERS AS POSING THE GREATEST RISK OF DISRUPTION TO THE INSURANCE INDUSTRY

**START-UPS FROM OUTSIDE INSURANCE**  
**27%**

**START-UPS WITHIN INSURANCE**  
**24%**

**ESTABLISHED COMPANIES WITHIN INSURANCE**  
**37%**

**ESTABLISHED COMPANIES FROM OUTSIDE INSURANCE**  
**22%**

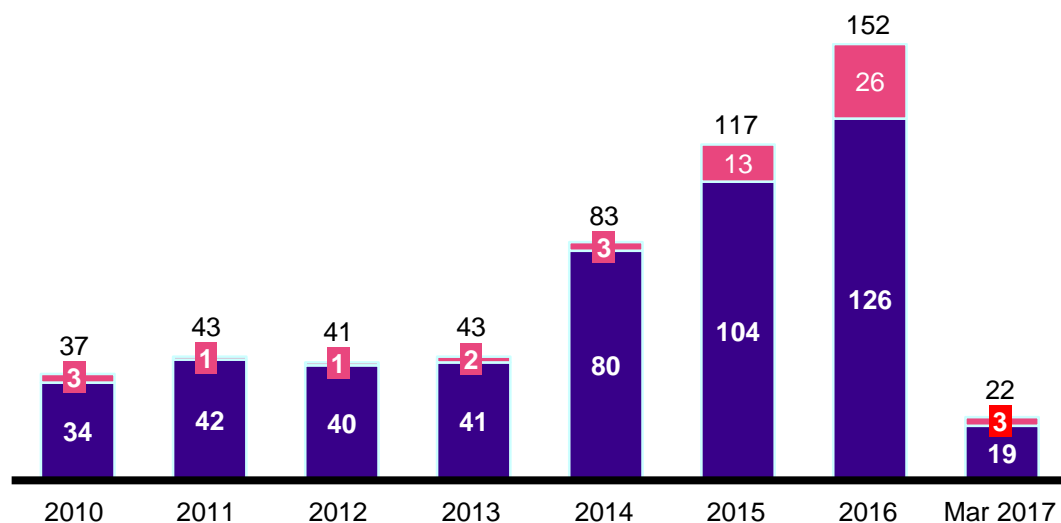


# AND ARE ACCELERATING THEIR INVESTMENTS IN FINTECH & INSURTECH

## Investments by (Re)Insurers

Number of deals

### InsurTech %

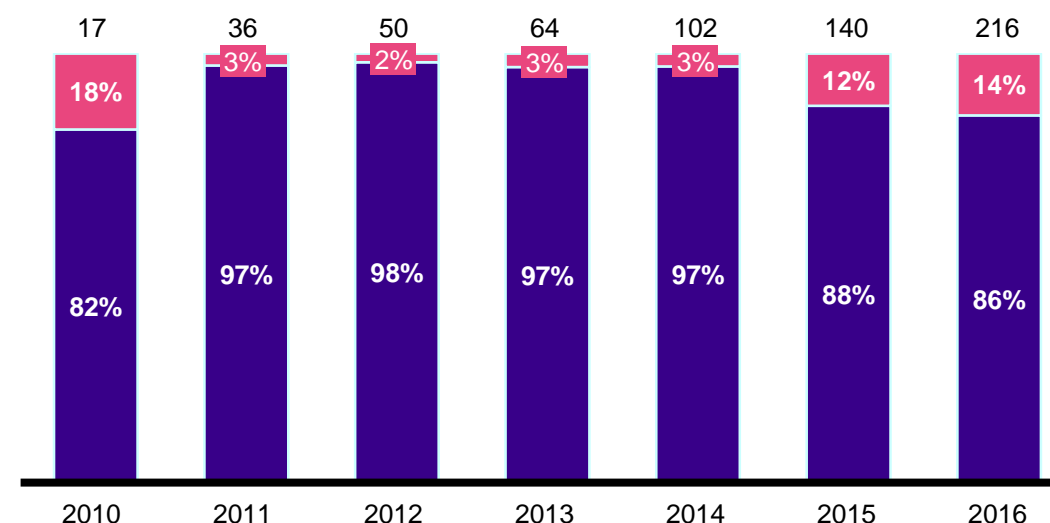


■ InsurTech ■ All other start-ups

Figures exclude M&As and IPOs.  
Includes deals by a list of 75 leading insurance corporates and insurance-backed CVC funds  
Deals typically involve more than one investor

## Number of InsurTech deals by type of investor

2010 high % due to low number deals overall

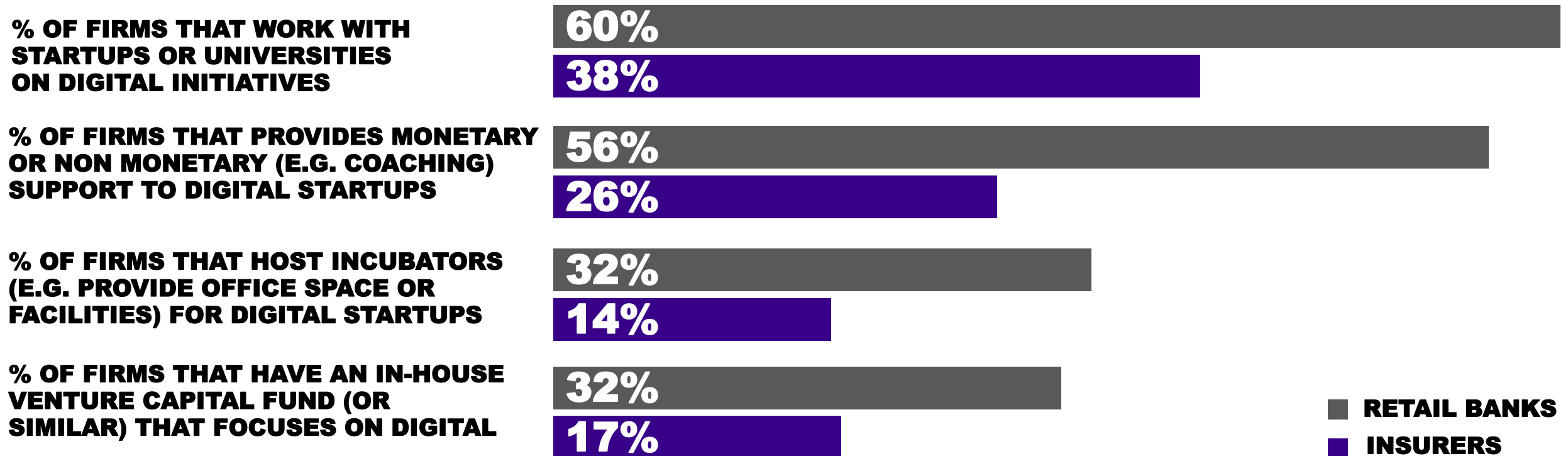


■ At least one (Re)insurance company or their venture arm ■ Only private equity investors

Figures exclude M&As and IPOs.  
Deals typically involve more than one investor. The amount of capital provided by each investor individually is not available.

# BUT ARE STILL IN LEARNING MODE WHEN IT COMES TO COOPERATING WITH FINTECHS

## % OF RETAIL BANKS AND INSURERS ENGAGING IN THE SPECIFIED ACTIVITIES



# ALTHOUGH OPPORTUNITIES ABOUND FOR INSURERS TO LEARN FROM INSURTECH AND SHAPE NEW VALUE PROPOSITIONS



## ON DEMAND INSURANCE

Transform the customer purchase journey by offering offering highly flexible when needed coverage, advice & transparency through data-driven self-service



## EVERYDAY RISK COACH

Mine customer use, social & behavioral data to offer frequent advice & incentives to help customers manage & reduce their risks



## PLUG & PLAY INSURER

Offer embedded insurance products to gain easy access to new business by supplementing the value proposition of strategic partners



1 2

6 **EVERYDAY INSURER** 3

5 4

## ECOSYSTEM ORCHESTRATOR

Aggregate & offer value-added products & services to meet the demand for a range of living needs



UBER



## MICRO-INSURANCE

Shape mobile first insurance value proposition for your clients of tomorrow



## PEER-TO-PEER INSURER

Facilitate the creation of customer pools (self-insured or otherwise) organized around personal or professional affiliations



# ON DEMAND INSURANCE

**“ON DEMAND INSURANCE OF YOUR ASSET” BY TAKING A PICTURE**

trōv



# ON DEMAND INSURANCE

“ON DEMAND INSURANCE OF YOUR ASSET” BY TAKING A PICTURE

trōv



**Trov offers a fully mobile experience through a smartphone app, allowing clients to activate cover on their most precious things on demand**



## Get insurance

Customers take pictures of their assets to add them in their Trov inventory and protect what is important for them



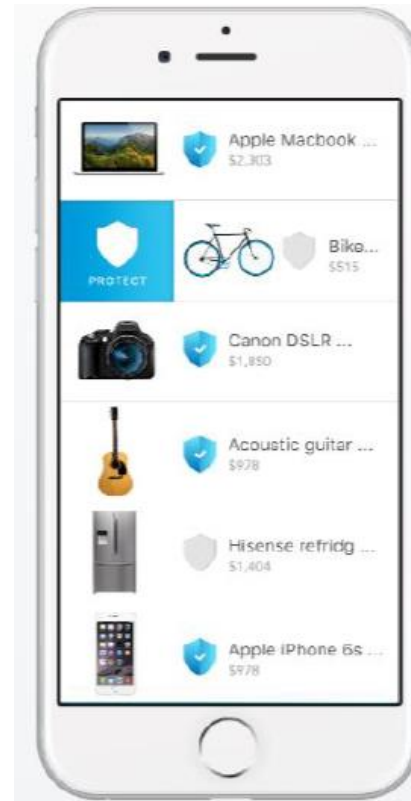
## File a claim

Claims are easy to submit via text based conversation (chat)



## On-demand insurance

Coverage can be turned off or on at any time. When insurance is turned on, the item is covered against accident, theft and loss



Hi Jon, how can we help?

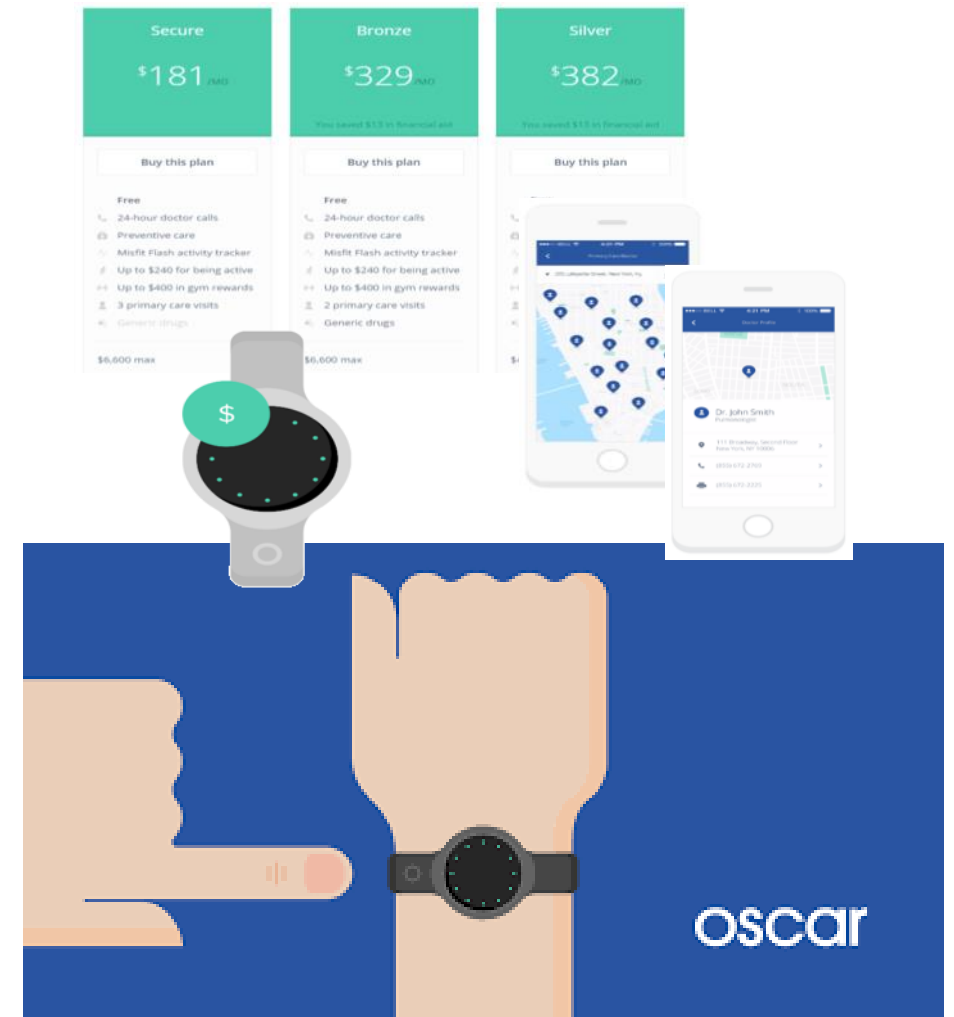
My laptop was stolen.

Oh, no! When and where did it happen?

# EVERY DAY RISK COACH

**OSCAR IS A CONSUMER-FOCUSED HEALTH INSURANCE STARTUP WHICH USES TECHNOLOGY TO OFFER INNOVATIVE AND SIMPLE SOLUTIONS TO ITS CLIENTS**

- Oscar is the **New York-based startup** focusing on health insurance
- It offers **simple technology interface for consumers** (with a calculator for determining federal subsidies), **unprecedented benefits** (like three free doctor visits, free generic prescriptions, a home nurse visit after giving birth and telemedicine),
- **A broad and deep provider network** (40,000 physicians are in it so far)
- Oscar is using natural language **processing to match symptoms patients are reporting with appropriate doctors.**
- Oscar health insurance is offering a free Misfit wristband pedometer with its Oscar's app. Oscar Misfit **will pay you to walk, giving a rewards for each day you fulfill a specific step target**



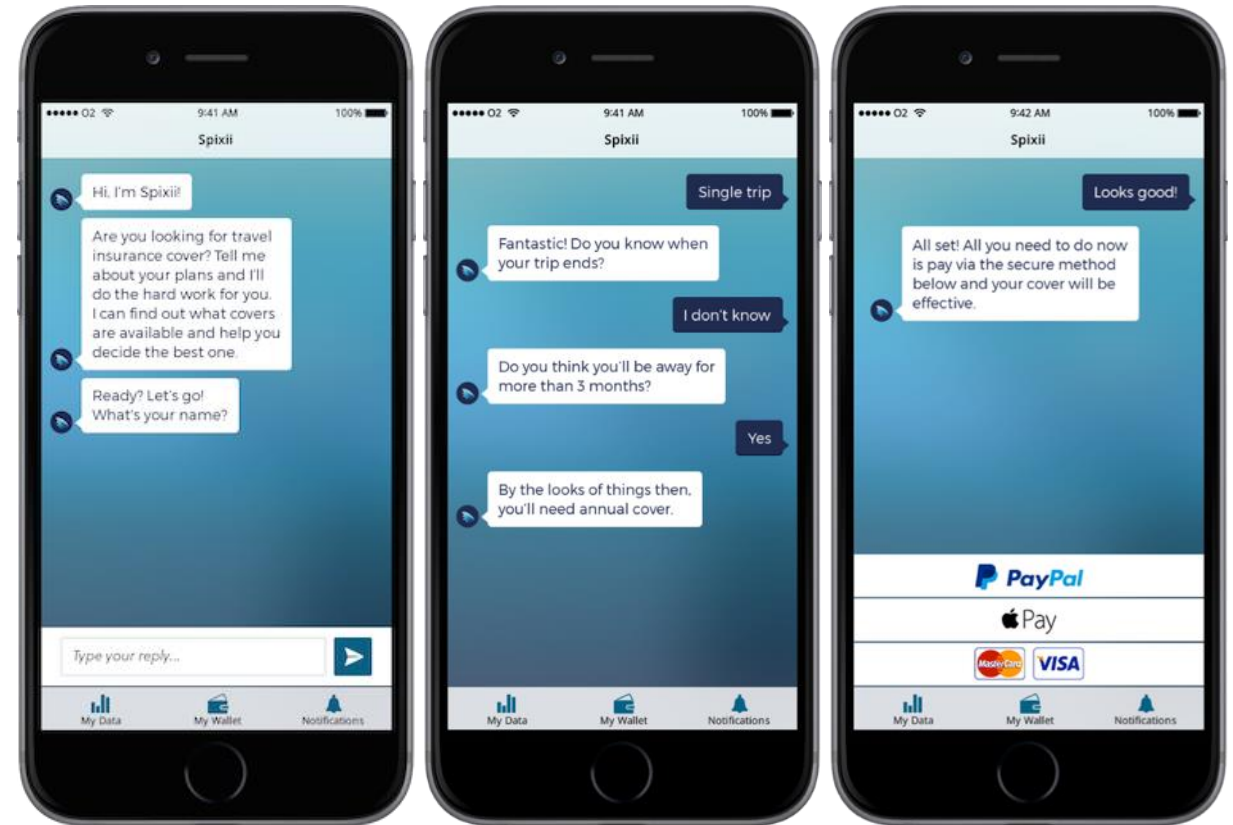


# EVERY DAY RISK COACH

## SPIXII - AUTOMATED INSURANCE AGENT DEDICATED TO MAKING INSURANCE QUICKER, EASIER, PERSONAL



- Spixii is an automated insurance agent, powered by **artificial intelligence**, that engages Clients in a dynamic conversation and proposes **off-the-shelf insurance products**
- With a **simple conversation**, the customer can find out what **insurance would be right for him in an instant**, just texting on the phone, **without form-filling, confusing jargon** and even without moving from home or surfing internet
- Chatting with Spixii is really enjoyable, because he/it behaves almost like a **real life insurance agent** texting on the phone



# ECOSYSTEM ORCHESTRATOR

## METROMILE & UBER – HYBRID MILEAGE BASED INSURANCE FOR PERSONAL & PROFESSIONAL USE

metromile



UBER



### Cross-industry Partnership

Metromile provides pay-per-mile auto insurance for drivers who use Uber's rideshare platform to ensure continuous seamless insurance coverage for Uber driver partners.



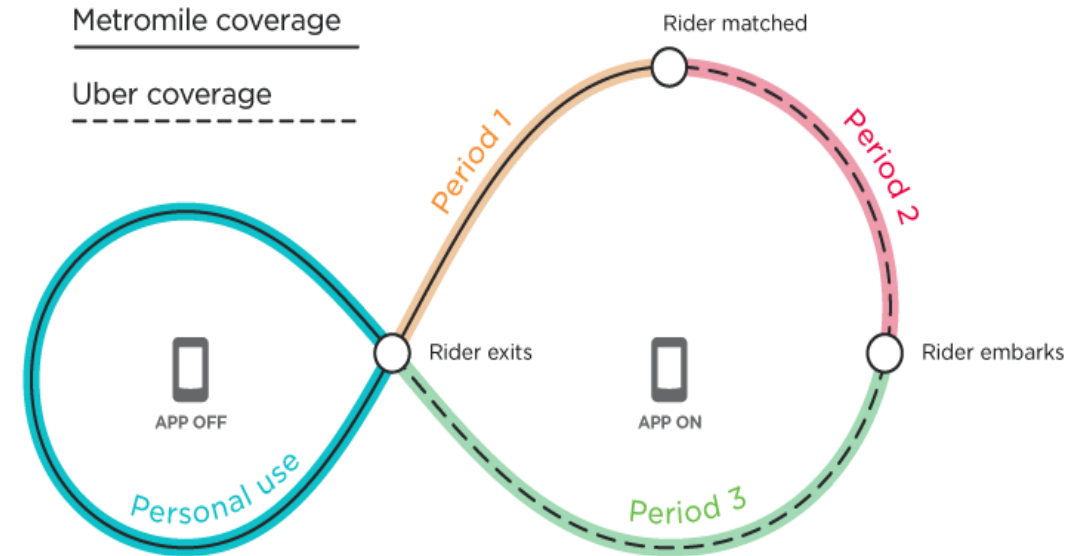
### Connected technology

Metromile's dongle plugs into the car's dashboard using Uber's API to differentiate between when a driver is "on the job" or using his car for personal or ride-seeking use.



### User benefits:

- Customization based on the understanding of the taxi driver profession
- Flexibility and ease of integration with the driver's usual work tools
- Increase the perceived value by drivers



- Period 1** ● Driver is actively seeking riders
- Period 2** ● Driver has been matched to a rider and is on route to pick up
- Period 3** ● Rider has embarked vehicle

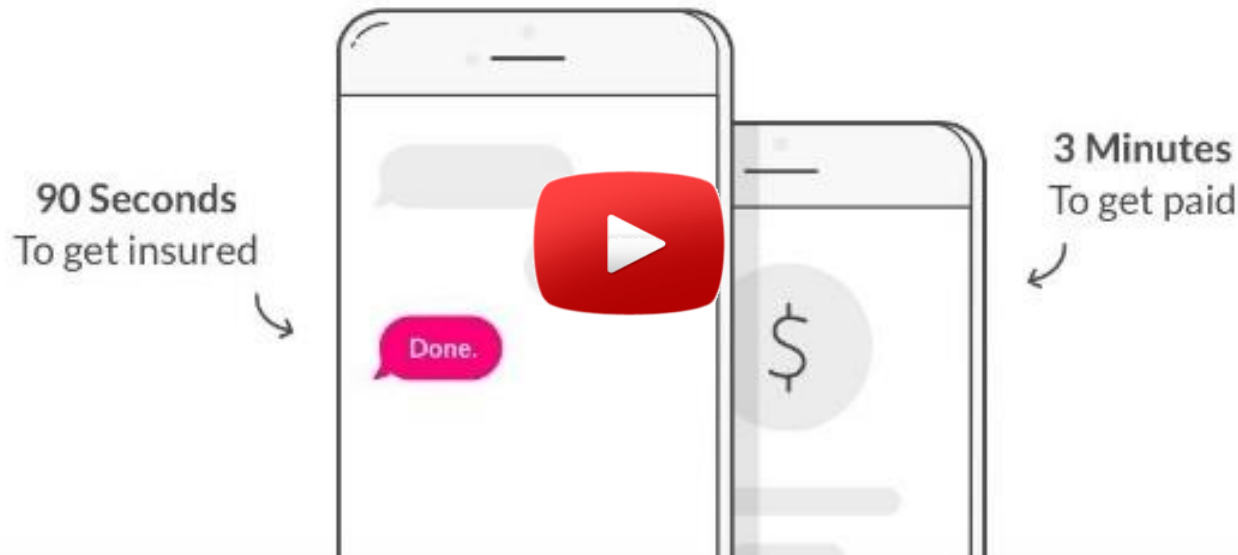
# PEER-TO-PEER INSURER

## LEMONADE APP BASED INSURANCE POWERED BY ARTIFICIAL INTELLIGENCE AND BEHAVIORAL ECONOMICS WITH A P2P TEASER



### Instant Everything

Maya, our charming artificial intelligence bot will craft the perfect insurance for you.  
It couldn't be easier, or faster.



### Get insurance

Buying insurance is done through an app in no time and with no paperwork, by swiping through a couple of simple questions



### File a claim

Lemonade set the world record for the speed of paying a claim (claim related to a stolen coat). No forms are required, eFNOL is done by just speaking to the camera



### Social responsibility

Lemonade takes a flat fee and gives unclaimed money to causes customers care about

# MICRO-INSURANCE

## BIMA PROVIDES MICRO-INSURANCE PRODUCTS TO UNDERSERVED FAMILIES IN EMERGING MARKET



**BIMA MILVIK** was founded in 2010 and is currently present in **16 countries** having reached **24M people**.

BIMA provides product design, a plug-and-play mobile platform and distribution and claims services that cater to the needs of its distribution partners, including mobile operators, MFIs and banks.

All products are fully mobile enabled and payments are made in pre-paid monthly blocs or pre-paid airtime credit. The claims process is also handled via the mobile phone.

**Tigo, Honduras** largest mobile operator, partnered with BIMA, to expand its mobile-delivered life insurance program based on a redesigned offering catering the coverage needs of its lower income customers



# PLUG & PLAY INSURER

## ZHONG AN CHINA'S FIRST ONLINE-ONLY INSURER FOUNDED WITH BACKING FROM CHINESE INTERNET GIANT ALIBABA



**Zhong An** is a pure play full stack InsurTech venture founded by three leading Chinese companies : Alibaba, TenCent and Ping An the largest Chinese Insurer

**Zhong An** initially focused on **return-delivery insurance for e-commerce** buyers on Alibaba online marketplace but has now moved into most Insurance categories such as **Auto and Health**

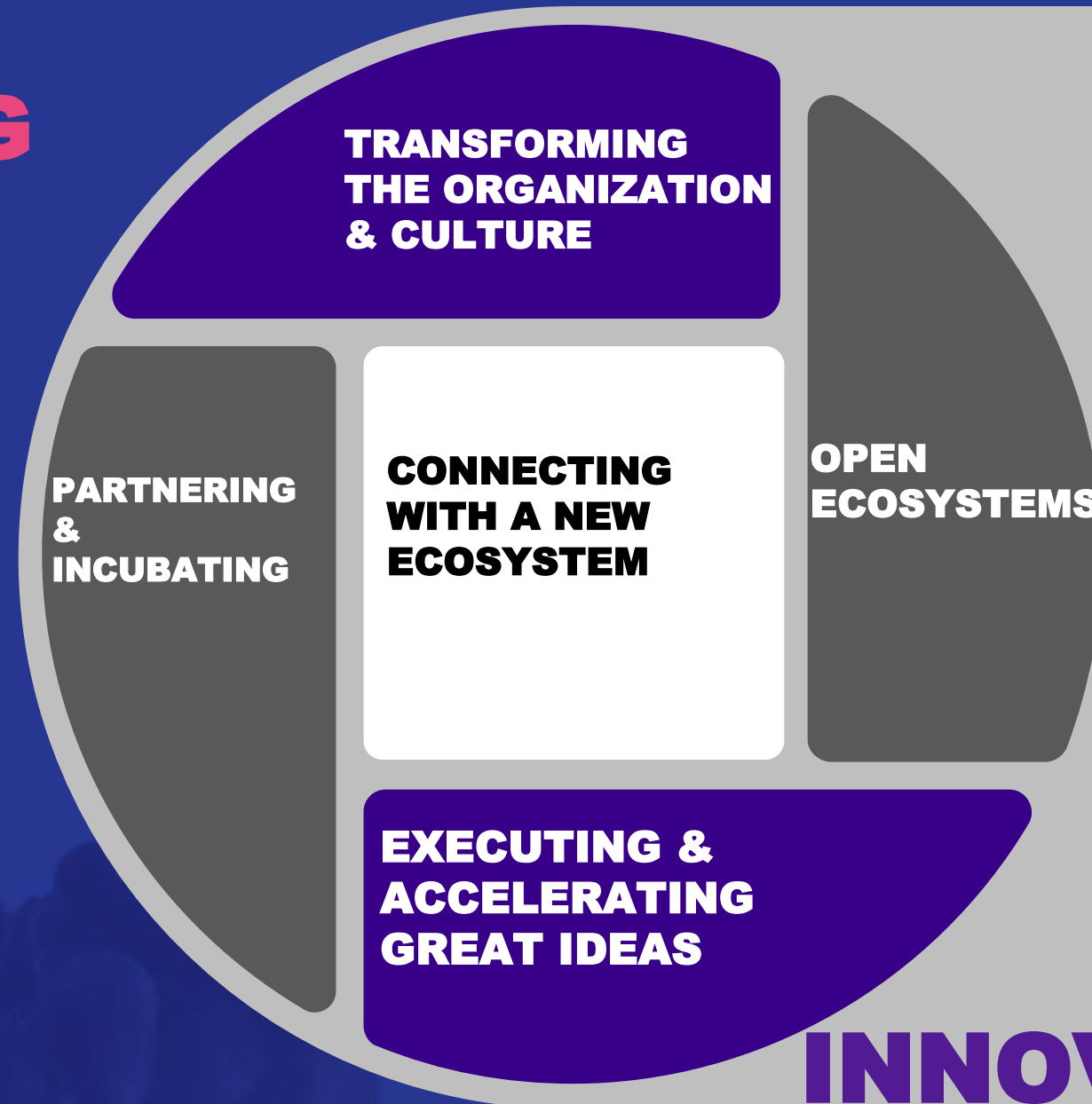
**Zhong An** is moving forward with both **Blockchain and AI** via an incubator and a Technology subsidiary and is also a member of the The Lujiazui Blockchain Finance Development Alliance

Without legacy processes, **Zhong An may leapfrog the West in Blockchain adoption** to reduce Settlement Latency



# COOPERATING AND LEARNING FROM INSURTECH

## 6 KEY CAPABILITIES



# INNOVATION



**SCAN THE QR CODE  
AND DOWNLOAD  
THE STUDY**

**THE VOICE OF  
THE CUSTOMER:  
IDENTIFYING  
DISRUPTIVE  
OPPORTUNITIES  
IN INSURANCE  
DISTRIBUTION**



# THANK YOU

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